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		✓	30 June 2011

For announcement to the market

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

Revenue *(item 1.1)*	up/~~down~~	A$ 46,624 0 %	to	A$ 7,497,880
Profit (loss) for the period *(item 1.9)*	~~up~~/down	A$427,293 N/A%	to	(A$ 335,087)
Profit (loss) for the period attributable to members of the parent *(item 1.11)*	~~up~~/down	A$ 427,293 N/A%	to	(A$ 335,087) N/A%

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*	0.00	0.00
Franked amount per *security*	0.00	0.00
Interim dividend *(Half yearly report only) (item 10.11 – 10.12)*		
Amount per *security*	0.00	0.00
Franked amount per *security*	0.00	0.00

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 – $A	Previous corresponding period - $A
1.1	Revenues *(item 7.1)*	7,497,880	7,451,256
1.2	Expenses, excluding finance costs *(item 7.2)*	(7,275,800)	(7,350,764)
1.3	Finance costs	(285,402)	(214,116)
1.4	Share of net profits (losses) of associates and joint ventures *(item 15.7)*	16,087	(8,345)
1.5	**Profit (loss) before income tax**	(47,235)	(121,969)
1.6	Income tax (expense)/benefit *(see note 4)*	62,966	(38,933)
1.7	Profit (loss) from continuing operations	15,731	(160,902)
1.8	Profit (loss) from discontinued operations *(item 13.3)*	(350,818)	253,108
1.9	**Profit (loss) for the period**	(335,087)	92,206
1.10	Profit (loss) attributable to minority interests	-	-
1.11	**Profit (loss) attributable to members of the parent**	(335,087)	92,206
1.12	Basic earnings per *security(cents) (item 9.1)*	(1.23) cents per share	0.40 cents per share
1.13	Diluted earnings per *security (item 9.1)*	(1.23) cents per share	0.40 cents per share
1.14	Dividends per *security (item 9.1)*	-	-

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 *(item 1.11* in the half yearly statement)	(75,916)	27,681
2.2	Consolidated profit (loss) after tax attributable to members for the 2nd half year	(259,171)	64,525

Consolidated balance sheet

(See note 5)

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

	Current assets	Current period – $A	Previous corresponding period - $A
3.1	Cash and cash equivalents	580	(67,388)
3.2	Trade and other receivables	421,908	519,319
3.3	Inventories	99,774	177,396
3.4	Other current assets (provide details if material)	41,075	120,365
3.5	**Total current assets**	**563,337**	**749,692**
	Non-current assets		
3.6	Available for sale investments	-	-
3.7	Other financial assets	-	-
3.8	Investments in associates	822,247	807,655
3.9	Deferred tax assets	467,533	414,971
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)	2,331,021	2,964,820
3.13	Investment properties	-	-
3.14	Goodwill	-	-
3.15	Other intangible assets	-	-
3.16	Other (provide details if material)	-	-
3.17	**Total non-current assets**	**3,620,801**	**4,187,446**
3.18	**Total assets**	**4,184,138**	**4,937,138**
	Current liabilities		
3.19	Trade and other payables	408,484	781,375
3.20	Short term borrowings	-	60,000
3.21	Current tax payable	-	-
3.22	Short term provisions	88,573	225,056
3.23	Current portion of long term borrowings	1,622,468	1,080,942
3.24	Other current liabilities (provide details if material)	-	-
		2,119,525	2,147,373
3.25	Liabilities directly associated with non-current assets classified as held for sale *(para 38 of AASB 5)*	-	-
3.26	**Total current liabilities**	**2,119,525**	**2,147,373**

	Non-current liabilities		
		Current period - $A	Previous corresponding period - $A
3.27	Long-term borrowings	441,493	880,483
3.28	Deferred tax liabilities	6,100	27,182
3.29	Long term provisions	118,670	100,163
3.30	Other (provide details if material)	-	-
3.31	**Total non-current liabilities**	**566,263**	**1,007,829**
3.32	**Total liabilities**	**2,685,788**	**3,155,201**
3.33	**Net assets**	**1,498,350**	**1,781,937**
	Equity		
3.34	Share capital	7,870,179	7,818,679
3.35	Other reserves	65,715	65,715
3.36	Retained earnings	(6,437,544)	(6,102,457)
	Amounts recognised directly in equity relating to non-current assets classified as held for sale		
3.37	**Parent interest**	**1,498,350**	**1,781,937**
3.38	**Minority interest**	**-**	**-**
3.39	**Total equity**	**1,498,350**	**1,781,937**

Consolidated statement of changes in equity

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

		Current period – A$	Previous corresponding period – A$
	Revenues recognised directly in equity:	(335,087)	92,206
	Expenses recognised directly in equity:	-	-
4.1	**Net income recognised directly in equity**	**(335,087)**	**92,206**
4.2	**Profit for the period**	**(335,087)**	**92,206**
4.3	**Total recognised income and expense for the period**		
	Attributable to:		
4.4	Members of the parent	(335,087)	92,206
4.5	Minority interest	-	-
	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	Previous corresponding period - $A
	Cash flows related to operating activities		
5.1	Receipts from customers	8,109,352	8,131,420
5.2	Payments to suppliers and employees	(7,647,632)	(7,745,721)
5.3	Interest and other costs of finance paid	(288,441)	(173,161)
5.4	Income taxes paid	-	-
5.5	Other (provide details if material)	713	2,370
5.6	**Net cash used in operating activities**	**233,992**	**214,908**
	Cash flows related to investing activities		
5.7	Payments for purchases of property, plant and equipment	(218,410)	(1,288,654)
5.8	Proceeds from sale of property, plant and equipment	5,565	1,793
5.9	Payment for purchases of equity investments	-	(816,000)
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)	-	-
5.16	**Net cash used in investing activities**	**(212,845)**	**(2,102,861)**
	Cash flows related to financing activities		
5.17	Proceeds from issues of securities (shares, options, etc.)	51,500	3,631,000
5.18	Proceeds from borrowings	1,241,203	742,910
5.19	Repayment of borrowings	(1,345,542)	(1,837,331)
5.20	Dividends paid	-	-
5.21	Other (transaction costs)	-	(658,271)
5.22	**Net cash used in financing activities**	**(49,839)**	**1,878,309**
	Net increase (decrease) in cash and cash equivalents	(28,692)	(9,644)
5.23	Cash at beginning of period (*see Reconciliations of cash*)	(113,372)	(103,728)
5.24	Exchange rate adjustments to item 5.23	-	-
5.25	**Cash at end of period** (*see* Reconciliation of cash)	**(142,064)**	**(113,372)**

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	Previous corresponding period - $A
6.1	**Profit** *(item 1.9)*	**(335,087)**	**92,206**
	Adjustments for non-cash items:		
6.2	Depreciation	851,885	774,661
6.3	Gain on foreign currency translation	(14,087)	-
6.4	(Profit) on forgiveness of loan	(191,115)	(300,000)
6.5	Net (profit)/loss on disposal of property, plant and equipment	(5,565)	(1,793)
6.6	Impairment loss on the measurement to fair value less costs to sell	191,115	-
6.7	Notional interest – Convertible notes	61,303	87,290
6.8	Share of net loss of associate	(14,592)	8,345
6.9	Movement in allowance for impairment of receivables	(3,720)	68,356
6.10	Changes in trade and other receivables	101,131	(45,501)
6.11	Changes in other assets	79,288	38,274
6.12	Changes in inventories	77,622	(30,530)
6.13	Changes in deferred tax	(73,645)	(53,355)
6.14	Changes in trade creditors	(322,244)	(210,636)
6.15	Changes in sundry creditors	(50,320)	(110,145)
6.16	Changes in employee entitlements	(117,976)	(102,264)
6.10	**Net cash from operating activities** *(item 5.6)*	**233,992**	**214,908**

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	Previous corresponding period - $A
	Revenue from rendering of services	7,151,646	7,362,465
	Interest received	713	2,370
	Gain on revaluation of financial asset	54,377	-
	Proceeds on sale of plant & equipment	5,565	1,793
	Gain on forgiveness of debt	191,115	-
	Gain on foreign currency translation	14,087	59,164
	Other Income	80,377	25,464
7.1	Total Revenue	7,497,880	7,451,256
	Expenses		
	Changes in inventories of finished goods & WIP	(77,622)	(79,095)
	Raw materials and consumables used	(3,097,940)	(2,817,743)
	Employee benefits expense	(2,322,115)	(2,734,047)
	Finance costs	(285,402)	(214,116)
	Depreciation and amortisation expense	(769,925)	(685,371)
	Operating leases	-	-
	Occupancy expenses	(308,320)	(321,470)
	Office and administration expenses	(529,794)	(572,399)
	Ordinary expenses	(134,973)	(140,638)
	Loss on non-recoverable non-trade receivable	(35,281)	-
	Share of net profits/(loss) of associates	16,087	(8,345)
7.2	Total Expenses	(7,545,115)	(7,573,225)
	Profit (loss) before tax	(47,235)	(121,969)

Ratios		Current period	Previous corresponding period
8.1	**Profit before tax / revenue** Consolidated profit (loss) before tax *(item 1.5)* as a percentage of revenue *(item 1.1)*	(0.01%)	0.50%
8.2	**Profit after tax / equity interests** *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)*	(22.35%)	5.17%

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 Profit/(Loss) after tax:

Current period: A$(335,087)

Prior corresponding period: A$92,206

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

Current period: 27,253,119

Prior corresponding period: 23,157,836

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.

Dividends

10.1	Date the dividend is payable	Nil
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)	Nil
10.3	If it is a final dividend, has it been declared? *(Preliminary final report only)*	

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

Nil

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

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

Nil .

Dividends paid or provided for on all *securities*

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

		Current period - $A	Previous corresponding period - $A	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	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	Previous corresponding period $A
11.1	Opening balance	Not applicable	Not applicable
11.2	Expenditure incurred during current period	Not applicable	Not applicable
11.3	Expenditure written off during current period	Not applicable	Not applicable
11.4	Acquisitions, disposals, revaluation increments, etc.	Not applicable	Not applicable
11.5	Expenditure transferred to Development Properties	Not applicable	Not applicable
11.6	**Closing balance as shown in the consolidated balance sheet** (item 3.10)	Not applicable	Not applicable

Development properties

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

		Current period $A	Previous corresponding period $A
12.1	Opening balance	Not applicable	Not applicable
12.2	Expenditure incurred during current period	Not applicable	Not applicable
12.3	Expenditure transferred from exploration and evaluation	Not applicable	Not applicable
12.4	Expenditure written off during current period	Not applicable	Not applicable
12.5	Acquisitions, disposals, revaluation increments, etc.	Not applicable	Not applicable
12.6	Expenditure transferred to mine properties	Not applicable	Not applicable
12.7	**Closing balance as shown in the consolidated balance sheet** (item 3.11)	Not applicable	Not applicable

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	8,593	300,000
13.2	Expense	(178,975)	(139,178)
13.3	**Profit (loss) from discontinued operations before income tax**	(170,382)	160,821
13.4	Income tax expense/(benefit) *(as per para 81 (h) of AASB 112)*	10,679	(92,287)
13.5	**Gain (loss) on sale/disposal of discontinued operations**	(191,115)	-
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$**	**Previous corresponding period – A$**
14.6	**Ordinary securities** *(description)*					
14.7	Balance at start of period	27,203,334	27,203,334	$0.2746	7,470,329	4,187,679
14.8	a) Increases through issues	171,666	171,666	$0.3000	51,500	3,282,650
14.9	b) Decreases through returns of capital, buybacks etc.	-	-	-	-	-
14.10	Balance at end of period	27,375,000	27,375,000	$0.2747	7,521,829	7,470,329

14.11	**Convertible Debt Securities** *(description & conversion factor)*					
14.12	Balance at start of period	3 Notes with a face value of $750,000 convertible into 375,000 ordinary shares	-	-	$750,000	$1,250,000
14.13	a) Increases through issues	-	-	-	-	-
14.14	b) Decreases through maturity, converted.	3 Notes with a face value of $750,000 convertible into 375,000 ordinary shares	-	-	$750,000	$500,000
14.15	Balance at end of period	-	-	-	- The Equity Component per AASB132 is $414,065)	- (The Equity Component per AASB132 is $414,065)
14.32	**Total *Securities***	27,375,000	27,375,000	27,375,000	**7,935,894**	**7,884,394**

		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**	**(6,102,457)**	**(6,193,427)**
14.39	Changes in accounting policy	-	-
14.40	Restated balance	-	-
14.41	Profit/loss for the period	(335,087)	92,206
14.42	Total for the period	(335,087)	92,206
14.43	Dividends	-	-
14.44	**Balance at end of period**	**(6,437,544)**	**(6,102,457)**

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	Armstrong Registry Services Limited ACN 139 056 643
Reporting entities percentage holding	30%

		Current period - $A	Previous corresponding period - $A
15.1	Profit (loss) before income tax	76,604	(39,066)
15.2	Income tax (expense)/benefit	(22,981)	11,720
15.3	**Profit (loss) after tax**	**(53,623)**	**(27,346)**
15.4	Impairment losses	**-**	**-**
15.5	Reversals of impairment losses	**-**	**-**
15.6	Share of non-capital expenditure contracted for (excluding the supply of inventories)	**-**	**-**
15.7	**Share of net profit (loss) of associates and joint venture entities**	**16,087**	**(8,204)**

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

16.1	Name of *issuer* (or *group*)	Nil

		$A
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*)	Nil

		$A
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	Previous corresponding period $A'000
				Equity accounted	
	Armstrong Registry Services Limited	30%	-	16,087	(8,345)
18.2	**Total**	30%	-	16,087	(8,345)
18.3	**Other material interests**			Non equity accounted (i.e. part of *item 1.9*)	
		Nil	Nil	Nil	Nil
18.4	**Total**	Nil	Nil	Nil	Nil

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 8: Operating segments. Because of the different structures employed by entities, a pro forma is not provided.

		Current period - $A	Previous corresponding period - $A
	Segments		
	Revenue:	Refer to note 28 in the 2011 Annual report attached	Refer to note 28 in the 2011 Annual report attached
19.1	External sales		
19.2	Inter-segment sales		
19.3	**Total** (consolidated total equal to *item 1.1*)		
19.4	Segment result	Refer to note 28 in the 2011 Annual report attached	Refer to note 28 in the 2011 Annual report attached
19.5	Unallocated expenses		
19.6	**Operating profit** (equal to *item 1.5*)		
19.7	Interest expense	Refer to note 28 in the 2011 Annual report attached	Refer to note 28 in the 2011 Annual report attached
19.8	Interest income		
19.9	Share of profits of associates		
19.10	Income tax expense		
19.11	**Net profit** (consolidated total equal to *item 1.9*)	Refer to note 28 in the 2011 Annual report attached	Refer to note 28 in the 2011 Annual report attached
	Other information		
19.12	Segment assets		
19.13	Investments in equity method associates		
19.14	Unallocated assets		
19.15	**Total assets** (equal to *item 3.18*)	Refer to note 28 in the 2011 Annual report attached	Refer to note 28 in the 2011 Annual report attached
19.16	Segment liabilities		
19.17	Unallocated liabilities		
19.18	**Total liabilities** (equal to *item 3.32*)		
19.19	Capital expenditure	Refer to note 28 in the 2011 Annual report attached	Refer to note 28 in the 2011 Annual report attached
19.20	Depreciation		
19.21	Other non-cash expenses	Refer to note 28 in the 2011 Annual report attached	Refer to note 28 in the 2011 Annual report attached

NTA Backing

(see note 7)

20.1	Current period	Previous corresponding period
Net tangible asset backing per ordinary *security*	$0.055	$0.065

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 N/A

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 N/A

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

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)*

N/A

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.

The Consolidated Entity recorded a loss of $335,087 for the year ended 30 June 2011 (2010: profit of $92,206).

The loss for the year ended 30 June 2011 comprises of:

- profit from continuing operations: $15,731 (2010: loss of $160,902)
- loss from discontinued operations: $350,818 (2010: profit $253,108).

The loss was affected by the following one off expenses relevant to the re-financing of the Company;

- notional (non-cash) interest on settlement of all convertible notes outstanding at 30 June 2010: $61,303
- application fees and termination fees: $20,699.

During the period, the Company:

- repaid all convertible notes totalling $688,697 (with a face value of $750,000)
- repaid an asset finance loan valued at $283,833 at 30 June 2010
- accepted a finance facility at an amount of $1,280,000 repayable over 5 years
- contracted with an interstate council for the printing and distribution of its rates notices.

In the context of current global business conditions and in light of the Consolidated Entity's historical financial position, the directors consider the results of the Consolidated Entity to be satisfactory.

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)*

N/A

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)*

On 1 June 2011, the Company sold 100% of its interest in its Controlled Entity, 999999999 Pty Ltd. The disposal is disclosed in Notes 5, 26 and 27 of the Financial Statements contained in the Annual Report.

