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 2017

For announcement to the market

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

			$A,000
Revenue *(item 1.1)*	Up 0.39%	To	3,289,498
Profit (loss) for the period *(item 1.9)*	Up 186.31%	to	(416,488)
Profit (loss) for the period attributable to members of the parent *(item 1.11)*	Up 122.05%	to	(289,534)

Dividends	Current period	Previous corresponding period
Franking rate applicable:	N/A	N/A
Final dividend *(preliminary final report only)(item 10.13-10.14)* Amount per *security* Franked amount per *security*	N/A	N/A
Interim dividend *(Half yearly report only) (item 10.11 – 10.12)* Amount per *security* Franked amount per *security*	N/A	N/A

Short details of any bonus or cash issue or other item(s) of importance not previously released to the market:

N/A

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 - $A'000	Previous corresponding period - $A'000
1.1	Revenues *(item 7.1)*	3,289,498	3,276,655
1.2	Expenses, excluding finance costs *(item 7.2)*	(3,673,097)	(3,372,260)
1.3	Finance costs	(98,473)	(113,465)
1.4	Share of net profits (losses) of associates and joint ventures *(item 15.7)*	-	-
1.5	**Profit (loss) before income tax**	(482,072)	(209,070)
1.6	Income tax expense *(see note 4)*	65,584	63,603
1.7	Profit (loss) from continuing operations	(416,488)	(145,467)
1.8	Profit (loss) from discontinued operations *(item 13.3)*	-	-
1.9	**Profit (loss) for the period**	(416,488)	(145,467)
1.10	Profit (loss) attributable to minority interests	(126,954)	(15,071)
1.11	**Profit (loss) attributable to members of the parent**	(289,534)	(130,396)
1.12	Basic earnings per *security* *(item 9.1)*	(0.77)	(0.35)
1.13	Diluted earnings per *security* *(item 9.1)*	(0.77)	(0.35)
1.14	Dividends per *security* *(item 9.1)*	N/A	N/A

Comparison of half-year profits

(Preliminary final statement only)

		Current period - $A'000	Previous corresponding period - $A'000
2.1	Consolidated profit (loss) after tax attributable to members reported for the 1st half year (*item 1.11* in the half yearly statement)	N/A	N/A
2.2	Consolidated profit (loss) after tax attributable to members for the 2nd half year	N/A	N/A

Consolidated balance sheet

(See note 5)

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

	Current assets	Current period - $A'000	Previous corresponding period - $A'000
3.1	Cash and cash equivalents	742	26,908
3.2	Trade and other receivables	311,388	388,855
3.3	Inventories	164,341	164,341
3.4	Other current assets (provide details if material)	111,570	141,245
3.5	**Total current assets**	588,041	721,348
	Non-current assets		
3.6	Available for sale investments	-	-
3.7	Other financial assets	-	-
3.8	Investments in associates	-	-
3.9	Deferred tax assets	1,402,985	1,337,402
3.10	Exploration and evaluation expenditure capitalised *(see para. 71 of AASB 1022 – new standard not yet finalised)*	-	-
3.11	Development properties *(mining entities)*	-	-
3.12	Property, plant and equipment (net)	1,365,530	1,736,512
3.13	Investment properties	-	-
3.14	Goodwill	-	-
3.15	Other intangible assets	374,447	404,953
3.16	Other (provide details if material)	-	-
3.17	**Total non-current assets**	3,142,962	3,478,867
3.18	**Total assets**	3,731,003	4,200,215
	Current liabilities		
3.19	Trade and other payables	1,558,742	1,481,591
3.20	Short term borrowings	-	-
3.21	Current tax payable	-	-
3.22	Short term provisions	267,936	255,320
3.23	Current portion of long term borrowings	1,804,690	944,605
3.24	Other current liabilities (provide details if material)	-	-
		3,631,368	2,681,516
3.25	Liabilities directly associated with non-current assets classified as held for sale *(para 38 of AASB 5)*	-	-
3.26	**Total current liabilities**	3,631,368	2,681,516
	Non-current liabilities		

		Current period - $A'000	Previous corresponding period - $A'000
3.27	Long-term borrowings	866,988	1,859,546
3.28	Deferred tax liabilities	117,534	117,533
3.29	Long term provisions	23,643	33,641
3.30	Other (provide details if material)	-	-
3.31	**Total non-current liabilities**	1,008,165	2,010,720
3.32	**Total liabilities**	4,639,533	4,692,236
3.33	**Net assets**	(908,530)	(492,021)
	Equity		
3.34	Share capital	8,638,946	8,638,946
3.35	Other reserves	-	-
3.36	Retained earnings	(9,327,999)	(9,038,465)
	Amounts recognised directly in equity relating to non-current assets classified as held for sale	-	-
3.37	**Parent interest**	(689,053)	(399,519)
3.38	**Minority interest**	(219,477)	(92,502)
3.39	**Total equity**	(908,530)	(492,021)

