

SECTION 2A: APPENDIX 3

FORM: Half yearly/preliminary final report

Name of issuer

Print Mail Logistics Limited

ACN or ARBN

Half yearly
(tick)

Preliminary
final (tick)

Half year/~~financial year~~ ended
(‘Current period’)

103 116 856

✓

31 December 2015

For announcement to the market

Extracts from this statement for announcement to the market (see note 1).

		\$A		\$A
Revenue (<i>item 1.1</i>)	up/down	547,040 18%	to	3,586,983
Profit (loss) for the period (<i>item 1.9</i>)	up/down	491,165 137%	to	132,297
Profit (loss) for the period attributable to members of the parent (<i>item 1.11</i>)	up/down	464,193 136%	to	123,579
Dividends		Current period		Previous corresponding period
Franking rate applicable:				
Final dividend (<i>preliminary final report only</i>)(<i>item 10.13-10.14</i>)		Nil		Nil
Amount per security				
Franked amount per security				
Interim dividend (<i>Half yearly report only</i>) (<i>item 10.11 – 10.12</i>)		Nil		Nil
Amount per security				
Franked amount per security				
Short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				
Nil.				

Consolidated income statement *(The figures are not equity accounted)*

(see note 3)

(as per paragraphs 81-85 and 88-94 of AASB 101: Presentation of Financial Statements)

		Current period: 1-Jul-15 31-Dec-15	Previous corresponding period: 1-Jul-14 31-Dec-14
1.1	Revenues <i>(item 7.1)</i>	3,586,983	3,039,943
1.2	Expenses, excluding finance costs <i>(item 7.2)</i>	(3,269,018)	(3,380,821)
1.3	Finance costs	(136,902)	(105,558)
1.4	Share of net profits (losses) of associates and joint ventures <i>(item 15.7)</i>	-	-
1.5	Profit (loss) before income tax	181,064	(446,436)
1.6	Income tax (expense)/benefit <i>(see note 4)</i>	(48,767)	87,568
1.7	Profit (loss) from continuing operations	132,297	(358,868)
1.8	Profit (loss) from discontinued operations <i>(item 13.3)</i>	-	-
1.9	Profit (loss) for the period	132,297	(358,868)
1.10	Profit (loss) attributable to minority interests	8,719	(18,254)
1.11	Profit (loss) attributable to members of the parent	123,579	(340,614)

Comparison of half-year profits

(Preliminary final statement only)

	Current period \$A	Previous corresponding period \$A
2.1 Consolidated profit (loss) after tax attributable to members reported for the 1st half year <i>(item 1.11 in the half yearly statement)</i>	123,579	(340,614)
2.2 Consolidated profit (loss) after tax attributable to members for the 2nd half year	N/A	(151,808)

Consolidated balance sheet

(See note 5)

(as per paragraphs 68-69 of AASB 101: Financial Statement Presentation)

Current assets		Current period 31-Dec-15	Previous corresponding period 30-Jun-15
3.1	Cash and cash equivalents	51,384	37,159
3.2	Trade and other receivables	370,052	433,134
3.3	Inventories	147,800	139,662
3.4	Other current assets	135,679	147,396
3.5	Total current assets	704,915	757,353
Non-current assets			
3.6	Available for sale investments	-	-
3.7	Other financial assets	-	-
3.8	Investments in associates	-	-
3.9	Deferred tax assets	1,306,582	1,355,350
3.1	Exploration and evaluation expenditure capitalised (<i>see para. 71 of AASB 1022 – new standard not yet finalised</i>)	-	-
3.11	Development properties (<i>mining entities</i>)	-	-
3.12	Property, plant and equipment (net)	2,483,732	2,673,476
3.13	Investment properties	-	-
3.14	Goodwill	-	-
3.15	Other intangible assets	251,893	216,188
3.16	Other (provide details if material)	-	-
3.17	Total non-current assets	4,042,207	4,245,014
3.18	Total assets	4,747,122	5,002,367

Consolidated balance sheet (continued)

Current liabilities		Current period 31-Dec-15	Previous corresponding period 30-Jun-15
3.19	Trade and other payables	939,284	1,598,636
3.2	Short term borrowings		
3.21	Current tax payable		
3.22	Short term provisions	263,665	270,830
3.23	Current portion of long term borrowings	1,490,967	1,218,633
3.24	Other current liabilities	-	-
3.25	Liabilities directly associated with non-current assets classified as held for sale (<i>para 38 of AASB 5</i>)	-	-
3.26	Total current liabilities	2,693,916	3,088,099
Non-current liabilities			
3.27	Long-term borrowings	1,791,197	1,559,294
3.28	Deferred tax liabilities	3,366	3,366
3.29	Long term provisions	30,033	19,295
3.3	Other (provide details if material)	-	-
3.31	Total non-current liabilities	1,824,596	1,581,955
3.32	Total liabilities	4,518,512	4,670,054
3.33	Net assets	228,610	332,313
Equity			
3.34	Share capital	8,619,121	8,619,121
3.35	Other reserves	-	-
3.36	Retained earnings/(accumulated losses)	(8,438,131)	(8,334,740)
	Amounts recognised directly in equity relating to non-current assets classified as held for sale	-	-
3.37	Parent interest	180,990	284,381
3.38	Minority interest	47,620	47,932
3.39	Total equity	228,610	332,313

Consolidated statement of changes in equity

(as per paragraphs 96-97 of AASB 101: Presentation of Financial Statements)

	Current period: 1-Jul-15 31-Dec-15	Previous corresponding period: 1-Jul-14 31-Dec-14
Revenues recognised directly in equity:	-	-
Expenses recognised directly in equity:	-	-
4.1 Net income recognised directly in equity	-	-
4.2 Profit (Loss) for the period	132,297	(358,868)
4.3 Total recognised income and expense for the period attributable to:	132,297	(358,868)
4.4 Members of the parent	123,579	(340,614)
4.5 Minority interest	8,719	(18,254)
Effect of changes in accounting policy (as per AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors):	-	-
4.6 Members of the parent entity	-	-
4.7 Minority interest	-	-

Consolidated statement of cash flows

(See note 6)

(as per AASB 107: Cash Flow Statements)

	Current period: 1-Jul-15 31-Dec-15	Previous corresponding period: 1-Jul-14 31-Dec-14
Cash flows related to operating activities		
5.1 Receipts from customers	3,318,283	3,428,444
5.2 Payments to suppliers and employees	(3,695,716)	(2,725,908)
5.3 Interest and other costs of finance paid	(136,902)	(105,558)
5.4 Income taxes paid	-	-
5.5 Interest received	-	-
5.6 Net cash from operating activities	(514,335)	596,977
Cash flows related to investing activities		
5.7 Payments for purchases of property, plant and equipment	(24,972)	(334,915)
5.8 Proceeds from sale of property, plant and equipment	-	17,000
5.9 Payment for purchases of equity investments	(236,000)	-
5.10 Proceeds from sale of equity investments	-	-
5.11 Loans to related parties	-	(220,364)
5.12 Loans repaid by related parties	-	168,512
5.13 Development costs - intangible assets	(35,705)	(96,109)
5.14 Dividends received	-	-
5.15 Net cash used in investing activities	(296,677)	(465,877)
Cash flows related to financing activities		
5.16 Loans from related parties:		
- proceeds from loans	800,000	-
- loan repayments	(110,935)	-
5.17 Loans from other parties:		
- proceeds from loans	469,000	-
- loan repayments	(332,828)	(46,802)
5.19 Dividends paid	-	-
5.21 Net cash from/(used in) financing activities	825,237	(46,802)
Net increase/(decrease) in cash and cash equivalents	14,225	84,299
5.22 Cash at beginning of period (see Reconciliations of cash)	37,159	20,501
5.23 Exchange rate adjustments to item 5.22	-	-
5.24 Cash at end of period (see Reconciliation of cash)	51,384	104,800