Annual meeting
(Preliminary final statement only)

The annual meeting will be held as follows:

Place	Print Mail Logistics Limited Ground Floor 30 Davey Street HOBART, TASMANIA, 7000
Date	Monday 10 October 2011
Time	9:00am
Approximate date the annual report will be available	Wednesday 7th September 2011

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	Nil

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

3. This statement gives 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 a formally constituted audit committee.

Sign here:

Date: 5th September 2011
(*Director*)

Print name: Nigel B Elias

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 *AASB 118: Revenue*

   Item 1.6 This item refers to the total tax attributable to the amount shown in *item 1.5.* 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*. *Issuer*s should follow the form as closely as possible, but variations are permitted if the *director*s (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 *issuer*s 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 *director*s' 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 issuer*s. 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

annual report 2010/2011

Print Mail Logistics Limited
ACN 103 116 856

Table of Contents

The financial statements were authorised for issue by the Board of directors on 5 September 2011. The Board has the power to amend or reissue the report after it has been issued.

Corporate Directory

Directors	John W Woods *Chairman (Non-executive)* Nigel B Elias *Director (Executive)* Robert C Cameron *Director (Non-executive)*
Secretaries	Ian B Hopkins Adrian J Pereira
Notice of Annual General Meeting	The Annual General Meeting of Print Mail Logistics Limited will be held at: Print Mail Logistics Limited Ground Floor 30 Davey Street Hobart, Tasmania, 7000 at: 9:00am on: Monday 10th October 2011 A formal notice of meeting is enclosed with this Annual Report.
Principal registered office in Australia	Ground Floor, 28-30 Davey Street Hobart TAS 7000 +61 3 6220 8444
State of incorporation	New South Wales
Share register	Armstrong Registry Services Limited Level 22, 307 Queen Street Brisbane QLD 4000 +61 7 3231 0050
Auditor	Crowe Horwath Brisbane 120 Edward Street Brisbane QLD 4000
Solicitors	Allens Arthur Robinson Deutche Bank Place 126 Phillip Street Sydney NSW 2000
Bankers	Australia and New Zealand Banking Group Limited 40 Elizabeth Street Hobart TAS 7000 National Australia Bank Limited Level 10, 86 Collins Street Hobart TAS 7000
Stock exchange listings	Print Mail Logistics Limited shares are listed on the National Stock Exchange of Australia (NSX) (Code: PNT).
Website address	www.pml.com.au

Your Directors present their report on Print Mail Logistics Limited ("Company") and its controlled entities (collectively referred to as "Consolidated Entity") for the year ended 30 June 2011.

Directors

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

John W Woods
Nigel B Elias
Robert C Cameron

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 names of each person who has been a Company Secretary of the Company during the year and to the date of this report, together with their qualifications and experience are:

Ian B Hopkins – Has a Bachelor of Commerce (University of New South Wales), and is a Certified Practicing Accountant. Mr Hopkins was appointed Company Secretary on 2 June 2004, and has 21 years experience as a Company Secretary.

Adrian J Pereira – Has a Bachelor of Commerce (University of Tasmania), and is a Chartered Accountant. Mr Pereira was appointed Company Secretary on 25 January 2007. Mr Pereira is the Chief Financial Officer of the Company with 6 years experience in that role together with 4 years experience in a public Chartered Accounting firm.

Meetings of Directors

During the financial year 14 meetings of Directors (including four meetings of Committees of Directors) were held. Attendances by each Director during the year were as follows;

	Directors' meetings		Committee meetings					
	Board meeting		Audit and Risk Management		Remuneration		Nominations	
	Number of meetings	Number attended	Number of meetings	Number attended	Number of meetings	Number attended	Number of meetings	Number attended
John W Woods	10	10	2	2	1	1	1	1
Nigel B Elias	10	8	2	2	1	1	1	1
Robert C Cameron	10	6	2	1	1	1	1	1

Corporate Structure

The Company is a listed public company limited by shares and is incorporated and domiciled in Australia.

Review of Operations

The Consolidated Entity recorded a loss of $335,087 for the year ended 30 June 2011 (2010: profit of $92,206).

The loss for the year ended 30 June 2011 comprises of:

- profit from continuing operations: $15,731 (2010: loss of $160,902)
- loss from discontinued operations: $350,818 (2010: profit $253,108).

The loss was affected by the following one off expenses relevant to the re-financing of the Company;

- notional (non-cash) interest on settlement of all convertible notes outstanding at 30 June 2010: $61,303
- application fees and termination fees: $20,699.

During the period, the Company:

- repaid all convertible notes totalling $688,697 (with a face value of $750,000)
- repaid an asset finance loan valued at $283,833 at 30 June 2010
- accepted a finance facility at an amount of $1,280,000 repayable over 5 years
- contracted with an interstate council for the printing and distribution of its rates notices.

In the context of current global business conditions and in light of the Consolidated Entity's historical financial position, the directors consider the results of the Consolidated Entity to be satisfactory.

Financial Position

At 30 June 2011, the Consolidated Entity had net assets of $1,498,350 (2010: $1,781,937).

At 30 June 2011, the Consolidated Entity had a net working capital deficiency (net current liabilities) of $1,556,188 (2010: $1,397,681) and was in technical breach of the loan covenants relevant to a finance facility referred to in Note 17 of the financial report.

As a consequence of the technical breach, the Consolidated Entity has disclosed the portion of the interest bearing financial liability that would ordinarily be disclosed as a non-current liability ($971,395) as a current liability in accordance with Australian Accounting Standards including AASB 101: *Presentation of financial statements*.

On 2 September 2011, the Company negotiated the continuation of the facility by way of accepting an offer from the lender to vary the terms and conditions of the facility.

Notwithstanding the net liabilities position, the Directors consider that the going concern assumption adopted in the preparation of the financial report is appropriate and that the consolidated entity has the resources available for the repayment of its financial liabilities as and when they fall due. The going concern assumption is outlined in Note 1(b) basis of preparation.

Key Business Strategies

The Consolidated Entity's business strategies are to leverage its industry experience and credibility to provide transactional printing and related communication solutions to the Australian and selected international markets.

Future Prospects

With the objective of maximising the Consolidated Entity's net worth, the Consolidated Entity proposes to increase revenue by way of concentrating on markets both within and outside of the state of Tasmania.

Significant Changes in the State of Affairs

On 1 June 2011 the Company sold 100% of its interest in its controlled entity, 999999999 Pty Ltd. The disposal is disclosed in Notes 5, 26 and 27 of the Financial Statements.

Principal Activities

The principal activities of the Consolidated Entity during the financial year were the rendering of printing, mailing and distribution services.

After Balance Date Events

On 2 September 2011, the Company negotiated the continuation of the finance facility referred to in Note 17 of the Financial Statements by way of accepting an offer from the lender to vary the terms and conditions of the facility.

Otherwise, no matters or circumstances have arisen since the end of the financial year which would significantly affect or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in subsequent financial years.

Environmental issues

The Consolidated Entity takes all reasonable action to ensure that it meets general environmental standards and regulations.

Dividends

No dividends were paid or declared during the financial year (2010: nil). No recommendation for payment of dividends has been made.

Options

No options over issued shares or interests in the Company or a Controlled Entity were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Indemnification of Officers or Auditors

The Company has entered into a deed of access, insurance and indemnity ("Deed") with each of the Directors of the Company.

The Company has undertaken to indemnify each Director in certain circumstances and to maintain Directors' and Officers' insurance cover in favour of each Director for seven years after the Director has ceased to be a Director.

To the extent permitted by law and to the extent available in the market at a cost that would not be unfairly prejudicial to the Company, the Company must, for the duration of the Deed and for the period ended seven years after the Director has ceased to be an officer of the Company;

- maintain and pay the premium on a Directors and Officers insurance policy; or
- ensure that a related body corporate, as defined by section 9 of the *Corporations Act 2001* maintains and pays the premium on a Directors and Officers insurance policy.

The Company has executed a Directors and Officers insurance policy during the year. The amount of that insurance premium is currently $9,844 per annum.

During or since the end of the financial year, the Company has not given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums to indemnify the external auditor.

Proceedings on Behalf of the Company

No person has applied for leave of the Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Directors' Particulars

John W Woods - Chairman (Non-executive)

Mr Woods is a Fellow of the Institute of Chartered Accountants in Australia and has held the positions of Chairman of the Institute's State Council in Tasmania and Chairman of the State Membership Committee. He served as a National Councillor from 1982 to 1986 and has been a member of the National Membership Committee, the National Disciplinary Committee, the National Education Committee and a member of the National Examination Committee.

Prior to his retirement as a Chartered Accountant in public practice, Mr Woods was a registered Company Liquidator, an Official Liquidator, a registered Tax Agent and a Company Auditor. He currently sits on the Tasmanian Regional Liaison Committee of the Australian Securities and Investments Commission (ASIC) and is a past member of the Tasmanian Auditors and Liquidators Disciplinary Board.

Mr Woods is Chairman of the Company having been appointed a Director of the Company in June, 2009.

His special responsibilities include that of Chairman of the Audit and Risk Management Committee, Chairman of the Nominations Committee and Chairman of the Remuneration Committee.

Mr Woods holds a beneficial interest in 57,000 ordinary shares in the Company.

Nigel B Elias – Director (Executive)

Mr Elias has extensive national and international experience as a Company Director and Chief Executive Officer of organisations including the GenaWare Group and Australian Card Services. Other roles have included positions with the Bank of Montreal, the Mercantile Bank of Canada, Canadian Commercial and Industrial Bank, Citicorp Australia and CIBC Australia.

Mr Elias has been duly admitted to the degree of Bachelor of Arts (University of Lancaster, UK) and Master of Business Administration (Columbia University, USA).

Mr Elias is Managing Director of the Company having been appointed Chief Executive Officer and Director of the Company in June 2004.

Mr Elias is responsible for all aspects of the Consolidated Entity's activities.

Mr Elias holds a beneficial interest in 3,109,720 ordinary shares in the Company.

Robert C Cameron - Director (Non-executive)

Mr Cameron was appointed a Director of the Company on 1 April 2010 having fulfilled the position of Director of the Company in prior financial years.

Mr Cameron is a Fellow of the Institute of Chartered Accountants and a former Director of Asia Pacific Infrastructure Limited ACN 010 966 793.

Mr Cameron holds a beneficial interest in 504,000 ordinary shares in the Company.

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 16 of this Annual Report.

Non-audit Services

The Board, in accordance with advice from the Audit and Risk Management Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Board in accordance with advice from the Chief Financial Officer prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and

- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

Fees for non-audit services to the value of $11,000 were paid/are payable to the external auditors during the year ended 30 June 2011 for taxation services.

Corporate Governance

The Directors of the Company support and adhere to the principles of corporate governance recognising the need for the highest standard of corporate behaviour and accountability. A review of the Company's corporate governance practices was undertaken during the year. A copy of the Corporate Governance Statement is set out on page 17 of this report.

Rounding of Amounts

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report and Financial Report. Certain amounts in the Directors' Report and Financial Statements have been rounded off in accordance with that Class Order to the nearest thousand dollars.

Remuneration Report (audited)

Remuneration Policy

The Board's policy for determining remuneration of the key management personnel and executives (collectively referred to as "Executives") for the Consolidated Entity, which is set by the Remuneration Committee, is set out as follows:

- remuneration is determined in the context of general market and industry practice (so far as directly relevant benchmarks can be identified for comparative purposes) and the need to attract and retain high-calibre personnel;
- Executives, comprising of the Directors, Company Secretaries, the General Manager and the Chief Financial Officer, have authority and responsibility for planning, directing and controlling the activities of the Consolidated Entity;
- compensation levels are competitively set to attract and retain appropriately qualified and experienced Executives; and
- the compensation structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives and achieve the broader outcome of creation of value for shareholders. The compensation structures take into account:
    - the capability and experience of the Executives;
    - the Executive's ability to control the relevant business performance;
    - the Consolidated Entity's earnings; and
    - the growth in share price and the delivery of constant returns on shareholder wealth.

There is no remuneration paid or payable to a person in the form of securities.

Remuneration Report (continued)

Executives

The following table provides employment details of persons who were, during the current financial year, Executives of the Consolidated Entity.

Executive	Position held[2]	Term of contract	Period of notice required for termination and related amounts payable	Proportion of elements of remuneration related to performance[2]				Proportion of elements of remuneration not related to performance		
				Non-salary cash based incentives	Shares /Units	Options /Rights	Other	Fixed Salary[1]	Other	Total %
Nigel B Elias	Managing Director	2.5 years commencing on 1 July 2009 and terminating on 31 December 2011	2 months. In the event the employment contract is terminated, Mr Elias is entitled to a payment equivalent to 4 months salary.	-	-	-	-	100%	-	100%
Peter A MacLeod	General Manager	2.5 years commencing on 1 July 2009 and terminating on 31 December 2011	2 months. In the event the employment contract is terminated, Mr MacLeod is entitled to a payment equivalent to 6 months salary.	-	-	-	-	90.8%	9.2%	100%
Adrian J Pereira	Chief Financial Officer / Company Secretary	2.5 years commencing on 1 July 2009 and terminating on 31 December 2011	2 months. In the event the employment contract is terminated, Mr Pereira is entitled to a payment equivalent to 6 months salary.	-	-	-	-	93.3%	6.7%	100%
Ian B Hopkins	Company Secretary	Appointed 2 June 2004	-	-	-	-	-	-	100%	100%
John W Woods	Chairman/ Non-executive Director	Appointed 1 June 2009	-	-	-	-	-	100%	-	100%
Robert C Cameron	Non-executive Director	Appointed 1 April 2010	-	-	-	-	-	100%	-	100%

[1]Fixed salary consists of base salary as well as employer contributions to superannuation funds. Remuneration is reviewed annually by the Remuneration Committee through a process that considers individual, business and the overall performance of the Consolidated Entity.

[2]There have been no changes to the persons or positions occupied from that listed above subsequent to year-end.

Remuneration Report (continued)

Executives

The following table provides employment details of persons who were, during the prior financial year, Executives of the Consolidated Entity.

Executive	Position held[4]	Term of contract	Period of notice required for termination and related amounts payable	Proportion of elements of remuneration related to performance[3]				Proportion of elements of remuneration not related to performance		
				Non-salary cash based incentives	Shares /Units	Options/ Rights	Other	Fixed Salary[2]	Other	Total %
Nigel B Elias	Managing Director	2.5 years commencing on 1 July 2009 and terminating on 31 December 2011	2 months. In the event the employment contract is terminated, Mr Elias is entitled to a payment equivalent to 4 months salary.	-	-	-	-	66.7%	33.3%	100%
Peter A MacLeod	General Manager	2.5 years commencing on 1 July 2009 and terminating on 31 December 2011	2 months. In the event the employment contract is terminated, Mr MacLeod is entitled to a payment equivalent to 6 months salary.	-	-	-	5.5%	84.9%	9.6%	100%
Adrian J Pereira	Chief Financial Officer / Company Secretary	2.5 years commencing on 1 July 2009 and terminating on 31 December 2011	2 months. In the event the employment contract is terminated, Mr Pereira is entitled to a payment equivalent to 6 months salary.	-	-	-	5.7%	88.2%	6.1%	100%
Ian B Hopkins[1]	Company Secretary	Appointed 2 June 2004	-	-	-	-	-	-	100%	100%
John W Woods	Chairman/ Non-executive Director	Appointed 1 June 2009	-	-	-	-	-	100%	-	100%
Robert C Cameron	Non-executive Director	Appointed 1 April 2010	-	-	-	-	-	100%	-	100%
Robert K Stewart[5]	Chairman/ Non-executive Director	7 June 2007 – 11 March 2010	-	-	-	-	-	100%	-	100%
William K Downie	Non-executive Director	11 March 2010 – 1 April 2010	-	-	-	-	-	100%	-	100%

Remuneration Report (continued)

Executives (continued)

[1]Mr Hopkins held the position of Company Secretary for the entirety of the financial year having been appointed to the position of Company Secretary on 2 June 2004. During the period to 22 October 2009, Mr Hopkins was employed by Allens Arthur Robinson Corporate Pty Ltd ACN 001 314 512 and the Consolidated Entity contracted with Allens Arthur Robinson Corporate Pty Ltd ACN 001 314 512 for the provision of Mr Hopkins' company secretarial services to the Consolidated Entity. During that period, the Consolidated Entity paid fees totalling $20,053 to Allens Arthur Robinson Corporate Pty Ltd ACN 001 314 512 in consideration for the provision of company secretarial services by Mr Hopkins. On 13 November 2009, the Company entered into an agreement with Hopkins Corporate Solutions Pty Ltd ACN 139 791 825 for the provision of company secretarial services on account of the Consolidated Entity. During the period 22 October 2009 to 30 June 2010, the fees paid or payable for the provision of company secretarial services to the Consolidated Entity totalled $14,048.00 plus GST.