Consolidated statement of changes in equity

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

		Current period – A$'000	Previous corresponding period – A$'000
	Revenues recognised directly in equity:	-	-
	Expenses recognised directly in equity:	-	-
4.1	**Net income recognised directly in equity**	-	-
4.2	**Profit for the period**	(416,488)	(145,467)
4.3	**Total recognised income and expense for the period**	(416,488)	(145,467)
	Attributable to:		
4.4	Members of the parent	(289,534)	(130,396)
4.5	Minority interest	(126,954)	(15,071)
	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 - $A'000	Previous corresponding period - $A'000
	Cash flows related to operating activities		
5.1	Receipts from customers	3,366,965	3,719,368
5.2	Payments to suppliers and employees	(3,102,476)	(3,311,254)
5.3	Interest and other costs of finance paid	(98,473)	(113,465)
5.4	Income taxes paid	-	-
5.5	Other (provide details if material)	-	-
5.6	**Net cash used in operating activities**	166,016	294,649
	Cash flows related to investing activities		
5.7	Payments for purchases of property, plant and equipment	(7,898)	(5,129)
5.8	Proceeds from sale of property, plant and equipment	-	38,500
5.9	Payment for purchases of equity investments	-	-
5.10	Proceeds from sale of equity investments	-	-
5.11	Loans to other entities	-	-
5.12	Loans repaid by other entities	-	-
5.13	Interest and other items of similar nature received	-	-
5.14	Dividends received	-	-
5.15	Other (provide details if material)	(51,812)	(74,494)
5.16	**Net cash used in investing activities**	(59,710)	(41,123)
	Cash flows related to financing activities		
5.17	Proceeds from issues of securities (shares, options, etc.)	-	-
5.18	Proceeds from borrowings	51,000	26,322
5.19	Repayment of borrowings	(147,566)	(277,882)
5.20	Dividends paid	-	-
5.21	Other (provide details if material)	-	-
5.22	**Net cash used in financing activities**	(96,566)	(251,560)
	Net increase (decrease) in cash and cash equivalents	9,740	1,966
5.23	Cash at beginning of period (*see Reconciliations of cash*)	(106,200)	6,241
5.24	Exchange rate adjustments to item 5.23	-	-
5.25	**Cash at end of period** (*see* Reconciliation of cash)	(96,460)	8,207

Reconciliation of cash provided by operating activities to profit or loss

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

		Current period $A'000	Previous corresponding period $A'000
6.1	**Profit** *(item 1.9)*	(416,488)	(145,467)
	Adjustments for:		
6.2	Depreciation	283,198	289,272
6.3	Impairment of property, plant and equipment	178,000	(35,000)
6.4	**Increase/decrease in trade and other receivables**	77,467	189,196
6.5	Increase/decrease in other current assets	29,675	39,999
6.6	Increase/decrease in deferred tax assets	(65,584)	(63,602)
6.7	Increase/decrease in trade payables	77,130	53,506
6.8	Increase/decrease in employee leave entitlements	2,618	(33,255)
6.9	Increase/decrease in		
6.10	**Net cash from operating activities** *(item 5.6)*	166,016	294,649

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 - $A'000	Previous corresponding period - $A'000
	Revenue		
	Sales Revenue	3,279,256	3,235,181
	Other Revenue	10,242	41,474
7.1			
	Total Revenue	3,289,498	3,276,655
	Expenses		
	Raw materials and consumables used	(1,397,637)	(1,402,488)
	Employee benefits expense	(955,869)	(1,024,624)
	Finance costs	(98,473)	(113,465)
7.2	Depreciation and amortisation expense	(283,198)	(289,272)
	Impairment of property, plant and equipment	(178,000)	-
	Other expenses	(858,393)	(655,876)
	Total Expenses	(3,771,570)	(3,485,725)
	Profit (loss) before tax	(482,072)	(209,070)

Ratios		Current period	Previous corresponding period
	Profit before tax / revenue	**(14.65)%**	**(6.38)%**
8.1	Consolidated profit (loss) before tax *(item 1.5)* as a percentage of revenue *(item 1.1)*		
	Profit after tax / equity interests	**(42.02)%**	**(32.64)%**
8.2	Consolidated profit (loss) after tax attributable to members *(item 1.11)* as a percentage of equity (similarly attributable) at the end of the period *(item*		

3.37)

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:*

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

Current period ($289,534) Prior corresponding period ($130,396)

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

Current period and prior corresponding period 37,452,490

Par 70(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.