Reconciliation of cash provided by operating activities to profit or loss

(as per paragraph Aus20.1 of AASB 107: Cash Flow Statements)

	Current period: 1-Jul-15 31-Dec-15	Previous corresponding period: 1-Jul-14 31-Dec-15
6.1 Profit/(Loss) (item 1.9)	132,297	(358,869)
Adjustments for non-cash items:		
6.2 Depreciation	214,716	300,037
6.3 Gain on extinguishment of cancelled contract	(321,000)	-
6.4 Gain on sale of equipment	-	45,505
6.5 Increase/decrease in trade and other receivables	63,082	31,189
6.6 Increase/decrease in other current assets	11,717	(53,009)
6.7 Increase/decrease in inventories	(8,138)	16,736
6.8 Increase/decrease in deferred tax	48,768	(87,567)
6.9 Increase/decrease in trade creditors and other payables	(659,352)	689,200
6.10 Increase/decrease in employee entitlements	3,573	13,756
6.11 Net cash from/(used in) operating activities (item 5.6)	(514,336)	596,977

Notes to the financial statements

Details of revenues and expenses

(see note 16)

(Where items of income and expense are material, disclose nature and amount below in accordance with paragraphs 86-87 of AASB 101: Presentation of Financial Statements)

	Current period: 1-Jul-15 31-Dec-15	Previous corresponding period: 1-Jul-14 31-Dec-15
Revenue		
Revenue from rendering of services	3,183,564	2,934,420
Interest received	-	-
Gain/(loss) on sale of property, plant & equipment	-	(45,505)
Gain on extinguishment of cancelled contract	321,000	-
Other Income	82,419	151,028
7.1 Total Revenue	3,586,983	3,039,943
Expenses		
Changes in inventories	(8,138)	(16,736)
Raw materials and consumables used	(1,354,156)	(1,255,288)
Employee benefits expense	(1,073,361)	(1,070,056)
Finance costs	(136,902)	(105,558)
Depreciation and amortisation expense	(214,716)	(300,037)
Other expenses	(618,646)	(738,706)
7.2 Total Expenses	(3,405,918)	(3,486,381)
Profit (loss) before tax	181,065	(446,438)

Ratios

	Current period	Previous corresponding period
Profit before tax / revenue	5.047%	(14.686%)
8.1 Consolidated profit (loss) before tax (<i>item 1.5</i>) as a percentage of revenue (<i>item 1.1</i>)		
Profit after tax / equity interests	68.279%	(119.77%)
8.2 Consolidated profit (loss) after tax attributable to members (<i>item 1.11</i>) as a percentage of equity (similarly attributable) at the end of the period (<i>item 3.37</i>)		

Earnings per Security

- 9.1 *Provide details of basic and fully diluted EPS in accordance with paragraph 70 and Aus 70.1 of AASB 133: Earnings per Share below:*

Para 70(a) The numerator is equal to total comprehensive income net of income tax:

Current period: \$123,579

Prior corresponding period: (\$340,614)

Para 70(b) The denominator is equal to the weighted average number of ordinary shares on issue:

Current period: 33,752,685

Prior corresponding period: 33,752,685

Para70(d) There have been no ordinary share transactions or potential ordinary share transactions that have occurred after the reporting date that would have changed significantly the number of ordinary shares or potential ordinary shares outstanding at the end of the period if those transactions had occurred before the end of the reporting period.

Para 70.1(a) Nil.

	2015	2014
Earnings per share and Diluted earnings per share		
From continuing operations:		
Basic and Diluted earnings per share (cents)	0.33	(0.91)
From discontinued operations:		
Basic and Diluted earnings per share (cents)	-	-
From profit/(loss) for the year:		
Basic and Diluted earnings per share (cents)	<u>0.33</u>	<u>(0.91)</u>

Dividends

10.1 Date the dividend is payable

N/A

10.2 Record date to determine entitlements to the dividend (i.e. on the basis of registrable transfers received up to 5.00 pm if paper based, or by 'End of Day' if a proper ASTC/CHESS transfer)

N/A

10.3 If it is a final dividend, has it been declared?

(Preliminary final report only)

10.4 The *dividend or distribution plans* shown below are in operation.

N/A

The last date(s) for receipt of election notices to the *dividend or distribution plans*

N/A

10.5 Any other disclosures in relation to *dividends or distributions*

N/A

Dividends paid or provided for on all securities

(as per paragraph Aus126.4 AASB 101: Presentation of Financial Statements)

		Current period	Previous corresponding period	Franking rate applicable
	Dividends paid or provided for during the reporting period	Nil	Nil	Nil
10.6	Current year interim	Nil	Nil	Nil
10.7	Franked dividends			
10.8	Previous year final			
10.9	Franked dividends			
	Dividends proposed and not recognised as a liability	Nil	Nil	Nil
10.10	Franked dividends	Nil	Nil	Nil

Dividends per security

(as per paragraph Aus126.4 of AASB 101: Presentation of Financial Statements)

		Current year	Previous year	Franking rate applicable
	Dividends paid or provided for during the reporting period	Nil	Nil	Nil
10.11	Current year interim	Nil	Nil	Nil
10.12	Franked dividends – cents per share			
10.13	Previous year final	Nil	Nil	Nil
10.14	Franked dividends – cents per share			
	Dividends proposed and not recognised as a liability	Nil	Nil	Nil
10.15	Franked dividends – cents per share	Nil	Nil	Nil

Discontinued Operations

(see note 18)

(as per paragraph 33 of AASB 5: Non-current Assets Held for Sale and Discontinued Operations)

	Current period – A\$	Previous corresponding period – A\$
13.1 Revenue	-	-
13.2 Expense	-	-
13.3 Profit (loss) from discontinued operations before income tax	-	-
13.4 Income tax expense (as per para 81 (h) of AASB 112)	-	-
13.5 Gain (loss) on sale/disposal of discontinued operations		
13.6 Income tax expense (as per paragraph 81(h) of AASB 112)	-	-

Movements in Equity

(as per paragraph 97 of AASB 101: Financial Statement Presentation)

	Number issued	Number listed	Paid-up value (cents)	Current period – A\$	Previous corresponding period – A\$
14.1 Preference securities (description)					
14.2 Balance at start of period	-	-	-	-	-
14.3 a) Increases through issues	-	-	-	-	-
14.4 b) Decreases through returns of capital, buybacks etc.	-	-	-	-	-
14.5 Balance at end of period	-	-	-	-	-
14.6 Ordinary securities (description)					
14.7 Balance at start of period	37,452,490	37,452,490	23 cents	8,744,918	8,878,268
14.8 a) Increases through issues	-	-	-	-	-
14.9 b) Decreases through returns of capital, buybacks etc.	-	-	-	-	-
14.10 Balance at end of period	37,452,490	37,452,490	23 cents	8,744,918	8,878,268
14.11 Convertible Debt Securities (description & conversion factor)					
14.12 Balance at start of period	-	-	-	-	-
14.13 a) Increases through issues	-	-	-	-	-
14.14 b) Decreases through maturity, converted.	-	-	-	-	-
14.15 Balance at end of period	-	-	-	-	-

	Number issued	Number listed	Paid-up value (cents)	Current period – A\$	Previous corresponding period – A\$
14.16 Options					
14.17 Balance at start of period	-	-	-	-	-
14.18 Issued during period					
14.19 Exercised during period					
14.20 Expired during period					
14.21 Balance at end of period	-	-	-	-	-
14.22 Debentures					
14.23 Balance at start of period	-	-	-	-	-
14.24 a) Increases through issues	-	-	-	-	-
14.25 b) Decreases through maturity, converted	-	-	-	-	-
14.26 Balance at end of period	-	-	-	-	-
14.27 Unsecured Notes					
14.28 Balance at start of period	-	-	-	-	-
14.29 a) Increases through issues	-	-	-	-	-
14.30 b) Decreases through maturity, converted	-	-	-	-	-
14.31 Balance at end of period	-	-	-	-	-
14.32 Total Securities	-	-	-	-	-