[2]Fixed salary consists of base salary as well as employer contributions to superannuation funds. Remuneration is reviewed annually by the Remuneration Committee through a process that considers individual, business and the overall performance of the Consolidated Entity.

[3]During the period, performance related bonuses totalling $12,670 were paid to Mr MacLeod (as to $6,335) and Mr Pereira (as to $6,335). The bonuses were paid in July, 2009 based on financial performance measures that were met at 30 June 2009. The performance bonuses were calculated using the following formula:

$$\frac{\text{Consolidated Entities Earnings before Depreciation and Amortisation (“EBDA”)}}{\text{(Number of employees at balance date)}} \times \frac{1}{4}$$

Effective 1 July 2009, Mr MacLeod and Mr Pereira were excluded from participation in the staff profit share arrangement and effective 31 December 2009, the staff profit share was terminated. The measure was adopted at inception to motivate the staff, including Executives, to increase shareholder wealth by maximising EBDA.

[4]There have been no changes to the persons or positions occupied from that listed above subsequent to year-end.

[5]During the period, there was no remuneration paid to Mr Stewart.

Remuneration Report (continued)

Remuneration details

The following table of payments and benefits details, in respect to the current financial year, the components of remuneration for each Executive of the Consolidated Entity.

	Short-term benefits				**Post employment benefits**		**Long-term benefits**		**Equity-settled share-based payments**		**Cash settled share based pay-ments**	**Termin-ation benefits**	**Total**
	Salary, fees and leave	Profit share and bonuses [1]	Non-monetary	Other [2]	Pension and superan-nuation	Other	Incentive plans	Other	Shares /units	Options /rights			
	$	$	$	$	$	$	$	$	$	$	$	$	$
Directors													
Nigel B Elias	162,000	-	-	-	14,580	-	-	5,000	-	-	-	-	181,580
John W Woods	25,000	-	-	-	2,250	-	-	-	-	-	-	-	27,250
Robert C Cameron	25,000	-	-	-	2,250	-	-	-	-	-	-	-	27,250
Executives													
Peter A MacLeod	90,000	5,000	-	4,461	8,550	-	-	1,500	-	-	-	-	109,511
Adrian J Pereira	73,500	5,000	-	243	6,847	-	-	-	-	-	-	-	85,590
Ian B Hopkins	-	-	-	14,964	-	-	-	-	-	-	-	-	14,964
Total	375,500	10,000	-	19,668	34,477	-	-	6,500	-	-	-	-	446,145

[1]The following Executives were paid an ex gratia bonus:

- Mr MacLeod $5,450 (including superannuation of $450)
- Mr Pereira $5,450 (including superannuation of $450).

[2]During the financial year, other short-term benefits were paid on account of motor vehicle allowances paid to Mr MacLeod ($4,461) and Mr Pereira ($243).

Remuneration Report (continued)

Remuneration details

The following table of payments and benefits details, in respect to the prior financial year, the components of remuneration for each Executive of the Consolidated Entity.

	Short-term benefits				Post employment benefits		Long-term benefits		Equity-settled share-based payments		Cash settled share based pay-ments	Termin-ation benefits	Total
	Salary, fees and leave	Profit share and bonuses [1,2,3]	Non-monetary	Other[4]	Pension and superan-nuation	Other	Incentive plans	Other	Shares /units	Options /rights			
	$	$	$	$	$	$	$	$	$	$	$	$	$
Directors													
Nigel B Elias	160,586	80,225	-	-	21,675	-	-	-	-	-	-	-	262,486
John W Woods	7,500	-	-	-	675	-	-	-	-	-	-	-	8,175
Robert C Cameron	7,500	-	-	-	675	-	-	-	-	-	-	-	8,175
Robert K Stewart	-	-	-	-	-	-	-	-	-	-	-	-	-
William K Downie	1,808	-	-	-	163	-	-	-	-	-	-	-	1,971
Executives													
Peter A MacLeod	90,000	11,207	-	4,835	9,543	-	-	1,500	-	-	-	-	117,085
Adrian J Pereira	90,000	11,207	-	501	9,543	-	-	-	-	-	-	-	111,251
Ian B Hopkins[5]	-	-	-	14,048	-	-	-	-	-	-	-	-	14,048
Total	357,394	102,639	-	19,384	42,274	-	-	1,500	-	-	-	-	521,691

[1]During the financial year, the following Executives were paid bonuses as consideration for agreeing to enter into a Deed of Employment with the Company on 1 July 2009:
- Mr Elias $87,447 (including superannuation of $7,222)
- Mr MacLeod $5,415 (including superannuation of $920)
- Mr Pereira $5,415 (including superannuation of $920).

[2]During the financial year, the following Executives were paid a bonus related to a staff profit share arrangement for the period ended 30 June 2009 in accordance with employment agreements with the Company that applied on 30 June 2009:
- Mr MacLeod $6,335 (including superannuation of $523)
- Mr Pereira $6,335 (including superannuation of $523).

[3]The following Executives were paid an ex gratia bonus for additional duties carried out during the IPO:
- Mr MacLeod $900
- Mr Pereira $900.

[4]During the financial year, other short-term benefits were paid on account of motor vehicle allowances paid to Mr MacLeod (as to $4,835) and Mr Pereira (as to $501).

Remuneration Report (continued)

Remuneration details (continued)

[5]Mr Hopkins held the position of Company Secretary for the entirety of the financial year having been appointed to the position of Company Secretary on 2 June 2004. During the period to 22 October 2009, Mr Hopkins was employed by Allens Arthur Robinson Corporate Pty Ltd ACN 001 314 512 and the Consolidated Entity contracted with that law firm for the provision of Mr Hopkins' company secretarial services to the Consolidated Entity. During that period, the Consolidated Entity paid fees totalling $20,053 to Allens Arthur Robinson Corporate Pty Ltd ACN 001 314 512 in consideration for the provision of company secretarial services by Mr Hopkins. On 13 November 2009, the Company entered into an agreement with Hopkins Corporate Solutions Pty Ltd ACN 139 791 825 for the provision of company secretarial services on account of the Company and the Consolidated Entity. During the period 22 October 2009 to 30 June 2010, the fees paid or payable for the provision of company secretarial services to the Consolidated Entity totalled $14,048.00 plus GST.

Remuneration Report (continued)

Loans to Executives

There are no loans to Executives at balance date.

Share and Options Granted to Executives

No options were granted during the year or in prior financial years.

Executives' Interest in Contracts

On 13 November 2009, the Company entered into an Agreement with Hopkins Corporate Solutions Pty Ltd ACN 139 791 825 for the provision of company secretarial services by Mr Hopkins to the Consolidated Entity. The Agreement does not include a termination date however if required, the Company Secretary's services may be terminated at any time.

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

John W Woods
Chairman

5th September 2011
Hobart, Tasmania

Crowe Horwath Brisbane
ABN 79 981 227 862
Member Crowe Horwath International

Level 16, 120 Edward Street
Brisbane QLD 4000 Australia
GPO Box 736
Brisbane QLD 4001 Australia
Tel: +61 7 3233 3555
Fax: +61 7 3233 3567
www.crowehorwath.com.au

A WHK Group Firm

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 year ended 30 June 2011 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Crowe Horwath Brisbane

Crowe Horwath Brisbane

Vanessa de Waal
Partner

Signed at Brisbane, 5 September 2011

This statement outlines the primary corporate governance practices of Print Mail Logistics Limited ("Company") that have been in place during the year.

Board of Directors

The current Board of Directors consists of John W Woods, Nigel B Elias and Robert C Cameron.

The activities of the Board are governed by the Board Charter. In general, the Board's functions and responsibilities are to:

- chart strategy and set financial targets for the Consolidated Entity;
- monitor the implementation and execution of strategy and performance against financial targets; and
- appoint and oversee the performance of executive management and generally to take and fulfil an effective leadership role in relation to the Consolidated Entity.

The composition of the Board is determined according to the following principles:

- the Board must comprise members with a broad range of experience, expertise, skills and contacts relevant to the Consolidated Entity and its business;
- there must be at least three Directors;
- the number of Directors may be increased where the Board considers that additional expertise is required in specific areas or when an outstanding candidate is identified; and
- at least half of the Board must be non-executive Directors at least two of whom must also be independent.

One third of the Directors (other than a Managing Director) must retire at each Annual General Meeting of the Company. Additionally, each Director must not hold office longer than three consecutive Annual General Meetings without standing for re-election.

The Board has also established committees to assist in carrying out its function and for its effective and efficient performance. The committees established at the date of this report are the following;

- Audit and Risk Management Committee;
- Nominations Committee; and
- Remuneration Committee.

Due to the size of the Company and the composition of the Board, each of the Directors is nominated to each of the three committees.

Powers of Managing Director

Mr Elias is the current Managing Director of the Company. The Managing Director is able to exercise any powers conferred on him by the Board pursuant to Rule 18.1 of the Constitution.

Role of Company Secretary

The Company Secretary is responsible for ensuring the Company meets its compliance with reporting obligations and managing the respective charter and is also accountable to the Board on all corporate governance matters.

Access to Information

Each Director has the right to seek independent legal or other professional advice at the expense of the Company in the event of any doubt regarding matters arising in the course of carrying out their duties.

Remuneration Policy

Pursuant to the Constitution, the Directors are to be paid out of the funds of the Company as remuneration for their services. The amount is to be determined by the Company in a general meeting and divided among them in the proportion and manner as they agree or, in default of agreement, equally.

The Company has also established a Remuneration Committee to advise on the remuneration (including non-monetary forms of remuneration such as incentive plans and salary packaging) payable to senior management and non-executive Directors of the Company under its Charter.

Managing Directors' fees are separately determined by the Board on advice from the Remuneration Committee.

A copy of the Remuneration Report is set out in the Directors' Report.

Appointment of Directors

The Nomination Committee has the role of developing suitable criteria (in regards to experience, expertise, skills, qualifications, contacts and other qualities) for Board candidates. If necessary, the Board will consider and conduct relevant ASIC and Federal Police Searches on each candidate.

Upon appointment of a Director, the Board will direct that the proper documentation be prepared notifying the National Stock Exchange of Australia ("NSX") and the Australian Securities and Investments Commission ("ASIC") of the appointment.

Ethical Conduct

Pursuant to the Company's Code of Ethics and Values, all Directors are encouraged to achieve the highest possible standards in the discharge of their obligations. Each Director has an obligation to comply with the spirit and principles of the code and law to:

- act in good faith in the best interests of the Company and for a proper purpose;
- observe confidentiality;
- act in the interests of all shareholders to avoid any potential conflict of interest;
- exercise a reasonable degree of care and diligence;
- not make improper use of information; and
- not make improper use of their position.

Similarly, the Board has adopted a Code of Conduct for Transactions in Securities which governs the ability of Directors, senior management and employees to trade in Company shares.

Continuous Disclosure and Communication with Shareholders

As set out in the Company's Charter, the Board aims to ensure that Shareholders are informed of all major developments affecting the Consolidated Entity's state of affairs.

Information is communicated to Shareholders as follows:

- the Company's continuous disclosure obligations are reviewed as a standing item on the agenda for each regular meeting of the Board. Each Director is required at every such meeting to confirm details of any matter within their knowledge that might require disclosure to the market;

- the Annual Report is distributed to all shareholders. The Board ensures that the Annual Report includes relevant information about the operations of the Consolidated Entity during the year, changes in the state of affairs of the Consolidated Entity, and details of future developments in addition to the other disclosures required by the *Corporations Act 2001*;

Continuous Disclosure and Communication with Shareholders (continued)

- proposed major changes in the Consolidated Entity which may impact on share ownership rights and the removal and appointment of Directors are submitted to a vote of shareholders at an Annual General Meeting ("AGM"). If resolutions are required to be put to Shareholders before the next AGM, a general meeting will be called with at least 28 days' notice in accordance with the Constitution and the *Corporations Act 2001*. The Board encourages the full participation of Shareholders at the AGM and at other general meetings to ensure a high level of accountability and identification with the Consolidated Entity's strategy and goals;
- the external auditors will be requested to attend the AGM and be available to answer questions by Shareholders on the conduct of the audit and the preparation and content of the audit report;
- the half-yearly report contains summarised financial information and a review of the operations of the Consolidated Entity during the period. The report is lodged with and is available from the NSX. It is also sent to any Shareholder who requests it from the Company;
- Company announcements are made in a manner which is factual, timely, clear, and objective, and so as not to omit any information material to decisions of Shareholders and potential investors in the Company; and
- information concerning the Company, including copies of announcements made through the NSX and the annual report and half-yearly report, is made available to Shareholders and prospective investors in the Company on the Company's website. The Company has a continuing commitment to electronic communication with Shareholders and stakeholders generally including via its website.

Shareholder Privacy

Personal information will generally be collected directly from Shareholders through the use of any of our standard forms, over the internet, via email or through a telephone conversation. There may, however, be some instances where personal information will be collected indirectly because it is unreasonable or impractical to collect personal information directly. A notification will be issued in these instances in advance, or where that is not possible, as soon as reasonably practical after the information has been collected.

The Company takes all reasonable measures to ensure all personal information is stored safely to protect it from misuse, loss, unauthorised access, modification or disclosure, including electronic and physical security measures.

Generally, the Company only uses and discloses personal information for the purposes for which it was collected. However, personal information may be disclosed to:

- service providers, who assist the Company in operating its business. These service providers may not be required to comply with the Company's privacy policy;
- other service providers, who provide the various services which Shareholders have requested and the Company have arranged. These service providers may not be required to comply with the Company's privacy policy;
- a purchaser of the assets and operations of the Company's business, providing those assets and operations are purchased as a going concern; and
- the Company's related entities and other organisations that are affiliated for the purposes of providing Shareholders with information about services and various promotions that might be of interest.

A Shareholder may request their personal information by written request to the Company.

Dealings in Securities

The Constitution permits Directors to acquire securities. Company policy prohibits any dealing in, or procuring the dealing in, securities except in accordance with the Code of Conduct for Transactions in Securities ("Code").

The Code applies to all Directors and Officers of the Company and to all Executives, including the Chief Financial Officer, and employees nominated by the Board.

The Code permits Directors and other persons to whom the Code applies to trade in securities during a four week period starting immediately after the announcement to the NSX of the half-yearly and annual results and after the conclusion of the AGM provided that:

- the person is not in possession of price sensitive information; and
- the trading is not for short term or speculative gain.

In the event that a transaction is for consideration of greater than $50,000 worth of securities, the prior written approval of the Chairman is required prior to entering into discussions for the potential sale of those securities.

Otherwise, trading in securities by Directors and other persons to whom the Code applies is prohibited unless prior written approval is granted by the Chairman. In the case of any proposed trade by the Chairman, written authority to trade may be obtained from another non-executive Director.

As explained above, Directors are prohibited from improper use of information or their position both under the Code of Ethics and Values and the *Corporations Act 2001*. Therefore, no such person may trade Securities, either for short-term speculative gain or otherwise, whilst in possession of price sensitive information.

Additionally, the *Corporations Act 2001* prohibits trading in securities with a related party unless it is on arm's length terms or approved by shareholders.

Heavy sanctions apply if these duties are breached including punitive action commenced by ASIC.

Related Party Contracts

The Directors are under a general duty not to enter into transactions with related parties unless certain conditions have been fulfilled. Internally, these activities are governed by the respective charters, some of which include the following:

- Board Charter;
- Code of Conduct for Transactions in Securities; and
- Audit and Risk Management Committee Charter.

The *Corporations Act 2001* requires that all related party transactions must be entered into on arm's length terms or if not, approved by shareholders of the Company as this will generally amount to a 'material personal interest' in a matter. This prohibition is enforced to protect the rights of shareholders.

A Director who has any material personal interest in a matter must not be present at a meeting while the matter is being considered and must not vote on the matter.

Conflict of Interest

A conflict of interest is defined by the Company to mean a situation where a matter which impacts upon a Director's ability to ensure that their duties are discharged efficiently, honestly and fairly, arises.

Practical steps taken by the Company to assist in identifying and avoiding potential conflicts of interest are as follows:

- monitoring and confidentially retaining relevant interest information on all Board and senior staff members for conflict identification and monitoring;
- undertaking performance reviews and regular receipting of disclosure notices;
- instituting appropriate remedial or preventative action, which will include:
    - where appropriate quarantining relevant operational areas from other operational areas where information or activity in one operational area is not accessible so as to ensure that 'Chinese walls' prevent the flow of sensitive or non-public information to other organisational areas unless there is 'a reason to know';
    - requiring senior management to monitor and supervise procedures to ensure proper functioning of Chinese walls and information flows;
    - allocating another Board member or employee to discharge the duty where appropriate;
    - declining to undertake transactions; or
    - always disclosing potential conflicts to third parties.

It is the responsibility of the senior management to ensure that there is an ongoing daily awareness given to identification and management of conflicts of interest and a conflict of interest register is kept and maintained.

Additionally, employees of the Company are also strongly encouraged to disclose all conflicts of interests which may arise.