Par 70.1(a) Nil

Earnings per share and Diluted earnings per share		
From continuing operations:		
Basic and Diluted earnings per share (cents)	(0.77)	(0.35)
From discontinued operations		
Basic and Diluted earnings per share (cents)	-	-
From profit/(loss) for the year		
Basic and Diluted earnings per share (cents)	(0.77)	(0.35)

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? N/A

(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 - $A'000	Previous corresponding period - $A'000	Franking rate applicable
	Dividends paid or provided for during the reporting period			
10.6	Current year interim	NIL	NIL	NIL
10.7	Franked dividends	NIL	NIL	NIL
10.8	Previous year final	NIL	NIL	NIL
10.9	Franked dividends	NIL	NIL	NIL
	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	NIL	NIL	NIL
10.13	Previous year final	NIL	NIL	NIL
10.14	Franked dividends – cents per share	NIL	NIL	NIL
	Dividends proposed and not recognised as a liability	NIL	NIL	NIL
10.15	Franked dividends – cents per share	NIL	NIL	NIL

Exploration and evaluation expenditure capitalised

To be completed only be issuers with mining interests if amounts are material. Include all expenditure incurred regardless of whether written off directly against profit

		Current period $A'000	Previous corresponding period $A'000
11.1	Opening balance		
11.2	Expenditure incurred during current period		
11.3	Expenditure written off during current period		
11.4	Acquisitions, disposals, revaluation increments, etc.		
11.5	Expenditure transferred to Development Properties		
11.6	**Closing balance as shown in the consolidated balance sheet** (item 3.10)		

Development properties

(To be completed only by issuers with mining interests if amounts are material)

		Current period $A'000	Previous corresponding period $A'000
12.1	Opening balance		
12.2	Expenditure incurred during current period		
12.3	Expenditure transferred from exploration and evaluation		
12.4	Expenditure written off during current period		
12.5	Acquisitions, disposals, revaluation increments, etc.		
12.6	Expenditure transferred to mine properties		
12.7	**Closing balance as shown in the consolidated balance sheet** (item 3.11)		

Discontinued Operations

(see note 18)

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

		Current period – A$'000	Previous corresponding period – A$'000
13.1	Revenue	NIL	NIL
13.2	Expense	NIL	NIL
13.3	**Profit (loss) from discontinued operations before income tax**	NIL	NIL
13.4	Income tax expense *(as per para 81 (h) of AASB 112)*	NIL	NIL
13.5	**Gain (loss) on sale/disposal of discontinued operations**	NIL	NIL
13.6	Income tax expense *(as per paragraph 81(h) of AASB*	NIL	NIL

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Movements in Equity

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

		Number issued	Number listed	Paid-up value (cents)	Current period – A$'000	Previous corresponding period – A$'000
14.1	**Preference securities** *(description)*					
14.2	Balance at start of period	-	-	-	-	-
14.3	a) Increases through issues	-	-	-	-	-
14.4	a) 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**	**23cents**	**8,619,121**	**8,619,121**
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**	**23cents**	**8,619,121,**	**8,619,121**
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$'000	Previous corresponding period – A$'000
14.16	**Options** *(description & conversion factor)*					
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** *(description)*					
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** *(description)*					
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***	**37,452,490**	**37,452,490**	**23cents**	**8,619,121**	**8,619,121**

		Current period – A$'000	Previous corresponding period – A$'000
	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**	(9,038,465)	(8,717,333)
14.39	Changes in accounting policy	-	-
14.40	Restated balance	-	-
14.41	Profit for the balance	(289,534)	(130,396)
14.42	Total for the period	(289,534)	(130,396)
14.43	Dividends	-	-
14.44	**Balance at end of period**	(9,327,999)	(8,847,729)

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'000	Previous corresponding period - $A'000
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 *issuer* (or *group*)	N/A

		$A'000
16.2	Consolidated profit (loss) after tax of the *issuer* (or *group*) since the date in the current period on which control was acquired	NIL
16.3	Date from which profit (loss) in *item 16.2* has been calculated	NIL
16.4	Profit (loss) after tax of the *issuer* (or *group*) for the whole of the previous corresponding period	NIL

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

17.1	Name of *issuer* (or *group*)	N/A

		$A'000
17.2	Consolidated profit (loss) after tax of the entity (or *group*) for the current period to the date of loss of control	NIL
17.3	Date from which the profit (loss) in *item 17.2* has been calculated	NIL
17.4	Consolidated profit (loss) after tax of the entity (or *group*) 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'000	Previous corresponding period $A'000
				Equity accounted	
18.2	**Total**				
18.3	**Other material interests**			Non equity accounted (i.e. part of *item 1.9*)	
18.4	**Total**				

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

(i) Segment performance

	Printing $	Mailing & Distribution $	Total $
Half-Year Ended 31 December 2017			
Revenue			
External sales	2,569,863	709,393	3,279,256
Total segment revenue	**2,569,863**	**709,393**	**3,279,256**
Reconciliation of segment revenue to group revenue			
Other income:			
- other income			10,242
Total group revenue			**3,289,498**
Segment net profit/(loss) before tax	**450,458**	**(666,299)**	**(215,841)**
Reconciliation of segment result to group net profit/(loss) before tax			
Amounts not included in segment result but reviewed by the Board:			
Other income:			
- other income			10,242
Unallocated items:			
- impairment of property, plant and equipment			(178,000)
- finance costs			(98,473)
Net (loss) before tax from continuing operations			**(482,072)**