	Current period – A\$	Previous corresponding period – \$A
Reserves		
14.33 Balance at start of period	-	-
14.34 Transfers to/from reserves	-	-
14.35 Total for the period	-	-
14.36 Balance at end of period	-	-
14.37 Total reserves	-	-
Retained earnings		
14.38 Balance at start of period	(8,334,740)	(7,853,385)
14.39 Changes in accounting policy	-	-
14.40 De-recognition of outside equity interest	(226,969)	-
14.41 Profit for the balance	123,579	123,579
14.42 Total for the period	(103,390)	(340,614)
14.43 Dividends	-	-
14.44 Balance at end of period	(8,438,130)	(8,193,999)

Details of aggregate share of profits (losses) of associates and joint venture entities

(equity method)

(as per paragraph Aus 37.1 of AASB 128: Investments in Associates and paragraph Aus 57.3 of AASB 131: Interests in Joint Ventures)

Name of associate or joint venture entity

N/A

Reporting entities percentage holding

N/A

		Current period - \$A	Previous corresponding period - \$A
15.1	Profit (loss) before income tax	N/A	N/A
15.2	Income tax	N/A	N/A
15.3	Profit (loss) after tax	N/A	N/A
15.4	Impairment losses	N/A	N/A
15.5	Reversals of impairment losses	N/A	N/A
15.6	Share of non-capital expenditure contracted for (excluding the supply of inventories)	N/A	N/A
15.7	Share of net profit (loss) of associates and joint venture entities	N/A	N/A

Control gained over entities having material effect
(See note 8)

16.1	Name of <i>issuer</i> (or <i>group</i>)	N/A
		\$A
16.2	Consolidated profit (loss) after tax of the <i>issuer</i> (or <i>group</i>) since the date in the current period on which control was acquired	Nil
16.3	Date from which profit (loss) in <i>item 16.2</i> has been calculated	Nil
16.4	Profit (loss) after tax of the <i>issuer</i> (or <i>group</i>) for the whole of the previous corresponding period	Nil

Loss of control of entities having material effect
(See note 8)

17.1	Name of <i>issuer</i> (or <i>group</i>)	N/A
		\$A
17.2	Consolidated profit (loss) after tax of the entity (or <i>group</i>) for the current period to the date of loss of control	Nil
17.3	Date from which the profit (loss) in <i>item 17.2</i> has been calculated	Nil
17.4	Consolidated profit (loss) after tax of the entity (or <i>group</i>) while controlled during the whole of the previous corresponding period	Nil
17.5	Contribution to consolidated profit (loss) from sale of interest leading to loss of control	Nil

Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities.

		Percentage of ownership interest (ordinary securities, units etc) held at end of period or date of disposal		Contribution to profit (loss) (item 1.9)	
18.1	Equity accounted associated entities	Current period	Previous corresponding period	Current period \$A	Previous corresponding period \$A
				Equity accounted	
18.2	Total				
18.3	Other material interests			Non equity accounted (i.e. part of item 1.9)	
18.4	Total				

Reports for industry and geographical segments

Information on the industry and geographical segments of the entity must be reported for the current period in accordance with AASB 114: Segment Reporting. Because of the different structures employed by entities, a pro forma is not provided. Segment information should be completed separately and attached to this statement. However, the following is the personation adopted in the Appendices to AASB 114 and indicates which amount should agree with items included elsewhere in this statement.

(i) Segment performance

	Printing \$	Mailing & Distribution \$	Total \$
Half-Year Ended 31 December 2015			
Revenue			
External sales	2,102,230	1,081,333	3,183,564
Total segment revenue	2,102,230	1,081,333	3,183,564
<i>Reconciliation of segment revenue to group revenue</i>			
Other income:			
- gain/(loss) on disposal of property, plant and equipment			-
- gain on extinguishment of cancelled contract			321,000
- other income			82,419
Total group revenue			3,586,983
Segment net profit/(loss) before tax	216,140	(54,575)	161,565
<i>Reconciliation of segment result to group net profit/(loss) before tax</i>			
Amounts not included in segment result but reviewed by the Board:			
Other income:			
- gain/(loss) on disposal of property, plant and equipment			-
- gain on extinguishment of cancelled contract			321,000
- other income			82,419
Unallocated items:			
- corporate charges			(247,017)
- relocation costs			-
- redundancy costs			-
- finance costs			(136,902)
Net profit/(loss) before tax from continuing operations			181,064

(i) Segment performance (continued)

	Printing \$	Mailing & Distribution \$	Total \$
Half-Year Ended 31 December 2014			
Revenue			
External sales	1,974,600	959,820	2,934,420
Total segment revenue	1,974,600	959,820	2,934,420
<i>Reconciliation of segment revenue to group revenue</i>			
- gain/(loss) on disposal of property, plant and equipment			(45,505)
- gain on extinguishment of cancelled contract			-
- other income			151,028
Total group revenue			3,039,943
Segment net profit/(loss) before tax	77,663	(120,639)	(42,976)
<i>Reconciliation of segment result to group net profit/(loss) before tax</i>			
Amounts not included in segment result but reviewed by the Board:			
- gain/(loss) on disposal of property, plant and equipment			(45,505)
- gain on extinguishment of cancelled contract			-
- other income			151,028
Unallocated items:			
- corporate charges			(293,738)
Relocation costs			(109,596)
Redundancy costs			-
- finance costs			(105,558)
Net profit/(loss) before tax from continuing operations			(446,346)

(ii) Segment assets

	Printing \$	Mailing & Distribution \$	Total \$
As At 31 December 2015			
Segment assets	1,118,804	423,871	1,542,675
	1,118,804	423,871	1,542,675
<i>Reconciliation of segment assets to group assets</i>			
Unallocated assets			1,645,971
Deferred tax assets			1,306,582
Intangible assets			251,893
Total group assets from continuing operations			4,747,122
	Printing \$	Mailing & Distribution \$	Total \$
As At 30 June 2015			
Segment assets	1,127,439	509,914	1,637,353
	1,127,439	509,914	1,637,353
<i>Reconciliation of segment assets to group assets</i>			
Unallocated assets			1,793,476
Deferred tax assets			1,355,350
Intangible assets			216,188
Total group assets from continuing operations			5,002,367

(iii) Segment liabilities

The Group's liabilities are not allocated to operating segments for the purpose of internal reporting. Accordingly, segment liabilities are not separately disclosed in accordance with *AASB 8 Operating Segments*.

(iv) Revenue by geographical region

Revenue attributable to external customers is disclosed below, based on the geographical location of the external customer:

	Half-Year Ended 31 December 2015 \$	Half-Year Ended 31 December 2014 \$
Australia	3,143,561	2,934,420
United Kingdom	40,003	-
Total revenue	3,183,564	2,934,420

(v) Assets by geographical region

The location of segment assets is disclosed below, based on the geographical location of the assets:

	Balance as at 31 December 2015 \$	Balance as at 30 June 2015 \$
Australia	1,542,675	1,928,740
Total assets	1,542,675	1,928,740

NTA Backing

(see note 7)

20.1	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	180,990	284,381

Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. If an amount is quantified, show comparative amount.

	Current period	Previous corresponding period
Gain on extinguishment of cancelled contract	321,000	-
Refer to notes 2, 7 and 13 of the Interim Financial Statements		

International Financial Reporting Standards

Under paragraph 39 of AASB 1: First –time Adoption of Australian Equivalents to International Financial Reporting Standards, an entity's first Australian-equivalents-to-IFRS's financial report shall include reconciliations of its equity and profit or loss under previous GAAP to its equity and profit or loss under Australian equivalents to IFRS's. See IG63 in the appendix to AASB 1 for guidance.