Audit and Risk Management Committee

The role of the Audit and Risk Management Committee is to advise on the establishment and maintenance of a framework of internal control and appropriate ethical standards for the management of the Consolidated Entity, and fulfil the responsibility for the identification of significant business risks and review of the major risks affecting each business segment and develops strategies to mitigate these risks.

The Audit and Risk Management Committee members are appointed by the Board, with the current members being Mr Woods, Mr Elias and Mr Cameron. However, the Company Secretary is also accountable to the Board on all corporate governance matters and is responsible for managing the respective Charter.

Business is considered as the Committee may determine, with additional items of business considered as appropriate, including:

- review of Charter and consider plans for the coming year;
- review of policies on sensitive issues or practices such as environmental issues;
- review of the operation and effectiveness of internal controls;
- meet with the external auditors to discuss next year's audit plan and budget;
- review of the results and findings of the half-yearly audit/review;
- review of business risks facing the Consolidated Entity, and of the Consolidated Entity's business continuity plan, and assessment of the adequacy of internal controls; and
- review of related party transactions.

Audit and Risk Management Committee (continued)

The external auditors are selected according to criteria set by the Committee which include most significantly:

- the lack of any current or past connection or association with the Company or with any member of senior management that could in any way impair, or be seen to carry with it any risk of impairing, the independent external view they are required to take in relation to the Company and the Consolidated Entity;
- their general reputation for independence and probity and professional standing within the business community; and
- their knowledge of the industry within which the Company and the Consolidated Entity operate.

Audit staff employed by the external audit partner, including the partner or other principal with overall responsibility for the engagement, are required to be rotated periodically, and in any event at intervals not exceeding five years, so as to avoid any risk of impairing the independent external view that the external auditors are required to take in relation to the Company and the Consolidated Entity. The performance of the external auditor is reviewed on an annual basis.

Risks

The Board has the responsibility for the maintenance of the Company's strategy which includes the identification of significant business, legal, financial and organisational risks. This responsibility is fulfilled by the Audit and Risk Management Committee which reviews the major risks affecting each business segment and develops strategies to mitigate these risks and reports to the Board following each meeting.

The risks of the Company's and the Consolidated Entity's business are reviewed by the Board following each report by the Audit and Risk Management Committee. This report is a specific agenda item at each regular meeting of the Board to ensure that the Company is able to effectively respond to such risks.

Statements of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2011	Notes	CONSOLIDATED ENTITY 2011 $	CONSOLIDATED ENTITY 2010 $	PARENT ENTITY 2011 $	PARENT ENTITY 2010 $
Revenue from continuing operations	2	7,497,880	7,451,256	7,505,932	7,451,242
Changes in inventories of finished goods and work in progress		(77,622)	(79,095)	(77,622)	(79,095)
Raw materials and consumables used		(3,097,940)	(2,817,743)	(3,097,940)	(2,817,743)
Employee benefits expense		(2,322,115)	(2,734,047)	(2,313,395)	(2,734,047)
Finance costs		(285,402)	(214,116)	(229,658)	(163,038)
Depreciation and amortisation expense		(769,935)	(685,371)	(486,894)	(443,276)
Operating leases		-	-	(385,000)	(521,942)
Occupancy expenses		(308,320)	(321,470)	(308,320)	(321,470)
Office and administration expenses		(529,794)	(572,399)	(527,736)	(638,462)
Ordinary expenses		(134,793)	(140,638)	(134,793)	(140,638)
Loss on non-recoverable non-trade receivable		(35,281)	-	-	-
Share of net profits/(loss) of associates		16,087	(8,345)	-	-
(Loss)/Profit before income tax	3	**(47,235)**	**(121,969)**	**(55,426)**	**(408,469)**
Income tax benefit/(expense)	4	62,966	(38,933)	16,751	236,604
Profit/(loss) for the year from continuing operations		**15,731**	**(160,902)**	**(38,674)**	**(171,865)**
(Loss)/profit for the year from discontinued operations	5	**(350,818)**	**253,108**	**-**	**-**
(Loss)/profit for the year attributable to members		**(335,087)**	**92,206**	**(38,674)**	**(171,865)**
Other comprehensive income					
Other comprehensive income for the year net of income tax		-	-	-	-
Total comprehensive (loss)/income for the year attributable to members		**(335,087)**	**92,206**	**(38,674)**	**(171,865)**
Earnings per share and Diluted earnings per share					
From continuing operations:					
Basic and Diluted earnings per share (cents)	8	0.06	(0.69)		
From discontinued operations:					
Basic and Diluted earnings per share (cents)	8	(1.29)	1.09		
From profit/(loss) for the year:					
Basic and Diluted earnings per share (cents)	8	(1.23)	0.40		

The accompanying notes form part of these financial statements.

AS AT 30 JUNE 2011	Notes	CONSOLIDATED ENTITY 2011 $	CONSOLIDATED ENTITY 2010 $	PARENT ENTITY 2011 $	PARENT ENTITY 2010 $
Current Assets					
Cash and cash equivalents	9	580	(67,388)	539	(67,666)
Trade and other receivables	10	421,908	519,319	421,908	1,199,309
Inventories	11	99,774	177,396	99,774	177,396
Other current assets	12	41,075	120,365	41,075	120,363
Total Current Assets		**563,337**	**749,692**	**563,296**	**1,429,402**
Non-Current Assets					
Investment in subsidiaries	13	-	-	25,001	2
Investment in associate accounted for using the equity method	14	822,247	807,655	816,000	-
Deferred tax assets	4	467,533	414,971	467,533	414,971
Property, plant and equipment	15	2,331,021	2,964,820	2,417,038	1,567,888
Total Non-Current Assets		**3,620,801**	**4,187,446**	**3,725,572**	**1,982,861**
Total Assets		**4,184,138**	**4,937,138**	**4,288,868**	**3,412,263**
Current Liabilities					
Trade and other payables	16	408,484	781,375	355,621	789,380
Interest bearing financial liabilities	17	1,383,847	695,224	1,383,847	495,224
Interest bearing hire purchase liabilities	18	238,621	385,718	238,621	-
Non-interest bearing liabilities	19	-	60,000	166,921	60,000
Provisions	20	88,573	225,056	88,573	225,056
Total Current Liabilities		**2,119,525**	**2,147,373**	**2,233,583**	**1,569,660**
Non-Current Liabilities					
Provisions	20	118,670	100,163	118,670	100,163
Interest bearing financial liabilities	17	185,913	239,457	185,913	239,457
Interest bearing hire purchase liabilities	18	255,580	641,026	255,580	-
Deferred tax liability	4	6,100	27,182	6,100	26,787
Total Non-Current Liabilities		**566,263**	**1,007,829**	**566,263**	**366,407**
Total Liabilities		**2,685,788**	**3,155,201**	**2,799,846**	**1,936,067**
Net Assets		**1,498,350**	**1,781,937**	**1,489,022**	**1,476,196**
Equity					
Issued capital		7,935,894	7,884,394	7,935,894	7,884,394
Accumulated losses		(6,437,544)	(6,102,457)	(6,446,872)	(6,408,198)
Total Equity		**1,498,350**	**1,781,937**	**1,489,022**	**1,476,196**

The accompanying notes form part of these financial statements.

FOR THE YEAR ENDED 30 JUNE 2011

Consolidated Entity	Notes	Ordinary Shares	Equity Component of Convertible Notes	Total Issued Capital	Accumulated Losses	Total
		$	$	$	$	$
Balance at 1 July 2010		7,470,329	414,065	7,884,394	(6,102,457)	**1,781,937**
Comprehensive income for the year						
Loss for the year		-	-	-	(335,087)	**(335,087)**
Other comprehensive income		-	-	-	-	**-**
Total comprehensive loss for the year		-	-	-	(335,087)	**(335,087)**
Transactions with owners recorded directly in equity						
Contributions by owners						
- Shares issued		51,500	-	51,500	-	**51,500**
Total contributions by owners		51,500	-	51,500	-	**51,500**
Balance at 30 June 2011	21	7,521,829	414,065	7,935,894	(6,437,544)	**1,498,350**
Balance at 1 July 2009		4,187,679	414,065	4,601,744	(6,193,427)	**(1,591,683)**
Prior year correction		-	-	-	(1,236)	**(1,236)**
		4,187,679	414,065	4,601,744	(6,194,663)	**(1,592,919)**
Comprehensive income for the year						
Profit for the year		-	-	-	92,206	**92,206**
Other comprehensive income		-	-	-	-	**-**
Total comprehensive income for the year		-	-	-	92,206	**92,206**
Transactions with owners recorded directly in equity						
Contributions by owners						
- Shares issued		3,631,000	-	3,631,000	-	**3,631,000**
- Transaction costs		(348,350)	-	(348,350)	-	**(348,350)**
Total contributions by owners		3,282,650	-	3,282,650	-	**3,282,650**
Balance at 30 June 2010	21	7,470,329	414,065	7,884,394	(6,102,457)	**1,781,937**

The accompanying notes form part of these financial statements.

FOR THE YEAR ENDED 30 JUNE 2011

Parent Entity	Notes	Ordinary Shares	Equity Component of Convertible Notes	Total Issued Capital	Accumulated Losses	Total
		$	$	$	$	**$**
Balance at 1 July 2010		7,470,329	414,065	7,884,394	(6,408,198)	**1,476,196**
Comprehensive income for the year						
Loss for the year		-	-	-	(38,674)	**(38,674)**
Other comprehensive loss		-	-	-	-	**-**
Total comprehensive loss for the year		-	-	-	(38,674)	**(38,674)**
Transactions with owners recorded directly in equity						
Contributions by owners						
- Shares issued		51,500	-	51,500	-	**51,500**
Total contributions by owners		51,500	-	51,500	-	**51,500**
Balance at 30 June 2011	21	7,521,829	414,065	7,935,894	(6,446,872)	**1,489,022**
Balance at 1 July 2009		4,187,679	414,065	4,601,744	(6,236,333)	**(1,634,589)**
Comprehensive income for the year						
Loss for the year		-	-	-	(171,865)	**(171,865)**
Other comprehensive income		-	-	-	-	**-**
Total comprehensive loss for the year		-	-	-	(171,865)	**(171,865)**
Transactions with owners recorded directly in equity						
Contributions by owners						
- Shares issued		3,631,000	-	3,631,000	-	**3,631,000**
- Transaction costs		(348,350)	-	(348,350)	-	**(348,350)**
Total contributions by owners		3,282,650	-	3,282,650	-	**3,282,650**
Balance at 30 June 2010	21	7,470,329	414,065	7,884,394	(6,408,198)	**1,476,196**

The accompanying notes form part of these financial statements

FOR THE YEAR ENDED 30 JUNE 2011	Notes	CONSOLIDATED ENTITY 2011 $	CONSOLIDATED ENTITY 2010 $	PARENT ENTITY 2011 $	PARENT ENTITY 2010 $
Cash Flows From Operating Activities					
Receipts from customers		8,109,352	8,131,420	8,115,910	8,215,893
Payments to suppliers and employees		(7,647,632)	(7,745,721)	(8,020,174)	(8,038,647)
Finance costs		(228,441)	(173,161)	(168,355)	(75,747)
Interest received		713	2,370	713	2,356
Net Cash Flows From/(Used in) Operating Activities	22(a)	**233,992**	**214,908**	**(71,906)**	**103,855**
Cash Flows from Investing Activities					
Proceeds from disposal of property, plant and equipment		5,565	1,793	5,565	1,793
Purchase of property, plant and equipment		(218,410)	(1,288,654)	(1,336,044)	(912,931)
Payments for investment in associate		-	(816,000)	-	-
Payments for investment in subsidiary		-	-	-	-
Proceeds from disposal of investment in subsidiary		-	-	1	-
Net Cash Flows Used In Investing Activities		**(212,845)**	**(2,102,861)**	**(1,330,478)**	**(911,138)**
Cash Flows from Financing Activities					
Proceeds from share issue		51,500	3,631,000	51,500	3,631,000
Transaction costs		-	(658,271)	-	(658,271)
Payments for convertible notes paid out		(750,000)	(500,000)	(750,000)	(500,000)
Proceeds from borrowings		1,241,203	742,911	1,241,203	-
Repayment of borrowings		(592,542)	(1,337,331)	634,201	(1,675,259)
Loan - other corporation		-	-	197,025	-
Net Cash Flows (Used In)/From Financing Activities		**(49,839)**	**1,878,309**	**1,373,929**	**797,470**
Net Decrease in Cash and Cash Equivalents held		(28,692)	(9,644)	(28,455)	(9,813)
Cash and Cash Equivalents at Beginning of Year		(113,372)	(103,728)	(113,650)	(103,837)
Cash and Cash Equivalents at End of Year	22(b)	**(142,064)**	**(113,372)**	**(142,105)**	**(113,650)**

The accompanying notes form part of these financial statements

30 JUNE 2011

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were authorised for issue by the Board of Directors on 5 September 2011. The Board has the power to amend or re-issue the report after it has been issued.

(a) Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report includes the consolidated financial statements and notes of the Consolidated Entity of Print Mail Logistics Limited and controlled entities, and the separate financial statements of Print Mail Logistics Limited as an individual parent entity. Print Mail Logistics Limited is a listed public company, incorporated and domiciled in Australia.

The financial report of Print Mail Logistics Limited and controlled entities, and Print Mail Logistics Limited as an individual parent entity comply with all International Financial Reporting Standards (IFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the Consolidated Entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting applies. Cost is based on the fair values of the consideration given in exchange for assets.

Going concern – Material Uncertainty

At 30 June 2011, the Consolidated Entity had a net working capital deficiency (net current liabilities) of $1,556,188 (2010: $1,397,681) and incurred a $ 335,087 loss for the year ended 30 June 2011 (2010: profit of $ 92,206) in respect of the principal activities relating to the rendering of printing, mailing and distribution services. At 30 June 2011, the Consolidated Entity was also in technical breach of the loan covenants relevant to a finance facility referred to in Note 17.

The above matters create a material uncertainty that may cause significant doubt as to the ability of the Consolidated Entity and Company to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors have prepared the financial report of the Consolidated Entity on the going concern basis which assumes that the Company will be able to realise its assets and discharge its liabilities in the ordinary course of business on the following basis:

- On 2 September 2011, the Company negotiated the continuation of its finance facility by way of accepting an offer from the lender to vary the terms and conditions of the facility;
- The Company has prepared a detailed business plan including cash flow forecasts and assumptions for the 12 month period ending after the date of signature of the Independent Auditor's Report and believe that there is a reasonable basis to support the preparation of the financial report on a going concern basis. The Directors will continue to monitor the Company's progress against the business plan on a regular basis;
- The Company is revisiting the overall business model, service offering and value proposition to clients;
- The role of key executives have been redirected from daily management activities to those of identifying and effecting sales related opportunities.

(b) Principles of Consolidation

A controlled entity is any entity controlled by Print Mail Logistics Limited ("Company"). Control is considered to exist where the Company has the capacity to dominate the decision making in relation to the financial and operating policies of another entity so that the other entity operates with the Company to achieve the objectives of the Company. The controlled entities have June financial year ends.

Where a controlled entity has entered or left the Consolidated Entity during the year its operating results have been included from the date control was obtained or until the date control ceased. Details of the controlled entities are contained in Note 27. As at the reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended.

All inter-company balances and transactions between entities in the Consolidated Entity, including any unrealised profits or losses, have been eliminated on consolidation.

(i) Subsidiaries
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Print Mail Logistics Limited ("Company") as at 30 June 2011 and the results of all subsidiaries for the year then ended. The Company and its subsidiaries together are referred to in this financial report as the Consolidated Entity.

Subsidiaries are all entities (including special purpose entities) over which the Consolidated Entity governs the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Consolidated Entity (refer to Note 1(c)).

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

(ii) Associates
Associates are all entities over which the Consolidated Entity has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

The Consolidated Entity's share of its associates' post-acquisition profits or losses is recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised as reduction in the carrying amount of the investment.

When the Consolidated Entity's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured long-term receivables, the Consolidated Entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Consolidated Entity and its associate are eliminated to the extent of the Consolidated Entity's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

30 JUNE 2011

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Business Combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition-date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to form owners of the acquiree and the equity issued by the acquirer, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

When the Consolidated Entity acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Consolidated Entity's operating or accounting policies and other pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured at fair value as at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with AASB 139: *Financial Instruments: Recognition and Measurement* either in profit or loss or in other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured.

30 JUNE 2011

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Taxes

Income taxes

The charge for current income tax expense is based on the profit or loss for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the reporting date.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited to the Statement of Comprehensive Income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Consolidated Entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Print Mail Logistics Limited and its wholly owned Australian subsidiaries formed an income tax consolidated group under the tax consolidation regime on 1 July 2006. Each entity in the tax consolidated group recognises its own current and deferred tax liabilities, except for any deferred tax liabilities resulting from unused tax losses and tax credits, which are immediately assumed by the parent entity. The current tax liability of each tax consolidated group entity is then subsequently assumed by the parent entity.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Comprehensive Income.