(i) Segment performance (continued)

	Printing $	Mailing & Distribution $	Total $
Half-Year Ended 31 December 2016			
Revenue			
External sales	1,985,343	1,249,838	3,235,181
Total segment revenue	**1,985,343**	**1,249,838**	**3,235,181**
Reconciliation of segment revenue to group revenue			
- gain/(loss) on disposal of property, plant and equipment			
- gain on extinguishment of cancelled contract			35,000
- other income			6,474
Total group revenue			**3,276,655**
Segment net profit/(loss) before tax	**226,487**	**(102,541)**	**123,946**
Reconciliation of segment result to group net profit/(loss) before tax			
Amounts not included in segment result but reviewed by the Board:			
- gain on extinguishment of cancelled contract			35,000
- other income			6,474
Unallocated items:			
- corporate charges			(261,025)
- finance costs			(113,465)
Net (loss) before tax from continuing operations			**(209,070)**

(ii) Segment assets

	Printing $	Mailing & Distribution $	Total $
As At 31 December 2017			
Segment assets	646,000	246,000	892,000
	646,000	**246,000**	892,000
Reconciliation of segment assets to group assets			
Unallocated assets			1,062,570
Deferred tax assets			1,402,986
Intangible assets			374,447
Total group assets from continuing operations			**3,731,003**

	Printing $	Mailing & Distribution $	Total $
As At 30 June 2017			
Segment assets	699,000	266,000	965,000
	699,000	**266,000**	965,000
Reconciliation of segment assets to group assets			
Unallocated assets			1,492,860
Deferred tax assets			1,337,402
Intangible assets			404,953
Total group assets from continuing operations			**4,200,215**

(iii) 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) All revenue was earned in Australia.

(v) All assets are located in Australia.

NTA Backing

(see note 7)

20.1	Current period	Previous corresponding period
Net tangible asset backing per ordinary *security*	(2.43) cents	(1.31) cents

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.

21.1 NIL

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)*

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 result 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.

N/A

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 paragraph16(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.)

N/A

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)*

N/A

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)*

The company has applied to set aside the Statutory Demand for Payment of Debt served on it by Warratah Investments Pty Ltd ($413,623 at 31 December 2017). The hearing of the application to set aside the demand is scheduled for 6 March 2018.

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)*

N/A

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)*

N/A

Annual meeting
(Preliminary final statement only)

The annual meeting will be held as follows:

Place	
Date	
Time	
Approximate date the annual report will be available	

Compliance statement

1. 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 [ ]

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

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

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

   - ☐ The financial statements have been audited.
   - ☑ 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.

5. 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.*)

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

Sign here: .... Date: 7 March 2018
(*Director*/~~Company secretary~~)

Print name: Nigel Elias

Print Mail Logistics Limited
ABN14 103 116 856

Interim Financial Statements for the Half-Year Ended 31 December 2017

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Corporate Directory

Directors	Luis Garcia *Chairman (Non-executive)* Nigel B Elias *Director (Executive)* Stuart Percy *Director (Non-executive)*
Secretary	Andrew Whitten
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	Trood Pratt Audit & Assurance Services Pty Ltd Level 21, 68 Pitt Street, Sydney NSW 2060
Solicitor	Stuart Percy & Associates 158 Campbell Street, Toowoomba QLD 4350
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 2017.

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:

Nigel B Elias
Luis Garcia.
Stuart Percy

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:

Andrew Whitten

Review of Operations -

For the half-year period from 1 July 2017 to 31 December 2017, the Group recorded a net loss of $416,488 compared to the net loss for the half-year period from 1 July 2016 to 31 December 2016 of $145,468.Trading sales revenue increased by $12,843. The main reason for the increase in the loss was the charge of $178,000 relating to the impairment of property.

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.

Luis Garcia
Chairman

Dated at Hobart this 5th day of March 2018

TROOD PRATT AUDIT &
ASSURANCE SERVICES PTY LTD
Chartered Accountants

ABN 86 622 075 281
LEVEL 21 / 68 PITT ST SYDNEY 2000
GPO BOX 3437 SYDNEY NSW 2001
TEL (02) 8224 8000 FAX (02) 8224 8099
EMAIL enquiries@troodpratt.com.au
WEBSITE www.troodpratt.com
DIRECTORS: D A TROOD • A J SPRATT

PRINT MAIL LOGISTICS LIMITED ABN 14 103 116 856 AND CONTROLLED ENTITIES

AUDITOR'S INDEPENDENCE DECLARATION UNDER S 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 2017 there have been no contraventions of:

i. the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
ii. any applicable code of professional conduct in relation to the review.