22.1

Nil

Under paragraph 4.2 of AASB 1047: Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards, an entity must disclose any known or reliably estimable information about the impacts on the financial report had it been prepared using the Australian equivalents to IFRSs or if the aforementioned impacts are not known or reliably estimable, a statement to that effect.

22.2

Nil

Comments by directors

Comments on the following matters are required by the Exchange or, in relation to the half yearly statement, by AASB 134: Interim Financial Reporting. The comments do not take the place of the directors' report and statement (as required by the Corporations Act) but may be incorporated into the directors' report and statement. For both half yearly and preliminary final statements, if there are no comments in a section, state NIL. If there is insufficient space in comment, attach notes to this statement.

Basis of accounts preparation

If this statement is a half yearly statement, it is a general purpose financial report prepared in accordance with the listing rules and AASB 134: Interim Financial Reporting. It should be read in conjunction with the last annual report and any announcements to the market made by the issuer during the period. This report does not include all notes of the type normally included in an annual financial report [Delete if inapplicable.]

A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible). In a half yearly report, provide explanatory comments about any seasonal or irregular factors affecting operations (as per paragraphs 16(b), 16(b) and Aus 16.1 of AASB 134: Interim Financial Reporting)

On 29 February 2016, a lender agreed to extend the term of the Mortgage loan identified at Note 7. Borrowings (d)(ii) from 31 January 2016 to 1 July 2017 and agreed to release the Guarantee and Indemnity given by the parent entity.

There are no matters or circumstances that have arisen since the end of the half-year period which would significantly affect or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

Any other factors which have affected the results in the period, or which are likely to affect results in the future, including those where the effect could not be quantified.

Gain on extinguishment of cancelled contract and de-recognition of financial liability on termination of contract

A financial liability was de-recognised on termination of the underlying contract which resulted in a gain on extinguishment of cancelled contract of \$312,000.

Whilst a contingent liability has been recognised, an estimate of the potential financial effect and an indication of the uncertainties relating to the amount or timing of economic outflows, if any, that may become payable has not been disclosed as disclosure can be expected to seriously prejudice the position of the entity in a dispute, if any, with other parties on the subject matter of the contingent liability.

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year

There were no dividends paid or provided for at balance date. The Company's franking account balance is \$ 114,785.

Changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows.

(Disclose changes in the half yearly statement in accordance with paragraph 16(a) of AASB 134: Interim Financial Reporting. Disclose changes in the preliminary final statement in accordance with paragraphs 28-29 of 108: Accounting Policies, Changes in Accounting Estimates and Errors.)

Nil

An *issuer* shall explain how the transition from previous GAAP to Australian equivalents to IFRS' affected its reported financial position, financial performance and cash flows. (*as per paragraph 38 of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards*)

N/A

Revisions in estimates of amounts reported in previous periods. For half yearly reports the nature and amount of revisions in estimates of amounts reported in previous annual reports if those revisions have a material effect in this half year (*as per paragraph 16(d) of AASB 134: Interim Financial Reporting*)

Nil

Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assts since the last annual report (*as per paragraph 16(j) of AASB 134: Interim Financial Reporting*)

De-recognition of financial liability on termination of contract

An estimate of the potential financial effect and an indication of the uncertainties relating to the amount or timing of economic outflows, if any, that may become payable has not been disclosed as disclosure can be expected to seriously prejudice the position of the entity in a dispute, if any, with other parties on the subject matter of the contingent liability.

The nature and amount of items affecting assets, liabilities, equity, profit or loss, or cash flows that are unusual because of their nature, size or incidence (*as per paragraph 16(c) of AASB 134: Interim Financial Reporting*)

Gain on extinguishment of cancelled contract and de-recognition of financial liability on termination of contract

A financial liability was de-recognised on termination of the underlying contract which resulted in a gain on extinguishment of cancelled contract of \$312,000.

Whilst a contingent liability has been recognised, an estimate of the potential financial effect and an indication of the uncertainties relating to the amount or timing of economic outflows, if any, that may become payable has not been disclosed as disclosure can be expected to seriously prejudice the position of the entity in a dispute, if any, with other parties on the subject matter of the contingent liability.

Effect of changes in the composition of the entity during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinued operations (*as per paragraph 16(i) of AASB 134: Interim Financial Reporting*)

Nil.

Annual meeting

(Preliminary final statement only)

The annual meeting will be held as follows:

Place

N/A

Date

N/A

Time

N/A

Approximate date the annual report will be available

N/A

Compliance statement

- This statement has been prepared under accounting policies which comply with accounting standards as defined in the *Corporations Act* or other standards acceptable to the Exchange (see note 13).

Identify other standards used

N/A

- This statement, and the financial statements under the *Corporations Act* (if separate), use the same accounting policies.

- This statement does/does not* (~~delete one~~) give a true and fair view of the matters disclosed (see note 2).

- This statement is based on financial statements to which one of the following applies:

☐ ~~The financial statements have been audited.~~

X

The financial statements have been subject to review by a registered auditor (or overseas equivalent).

☐ ~~The financial statements are in the process of being audited or subject to review.~~

☐

~~The financial statements have not yet been audited or reviewed.~~

- If the accounts have been or are being audited or subject to review and the audit report is not attached, details of any qualifications are attached/will follow immediately they are available* (~~delete one~~). (*Half yearly statement only - the audit report must be attached to this statement if the statement is to satisfy the requirements of the Corporations Act.*)

- The issuer has/does not have* (~~delete one~~) a formally constituted audit committee.

Date: 10 March 2016

Sign here: 
 (Director/Company secretary)

Print name: Adrian Pereira

Notes

1. **For announcement to the market** The percentage changes referred to in this section are the percentage changes calculated by comparing the current period's figures with those for the previous corresponding period. Do not show percentage changes if the change is from profit to loss or loss to profit, but still show the amount of the change up or down. If changes in accounting policies or procedures have had a material effect on reported figures, do not show either directional or percentage changes in profits. Explain the reason for the omissions in the note at the end of the announcement section. *Issuers* are encouraged to attach notes or fuller explanations of any significant changes to any of the items in page 1. The area at the end of the announcement section can be used to provide a cross reference to any such attachment.
2. **True and fair view** If this statement does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the *issuer* must attach a note providing additional information and explanations to give a true and fair view.
3. **Consolidated statement of financial performance**

Item 1.1	The definition of "revenue" is set out in <i>AASB 118: Revenue</i>
Item 1.6	This item refers to the total tax attributable to the amount shown in <i>item 1.5</i> . Tax includes income tax and capital gains tax (if any) but excludes taxes treated as expenses from ordinary activities (eg. fringe benefits tax).
4. **Income tax** If the amount provided for income tax in this statement differs (or would differ but for compensatory items) by more than 15% from the amount of income tax *prima facie* payable on the profit before tax, the issuer must explain in a note the major items responsible for the difference and their amounts. The rate of tax applicable to the franking amount per dividend should be inserted in the heading for the column "Franking rate applicable" for items in *section 9*.
5. **Consolidated statement of financial position**

Format The format of the consolidated statement of financial position should be followed as closely as possible. However, additional items may be added if greater clarity of exposition will be achieved, provided the disclosure still meets the requirements of *AASB 134: Interim Financial Reporting*, and *AASB 101: Presentation of Financial Statements*. Banking institutions, trusts and financial institutions may substitute a clear liquidity ranking for the Current/Non-Current classification.

Basis of revaluation If there has been a material revaluation of non-current assets (including investments) since the last annual report, the *issuer* must describe the basis of revaluation adopted. The description must meet the requirements of *AASB 116: Property, Plant and Equipment*. If the *issuer* has adopted a procedure of regular revaluation, the basis for which has been disclosed and has not changed, no additional disclosure is required.