Cash flows are included in the Statement of Cash Flows on a gross basis except for the GST component of the cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, which are disclosed as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

30 JUNE 2011

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Inventories

Inventories are valued at the lower of cost or net realisable value.

Costs incurred in bringing inventory to its present location and condition, are accounted for as purchase costs on a first-in-first-out basis.

(f) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less any accumulated depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed on an annual basis by the directors to ensure that the value is not in excess of the recoverable amount of these assets. The recoverable amount is assessed by reference to the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present value in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Consolidated Entity and the cost of the item can be measured reliably.

Repairs and maintenance costs are expensed to the Statement of Comprehensive Income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the Consolidated Entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Major depreciation periods are:

Plant and equipment

Computer software and equipment	3 years
Motor vehicles	3 years
Furniture and fittings	5 years
Digital printing equipment	5 years
Mail insertion equipment	5 years
Finishing and bindery equipment	5 years
Offset printing equipment	12 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing the proceeds received from the disposal to the carrying amount of each respective asset. These gains and losses are included in the Statement of Comprehensive Income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

30 JUNE 2011

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to entities within the Consolidated Entity are classified as finance leases. Finance leases are capitalised by recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Consolidated Entity will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(h) Financial instruments

Initial recognition and measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by market placed convention.

Financial instruments are initially measured at fair value plus transaction costs where the instrument is not classified as at fair value through the profit or loss. Transaction costs related to instruments classified as at fair value through profit and loss are expensed to the Statement of Comprehensive Income immediately. Financial instruments are classified and measured as set out below:

- *Derecognition*

Financial assets are derecognised where the contractual rights to the receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in the Statement of Comprehensive Income.

- *Classification and subsequent measurement*

(i) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

(ii) Financial assets at fair value through profit or loss
A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: *Financial Instruments: Recognition and Measurement*. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the Statement of Comprehensive Income in the period in which they arise. Subsequent to initial recognition, financial assets in this category are measured at cost when they are investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be measured reliably.

30 JUNE 2011

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Financial instruments (continued)

(iii) Financial liabilities
Non-derivative financial liabilities are subsequently measured at amortised cost, comprising original debt less principal payments and amortisation.

(iv) Impairment
At each reporting date, the Consolidated Entity assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the Statement of Comprehensive Income.

(i) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short term borrowings in current liabilities on the Statement of Financial Position.

Cash on hand and in banks and short term deposits are stated at nominal value.

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks including bank overdrafts.

(j) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after reporting date.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Consolidated Entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in the Statement of Comprehensive Income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the Statement of Comprehensive Income.

(k) Impairment of assets

At each reporting date, the Consolidated Entity reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less cost incurred to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Comprehensive Income.

Impairment testing is performed annually.

Where it is not possible to estimate the recoverable amount of an individual asset, the Consolidated Entity estimates the recoverable amount of the cash generating unit to which the asset belongs.

30 JUNE 2011

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held-for-sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held-for-sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held-for-sale continue to be recognised.

Non-current assets classified as held-for-sale and the assets of a disposal group classified as held-for-sale are presented separately from the other assets in the Statement of Financial Position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the Statement of Financial Position.

A discontinued operation is a component of the entity that has been disposed of or is classified as held-for-sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the Statement of Comprehensive Income.

(m) Trade and other payables

These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(n) Segment reporting

Operating segments are reported in a manner consistent with 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.

30 JUNE 2011

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed are net of returns, trade allowances and rebates.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured.

Revenue from printing is recognised upon delivery to the customer or on account of the customer. Revenue from mailing services is recognised by reference to the stage of completion method.

Dividend revenue is recognised when the Company or Consolidated Entity (shareholder)'s right to receive payment is established.

Interest revenue is recognised using the effective interest method as set out in AASB 139: *Recognition and Measurement of Financial Instruments*.

All revenue is stated net of the amount of GST.

(p) Foreign currency transactions and balances

Functional and presentation currency

The functional currency of each of the entities in the Consolidated Entity is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into foreign currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the Statement of Comprehensive Income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity; otherwise the exchange difference is recognised in the Statement of Comprehensive Income.

(q) Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and long service leave.

Employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. This is inclusive of associated on-costs of 16.5%. Employee benefits payable later than one year have been measured at the present value of the estimated cash flows to be made for those benefits.

Employee benefits expenses and revenues arising in respect of wages and salaries, non-monetary benefits, annual leave and other types of employee benefits are recognised against profits on a net basis in their respective categories.

30 JUNE 2011

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Provisions

Provisions are recognised when the Consolidated Entity has a legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(s) Borrowing costs

Borrowing costs are expensed in the income period in which they are incurred.

(t) Comparative figures

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Reclassification

There has been a reclassification in the comparatives of the profit from discontinued operations to correctly reflect the split between continuing and discontinuing operations. This has had no impact on the profit/(loss) for the year (refer Note 5).

There has been a reclassification in the comparatives of plant and equipment of $610,965 between cost and accumulated depreciation. There has been no impact on the Statement of Financial Position or the Statement of Comprehensive Income.

(u) Debt defeasance

Where assets are given up to extinguish the principal repayments and all future interest payments of a debt, any differences in the carrying value foregone and the liability extinguished is brought to account in profit. Costs incurred in establishing the defeasance are expensed in the period that the defeasance occurs.

In all cases where defeasance occurs, it is highly unlikely that the consolidated entity will again be required to pay any part of the debt or meet any guarantees or indemnities associated with the debt.

(v) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(w) Earnings per share

(i) Basic earnings per share
Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

30 JUNE 2011

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(x) Critical accounting estimates and assumptions

The 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 Consolidated Entity.

Key estimates

Impairment - The Consolidated Entity assesses impairment at each reporting date by evaluating conditions specific to the Consolidated Entity 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.

Income taxes - The Consolidated Entity is subject to income taxes in Australia. There are certain transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Consolidated Entity estimates its tax liabilities based on the Consolidated Entity's understanding of the tax law. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

In addition, the Consolidated Entity has recognised deferred tax assets relating to carried forward tax losses to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same subsidiary against which the unused tax losses can be utilised.

30 JUNE 2011

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(y) New accounting standards and interpretations

There have been no new or amended Australian Accounting Standards and AASB interpretations that the Consolidated Entity has adopted during the financial year.

(z) New standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the Consolidated Entity in the period of initial application. They are available for early adoption at 30 June 2011, but have not been applied in preparing this financial report.

AASB 9: *Financial Instruments* is one of a series of amendments that is expected to replace AASB 139: *Recognition and Measurement of Financial Instruments*. During 2010-11, the standard will be expanded to include new rules on measurement of financial liabilities and hedge accounting. Currently the existing provisions of AASB 139: *Recognition and Measurement of Financial Instruments* will continue to apply in these areas.

AASB 9: *Financial Instruments* simplifies the classifications of financial assets into those to be carried at amortised cost and those to be carried at fair value – the 'available for sale' and 'held-to-maturity' categories no longer exists. AASB 9: *Financial Instruments* also simplifies requirements for embedded derivatives and removes the tainting rules associated with held-to-maturity assets.

The new categories of financial assets are:

- Amortised cost – those assets with 'basic' loan features
- Fair value through other comprehensive income - this treatment is optional for equity instruments not held for trading (this choice is made at initial recognition and is irrevocable)
- Fair Value through profit and Loss - everything that does not fall into the above two categories

The following changes also apply:

- Investments in unquoted equity instruments must be measured at fair value. However, cost may be the appropriate measure of fair value where there is insufficient more recent information available to determine a fair value
- There is no longer any requirement to consider whether 'significant or prolonged' decline in the value of financial assets has occurred. The only impairment testing will be on those assets held at amortised cost, and all impairments will be eligible for reversal.
- Similarly, all movements in the fair value of a financial asset now go to the Statement of Comprehensive Income, or, for equity instruments not held for trading, other comprehensive income. There is no longer any requirement to book decrements through the Statement of Comprehensive Income, and increments through equity.
- The rules for reclassification of financial assets have been simplified. Financial assets are now reclassified only when the entity's business model changes – this is expected to be very infrequent.

In December 2010, the AASB released a revised version of AASB 9: *Financial Instruments* which included new requirements for the measurement and classification of financial liabilities, with the following key features:

- Most liabilities continue to be measured at amortised cost.
- Where a liability is measured at fair value, any change in fair value which is attributable to the entity's own credit risk must be shown as part of Other Comprehensive Income, not as part of the profit or loss.

This standard is due to be adopted in periods beginning on or after 1 January 2013. Early adoption of the standard before 1 January 2012 removes the requirement for restatement of comparatives.

30 JUNE 2011

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(z) New standards and interpretations not yet adopted (continued)

AASB 124: *Related Party Disclosures* amends the requirements of the previous version of AASB 124: *Related Party Disclosures* to:

- provide a partial exemption from related party disclosure
- identify requirements for government-related entities
- clarify the definition of a related party
- include an explicit requirement to disclose commitments involving related parties.

It is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively. The amendment clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. The Consolidated Entity will apply the amended standard from 1 July 2011. When the amendments are applied, the Consolidated Entity will need to disclose any transactions between its subsidiaries and its associates. However, there will be no impact on any of the amounts recognised in the financial statements.

AASB 1048 *Interpretation and Application of Standards* has been updated to include a mandatory requirement to comply with Australian Accounting Interpretations. No specific transition requirements are included in the standard therefore the general requirements of AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* apply.

Corporate Reform
The Corporations Amendment (Corporate Reporting Reform) Bill 2010, which came into effect for the financial year ended 31 December 2010, has abolished the need to include parent entity financial statements within the consolidated financial statements prepared under the *Corporations Act 2001*. The Consolidated Entity has applied Class Order 10/654 which allows the Consolidated Entity to include parent entity financial statements as part its financial report under Chapter 2M of the *Corporations Act 2001*. The Consolidated Entity is also taking advantage of the relief from presenting the summary parent information otherwise required by regulation 2M.33.01 of the *Corporations Regulations 2001*.

(aa) Rounding of amounts

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report and Financial Report. Certain amounts in the Directors' Report and Financial Report have been rounded off in accordance with that Class Order to the nearest thousand dollars.

30 JUNE 2011

2. REVENUE FROM CONTINUING OPERATIONS

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2011	2010	2011	2010
	$	$	$	$
Revenues from operating activities				
Revenue from rendering of services	7,151,646	7,362,465	7,153,141	7,362,465
Revenues from non-operating activities				
Interest received	713	2,370	713	2,356
Gain on disposal of property, plant and equipment	5,565	1,793	5,565	1,793
Gain on revaluation of financial asset	54,377	-	54,377	-
Gain on forgiveness of loan	191,115	-	191,115	-
Gain on foreign currency translation	14,087	59,164	14,087	59,164
Other income	80,377	25,464	86,934	25,464
Total revenues from non-operating activities	346,234	88,791	352,791	88,777
Total revenues from continuing operations	7,497,880	7,451,256	7,505,932	7,451,242

30 JUNE 2011

3. (LOSS)/PROFIT BEFORE INCOME TAX

(Loss)/Profit before income tax includes the following expenses:

		CONSOLIDATED ENTITY		PARENT ENTITY	
		2011	2010	2011	2010
		$	$	$	$
Finance costs					
Interest expense – external parties		266,485	195,286	211,016	145,023
Interest expense – related entities		-	3,110	-	3,110
Other borrowing costs		18,917	15,720	18,642	14,905
Total finance costs		285,402	214,116	229,658	163,038
Depreciation					
Computer software & equipment		76,596	84,176	76,595	84,176
Digital printing equipment		313,060	233,865	40,268	2,937
Mail insertion equipment		105,600	197,081	95,352	185,915
Finishing and bindery equipment		185,110	88,728	185,110	88,728
Furniture and fittings		12,169	7,278	12,169	7,278
Offset printing equipment		77,400	74,242	77,400	74,242
Total depreciation of property, plant and equipment		769,935	685,371	486,894	443,276
Operating leases					
Minimum lease payments - plant and equipment		-	-	385,000	521,942
Minimum lease payments - premises	(i)	228,097	237,638	228,097	237,638
Total operating lease rentals		228,097	237,638	613,097	759,580
Bad and doubtful debts					
Trade receivables impaired		-	3,382	-	3,382
Total bad and doubtful debts		-	3,382	-	3,382
Superannuation expense		181,127	213,418	181,127	213,418

(i) This amount is grouped with occupancy expenses in the Statements of Comprehensive Income.

30 JUNE 2011

4. INCOME TAX

	Notes	CONSOLIDATED ENTITY 2011 $	CONSOLIDATED ENTITY 2010 $	PARENT ENTITY 2011 $	PARENT ENTITY 2010 $
Current					
The major components of income tax expense are:					
Deferred tax expense/(benefit)		(73,645)	(53,354)	(16,751)	(236,604)
		(73,645)	(53,354)	(16,751)	(236,604)
Reconciliation of deferred tax expense/(benefit)					
- Continuing operations		(62,966)	38,933	(16,571)	(236,604)
- Discontinued operations	5	(10,679)	(92,287)	-	-
Deferred tax expense benefit		(73,645)	(53,354)	(16,571)	(236,604)
Reconciliation of income tax expense to prima facie tax payable					
Accounting (loss)/profit from continuing operations before income tax		(47,235)	(121,969)	(55,426)	(408,469)
Accounting (loss)/profit from discontinued operations before income tax		(361,496)	160,821	-	-
Accounting (loss)/profit before income tax		(408,731)	38,852	(55,425)	(408,469)
Prima facie tax at statutory income tax rate of 30%		(122,619)	11,656	(16,627)	(122,541)
Non deductible expenditure		8,490	7,436	(48,844)	9,197
Other deductible expenditure		-	(117,681)	-	(117,681)
Derecognition of deferred tax assets		40,484	45,235	48,721	(5,579)
Income tax (benefit)/expense		(73,645)	(53,354)	(16,751)	(236,604)

30 JUNE 2011

4. INCOME TAX (continued)

	Opening Balance	Brought to Account	Charged to Statement of Comprehensive Income	Charged to Equity	Closing Balance
	$	$	$	$	$
Non-Current					
Consolidated Entity					
Deferred tax liability					
Property, plant and equipment	27,182	-	(27,182)	-	-
Other items	-	-	6,100	-	6,100
	27,182	-	(21,082)	-	6,100
Deferred tax asset					
Impairment of receivables	1,116	-	(1,116)	-	-
Employee provisions	97,566	-	(35,393)	-	62,173
Creditors and accruals	16,968	-	(3,710)	-	13,258
Property, plant and equipment	-	-	26,165	-	26,165
Transaction costs	151,239	-	(39,497)	-	111,742
Tax losses	148,082	-	106,112	-	254,195
	414,971	-	52,562	-	467,533
Non-Current					
Parent Entity					
Deferred tax liability					
Property, plant and equipment	26,787	-	(26,787)	-	-
Other items	-	-	6,100	-	6,100
	26,787	-	(20,687)	-	6,100
Deferred tax asset					
Impairment of receivables	1,116	-	(1,116)	-	-
Employee provisions	97,566	-	(35,393)	-	62,173
Creditors and accruals	16,968	-	(3,710)	-	13,258
Property, plant and equipment	-	-	26,165	-	26,165
Transaction costs	151,239	-	(39,497)	-	111,742
Tax losses*	148,082	56,499	49,614	-	254,195
	414,971	56,499	(3,937)	-	467,533

*Deferred tax benefit in respect of tax losses recognised in respect of the tax consolidated group.

30 JUNE 2011

5. DISCONTINUED OPERATIONS

	Notes	CONSOLIDATED ENTITY 2011 $	2010 $
On 1 June 2011, the parent entity sold its 100% ownership interest in 999999999 Pty Ltd to a non-related third party.			
Financial information relating to the discontinued operation to the date of disposal is set out below.			
The financial performance of the discontinued operation to the date of sale which is included in the (loss)/profit from discontinued operations per the statement of comprehensive income is as follows:			
Revenue		8,593	300,000
Depreciation expense		(81,951)	(89,289)
Other expenses		(97,024)	(49,889)
(Loss)/profit before income tax		(170,382)	160,821
Income tax benefit/(expense)		10,679	92,287
(Loss)/profit after income tax of discontinued operation		**(159,703)**	**253,108**
Loss on sale of discontinued operation before income tax		(191,115)	-
Income tax (expense)/benefit		-	-
Loss on sale of discontinued operation after income tax		**(191,115)**	**-**
Total (loss)/profit from discontinued operation		**(350,818)**	**253,108**
Earnings per share			
From discontinued operations:			
Basic and Diluted earnings per share (cents)	8	(1.29)	1.09

The discontinued operation does not fall into any specific operating segment and for the purpose of AASB 8 *Operating Segments* and is therefore not allocated to an operating segment.