Trood Pratt Audit & Assurance Services Pty Ltd

D A TROOD
Director

Dated at Sydney this 1st **day of March 2018**

Statement of Comprehensive Income

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017	Notes	31.12.2017 $	31.12.2016 $
Continuing operations			
Revenue		3,289,498	3,276,655
Changes in inventories			
Raw materials and consumables used		(1,397,637)	(1,402,488)
Employee benefits expense		(955,869)	(1,024,624)
Finance costs		(98,473)	(113,465)
Depreciation and amortisation expense		(283,198)	(289,272)
Impairment of property, plant and equipment		(178,000)	-
Other expenses		(858,393)	(655,875)
(Loss) for the half-year before tax from continuing operations		**(482,072)**	**(209,070)**
Income tax benefit		65,584	63,602
(Loss) for the half-year from continuing operations		**(416,488)**	**(145,468)**
Discontinued operations			
Profit/(Loss) for the half-year from discontinued operations		-	-
Profit/(Loss) for the half-year		**(416,488)**	**(145,468)**
Attributable to:			
Equity holders of the Parent		**(289,534)**	**(130,396)**
Non-controlling interests		**(126,954)**	**(15,071)**
		(416,488)	**(145,467)**
Other comprehensive income			
Other comprehensive income for the half-year net of income tax		-	-
Total comprehensive (loss) for the half-year attributable to members		**(289,534)**	**(130,396)**
Earnings per share and Diluted earnings per share			
From continuing operations:			
Basic and Diluted earnings per share (cents)		(0.77)	(0.35)
From discontinued operations:			
Basic and Diluted earnings per share (cents)		-	-
From (loss) for the year:			
Basic and Diluted earnings per share (cents)		(0.77)	(0.35)

The accompanying notes form part of these financial statements.

Statement of Financial Position

AS AT 31 DECEMBER 2017	**Notes**	**31.12.2017** $	**30.06.2017** $
Current Assets			
Cash and cash equivalents		742	26,908
Trade and other receivables	4	311,388	388,855
Inventories		164,341	164,341
Other current assets		111,570	141,245
Total Current Assets		**588,041**	**721,348**
Non-Current Assets			
Property, plant and equipment		1,365,530	1,736,512
Deferred tax assets		1,402,985	1,337,402
Intangible assets	5	374,447	404,953
Total Non-Current Assets		**3,142,962**	**3,478,867**
Total Assets		**3,731,003**	**4,200,215**
Current Liabilities			
Trade and other payables	6	1,558,742	1,481,591
Borrowings	7	1,804,690	944,605
Provisions		267,936	255,320
Total Current Liabilities		**3,631,368**	**2,681,516**
Non-Current Liabilities			
Borrowings	7	866,988	1,859,546
Provisions		23,643	33,641
Deferred tax liability		117,534	117,533
Total Non-Current Liabilities		**1,008,165**	**2,010,720**
Total Liabilities		**4,639,533**	**4,692,236**
Net Assets		**(908,530)**	**(492,021)**
Equity			
Issued capital	8	8,638,946	8,638,946
Accumulated losses		(9,327,999)	(9,038,465)
Equity attributable to equity holders of the Parent		**(689,053)**	**(399,519)**
Non-controlling interests		(219,477)	(92,502)
Total Equity		**(908,530)**	**(492,021)**

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017	Notes	Attributable to Equity holders of the Parent				
		Ordinary Shares	Equity Component of Convertible Notes	Total Issued Capital	Accumulated Losses	Total
		$	$	$	$	$
		8,205,056	414,065	8,619,121	(8,717,333)	**(98,212)**
Balance at 1 July 2016		8,205,056	414,065	8,619,121	(8,717,333)	**(98,212)**
Comprehensive income for the half-year						
(Loss) for the year		-	-	-	(130,396)	**(130,396)**
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the half-year		-	-	-	(130,396)	**(130,396)**
Transactions with owners recorded directly in equity						
Contributions by owners						
Contributions by owners						
- Shares issued	8	-	-	-	-	-
- Shares bought back	8	-	-	-	-	-
- Transaction costs	8	-	-	-	-	-
- Derecognition of Outside Equity Interest		-	-	-	-	-
Total contributions by owners		-	-	-	-	-
Balance at 31 December 2016		8,205,056	414,065	8,619,121	(8,847,729)	**(228,609)**
		8,205,056	433,890	8,638,946	(9,038,465)	**(399,519)**
Balance at 1 July 2017		8,205,056	433,890	8,638,946	(9,038,465)	**(399,519)**
Comprehensive income for the half-year						
(Loss) for the year		-	-	-	(289,534)	**(289,534)**
Total comprehensive loss for the half-year		-	-	-	(289,534)	**(289,534)**
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		-	-	-	-	-
Total contributions by owners		-	-	-	-	-
Balance at 31 December 2017		8,205,056	433,890	8,638,946	(9,327,999)	**(689,053)**

The accompanying notes form part of these financial statements.