6. **Consolidated statement of cash flows** For definitions of “cash” and other terms used in this statement see *AASB 107: Cash Flow Statements*. *Issuers* should follow the form as closely as possible, but variations are permitted if the *directors* (in the case of a trust, the management company) believe that this presentation is inappropriate. However, the presentation adopted must meet the requirements of *AASB 107*.
7. **Net tangible asset backing** Net tangible assets are determined by deducting from total tangible assets all claims on those assets ranking ahead of the ordinary *securities* (i.e. all liabilities, preference shares, outside equity interests, etc). Mining *issuers* are *not* required to state a net tangible asset backing per ordinary *security*.
8. **Gain and loss of control over entities** The gain or loss must be disclosed if it has a material effect on the consolidated financial statements. Details must include the contribution for each gain or loss that increased or decreased the *issuer's* consolidated operating profit (loss) after tax by more than 5% compared to the previous corresponding period.
9. **Equity accounting** If an *issuer* adopts equity accounting, no comparative equity accounting figures are required in the first period following its adoption.
10. **Rounding of figures** This statement anticipates that the information required is given to the nearest \$1,000. However, an *issuer* may report exact figures, if the \$A'000 headings are amended. If an *issuer* qualifies under *ASIC Class Order 98/0100* dated 15 July 2004, it may report to the nearest million dollars, or to the nearest \$100,000, if the \$A'000 headings are amended.
11. **Comparative figures** Comparative figures are to be presented in accordance with *AASB 101: Presentation of Financial Statements* or *AASB 134: Interim Financial Reporting* as appropriate and are the unadjusted figures from the last annual or half year report as appropriate. However, if the previously reported figures are adjusted to achieve greater comparability, in accordance with an accounting standard or other reason, a note explaining the adjustment must be included with this statement. If no adjustment is made despite a lack of comparability, a note explaining the position should be attached.

12. **Additional information** An *issuer* may disclose additional information about any matter, and must do so if the information is material to an understanding of the financial statements. The information may be an expansion of the material contained in this statement, or contained in a note attached to the statement. The requirement under the listing rules for an *issuer* to complete this statement does not prevent the *issuer* issuing statements more frequently. Additional material lodged with the *ASIC* under the *Corporations Act* must also be given to the *Exchange*. For example, a *directors'* report and declaration, if lodged with the *ASIC*, must be given to the *Exchange*.
13. **Accounting Standards** the *Exchange* will accept, for example, the use of International Accounting Standards for *foreign issuers*. If the standards used do not address a topic, the Australian standard on that topic (if one exists) must be complied with.
14. **Borrowing corporations** This statement may be able to be used by an *issuer* required to comply with the *Corporations Act* as part of its half yearly financial statements if prepared in accordance with Australian Accounting Standards.
15. **Details of expenses** *AASB 101: Presentation of Financial Statements* requires disclosure of expenses according to either their nature or function. For foreign entities, there are similar requirements in other accounting standards accepted by the *Exchange*. *Issuers* must disclose details of expenses using the layout (by nature or function) employed in their accounts.

The information in *items 7.1 - 7.2* may be provided in an attachment to Appendix 3

Relevant items *AASB 101: Presentation of Financial Statements* requires the separate disclosure of specific revenues and expenses which are of a size, nature or incidence that disclosure is *relevant*, as defined in *AASB 101*, in explaining the financial performance of the *issuer*. There is an equivalent requirement in *AASB 134: Interim Financial Reporting*. For foreign entities, there are similar requirements in other accounting standards accepted by the *Exchange*.

16. **Dollars** If reporting is not in A\$, all references to \$A must be changed to the reporting currency. If reporting is not in thousands of dollars, all references to "000" must be changed to the reporting value.
17. **Discontinuing operations**

Entities must either provide a description of any significant activities or events relating to discontinuing operations equivalent to that required by *paragraph 7.5 (g) of AASB 134: Interim Financial Reporting*, or, the details of discontinuing operations they are required to disclose in their accounts in accordance with *AASB 5: Non-current Assets for Sale and Discontinued Operations*

In any case, the information may be provided as an attachment to this Appendix 3.

Print Mail Logistics Limited
ABN 14 103 116 856

Interim Financial Statements
for the Half-Year Ended
31 December 2015

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The interim financial statements were authorised by the Board of directors for issue on 10 March 2016. The Board has the power to amend or reissue the report after it has been issued.

Corporate Directory

Directors	John W Woods <i>Chairman (Non-executive)</i> Nigel B Elias <i>Director (Executive)</i> Luis Garcia <i>Director (Non-executive)</i>
Secretaries	Mary-Anne Greaves Adrian J Pereira
Principal registered office in Australia	Tasmanian Technopark 33 Innovation Drive Dowsing Point TAS 7010 +61 3 6220 8444
State of incorporation	New South Wales
Share register	Advanced Share Registry Limited 110 Stirling Highway Nedlands WA 6009
Auditor	DBW Audit Pty Limited Level 6, 1 Pacific Highway North Sydney NSW 2060
Solicitor	Stuart Percy & Associates PO Box 544 Varsity Lakes QLD 4227
Bankers	Commonwealth Bank of Australia Limited 109 Collins Street Hobart TAS 7000
Stock exchange listing	Print Mail Logistics Limited shares are listed on the National Stock Exchange of Australia (NSX) (Code: PNT).
Website address	www.pml.com.au

Directors' Report

Your Directors present their report on the consolidated entity consisting of Print Mail Logistics Limited (referred to hereafter as "the Company") and the entities it controlled (referred to hereafter as "the Group") for the half-year ended 31 December 2015.

Directors

The name of each person who has been a Director of the Company during the half-year and to the date of this report are:

John W Woods
Nigel B Elias
Luis Garcia.

The Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company Secretaries

The name of each person who has been a Company Secretary of the Company during the half-year and to the date of this report are:

Mary-Anne Greaves
Adrian J Pereira.

Review of Operations

For the half-year period from 1 July 2015 to 31 December 2015, the Group recorded a net profit of \$132,297 – an improvement of \$491,165 when compared to the net loss for the half-year period from 1 July 2014 to 31 December 2014 of \$358,868.

Auditor's Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5 of this report.

Signed in accordance with a resolution of the Board of directors.



John W Woods
Chairman

10 March, 2016
Hobart, Tasmania



**Auditor's Independence Declaration under Section 307C of the
Corporations Act 2001 to the directors of Print Mail Logistics
Limited**

I declare that, to the best of my knowledge and belief, during the half year ended 31
December 2015 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the
Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to
the review.

DBW Audit Pty Limited



Matthew Duggan
Director

Signed at North Sydney, 10 March 2016

Statements of Comprehensive Income

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	Notes	31.12.2015 \$	31.12.2014 \$
Continuing operations			
Revenue	2	3,586,983	3,039,943
Changes in inventories		(8,138)	(16,736)
Raw materials and consumables used		(1,354,156)	(1,255,288)
Employee benefits expense		(1,073,361)	(1,070,056)
Finance costs		(136,902)	(105,558)
Depreciation and amortisation expense		(214,716)	(300,037)
Other expenses		(618,646)	(738,706)
Profit/(Loss) for the half-year before tax from continuing operations		181,064	(446,436)
Income tax benefit/(expense)		(48,767)	87,568
Profit/(Loss) for the half-year from continuing operations		132,297	(358,868)
Discontinued operations			
Profit/(Loss) for the half-year from discontinued operations		-	-
Profit/(Loss) for the half-year		132,297	(358,868)
Attributable to:			
Equity holders of the Parent		123,579	(340,614)
Non-controlling interests		8,719	(18,254)
		132,297	(358,868)
Other comprehensive income			
Other comprehensive income for the half-year net of income tax		-	-
Total comprehensive income/(loss) for the half-year attributable to members		123,579	(340,614)
Earnings per share and Diluted earnings per share			
From continuing operations:			
Basic and Diluted earnings per share (cents)		0.33	(0.91)
From discontinued operations:			
Basic and Diluted earnings per share (cents)		-	-
From profit/(loss) for the year:			
Basic and Diluted earnings per share (cents)		0.33	(0.91)

The accompanying notes form part of these financial statements.