	2011 $	2010 $
The net cash flows of the discontinuing operation which have been incorporated into the statement of cash flows are as follows:		
Net cash (outflow)/inflow from operating activities	(900,868)	752,379
Net cash inflow/(outflow) from investing activities	1,100,768	(743,366)
Net cash outflow from financing activities	(200,000)	(8,935)
Net cash (decrease)/increase in cash generated by the discontinued operation	**(100)**	**78**

30 JUNE 2011

6. COMPENSATION OF KEY MANAGEMENT PERSONNEL (KMP)

The total remuneration paid to KMP of the parent entity and the Consolidated Entity during the year was as follows:

		CONSOLIDATED ENTITY		PARENT ENTITY	
		2011	2010	2011	2010
		$	$	$	$
Short term employee benefits		390,204	467,269	378,204	467,269
Post employment benefits		34,477	40,374	33,397	40,374
	(i)	424,681	507,643	411,601	507,643

No other payments were made in respect of other long term benefits, share based payments or termination benefits.

(i) Disclosure of compensation in respect of key managment personnel has also been detailed in the directors' report.

Key Management Personnel include:

- Nigel B Elias *(Managing Director)*
- John W Woods *(Non-executive Director)*
- Robert C Cameron *(Non-executive Director)*
- Peter A MacLeod *(General Manager)*
- Adrian J Pereira *(Chief Financial Officer)*

7. DIVIDENDS PAID OR PROVIDED FOR ON ORDINARY SHARES

There were no dividends paid or provided for as at the reporting date (2010: nil).

The parent entity's franking account balance is $114,785 (2010: $114,785).

30 JUNE 2011

8. EARNINGS PER SHARE (EPS)

	CONSOLIDATED ENTITY 2011 $	2010 $
Reconciliation of total earnings to profit or loss		
(Loss)/profit after income tax	(335,087)	92,206
Earnings used to calculate basic EPS	(335,087)	92,206
Earnings used in the calculation of dilutive EPS	(335,087)	92,206
Reconciliation of earnings to profit or loss from continuing operations		
Profit/(Loss) from continuing operations	15,731	(160,902)
Earnings used to calculate basic EPS from continuing operations	15,731	(160,902)
Earnings used in the calculation of dilutive EPS from continuing operations	15,731	(160,902)
Reconciliation of earnings to profit or loss from discontinuing operations		
(Loss)/Profit from discontinuing operations	(350,818)	253,108
Earnings used to calculate basic EPS from discontinuing operations	(350,818)	253,108
Earnings used in the calculation of dilutive EPS from discontinuing operations	(350,818)	253,108
Weighted average number of ordinary shares outstanding during the year used in calculating basic and dilutive EPS	27,253,119	23,157,836
Earnings per share and Diluted earnings per share		
From continuing operations:		
Basic and Diluted earnings per share (cents)	0.06	(0.69)
From discontinued operations:		
Basic and Diluted earnings per share (cents)	(1.29)	1.09
From profit/(loss) for the year:		
Basic and Diluted earnings per share (cents)	(1.23)	0.40

30 JUNE 2011

9. CASH AND CASH EQUIVALENTS

	Notes	CONSOLIDATED ENTITY 2011 $	CONSOLIDATED ENTITY 2010 $	PARENT ENTITY 2011 $	PARENT ENTITY 2010 $
Cash at bank and in hand	(i)	580	(67,388)	539	(67,666)
Reconciliation of Cash					
Cash and cash equivalents at the end of the financial year as shown in the Statements of Cash Flows is reconciled to items in the Statements of Financial Position as follows:					
Cash and cash equivalents		580	(67,388)	539	(67,666)
Bank overdraft facility		(142,644)	(45,984)	(142,644)	(45,984)
		(142,064)	(113,372)	(142,105)	(113,650)

The carrying amount is a reasonable approximation of the fair value of the cash and cash equivalents.

(i) The parent entity's actual cash at bank as at 30 June 2010 was $191,333.79 (Consolidated Entity: $191,612.09). The reporting figure was adjusted to recognise two unpresented cheques being the repayment of a Convertible Note that matured on 30 June 2010 and a payment to a trade creditor.

10. TRADE AND OTHER RECEIVABLES

	Notes	CONSOLIDATED ENTITY 2011 $	CONSOLIDATED ENTITY 2010 $	PARENT ENTITY 2011 $	PARENT ENTITY 2010 $
Trade debtors	(i) (ii)	421,908	518,966	421,908	518,966
Allowance for impairment of receivables		-	(3,720)	-	(3,720)
		421,908	515,246	421,908	515,246
Non-trade debtors		-	4,073	-	4,073
		-	4,073	-	4,073
Loan - wholly owned subsidiary - 999999999 Pty Ltd		-	-	-	634,345
Loan - wholly owned subsidiary - 666666 Pty Ltd		-	-	-	44,718
Loan - wholly owned subsidiary - Print Mail Logistics (International) Pty Ltd		-	-	-	927
		-	-	-	679,990
Total trade and other receivables		421,908	519,319	421,908	1,199,309

The carrying amount is a reasonable approximation of the fair value of trade and non-trade receivables.

Terms and conditions relating to the above financial instruments:

(i) Trade debtors are non-interest bearing and generally on trade terms of less than 30 days.

(ii) The Consolidated Entity does not hold any formal collateral in relation to these receivables.

30 JUNE 2011

10. TRADE AND OTHER RECEIVABLES (continued)

		CONSOLIDATED ENTITY		PARENT ENTITY	
	Notes	2011	2010	2011	2010
(a) Past due but not impaired		$	$	$	$
Trade and other receivables <30 days		382,649	492,993	382,649	492,993
Trade and other receivables >30 days (past due)		39,259	25,973	39,259	25,973
		421,908	518,966	421,908	518,966
Past due		39,259	25,973	39,259	25,973
Impaired (included in allowance for impairment of receivables)		-	(3,720)	-	(3,720)
Past due but not impaired		39,259	22,253	39,259	22,253

The creation and release of allowance for impairment of receivables has been included in office and administration expenses in the Statements of Comprehensive Income. Amounts charged to the allowance are generally written off when there is no expectation of recovering additional the receivable in part or in whole.

(b) Other receivables

These receivables generally arise from transactions outside the normal operating activities of the Consolidated Entity. Collateral is generally not obtained.

11. INVENTORIES

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2011	2010	2011	2010
	$	$	$	$
Current				
Work in progress - at cost	14,304	6,997	14,304	6,997
Finished goods - at cost	85,470	170,399	85,470	170,399
	99,774	177,396	99,774	177,396

There are no amounts pledged as security for liabilities.

12. OTHER CURRENT ASSETS

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2011	2010	2011	2010
	$	$	$	$
Prepayments	39,415	46,323	39,415	46,322
Deposits with suppliers	1,660	74,041	1,660	74,041
	41,075	120,365	41,075	120,363

30 JUNE 2011

13. INVESTMENT IN SUBSIDIARIES

	Notes	CONSOLIDATED ENTITY 2011	CONSOLIDATED ENTITY 2010	PARENT ENTITY 2011	PARENT ENTITY 2010
		$	$	$	$
Investments include:					
Unlisted investments at cost:					
Shares in controlled entities	(i)	-	-	25,001	2
		-	-	25,001	2

(i) At balance date, shares in controlled entities comprise investments in the ordinary issued capital of 666666 Pty Ltd and Print Mail Logistics (International) Pty Ltd. These shares are not traded publicly and therefore there is no reliable basis to determine fair value.

On 19 May 2011, Print Mail Logistics Limited acquired 100% of the shares on issue in Print Mail Logistics (International) Pty Ltd from 999999999 Pty Ltd for $25,000 (refer Note 27).

On 1 June 2011, Print Mail Logistics sold 100% of the shares on issue in 999999999 Pty Ltd to a non-related third party for $1 (refer Note 27).

14. INVESTMENT IN ASSOCIATE ACCOUNTED FOR USING THE EQUITY METHOD

	Notes	CONSOLIDATED ENTITY 2011	CONSOLIDATED ENTITY 2010	PARENT ENTITY 2011	PARENT ENTITY 2010
		$	$	$	$
Associated companies					
Cost of investment		816,000	816,000	816,000	-
Accumulated share of profits/(losses)		7,742	(8,345)	-	-
Elimination of intercompany sales		(1,496)	-	-	-
	(i)	822,247	807,655	816,000	-

(i) The investment in the Associate that was initially acquired by 999999999 Pty Ltd on 31 October 2010, was sold to Print Mail Logistics Limited on 20 May 2011 for $816,000.

The financial information of the Associate is as follows:	2011	2010
	$	$
Total Assets	1,125,928	1,120,641
Total Liabilities	(283,551)	(331,887)
Revenues	482,059	111,673
Profit/(Loss) for the year	53,623	(27,346)

30 JUNE 2011

15. PROPERTY, PLANT AND EQUIPMENT

Consolidated Entity	Computer software and equipment $'000	Motor vehicles $'000	Digital printing equipment $'000 (i)	Mail insertion equipment $'000	Finishing and bindery equipment $'000	Furniture and fittings $'000	Offset printing equipment $'000	Total $'000
At 30 June 2011								
Cost	461	-	1,121	941	999	67	1,974	5,563
Accumulated depreciation	(400)	-	(130)	(825)	(325)	(29)	(1,523)	(3,231)
Net book amount	61	-	991	116	674	38	451	2,331
Year ended 30 June 2011								
Opening net book amount	113	-	1,386	221	721	28	496	2,965
Additions	26	-	-	-	139	22	31	218
Depreciation charge	(78)	-	(395)	(106)	(185)	(12)	(77)	(852)
Closing net book amount	61	-	991	115	675	38	450	2,331
At 30 June 2010								
Cost	439	35	1,945	966	860	45	1,942	6,232
Accumulated depreciation	(326)	(35)	(559)	(745)	(139)	(17)	(1,446)	(3,267)
Net book amount	113	-	1,386	221	721	28	496	2,965
Year ended 30 June 2010								
Opening net book amount	101	-	1,325	418	9	27	570	2,450
Additions	96	-	384	-	801	8	-	1,289
Depreciation charge	(84)	-	(323)	(197)	(89)	(7)	(74)	(774)
Closing net book amount	113	-	1,386	221	721	28	496	2,965

(i) Allocation to depreciation from continuing and discontinued operations

30 JUNE 2011

15. PROPERTY, PLANT AND EQUIPMENT (continued)

Parent Entity	Computer software and equipment $'000	Motor vehicles $'000	Digital printing equipment $'000	Mail insertion equipment $'000	Finishing and bindery equipment $'000	Furniture and fittings $'000	Offset printing equipment $'000	Total $'000
At 30 June 2011								
Cost	461	-	1,945	966	999	67	1,973	6,411
Accumulated depreciation	(400)	-	(868)	(850)	(325)	(29)	(1,522)	(3,994)
Net book amount	61	-	1,077	116	674	38	451	2,417
Year ended 30 June 2011								
Opening net book amount	113	-	8	202	720	28	497	1,568
Additions	26	-	1,109	8	139	22	31	1,336
Depreciation charge	(78)	-	(40)	(95)	(185)	(12)	(77)	(487)
Closing net book amount	61	-	1,077	115	674	38	451	2,417
At 30 June 2010								
Cost	439	35	13	933	859	45	1,942	4,266
Accumulated depreciation	(326)	(35)	(5)	(731)	(139)	(17)	(1,445)	(2,698)
Net book amount	113	-	8	202	720	28	497	1,568
Year ended 30 June 2010								
Opening net book amount	101	-	2	388	9	27	571	1,098
Additions	96	-	9	-	800	8	-	913
Depreciation charge	(84)	-	(3)	(186)	(89)	(7)	(74)	(443)
Closing net book amount	113	-	8	202	720	28	497	1,568

(a) Leased assets

Digital printing equipment includes the following amounts where the Consolidated Entity is a lessee under a hire purchase agreement:

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2011	2010	2011	2010
Leasehold equipment	$'000	$'000	$'000	$'000
Cost	875	875	598	-
Accumulated depreciation	(292)	(117)	(14)	-
Net book amount	583	758	584	-

30 JUNE 2011

16. TRADE AND OTHER PAYABLES

	Notes	CONSOLIDATED ENTITY		PARENT ENTITY	
		2011	2010	2011	2010
		$	$	$	$
Current					
Trade creditors	(i)	256,355	446,559	256,355	437,402
Accrued expenses		-	16,317	-	-
Australia Post - (debit)/credit facility	(ii)	(15,633)	48,308	(15,633)	48,308
Goods and services tax		64,385	136,242	(33,263)	125,937
PAYG withholding tax		31,190	47,830	31,190	46,830
Provision for income tax		-	-	44,785	44,785
Fringe benefits tax		3,325	2,973	3,325	2,973
Superannuation		40,866	56,559	40,866	56,559
Insurance		27,996	26,586	27,996	26,586
		408,484	781,375	355,621	789,380

Terms and conditions relating to the above financial instruments:

(i) Trade creditors are non-interest bearing and payable generally on 30 day terms.

(ii) The Australia Post (debit)/credit facility is non-interest bearing.

30 JUNE 2011

17. INTEREST BEARING FINANCIAL LIABILITIES

	Notes	CONSOLIDATED ENTITY 2011 $	CONSOLIDATED ENTITY 2010 $	PARENT ENTITY 2011 $	PARENT ENTITY 2010 $
Current					
Secured liabilities					
Loans - other party		-	200,000	-	-
Business loan	(ii)	1,241,203	-	1,241,203	-
Convertible notes	(iv)	-	449,240	-	449,240
Bank overdraft facility	(iii)	142,644	45,984	142,644	45,984
		1,383,847	695,224	1,383,847	495,224
Total Current		1,383,847	695,224	1,383,847	495,224
Non-current					
Unsecured liabilities					
Loans - other party	(i)	185,913	-	185,913	-
		185,913	-	185,913	-
Secured liabilities					
Convertible notes	(iv)	-	239,457	-	239,457
		-	239,457	-	239,457
Total Non-current		185,913	239,457	185,913	239,457

The carrying values of these financial liabilities are a reasonable approximation of the fair values.

Terms and conditions relating to the above financial instruments:
(i) The loan represents a loan denominated in British Pounds Sterling. The principle debt of £124,000 bears interest at the rate of 9% per annum with the maturity date being 31 March 2013.

(ii) The secured business loan represents a finance facility to Print Mail Logistics Limited. The loan is secured by a registered fixed and floating charge over the assets and undertaking of the borrower. The loan is for a maximum period of 5 years and is repayable in monthly instalments of $29,552 inclusive of interest over the term of the loan.

(iii) The bank overdraft facility bears interest at a variable rate calculated on the daily debit balance. The overdraft limit is $150,000.

At reporting date, the Company was in technical breach of the loan covenants relevant to the business loan and the bank overdraft facility. As a consequence, the entirety of the business loan is disclosed as a current interest bearing liability in accordance with Australian Accounting Standards including AASB 101: *Presentation of Financial Statements*.

(iv) The Convertible Notes on hand at 30 June 2010 each had a face value of $250,000 and bore interest at 1% per annum payable six monthly in arrears. The Convertible Notes were repaid in full on 22 September 2010.

30 JUNE 2011

18. INTEREST BEARING HIRE PURCHASE LIABILITIES

	Notes	CONSOLIDATED ENTITY 2011 $	CONSOLIDATED ENTITY 2010 $	PARENT ENTITY 2011 $	PARENT ENTITY 2010 $
Current					
Unsecured hire purchase agreements	(i)	238,621	275,847	238,621	-
		238,621	275,847	238,621	-
Secured hire purchase agreements	(ii)	-	109,871	-	-
		-	109,871	-	-
Total Current		238,621	385,718	238,621	-
Non-current					
Unsecured hire purchase agreements	(i)	255,580	467,063	255,580	-
		255,580	467,063	255,580	-
Secured hire purchase agreements	(ii)	-	173,963	-	-
		-	173,963	-	-
Total Non-current		255,580	641,026	255,580	-
Total interest bearing finance lease liabilities		494,201	1,026,744	494,201	-

Terms and conditions relating to the above financial instruments:

(i) Print Mail Logistics assumed an exisiting unsecured hire purchase agreement from 666666 Pty Ltd during the financial year. This agreement is for a 36 month period and contains a fixed rate of interest over the life of the loan, repayable in monthly instalments of $23,260 inclusive of interest.

(ii) The hire purchase agreement entered into by 666666 Pty Ltd was secured by a fixed and floating charge over 666666 Pty Ltd. The liability was paid out in full on 22 September 2010.

19. NON-INTEREST BEARING LIABILITIES

	Notes	CONSOLIDATED ENTITY 2011 $	CONSOLIDATED ENTITY 2010 $	PARENT ENTITY 2011 $	PARENT ENTITY 2010 $
Current					
Unsecured					
Loan - wholly owned subsidiary - 666666 Pty Ltd		-	-	146,447	-
Loan - wholly owned subsidiary - Print Mail Logistics (International) Pty Ltd		-	-	20,474	-
Loans - other	(i)	-	60,000	-	60,000
		-	60,000	166,921	60,000

(i) The loan was unsecured, non-interest bearing and repayable at call.