Statement of Cash Flows

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	31.12.2017 $	31.12.2016 $
Cash Flows From Operating Activities		
Receipts from customers	3,366,965	3,719,368
Payments to suppliers and employees	(3,102,476)	(3,311,255)
Finance costs	(98,473)	(113,465)
Net cash provided by operating activities	**166,016**	**294,647**
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(7,898)	(5,129)
Development costs - intangible assets	(51,812)	(74,494)
Proceeds from disposal of property, plant and equipment	-	38,500
Net cash (used In) investing activities	**(59,710)**	**(41,123)**
Cash Flows from Financing Activities		
Loans from other parties:		
- proceeds from loans	-	-
- loan repayments	(116,525)	(109,566)
Loans from related parties:		
- proceeds from loans	51,000	26,322
- loan repayments	(31,041)	(168,316)
Net cash (used In) financing activities	**(96,566)**	**(251,560)**
Net increase in cash held	9,740	1,966
Cash and cash equivalents at beginning of period	(106,200)	6,241
Cash and cash equivalents at end of period	**(96,460)**	**8,207**

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were authorised by the Board of directors for issue on 16 March 2018.
. 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 2017 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 2017, 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.

(d) Going Concern

Notwithstanding the deficiency in net assets and working capital of $908,530 and $3,043,327 respectively, the financial report has been prepared on a going basis as written confirmation has been obtained from lenders representing approximately 75% of current borrowings that they will continue to support the operations of the company. The trade and other payables of $1,558,742 which exceed current assets by $970,701 are not covered by this written confirmation. Historically the company has collected its trade debtors ($311,388 at 31 December 2017 over which there is a registered charge to a lender) in less than 30 days and has paid its suppliers ($1,558,742 at 31 December 2017) on an average of 60 days.

Notes to the Financial Statements (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

Note 2. Revenue and Other Income

	31.12.2017	31.12.2016
	$	$
Revenues from continuing operations		
Sales revenue:	3,279,256	3,235,181
	3,279,256	3,235,181
Other revenue:		
- interest received		
- related parties	-	-
- other parties	-	-
	-	-
Total revenue	3,279,256	3,235,181
Other income:		
- gain/(loss) on disposal of property, plant and equipment	-	35,000
- gain on extinguishment of cancelled contract	-	-
- other income	10,242	6,474
	10,242	41,474
Total revenue and other income from continuing operations		
- attributable to members of the parent entity	3,289,498	3,276,655
- attributable to non-controlling interests	-	-
	3,289,498	3,276,655
Revenue and other income from discontinued operations		
- attributable to members of the parent entity	-	-
- attributable to non-controlling interests	-	-
	-	-
Total revenue and other income from continuing operations and discontinued operations		
- attributable to members of the parent entity	3,289,498	3,276,655
- attributable to non-controlling interests	-	-
	3,289,498	3,276,655

Notes to the Financial Statements (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

Note 3. Other Expenses

	31.12.2017 $	31.12.2016 $
Significant expense items included in other expenses	NIL	NIL

Note 4. Trade and Other Receivables

	31.12.2017 $	30.06.2017 $
CURRENT		
Trade debtors	311,388	388,855
Provision for impairment of receivables	-	-
	311,388	388,855

Note 5. Intangible Assets

	31.12.2017 $	30.06.2017 $
CURRENT		
Development costs:		
Cost	456,765	404,953
Accumulated amortisation and impairment losses	(82,318)	-
Net carrying amount	374,447	404,953
Total intangible assets	374,447	404,953

Note 6. Trade and Other Payables

	31.12.2017 $	30.06.2017 $
CURRENT		
Unsecured liabilities		
Trade payables	1,337,379	1,293,980
Sundry payables and accrued expenses	211,209	187,291
Supplier credit/(debit) facility	10,154	320
	1,558,742	1,481,591

Notes to the Financial Statements (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

Note 7. Borrowings

	Notes	31.12.2017 $	30.06.2017 $
CURRENT			
Unsecured liabilities			
Bank overdraft	h	97,202	133,108
Loan - other parties	f	-	61,500
Loan - related party	e	599,498	509,043
		696,700	703,651
Secured liabilities			
Mortgage loans	d	833,623	12,046
Lease liabilities		274,367	228,908
		1,107,990	240,954
Total current borrowings		1,804,690	944,605
Secured liabilities			
Loan - other parties	e	500,000	509,000
Lease liabilities		366,988	523,461
Mortgage loans	d	-	827,088
		866,988	1,859,549
Total non-current borrowings		866,988	1,859,549
Total borrowings		2,671,678	2,804,154

a. Total current and non-current secured liabilities:

		31.12.2017 $	30.06.2017 $
Mortgage loans	d	833,623	839,134
Lease liabilities		641,355	752,369
Loan - other parties	e	500,000	509,000
		1,974,978	2,100,503

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

		31.12.2017 $	30.06.2017 $
Freehold land	d	502,000	680,000
Plant and equipment		863,530	1,056,512
		1,365,530	1,736,512

Notes to the Financial Statements (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

Note 7. Borrowings (continued)

c. Carrying amounts of financial assets pledged as security:

		31.12.2017	30.06.2017
		$	$
Trade receivables	e	311,388	388,855
		311,388	388,855

d. Mortgage loans

The mortgage loans comprise of two fixed term loans:

	31.12.2017	30.06.2017
	$	$
(i) Fixed term loan:		
- Current	413,623	12,046
- Non-current	-	407,088
	413,623	419,134

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.