Statements of Financial Position**AS AT 31 DECEMBER 2015**

	Notes	31.12.2015	30.06.2015
		\$	\$
Current Assets			
Cash and cash equivalents		51,384	37,159
Trade and other receivables	4	370,052	433,134
Inventories		147,800	139,662
Other current assets		135,679	147,396
Total Current Assets		704,915	757,353
Non-Current Assets			
Property, plant and equipment		2,483,732	2,673,476
Deferred tax assets		1,306,582	1,355,350
Intangible assets	5	251,893	216,188
Total Non-Current Assets		4,042,207	4,245,014
Total Assets		4,747,122	5,002,367
Current Liabilities			
Trade and other payables	6	939,284	1,598,636
Borrowings	7	1,490,967	1,218,633
Provisions		263,665	270,830
Total Current Liabilities		2,693,916	3,088,099
Non-Current Liabilities			
Borrowings	7	1,791,197	1,559,294
Provisions		30,033	19,295
Deferred tax liability		3,366	3,366
Total Non-Current Liabilities		1,824,596	1,581,955
Total Liabilities		4,518,512	4,670,054
Net Assets		228,610	332,313
Equity			
Issued capital	8	8,619,121	8,619,121
Accumulated losses		(8,438,131)	(8,334,740)
Equity attributable to equity holders of the Parent		180,990	284,381
Non-controlling interests		47,620	47,932
Total Equity		228,610	332,313

The accompanying notes form part of these financial statements.

Statements of Changes in Equity

FOR THE HALF-YEAR ENDED
31 DECEMBER 2015

		Attributable to Equity holders of the Parent			
		Equity Component of			
		Ordinary	Convertible	Total Issued	Accumulated
Notes	Shares	Notes	Capital	Losses	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2014	8,205,056	414,065	8,619,121	(7,853,385)	765,735
	8,205,056	414,065	8,619,121	(7,853,385)	765,735
Comprehensive income for the half-year					
Profit/(Loss) for the year	-	-	-	(340,614)	(340,614)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the half-year	-	-	-	(340,614)	(340,614)
Transactions with owners recorded directly in equity					
Contributions by owners					
Contributions by owners					
- Shares issued	8	-	-	-	-
- Shares bought back	8	-	-	-	-
- Transaction costs	8	-	-	-	-
Total contributions by owners		-	-	-	-
Balance at 31 December 2014	8,205,056	414,065	8,619,121	(8,193,999)	425,120
Balance at 1 July 2015	8,205,056	414,065	8,619,121	(8,334,740)	284,381
	8,205,056	414,065	8,619,121	(8,334,740)	284,381
Comprehensive income for the half-year					
Profit/(Loss) for the year	-	-	-	123,579	123,579
Total comprehensive loss for the half-year	-	-	-	123,579	123,579
Transactions with owners recorded directly in equity					
Contributions by owners					
- Shares issued	8	-	-	-	-
- Shares bought back	8	-	-	-	-
- Transaction costs	8	-	-	-	-
- De-recognition of outside equity interest accumulated losses		-	-	(226,969)	(226,969)
Total contributions by owners		-	-	(226,969)	(226,969)
Balance at 31 December 2015	8,205,056	414,065	8,619,121	(8,438,130)	180,991

Statements of Cash Flows

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	31.12.2015	31.12.2014
	\$	\$
Cash Flows From Operating Activities		
Receipts from customers	3,318,283	3,428,444
Payments to suppliers and employees	(3,695,716)	(2,725,908)
Finance costs	(136,902)	(105,558)
Net Cash Flows From/(Used in) Operating Activities	(514,335)	596,977
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(24,972)	(334,915)
Development costs - intangible assets	(35,705)	(96,109)
Proceeds from disposal of property, plant and equipment	-	17,000
Purchase of shares in controlled entity	(236,000)	-
Loans to related parties:		
- payments made	-	(220,364)
- proceeds from repayments	-	168,512
Net Cash Flows From/(Used In) Investing Activities	(296,677)	(465,877)
Cash Flows from Financing Activities		
Loans from related parties:		
- proceeds from loans	800,000	-
- loan repayments	(110,935)	-
Loans from other parties:		
- proceeds from loans	469,000	-
- loan repayments	(332,828)	(46,802)
Net Cash Flows From/(Used In) Financing Activities	825,237	(46,802)
Net Decrease in Cash and Cash Equivalents held	14,225	84,299
Cash and Cash Equivalents at Beginning of Half-Year	37,159	20,501
Cash and Cash Equivalents at End of Half-Year	51,384	104,800

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were authorised by the Board of directors for issue on 10 March 2016. The Board has the power to amend or reissue the interim financial statements after they have been issued.

(a) Basis of preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2015 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standards including AASB 134: *Interim Financial Reporting*. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

These interim financial statements are intended to provide users with an update on the latest annual financial statements of Print Mail Logistics Limited and its controlled entities (the Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that these financial statements be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2015, together with any public announcements made during the half-year.

The same accounting policies and methods of computation have been followed in these interim financial statements as compared to the most recent annual financial statements.

(b) Critical accounting estimates and judgements

The Board of directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key estimates – Impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

(c) New, revised or amending Accounting Standards and Interpretations applied

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Notes to the Financial Statements (continued)**FOR THE HALF-YEAR ENDED 31 DECEMBER 2015****Note 2. Revenue and Other Income**

	31.12.2015	31.12.2014
	\$	\$
Revenues from continuing operations		
Sales revenue:	<u>3,183,564</u>	<u>2,934,420</u>
	<u>3,183,564</u>	<u>2,934,420</u>
Other revenue:		
- interest received		
- related parties	-	-
- other parties	-	-
	<u>-</u>	<u>-</u>
Total revenue	<u>3,183,564</u>	<u>2,934,420</u>
Other income:		
- gain/(loss) on disposal of property, plant and equipment	-	(45,505)
- gain on extinguishment of cancelled contract	321,000	-
- other income	<u>82,419</u>	<u>151,028</u>
	<u>403,419</u>	<u>105,523</u>
Total revenue and other income from continuing operations		
- attributable to members of the parent entity	3,586,983	3,039,943
- attributable to non-controlling interests	-	-
	<u>3,586,983</u>	<u>3,039,943</u>
Revenue and other income from discontinued operations		
- attributable to members of the parent entity	-	-
- attributable to non-controlling interests	-	-
	<u>-</u>	<u>-</u>
Total revenue and other income from continuing operations and discontinued operations		
- attributable to members of the parent entity	3,586,983	3,039,943
- attributable to non-controlling interests	-	-
	<u>3,586,983</u>	<u>3,039,943</u>

Notes to the Financial Statements (continued)**FOR THE HALF-YEAR ENDED 31 DECEMBER 2015****Note 3. Other Expenses**

	31.12.2015	31.12.2014
	\$	\$
Significant expense items included in other expenses		
Relocation costs	-	109,596
Redundancy costs	-	-
	<u>-</u>	<u>109,596</u>

Note 4. Trade and Other Receivables

	31.12.2015	30.06.2015
	\$	\$
CURRENT		
Trade debtors	370,052	433,134
Provision for impairment of receivables	-	-
	<u>370,052</u>	<u>433,134</u>

Note 5. Intangible Assets

	31.12.2015	30.06.2015
	\$	\$
CURRENT		
Development costs:		
Cost	251,893	216,188
Accumulated amortisation and impairment losses	-	-
Net carrying amount	<u>251,893</u>	<u>216,188</u>
Total intangible assets	<u>251,893</u>	<u>216,188</u>

Note 6. Trade and Other Payables

	31.12.2015	30.06.2015
	\$	\$
CURRENT		
Unsecured liabilities		
Trade payables	769,933	1,182,092
Sundry payables and accrued expenses	158,935	401,642
Supplier credit/(debit) facility	<u>10,416</u>	<u>14,902</u>
	<u>939,284</u>	<u>1,598,636</u>