(ii) As at 1 June 2011, 999999999 Pty Ltd had a receivable due from Print Mail Logistics Limited of $216,973. During the period 1 June 2011 to 28 June 2011, Print Mail Logistics Limited repaid $36,537. On 28 June 2011, 999999999 Pty Ltd forgave the balance of the receivable which resulted in the Consolidated Entity realising a profit on forgiveness of loan of $191,115 (refer to Note 2).

30 JUNE 2011

20. ACCRUED EMPLOYEE BENEFITS

		CONSOLIDATED ENTITY		PARENT ENTITY	
		2011	2010	2011	2010
		$	$	$	$
Analysis of accruals					
Current					
Annual leave accrual	(i)	88,573	141,549	88,573	141,549
Accrual for performance bonus	(i)	-	83,507	-	83,507
		88,573	225,056	88,573	225,056
Non-current					
Long service leave provision	(ii)	118,670	100,163	118,670	100,163
		207,243	325,219	207,243	325,219
Opening balance at 1 July		325,219	427,482	325,219	427,482
Additional provisions		218,772	284,136	218,772	284,136
Amounts used		(336,748)	(386,399)	(336,748)	(386,399)
Balance at 30 June		207,243	325,219	207,243	325,219

(i) The current provisions for employee benefits include accrued annual leave and the provision for performance bonuses. The Consolidated Entity expects the accrued entitlements to be utilised in full within the next 12 months.

(ii) The non-current provision for employee benefits includes a provision for long service leave. The Consolidated Entity has assessed the likelihood of long service leave being taken within the next 12 months as remote based on previous trends, and the accrued leave entitlement of each employee and therefore has classified accrued long service leave as non-current.

30 JUNE 2011

21. ISSUED CAPITAL

	2011 Number of shares	2011 $	2010 Number of shares	2010 $
(a) Movements in issued capital of Print Mail Logistics Limited				
Beginning of the financial year	27,203,334	7,470,329	15,100,000	4,187,679
Issued during the year	171,666	51,500	12,103,334	3,631,000
Transaction costs net of income tax	-	-	-	(348,350)
End of the financial year	27,375,000	7,521,829	27,203,334	7,470,329

The number of fully paid shares authorised for issue at the end of the financial year is 27,375,000 (2010: 27,203,334).

Effective 1 July 1998, the *Company Law Review Act 1998* abolished the concept of par value shares and the concept of authorised capital. Accordingly, the parent entity does not have authorised capital or par value in respect of its issued shares.

(b) Shares held by associate				
Fully paid shares held by Associate	2,720,000	816,000	2,720,000	816,000

(c) Movements in equity component of convertible Notes	2011 Number of Notes	2011 $	2010 Number of Notes	2010 $
Beginning of the financial year	3	414,065	5	414,065
Issued during the year	-	-	-	-
Equity component of convertible notes redeemed during the year	(3)	-	(2)	-
Converted during the year	-	-	-	-
End of the financial year	-	414,065	3	414,065

(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. There are no externally imposed capital requirements.

(e) Terms and conditions of convertible notes

The Convertible Notes were issued on the following basis:

Issuer: Print Mail Logistics Limited.
Note holder: LSL Holdings Pty Ltd (In Liquidation).
Security: Three separate fixed and floating charges.
The Convertible Notes on hand at 30 June 2010 each had a face value of $250,000 and bore interest at 1% per annum payable six monthly in arrears. The Notes were repaid 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* .

30 JUNE 2011

22. STATEMENT OF CASH FLOWS

	Notes	CONSOLIDATED ENTITY 2011 $	CONSOLIDATED ENTITY 2010 $	PARENT ENTITY 2011 $	PARENT ENTITY 2010 $
(a) Reconciliation of the net (loss)/profit after tax to the net cash flows from operations					
Net (loss)/profit		(335,087)	92,206	(38,674)	(171,865)
Non-cash items					
Depreciation of non-current assets		851,885	774,661	486,894	443,276
Gain on foreign currency translation		(14,087)	-	(14,087)	-
Profit on forgiveness of loan		(191,115)	(300,000)	(191,115)	-
Impairment loss on the measurement to fair value less costs to sell		191,115	-	-	-
Net profit on disposal of property, plant and equipment		(5,565)	(1,793)	(5,565)	(1,793)
Notional interest - Convertible Notes		61,303	87,290	61,303	87,290
Share of net (profit)/loss of associates		(14,592)	8,345	-	-
Movement in allowance for impairment of receivables		(3,720)	68,356	(3,720)	-
Changes in assets and liabilities					
Changes in trade and other receivables		101,131	(45,501)	101,131	24,089
Changes in other assets		79,288	38,274	79,288	37,065
Changes in inventories		77,622	(30,530)	77,622	(30,530)
Changes in deferred tax		(73,645)	(53,355)	(73,250)	(236,604)
Changes in trade creditors		(322,244)	(210,636)	(341,085)	164,754
Changes in sundry creditors		(50,320)	(110,145)	(92,672)	(109,564)
Changes in employee entitlements		(117,976)	(102,264)	(117,976)	(102,263)
Net cash flow from/(used in) operating activities		233,992	214,908	(71,906)	103,855
(b) Cash balance comprises:					
- Cash and cash equivalents	9	580	(67,388)	539	(67,666)
- Bank overdraft facility	17	(142,644)	(45,984)	(142,644)	(45,984)
Closing cash and cash equivelants	9	(142,064)	(113,372)	(142,105)	(113,650)

(c) Financing facilities available

At reporting date, the Consolidated Entity has financing facilities negotiated and available with the following lenders:

		Facility used $
Bank overdraft facility - $150,000	(i)	(142,644)
Business loan - $1,280,000	(i)	(1,241,203)
		(1,383,847)

30 JUNE 2011

23. CAPITAL AND LEASING COMMITMENTS

(a) Capital expenditure commitments

At balance date, the consolidated entity had not contracted to purchase any items of a capital nature.

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2011	2010	2011	2010
(b) Lease expenditure commitments	$	$	$	$
Operating leases (non-cancellable) - premises				
Minimum lease commitments				
- not later than one year	244,668	229,666	244,668	649,666
- later than one year and not later than five years	233,937	135,376	233,937	135,376
Aggregate lease expenditure contracted for at reporting date	478,605	365,042	478,605	785,042

In respect of the premises leases, the table below provides a general description of the significant leasing arrangements in place at balance date:

Property	Annual Rent	Term	Optional Lease Extension Term	Contingent Rent Payable	Significant Restrictions Imposed
Property A	$108,570	01/07/2011 - 30/06/2013	Nil	Nil	Nil
Property B	$62,000	19/07/2008 - 18/07/2011	19/07/2011 - 18/07/2013	Fixed rent of $63,860 for the period 19/07/2011 to 18/07/2012 and fixed rent of $65,776 for the period 19/07/2012 to 18/07/2013	Nil
Property C	$7,000	1/05/2011 - 30/06/2012	Nil	Nil	Nil
Property D	$67,098	02/06/2008 - 01/06/2013	Nil	Market review referenced to the consumer price index assessed annually	Nil

30 JUNE 2011

23. CAPITAL AND LEASING COMMITMENTS (continued)

(b) Lease expenditure commitments (continued)

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2011	2010	2011	2010
Hire purchase commitments	$	$	$	$
Commitments are payable as follows:				
Payments within 1 year	279,120	451,797	279,120	-
Payments 1-5 years	269,745	748,614	269,745	-
Less: Future finance charges	(54,664)	(173,668)	(54,664)	-
	494,201	1,026,743	494,201	-
Present value of minimum payments:				
Payments within 1 year	238,621	385,718	238,621	-
Payments 1-5 years	255,580	641,026	255,580	-
	494,201	1,026,744	494,201	-
Recognised as an interest bearing liability represented as follows:				
Current	238,621	385,718	238,621	-
Non-current	255,580	641,026	255,580	-
	494,201	1,026,744	494,201	-

Material leasing arrangements

The hire purchase agreement does not include a provision for contingent rent, terms of renewal, purchase options, escalation clauses or restrictive impositions such as those concerning dividends, additional debt or further leasing.

The Consolidated Entity does not consider there to be any unguaranteed residual value accruing to the lessor's benefit.

30 JUNE 2011

24. EMPLOYEE BENEFITS AND SUPERANNUATION COMMITMENTS

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2011	2010	2011	2010
	$	$	$	$
The aggregate employee benefit liability is comprised of:				
Provisions (current)	88,573	225,056	88,573	225,056
Provisions (non-current)	118,670	100,163	118,670	100,163
	207,243	325,219	207,243	325,219

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2011	2010	2011	2010
Key Management Personnel Commitments	$	$	$	$
Commitments are payable as follows:				
Payments within 1 year	179,850	359,700	179,850	359,700
Payments 1-5 years	-	179,850	-	179,850
	179,850	539,550	179,850	539,550

Name	Commencement date	Term	Salary	2010	2011	2012
Nigel B Elias	1 July 2009	2 years and 6 months	$150,000 per annum plus 9% superannuation	$163,500	$163,500	$81,750
Adrian J Pereira	1 July 2009	2 years and 6 months	$90,000 per annum plus 9% superannuation	$98,100	$98,100	$49,050
Peter A MacLeod	1 July 2009	2 years and 6 months	$90,000 per annum plus 9% superannuation	$98,100	$98,100	$49,050

25. AUDITOR'S REMUNERATION

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2011	2010	2011	2010
	$	$	$	$
Amounts received or due and receivable by Crowe Horwath Brisbane				
- audit or review of the financial report	45,000	40,000	45,000	40,000
- income tax services	11,000	10,750	11,000	10,750
	56,000	50,750	56,000	50,750

30 JUNE 2011

26. RELATED PARTY DISCLOSURES

(a) Parent entity

The parent entity within the group is Print Mail Logistics Limited.

(b) Subsidiaries

Interests in subsidiaries are set out in Note 27.

		CONSOLIDATED ENTITY		PARENT ENTITY	
	Notes	2011	2010	2011	2010
		$	$	$	$
Purchases were made from the following subsidiaries:					
999999999 Pty Ltd					
Operating lease expenditure	(i)	-	-	143,000	146,800
Plant and equipment	(i)	-	-	186,162	-
666666 Pty Ltd					
Operating lease expenditure	(ii)	-	-	242,000	375,142
Plant and equipment	(ii)	-	-	931,796	-
		-	-	1,502,958	521,942

(i) 99999999 Pty Ltd leased an item of plant and equipment to the parent entity during the financial year for use in the parent entity's operations. The operating lease expenditure during the financial year was $143,000 (2010: $146,800). On 31 May 2011, the parent entity purchased the item of plant and equipment from 999999999 Pty Ltd for $186,162 (the written down value of the item of plant and equipment at 31 May 2011). These transactions were entered into on normal commercial terms.

(ii) 666666 Pty Ltd leased items of plant and equipment to the parent entity during the financial year for use in the parent entity's operations. The operating lease expenditure during the financial year was $242,000 (2010: $375,142). On 31 May 2011, the parent entity purchased the items of plant and equipment from 666666 Pty Ltd for $931,796 (the written down value of the items of plant and equipment at 31 May 2011). These transactions were entered into on normal commercial terms.

At balance date, the parent entity had borrowed/(loaned) the following amounts from/(to) subsidiaries:					
999999999 Pty Ltd		-	-	-	(634,345)
666666 Pty Ltd	(i)	-	-	146,446	(44,718)
Print Mail Logistics (International) Pty Ltd	(ii)	-	-	20,474	(927)
		-	-	166,920	(679,990)

(i) The loan from 666666 Pty Ltd to the parent entity is non-interest bearing, unsecured and repayable at call (refer Note 10 and 19).

(ii) The loan from Print Mail Logistics (International) Pty Ltd to the parent entity is non-interest bearing, unsecured and repayable at call (refer Note 10 and 19).

(c) Associates

Print Mail Logistics Limited holds a 30% share in Armstrong Registry Services Limited. The value of the investment is set out in Note 14.

Sales were made to the Associate as follows:				
Armstrong Registry Services Limited	4,985	4,121	4,985	4,121
	4,985	4,121	4,985	4,121

30 JUNE 2011

26. RELATED PARTY DISCLOSURES (continued)

(d) Key management personnel

Disclosures relating to key management personnel are set out in Note 6 for compensation and Note 24 for future commitments.

(i) Settlement of liabilities on behalf of the entity

During the period, accrued liabilities totaling $ 236,118.72 due by the Company to a creditor were settled by way of the creditor ceding their entitlement to full repayment of the balance to Mr Elias at face value. During the period, the Company repaid Mr Elias in full such that at 30 June 2011, there is no outstanding liability due to or from Mr Elias.

(ii) Equity instruments of directors	**2010 %**	**2010 No.**	**2011 Additions No.**	**2011 Disposals No.**	**2011 No.**	**2011 %**

The percentage and number of the ordinary share capital beneficially owned by the directors or their related entities is as follows:

Nigel B Elias	10.7%	2,903,720	14,000	-	2,917,720	10.7%
Armstrong Registry Services Limited	10.0%	2,720,000	-	-	2,720,000	9.9%
Robert C Cameron	1.9%	504,000	-	-	504,000	1.8%
Nigel B Elias and Benjamin N Elias <Elias Superannuation Fund>	0.4%	120,000	72,000	-	192,000	0.7%
Rebecca E Elias	0.3%	80,000	-	-	80,000	0.3%
John W Woods	0.2%	50,000	7,000	-	57,000	0.2%
Robert A Cameron	0.0%	7,000	-	-	7,000	0.0%
Total issued shares (refer note 21)		27,203,334			27,375,000	

(iii) Equity instruments of key management personnel

The percentage and number of the ordinary share capital beneficially owned by the key management personnel or their related entities (who are not directors of the company) is as follows:

	2010 %	**2010 No.**	**2011 Additions No.**	**2011 Disposals No.**	**2011 No.**	**2011 %**
Adrian J Pereira	0.1%	14,000	-	14,000	-	0.0%
Peter A MacLeod	0.0%	10,000	-	-	10,000	0.0%

30 JUNE 2011

27. SUBSIDIARIES

Name of Controlled Entities	2011 % Owned	2010 % Owned	Place of Incorporation
Controlled by Print Mail Logistics Limited			
999999999 Pty Ltd	0%	100%	Incorporated and domiciled in Australia
666666 Pty Ltd	100%	100%	Incorporated and domiciled in Australia
Print Mail Logistics (International) Pty Ltd	100%	0%	Incorporated and domiciled in Australia

Acquisition of Controlled Entities

On 19 February 2010, Print Mail Logistics (International) Pty Ltd was registered as a company under the *Corporations Act 2001* . Upon registration, 999999999 Pty Ltd held 100% of the paid up capital of Print Mail Logistics (International) Pty Ltd being $25,000 and the net assets of Print Mail Logistics (International) Pty Ltd were $25,000. On 19 May 2011, Print Mail Logistics Limited purchased 100% of the paid up capital in Print Mail Logistics (International) Pty Ltd from 999999999 Pty Ltd.

Disposal of Controlled Entities

On 1 June 2011, the parent entity sold 100% of its interest in 999999999 Pty Ltd. No remaining interest in the entity was held by any member of the Consolidated Entity at 30 June 2011.

30 JUNE 2011

28. SEGMENT INFORMATION

Identification of reportable segments

The Consolidated Entity 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 Consolidated Entity is managed primarily on the basis of product category and service offerings since the diversification of the Consolidated Entity'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 and 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.

30 JUNE 2011

28. 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.