(ii) Fixed term loan:		
- Current	420,000	420,000
	420,000	420,000

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.

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. This loan was repayable in September, 2017, but has been extended to a date to be agreed.

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 credit card facility is unsecured, interest bearing and has an approved credit limit of $10,000.

Notes to the Financial Statements (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

Note 8. Issued Capital

	Notes	31.12.2017	30.06.2017
		$	$
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	(520,037)	(520,037)
		8,638,946	8,638,946

b. Fully paid ordinary shares

	31.12.2017		30.06.2017	
	Number of shares	$	Number of shares	$
Fully paid ordinary shares	37,452,490	8,744,918	37,452,490	8,744,918
	37,452,490	8,744,918	37,452,490	8,744,918

c. Movements in ordinary shares

	31.12.2017		30.06.2017	
	Number of shares	$	Number of 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	37,452,490	8,744,918	37,452,490	8,744,918

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

	31.12.2017	30.06.2017
	$	$
Beginning of the half-year	(520,037)	(539,862)
Incurred during the half-year	-	19,825
End of the half-year	(520,037)	(520,037)

Notes to the Financial Statements (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

Note 9. Dividends paid or provided for on ordinary shares

There were no dividends paid or provided as at the reporting date (2016: nil).

Note 10. 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 2017

Note 10. 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 consolidated entity. 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 2017

Note 10. Segment information (continued)

(i) Segment performance

	Printing $	Mailing & Distribution $	Total $
Half-Year Ended 31 December 2017			
Revenue			
External sales	2,569,863	709,393	3,279,256
Total segment revenue	**2,569,863**	**709,393**	**3,279,256**
Reconciliation of segment revenue to group revenue			
Other income:			
- other income			10,242
Total group revenue			**3,289,498**
Segment net profit/(loss) before tax	**450,458**	**(666,299)**	**(215,841)**
Reconciliation of segment result to group net profit/(loss) before tax			
Amounts not included in segment result but reviewed by the Board:			
Other income:			
- other income			10,242
Unallocated items:			
- impairment of property, plant and equipment			(178,000)
- finance costs			(98,473)
Net (loss) before tax from continuing operations			**(482,072)**

Notes to the Financial Statements (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

Note 10. Segment information (continued)

(i) Segment performance (continued)

	Printing $	Mailing & Distribution $	Total $
Half-Year Ended 31 December 2016			
Revenue			
External sales	1,985,343	1,249,838	3,235,181
Total segment revenue	**1,985,343**	**1,249,838**	**3,235,181**
Reconciliation of segment revenue to group revenue			
- gain/(loss) on disposal of property, plant and equipment			
- gain on extinguishment of cancelled contract			35,000
- other income			6,474
Total group revenue			**3,276,655**
Segment net profit/(loss) before tax	**226,487**	**(102,541)**	**123,946**
Reconciliation of segment result to group net profit/(loss) before tax			
Amounts not included in segment result but reviewed by the Board:			
- gain on extinguishment of cancelled contract			35,000
- other income			6,474
Unallocated items:			
- corporate charges			(261,025)
- finance costs			(113,465)
Net (loss) before tax from continuing operations			**(209,070)**

Notes to the Financial Statements (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

(ii) Segment assets

	Printing $	Mailing & Distribution $	Total $
As At 31 December 2017			
Segment assets	646,000	246,000	892,000
	646,000	**246,000**	892,000
Reconciliation of segment assets to group assets			
Unallocated assets			1,062,570
Deferred tax assets			1,402,986
Intangible assets			374,447
Total group assets from continuing operations			**3,731,003**

	Printing $	Mailing & Distribution $	Total $
As At 30 June 2017			
Segment assets	699,000	266,000	965,000
	699,000	**266,000**	965,000
Reconciliation of segment assets to group assets			
Unallocated assets			1,492,860
Deferred tax assets			1,337,402
Intangible assets			404,953
Total group assets from continuing operations			**4,200,215**

Notes to the Financial Statements (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

Note 11. Subsequent events

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 12. Contingent assets and liabilities

The company has applied to set aside the Statutory Demand for Payment of Debt served on it by Warratah Investments Pty Ltd ($413,623 at 31 December 2017). The hearing of the application to set aside the demand is scheduled for 6 March 2018.