Notes to the Financial Statements (continued)**FOR THE HALF-YEAR ENDED 31 DECEMBER 2015****Note 7. Borrowings**

	Notes	31.12.2015	30.06.2015
		\$	\$
CURRENT			
Unsecured liabilities			
Bank credit card	i	-	30,000
Bank overdraft	h	84,789	-
Lease liabilities		190,968	299,769
Vendor finance facility	j	-	57,885
Loan - other parties	f	10,000	235,000
Loan - related party	g	689,605	671
		<u>975,362</u>	<u>623,324</u>
Secured liabilities			
Loan - other parties	e	-	470,000
Mortgage loans	d	426,340	2,969
Lease liabilities		89,265	122,340
		<u>515,605</u>	<u>595,309</u>
Total current borrowings		<u>1,490,967</u>	<u>1,218,633</u>
NON-CURRENT			
Unsecured liabilities			
Lease liabilities		614,007	576,797
Vendor finance facility	j	-	263,115
		<u>614,007</u>	<u>839,912</u>
Secured liabilities			
Loan - other parties	e	509,000	-
Lease liabilities		243,870	289,755
Mortgage loans	d	424,320	429,626
		<u>1,177,190</u>	<u>719,381</u>
Total non-current borrowings		<u>1,791,197</u>	<u>1,559,292</u>
Total borrowings		<u>3,282,164</u>	<u>2,777,925</u>

Notes to the Financial Statements (continued)**FOR THE HALF-YEAR ENDED 31 DECEMBER 2015****Note 7. Borrowings (continued)****a. Total current and non-current secured liabilities:**

		2015	2014
		\$	\$
Mortgage loans	d	850,660	432,595
Lease liabilities		333,135	412,095
Loan - other parties	e	509,000	470,000
		<u>1,692,795</u>	<u>1,314,690</u>

b. Carrying amounts of non-current assets pledged as security:

		2015	2014
		\$	\$
Freehold land	d	922,792	922,792
Plant and equipment		968,251	1,750,684
		<u>1,891,043</u>	<u>2,673,475</u>

c. Carrying amounts of financial assets pledged as security:

		2015	2014
		\$	\$
Trade receivables	e	370,052	433,134
		<u>370,052</u>	<u>433,134</u>

d. Mortgage loans

The mortgage loans comprise of two fixed term loans:

		2015	2014
		\$	\$
(i) Fixed term loan:			
- Current		6,340	2,969
- Non-current		424,320	429,626
		<u>430,660</u>	<u>432,595</u>

This fixed term loan is secured by (i) a registered general security agreement over the assets and undertakings of Print Mail Logistics (International) Pty Ltd, (ii) a first ranking registered real property mortgage over freehold land and (iii) a Guarantee and Indemnity given by the parent entity.

(ii) Fixed term loan:

- Current		420,000	-
		<u>420,000</u>	<u>-</u>

This fixed term loan is secured by (i) a registered general security agreement over the assets and undertakings of Print Mail Logistics (International) Pty Ltd, (ii) a second ranking registered real property mortgage over freehold land and (iii) a Guarantee and Indemnity given by the parent entity.

On 29 February 2016, the lender extended the maturity date of the fixed term loan from 31 January 2016 to 1 July 2017 and released the Guarantee and Indemnity given by the parent entity.

Notes to the Financial Statements (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

Note 7. Borrowings (continued)

e. Loan - other parties

The secured loan due to an unrelated party is secured by a registered charge over the Company's trade receivables, bears interest at 10% per annum and is repayable on maturity in September, 2017.

f. Loan - other parties

The unsecured loans due to other parties are unsecured, interest bearing and repayable at call.

g. Loan - related party

The loan due to a related party is unsecured, non-interest bearing and repayable at call.

h. Bank overdraft facility

The bank overdraft facility is unsecured, interest bearing and has an approved credit limit of \$140,000.

i. Bank credit card facility

The bank overdraft facility is unsecured, interest bearing and has an approved credit limit of \$10,000.

j. Vendor finance facility

The vendor finance facility was de-recognised on termination of the underlying contract.

Notes to the Financial Statements (continued)**FOR THE HALF-YEAR ENDED 31 DECEMBER 2015****Note 8. Issued Capital**

	Notes	31.12.2015	30.06.2015
a. Total issued capital		\$	\$
Issued Capital	b,c,d	8,744,918	8,744,918
Equity component of convertible notes	e	414,065	414,065
Transaction costs	f,g	(539,862)	(539,862)
		<u>8,619,121</u>	<u>8,619,121</u>

b. Fully paid ordinary shares

	2015		2015	
	Number of shares	\$	Number of shares	\$
Fully paid ordinary shares	37,452,490	8,744,918	37,452,490	8,744,918
	<u>37,452,490</u>	<u>8,744,918</u>	<u>37,452,490</u>	<u>8,744,918</u>

c. Movements in ordinary shares

	31.12.2015		31.12.2014	
	shares	\$	shares	\$
Beginning of the half-year	37,452,490	8,744,918	37,452,490	8,744,918
Shares issued during the half-year				
- Rights issue	-	-	-	-
- Share buy-back	-	-	-	-
At the end of the reporting period	<u>37,452,490</u>	<u>8,744,918</u>	<u>37,452,490</u>	<u>8,744,918</u>

d. Terms and conditions of contributed equity

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

e. Terms and conditions of convertible notes

The convertible notes were repaid in full on 22 September 2010.

f. Transaction costs

Transaction costs relate to various costs in issuing equity instruments including legal and professional advisory fees, printing and distribution costs. Transaction costs are accounted for as a deduction from equity in accordance with AASB 132 *Financial Instruments: Presentation*.

g. Movements in transaction costs

	31.12.2015	31.12.2014
	\$	\$
Beginning of the half-year	(539,862)	(539,862)
Incurred during the half-year	-	-
End of the half-year	<u>(539,862)</u>	<u>(539,862)</u>

Notes to the Financial Statements (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

Note 9. Dividends paid or provided for on ordinary shares

There were no dividends paid or provided as at the reporting date (2015: nil).

Note 10. Related Party Transactions

a. The Group's main related parties are as follows:

Parent entity

The parent entity is Print Mail Logistics Limited.

Subsidiaries

A subsidiary is an entity that is controlled by the parent entity. Control exists where the investee is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Key management personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, are considered key management personnel.

Entities subject to significant influence by the Group:

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

Other related parties:

Other related parties include entities controlled by the ultimate parent entity and entities over which key management personnel have joint control.

b. Transactions with related parties:

During the half-year, Nigel Elias extended a loan of \$800,000 to the Company. The loan is unsecured, non-interest bearing and repayable at call.

c. Amounts payable to related parties

Trade and other payables

Unsecured, non-interest bearing and at call loans are provided by related parties.

	Notes	31.12.2015 \$	30.06.2015 \$
<i>Loans from key management personnel:</i>			
Beginning of the year		671	50,526
Loans advanced		800,000	272,007
Loan repayment received		(110,935)	(321,862)
Interest charged		-	-
Interest received		-	-
Balance at end of the year	(i)	689,736	671

(i) The loan from Nigel Elias is unsecured, non-interest bearing and repayable at call.

Notes to the Financial Statements (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

Note 11. Segment information

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of directors (chief operating decision makers) in assessing the performance and determining the allocation of resources.

The Group is managed primarily on the basis of product category and service offerings since the diversification of the Group's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

- the products sold and/or services provided by the segment;
- the manufacturing process;
- the type or class of customer for the products or service;
- the distribution method; and
- external regulatory requirements.

Types of products and services by segment

(i) *Printing*

The printing segment prepares, prints, finishes and delivers printed material for public and private entities. All products and services are aggregated as one reportable segment as the products and services are similar in nature, they are manufactured and distributed to similar types of customers and they are subject to a similar regulatory environment.

Significant plant and equipment, including computer software, printing and finishing equipment, form the basis of the operating assets in this segment.