Note 13. Fair Value Measurements

a. Valuation Techniques

In the absence of an active market for an identical asset or liability, the Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability. The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- *Market approach* uses prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- *Income approach* converts estimated future cash flows or income and expenses into a single discounted present value.
- *Cost approach* reflects the current replacement cost of an asset as its current service capacity.

Each valuation technique requires that inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risk. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

b. Financial Instruments

The following table represents a comparison between the carrying amounts and fair values of financial assets and liabililies:[5]

	30.12.2017		30.06.2017	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	$	$	$	$
Financial Assets				
Derivatives	-	-	-	-
Held-for-trading-investments	-	-	-	-
	-	-	-	-

Notes to the Financial Statements (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

Note 13. Fair Value Measurements (continued)

b) Financial Instruments (continued)

	30.12.2017		30.06.2017	
	Carrying Amount $	Fair Value $	Carrying Amount $	Fair Value $
Financial Liabilities				
Borrowings	2,643,180	2,643,180	2,804,151	2,804,151
Other financial liabilities	-	-	-	-
	2,643,180	2,643,180	2,804,151	2,804,151

As the carrying amounts of cash and cash equivalents, trade and other receivables, and trade and other payables approximate their fair values, they may not been included in the above table.

c. Valuation Techniques and Unobservable Inputs Used to Determine Level 3 Fair Values

Description	Fair Value at 31.12.2017 $	Valuation Techniques	Significant Unobservable Inputs	Range of Unobservable Inputs
Level 3				
Freehold land	502,000	Market approach using recent observable market data for similar properties	Price per hectare	$3,000 - $5,000

There were no changes during the period in the valuation techniques used by the Group to determine Level 3 fair values.

d. Valuation Processes of the Group in Determining Level 3 Fair Values

The Group engages external, independent and qualified valuers to determine the fair values of properties on a periodic basis. External valuation reports on property assets are submitted to the Board of Directors. The Board of Directors discusses the valuation processes, results and reasons for the fair value movements, in line with the Group's annual financial statement reporting timelines. A description of the key valuation policies and sensitivity of significant unobservable inputs of Level 3 fair values is detailed below:

	Valuation Policies and Relationships of Inputs	Sensitivity of Fair Value to Unobservable Inputs
Freehold land	Level 3 fair values of freehold land are calculated using the market approach utilising sales prices of comparable properties adjusted for differences in key attributes such as size. The significant unobservable input in this valuation approach is price per hectare.	Increase in the price per hectare would increase the fair value.

Notes to the Financial Statements (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

Note 13. Fair Value Measurements (continued)

	Freehold Land
	$
Opening balance	680,000
Losses recognised in profit or loss	(178,000)
	502,000

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 31December 2017 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.

Luis Garcia
Chairman

Dated at Hobart this 5th day of March 2018

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PRINT MAIL LOGISTICS LIMITED AND 14 103 116 856 AND CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S 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 2017, the consolidated condensed statement of profit or loss, the consolidated condensed statement of comprehensive income, the consolidated condensed statement of changes in equity and the 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 is necessary to enable the preparation of the half-year financial report that gives a true and fair view and 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 a Financial Report 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 2017 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 other 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 given to the directors as at the time of this auditor's review report.

Basis for Qualified Conclusion

1 Deferred Tax Assets

AASB 112 Income Tax states that a deferred tax asset shall be recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

The unused tax loss component of the deferred tax asset is $1,115,359. In view of the history of losses and the lack of persuasive evidence available to us , we do not believe that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. We have qualified our opinion in respect of the deferred tax asset balance.

If the adjustment to the deferred tax asset balance of $1,115,359 had been made this would reduce the balance of deferred tax assets to $287,626, total non-current assets to $2,027,603, and total assets to $2,615,644, increase the deficiency in net assets to $2,023,889 and increase the loss attributable to members to $1,404,893.

2 Going Concern

While there is a deficiency in net assets and working capital of $908,530 and $3,043,327 respectively, the financial report has been prepared on a going concern basis as confirmation has been obtained from lenders representing approximately 75% of current borrowings that they will continue to support the operations of the company. The trade and other payables of $1,558,742, which exceed current assets by $970,701 are not covered by this confirmation. Historically the company has collected its trade debtors ($311,388 at 31 December 2017 over which there is a registered charge to a lender) in less than 30 days and has paid its suppliers ($1,558,742 at 31 December 2017) on average 60 days.

Should the company be unable to continue as a going concern, the financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts, or to the amounts or classification of liabilities that might be necessary should the Group be unable to continue as a going concern.

Qualified Conclusion

Based on our review, which is not an audit, with the exception of the matters described in the preceding paragraphs, nothing has come to our attention to make us 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 2017 and of its performance for the half-year ended on that date; and

(ii) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

Trood Pratt Audit & Assurance Services Pty Ltd

D A TROOD
Director

Dated at Sydney this 5th **day of March 2018**