The mailing and distribution segment receives products from this segment. Transfer pricing is not applicable between segments given that clients are invoiced on a mutually exclusive basis for goods and services supplied by each segment.

(ii) *Mailing and distribution*

The mailing and distribution segment inserts printed material into envelopes and distributes envelopes and printed material both domestically and internationally. Distribution is primarily achieved through the engagement of third party suppliers.

Significant plant and equipment, primarily mail insertion machines, form the basis of the operating assets in this segment.

The mailing and distribution segment receives products from the printing segment. Transfer pricing is not applicable between segments given that clients are invoiced on a mutually exclusive basis for goods and services supplied by each segment.

Notes to the Financial Statements (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

Note 11. Segment information (continued)

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of directors as the chief decision makers with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the consolidated entity as detailed in Note 1.

Inter-segment transactions

Transfer pricing is not applicable between segments given that clients are invoiced on a mutually exclusive basis for goods and services supplied by each segment.

Overhead expenditure is allocated to reporting segments based on the segments' overall proportion of revenue generation within the Group. The Board of directors believe this is representative of likely consumption of head office expenditure that should be used in assessing segment performance and cost recoveries.

There are no inter-segment loans receivable or payable.

Segment assets

Where any asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Unless indicated otherwise in the segment assets note, investments in financial assets, deferred tax assets and intangible assets have not been allocated to operating segments.

Notes to the Financial Statements (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

Note 11. Segment information (continued)

(i) Segment performance

	Printing \$	Mailing & Distribution \$	Total \$
Half-Year Ended 31 December 2015			
Revenue			
External sales	2,102,230	1,081,333	3,183,564
Total segment revenue	2,102,230	1,081,333	3,183,564
<i>Reconciliation of segment revenue to group revenue</i>			
Other income:			
- gain/(loss) on disposal of property, plant and equipment			-
- gain on extinguishment of cancelled contract			321,000
- other income			82,419
Total group revenue			3,586,983
Segment net profit/(loss) before tax	216,140	(54,575)	161,565
<i>Reconciliation of segment result to group net profit/(loss) before tax</i>			
Amounts not included in segment result but reviewed by the Board:			
Other income:			
- gain/(loss) on disposal of property, plant and equipment			-
- gain on extinguishment of cancelled contract			321,000
- other income			82,419
Unallocated items:			
- corporate charges			(247,017)
- relocation costs			-
- redundancy costs			-
- finance costs			(136,902)
Net profit/(loss) before tax from continuing operations			181,064

Notes to the Financial Statements (continued)**FOR THE HALF-YEAR ENDED 31 DECEMBER 2015****Note 11. Segment information (continued)****(i) Segment performance (continued)**

	Printing	Mailing & Distribution	Total
	\$	\$	\$
Half-Year Ended 31 December 2014			
Revenue			
External sales	1,974,600	959,820	2,934,420
Total segment revenue	1,974,600	959,820	2,934,420
<i>Reconciliation of segment revenue to group revenue</i>			
- gain/(loss) on disposal of property, plant and equipment			(45,505)
- gain on extinguishment of cancelled contract			-
- other income			151,028
Total group revenue			3,039,943
Segment net profit/(loss) before tax	77,663	(120,639)	(42,976)
<i>Reconciliation of segment result to group net profit/(loss) before tax</i>			
Amounts not included in segment result but reviewed by the Board:			
- gain/(loss) on disposal of property, plant and equipment			(45,505)
- gain on extinguishment of cancelled contract			-
- other income			151,028
Unallocated items:			
- corporate charges			(293,738)
Relocation costs			(109,596)
Redundancy costs			-
- finance costs			(105,558)
Net profit/(loss) before tax from continuing operations			(446,346)

Notes to the Financial Statements (continued)**FOR THE HALF-YEAR ENDED 31 DECEMBER 2015****Note 11. Segment information (continued)**

(ii) Segment assets

	Printing	Mailing & Distribution	Total
	\$	\$	\$
As At 31 December 2015			
Segment assets	<u>1,118,804</u>	<u>423,871</u>	<u>1,542,675</u>
	1,118,804	423,871	1,542,675
<i>Reconciliation of segment assets to group assets</i>			
Unallocated assets			1,645,971
Deferred tax assets			1,306,582
Intangible assets			<u>251,893</u>
Total group assets from continuing operations			<u>4,747,122</u>
	Printing	Mailing & Distribution	Total
	\$	\$	\$
As At 30 June 2015			
Segment assets	<u>1,127,439</u>	<u>509,914</u>	<u>1,637,353</u>
	1,127,439	509,914	1,637,353
<i>Reconciliation of segment assets to group assets</i>			
Unallocated assets			1,793,476
Deferred tax assets			1,355,350
Intangible assets			<u>216,188</u>
Total group assets from continuing operations			<u>5,002,367</u>

(iii) Segment liabilities

The Group's liabilities are not allocated to operating segments for the purpose of internal reporting. Accordingly segment liabilities are not separately disclosed in accordance with *AASB 8 Operating Segments*.

Notes to the Financial Statements (continued)**FOR THE HALF YEAR ENDED 31 DECEMBER 2015****Note 11. Segment information (continued)****(iv) Revenue by geographical region**

Revenue attributable to external customers is disclosed below, based on the geographical location of the external customer:

	Half-Year Ended 31 December 2015	Half-Year Ended 31 December 2014
	\$	\$
Australia	3,143,561	2,934,420
United Kingdom	40,003	-
Total revenue	3,183,564	2,934,420

(v) Assets by geographical region

The location of segment assets is disclosed below, based on the geographical location of the assets:

	Balance as at 31 December 2015	Balance as at 30 June 2015
	\$	\$
Australia	1,542,675	1,928,740
Total assets	1,542,675	1,928,740

Note 12. Subsequent events

On 29 February 2016, a lender agreed to extend the term of the Mortgage loan identified at Note 7. Borrowings (d)(ii) from 31 January 2016 to 1 July 2017 and agreed to release the Guarantee and Indemnity given by the parent entity.

There are no matters or circumstances that have arisen since the end of the half-year period which would significantly affect or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

Note 13. Contingent assets and liabilities**Contingent liabilities***De-recognition of financial liability on termination of contract*

An estimate of the potential financial effect and an indication of the uncertainties relating to the amount or timing of economic outflows, if any, that may become payable has not been disclosed as disclosure can be expected to seriously prejudice the position of the entity in a dispute, if any, with other parties on the subject matter of the contingent liability.

Directors' Declaration

In accordance with a resolution of the directors of Print Mail Logistics Limited, I state that, in the opinion of the directors:

- (a) the financial statements and the notes of the company, as set out on pages 6 to 23, are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the period ended on that date;
 - (ii) complying with Accounting Standard AASB134: *Interim Financial Reporting*; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of directors of Print Mail Logistics Limited.

A handwritten signature in black ink, appearing to read 'John W Woods', with a large, sweeping flourish extending from the end of the signature.

John W Woods
Chairman

Date: 10 March, 2016
Hobart, Tasmania

Independent Auditors Review Report

To the members of Print Mail Logistics Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Print Mail Logistics Limited, which comprises the consolidated condensed statement of financial position as at 31 December 2015, the consolidated condensed income statement, the consolidated condensed statement of comprehensive income, consolidated condensed statement of changes in equity, consolidated condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Half-year Financial Report

The directors of Print Mail Logistics Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of Print Mail Logistics Limited's financial position as at 31 December 2015 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Print Mail Logistics Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Print Mail Logistics Limited, would be in the same terms if provided to the directors as at the time of this auditor's review report.

Independent Auditors Review Report (Continued)

To the members of Print Mail Logistics Limited

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Print Mail Logistics Limited is not in accordance with the Corporations Act 2001 including:

- (i) giving a true and fair view of Print Mail Logistics Limited's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- (ii) complying with AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

DBW Audit Pty Limited



Matthew Duggan
Director

Signed at Sydney, 10 March 2016