30 JUNE 2011

28. SEGMENT INFORMATION (continued)

(i) Segment performance

	CONSOLIDATED ENTITY			PARENT ENTITY		
	Printing	Mailing & Distribution	Total	Printing	Mailing & Distribution	Total
	$	$	$	$	$	$
Year Ended 30 June 2011						
Revenue						
External sales	4,345,911	2,805,735	7,151,646	4,347,406	2,805,735	7,153,141
Interest revenue	434	279	713	434	279	713
Total segment revenue	**4,346,345**	**2,806,014**	**7,152,359**	**4,347,840**	**2,806,014**	**7,153,854**
Reconciliation of segment revenue to group revenue						
Gain on foreign currency translation			14,087			14,087
Gain on revaluation of financial asset			54,377			54,377
Profit on sale of property, plant and equipment			5,565			5,565
Other unallocated income			80,377			86,934
Gain on forgiveness of loan			191,115			191,115
Total group revenue			**7,497,880**			**7,505,932**
Segment net profit before tax	**229,747**	**202,587**	**432,334**	**144,343**	**196,248**	**340,590**
Reconciliation of segment result to group net profit/(loss) before tax						
Amounts not included in segment result but reviewed by the Board:						
Gain on foreign currency translation			14,087			14,087
Gain on re-valuation of financial asset			54,377			54,377
Other un-allocated income			80,377			86,934
Gain on forgiveness of loan			191,115			191,115
Gain on disposal of asset			5,565			5,565
(Loss) on non-recoverable non-trade receivable			(35,281)			-
Unallocated items:						
Share of net profits/(loss) of associates			16,087			-
Corporate charges			(520,494)			(518,436)
Finance costs			(285,402)			(229,658)
Net loss before tax from continuing operations			**(47,235)**			**(55,426)**

30 JUNE 2011

28. SEGMENT INFORMATION (continued)

(i) Segment performance (continued)

	CONSOLIDATED ENTITY			PARENT ENTITY		
	Printing	Mailing & Distribution	Total	Printing	Mailing & Distribution	Total
	$	$	$	$	$	$
Year Ended 30 June 2010						
Revenue						
External sales	4,267,285	3,095,180	7,362,465	4,267,285	3,095,180	7,362,465
Interest revenue	1,374	997	2,371	1,366	990	2,356
Total segment revenue	**4,268,659**	**3,096,177**	**7,364,836**	**4,268,651**	**3,096,170**	**7,364,821**
Reconciliation of segment revenue to group revenue						
Gain on foreign currency translation			59,164			59,164
Profit on sale of property, plant and equipment			1,793			1,793
Other unallocated income			25,464			25,464
Total group revenue			7,451,256			7,451,242
Segment net profit/(loss) before tax	**134,169**	**445,027**	**579,196**	**(114,837)**	**414,173**	**299,335**
Reconciliation of segment result to group net profit/(loss) before tax						
Amounts not included in segment result but reviewed by the Board:						
Gain on foreign currency translation			59,164			59,164
Other un-allocated income			25,464			25,465
Gain on disposal of asset			1,793			1,793
Unallocated items:						
Share of net profits/(loss) of associates			(8,345)			-
Corporate charges			(565,124)			(631,189)
Finance costs			(214,117)			(163,037)
Net loss before tax from continuing operations			**(121,969)**			**(408,469)**

30 JUNE 2011

28. SEGMENT INFORMATION (continued)

(ii) Segment assets

	CONSOLIDATED ENTITY			PARENT ENTITY		
	Printing	Mailing & Distribution	Total	Printing	Mailing & Distribution	Total
	$	$	$	$	$	$
As At 30 June 2011						
Segment assets	2,214,790	115,371	2,330,161	2,300,807	115,371	2,416,178
	2,214,790	**115,371**	2,330,161	**2,300,807**	**115,371**	2,416,178
Reconciliation of segment assets to group assets						
Unallocated assets			564,197			564,156
Deferred tax assets			467,533			467,533
Investment in associates			822,247			816,000
Investment in subsidiaries			-			25,001
Total group assets from continuing operations			**4,184,138**			**4,288,868**

	CONSOLIDATED ENTITY			PARENT ENTITY		
	Printing	Mailing & Distribution	Total	Printing	Mailing & Distribution	Total
	$	$	$	$	$	$
As At 30 June 2010						
Segment assets	2,798,336	220,971	3,019,307	1,420,834	201,544	1,622,378
	2,798,336	**220,971**	3,019,307	**1,420,834**	**201,544**	1,622,378
Reconciliation of segment assets to group assets						
Unallocated assets			695,206			1,374,912
Deferred tax assets			414,971			414,971
Investment in associates			807,655			-
Investment in subsidiaries			-			2
Total group assets from continuing operations			**4,937,139**			**3,412,263**

30 JUNE 2011

28. SEGMENT INFORMATION (continued)

The Consolidated Entity's liabilities are not allocated to operating segments for the purpose of internal reporting. Accordingly segment liabilities are not seperately 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:

	CONSOLIDATED ENTITY		PARENT ENTITY	
	Year Ended 30 June 2011	Year Ended 30 June 2010	Year Ended 30 June 2011	Year Ended 30 June 2010
	$	$	$	$
Australia	7,151,646	7,362,465	7,153,141	7,362,465
Total revenue	**7,151,646**	**7,362,465**	**7,153,141**	**7,362,465**

(v) Assets by geographical region

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

	CONSOLIDATED ENTITY		PARENT ENTITY	
	Balance as at 30 June 2011	Balance as at 30 June 2010	Balance as at 30 June 2011	Balance as at 30 June 2010
	$	$	$	$
Australia	2,330,161	3,019,307	2,416,178	1,622,378
Total assets	**2,330,161**	**3,019,307**	**2,416,178**	**1,622,378**

(vi) Major customers

The Consolidated Entity has a number of customers to which it renders services. The Consolidated Entity has one external customer which accounts for 9% (2010: 9%) of Printing revenue, 24% (2010: 21%) of Mailing and distribution revenue and 15% (2010: 14%) of total external revenue. The next largest major customer accounts for 6% (2010: 6%) of Printing revenue, 11% (2010: 11%) of Mailing and distribution revenue and 8 % (2010: 8%) of total external revenue.

30 JUNE 2011

29. SUBSEQUENT EVENTS

On 2 September 2011, the Company negotiated the continuation of the finance facility referred to in Note 17 by way of accepting an offer from the lender to vary the terms and conditions of the facility.

30. CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets or liabilities to report.

31. ECONOMIC DEPENDENCY

The Consolidated Entity is not economically dependent on any entity or group of entities.

32. FINANCIAL INSTRUMENTS

Financial risk management policies
The Consolidated Entity's financial instruments consist mainly of deposits with banks, trade receivables, investment in a private company, trade payables, loans to and from related and other parties and a bank overdraft facility.

The consolidated entity does not have any derivative instruments at 30 June 2011 (2010: $nil).

(i) Treasury risk management
The Board of Directors meet on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The Consolidated Entity's overall risk mangament strategy seeks to assist the Consolidated Entity in meeting its financial targets, whilst minimising potential effects on financial performance.

(ii) Capital management
The Board's policy is to use any surplus cash to (i) meet the Consolidated Entity's operating financial requirements and (ii) meet its existing debt obligations.

(iii) Financial risk exposures and management
The main risks the Consolidated Entity is exposed to through its financial instruments are interest rate risk, credit risk and liquidity risk.

(a) Interest rate risk
The Consolidated Entity's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the reporting date, are set out in the following tables:

30 JUNE 2011

32. FINANCIAL INSTRUMENTS (continued)

Financial instrument composition and maturity analysis

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the Statement of Financial Position.

Consolidated Entity / Financial instruments	Floating interest rate		Fixed Interest Rate: Within 1 year		Fixed Interest Rate: Over 1 to 5 years		Fixed Interest Rate: More than 5 years		Non-interest bearing		Total		Weighted average effective interest rate	
	2011 $('000)	2010 $('000)	2011 $('000)	2010 $('000)	2011 $('000)	2010 $('000)	2011 $('000)	2010 $('000)	2011 $('000)	2010 $('000)	2011 $('000)	2010 $('000)	2011 %	2010 %
(i) Financial assets														
Cash and cash equivalents	-	(67)	-	-	-	-	-	-	-	-	-	(67)	1	1
Trade debtors	-	-	-	-	-	-	-	-	422	515	422	515	-	-
Non-trade debtors	-	-	-	-	-	-	-	-	-	4	-	4	-	-
Total financial assets	-	(67)	-	-	-	-	-	-	422	519	422	452	-	-

	Floating interest rate		Fixed Interest Rate: Within 1 year		Fixed Interest Rate: Over 1 to 5 years		Fixed Interest Rate: More than 5 years		Non-interest bearing		Total		Weighted average effective interest rate	
	2011 $('000)	2010 $('000)	2011 $('000)	2010 $('000)	2011 $('000)	2010 $('000)	2011 $('000)	2010 $('000)	2011 $('000)	2010 $('000)	2011 $('000)	2010 $('000)	2011 %	2010 %
(ii) Financial liabilities														
Trade payables	-	-	-	-	-	-	-	-	256	447	256	447	-	-
Other payables	-	-	-	-	-	-	-	-	53	148	53	148	-	-
Convertible Notes	-	-	-	449	-	239	-	-	-	-	-	689	-	1
Bank overdraft facility	142	46	-	-	-	-	-	-	-	-	142	46	9	11
Business Loan	-	-	1,241	-	-	-	-	-	-	-	1,241	-	9	-
Other loans	-	-	-	200	-	-	-	-	-	60	-	260	-	7
Total financial liabilities	142	46	1,241	649	-	239	-	-	310	654	1,693	1,589	7	9

30 JUNE 2011

32. FINANCIAL INSTRUMENTS (continued)

Parent Entity / Financial instruments	Floating interest rate		Fixed Interest Rate: Within 1 year		Fixed Interest Rate: Over 1 to 5 years		Fixed Interest Rate: More than 5 years		Non-interest bearing		Total		Weighted average effective interest rate	
	2011 $('000)	2010 $('000)	2011 $('000)	2010 $('000)	2011 $('000)	2010 $('000)	2011 $('000)	2010 $('000)	2011 $('000)	2010 $('000)	2011 $('000)	2010 $('000)	2011 %	2010 %
(i) Financial assets														
Cash and cash equivalents	-	(68)	-	-	-	-	-	-	-	-	-	(68)	1	1
Trade debtors	-	-	-	-	-	-	-	-	422	515	422	515	-	-
Non-trade debtors	-	-	-	-	-	-	-	-	-	684	-	684	-	-
Total financial assets	-	(68)	-	-	-	-	-	-	422	1,199	422	1,132	-	-

	Floating interest rate		Fixed Interest Rate: Within 1 year		Fixed Interest Rate: Over 1 to 5 years		Fixed Interest Rate: More than 5 years		Non-interest bearing		Total		Weighted average effective interest rate	
	2011 $('000)	2010 $('000)	2011 $('000)	2010 $('000)	2011 $('000)	2010 $('000)	2011 $('000)	2010 $('000)	2011 $('000)	2010 $('000)	2011 $('000)	2010 $('000)	2011 %	2010 %
(ii) Financial liabilities														
Trade payables	-	-	-	-	-	-	-	-	256	437	256	437	-	-
Other payables	-	-	-	-	-	-	-	-	53	131	53	131	-	-
Convertible Notes	-	-	-	449	-	239	-	-	-	-	-	689	-	1
Bank overdraft facility	142	46	-	-	-	-	-	-	-	-	142	46	9	11
Business Loan	-	-	1,241	-	-	-			-	-	1,241	-	9	-
Other loans	-	-	-	-	186	-	-	-	-	60	186	60	8	-
Total financial liabilities	142	46	1,241	449	186	239	-	-	310	629	1,879	1,364	8	9

30 JUNE 2011

32. FINANCIAL INSTRUMENTS (continued)

(b) Net fair values

All financial assets and liabilities have been recognised at the reporting date at their net fair values.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the Statement of Financial Position and in the Notes to the financial statements.

(i) The following methods and assumptions are used to determine the net fair values of financial assets and liabilities.

Cash and cash equivalents: The carrying amount approximates fair value because of the short term to maturity.
Trade receivables, trade creditors: The carrying value approximates fair value.
Long term loans and borrowings: The carrying value approximates fair value.

Based on the above valuation methodologies, management considers that fair values are materially in line with carrying values.

(c) Credit risk exposures

The Consolidated Entity's maximum exposures to credit risk at reporting date in relation to each class of recognised financial assets, is the carrying amount of those assets as indicated in the Statement of Financial Position.

The Consolidated Entity minimises concentrations of credit risk in relation to trade receivables by undertaking transactions with a large number of customers.

Concentrations of credit risk on trade receivables arise as follows:

	Maximum credit risk exposure* for each concentration			
	Percentage of total trade debtors		$'000	
	2011	2010	2011	2010
Government/Semi-Government	56	54	236	280
Other non-concentrated	44	46	186	236
	100	100	422	515

* The maximum credit risk exposure does not take into account the value of any collateral or other security held, in the event other entities/parties fail to perform their obligations under the financial instruments in question.

Credit risk in trade receivables is managed as follows:
- payment terms generally less than 30 days;
- credit applications are completed for all new customers; and
- large balances are monitored on a daily basis.

30 JUNE 2011

32. FINANCIAL INSTRUMENTS (continued)

(d) Liquidity risk

The Consolidated Entity manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

At 30 June 2011, the Company was in technical breach of a financial covenenant in relation to the business loan and bank overdraft facility disclosed in Note 17. The continuation of the facility is currently being negotiated, and at this stage payment terms have not been accelerated.

2011

Contractual maturity:	Liability	Contracted Cashflow	Due < 1 year	Due 1-5 years	Due > 5 years
Consolidated Entity					
Trade and other payables	408,484	408,484	408,484	-	-
Bank overdraft facility	142,644	142,644	142,644	-	-
Business Loan	1,241,203	1,241,203	1,241,203	-	-
Loans - other	185,913	185,913	-	185,913	-
Parent Entity					
Trade and other payables	355,621	355,621	355,621	-	-
Bank overdraft facility	142,644	142,644	142,644	-	-
Business Loan	1,241,203	1,241,203	1,241,203	-	-
Loans - other	185,913	185,913	-	185,913	-

2010

Contractual maturity:	Liability	Contracted Cashflow	Due < 1 year	Due 1-5 years	Due > 5 years
Consolidated Entity					
Trade and other payables	781,375	781,375	781,375	-	-
Convertible Notes	688,697	757,500	506,250	251,250	-
Bank overdraft facility	45,984	45,984	45,984	-	-
Loans - other	200,000	209,000	209,000	-	-
Non-interest bearing loans	60,000	60,000	60,000	-	-
Parent Entity					
Trade and other payables	789,380	789,380	789,380	-	-
Convertible Notes	688,697	757,500	506,250	251,250	-
Bank overdraft facility	45,984	45,984	45,984	-	-
Loans - other	60,000	60,000	60,000	-	-

(e) Interest rate sensitivity analysis

The Consolidated Entity has performed a sensitivity analysis relating to its exposure to interest rate risk at reporting date and does not consider that a change in variable interest rates will have a material affect on the Consolidated Entity's current year results or equity.

Directors' Declaration

In the Directors' opinion:

(a) the financial statements and the notes of the Company are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Company's and Consolidated Entity's financial position as at 30 June 2011 and of its performance for the year ended on that date; and

(ii) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(iii) complying with International Financial Reporting Standards issued by the International Accounting Standards Board as disclosed in Note 1(a); 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; and

(c) the Managing Director and Chief Financial Officer have each provided the declarations required by section 295A of the *Corporations Act 2001*.

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

John W Woods
Chairman

5th September 2011
Date
Hobart, Tasmania

Crowe Horwath Brisbane
ABN 79 981 227 862
Member Crowe Horwath International

Level 16, 120 Edward Street
Brisbane QLD 4000 Australia
GPO Box 736
Brisbane QLD 4001 Australia
Tel: +61 7 3233 3555
Fax: +61 7 3233 3567
www.crowehorwath.com.au

A WHK Group Firm

Independent Auditor's Report

To the members of Print Mail Logistics Limited

Report on the financial report

We have audited the accompanying financial report of Print Mail Logistics Ltd, which comprises the statements of financial position as at 30 June 2011, the statements of comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company and the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Opinion
In our opinion:

a. the financial report of Print Mail Logistics Limited is in accordance with the *Corporations Act 2001*, including:

   i. giving a true and fair view of the company's and consolidated entity's financial positions as at 30 June 2011 and of their performance for the year ended on that date; and

   ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. the consolidated financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Emphasis of matter
Without qualifying our opinion, we draw attention to Note 1(a), in the financial report, which indicates that the company and consolidated entity incurred losses of $38,674 and $335,087 respectively during the year ended 30 June 2011 and, at that date, the company's and consolidated entity's current liabilities exceeded their current assets by $1,670,287 and $1,556,188 respectively. These conditions, along with the other matters set forth in Note 1(a), indicate the existence of a material uncertainty that may cast significant doubt about the company and consolidated entity's ability to continue as a going concerns and therefore, whether they will be able to realise their assets and discharge their liabilities in the normal course of business.

Report on the Remuneration Report
We have audited the Remuneration Report included on pages 8 to 15 of the directors' report for the year ended 30 June 2011. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion
In our opinion, the Remuneration Report of Print Mail Logistics Ltd for the year ended 30 June 2011, complies with section 300A of the *Corporations Act 2001.*

Crowe Horwath Brisbane

Crowe Horwath Brisbane

Vanessa de Waal
Partner

Signed at Brisbane, 5 September 2011

A. Substantial Shareholders

Name	Number of Shares	Percentage of issued shares
Landav Pty Ltd	6,785,000	24.79%
Mr J Capo-Bianco & Mrs S Capo-Bianco & NSS Trustees Ltd <The Capo-Bianco Retirement Trust>	5,437,280	19.86%
Nigel B Elias	2,917,720	10.66%
Armstrong Registry Services Limited	2,720,000	9.94%
Pumbaa Investment Pty Ltd	1,500,000	5.48%
Dermos Pty Ltd	1,433,000	5.23%

B. Distribution of Fully Paid Ordinary Shares

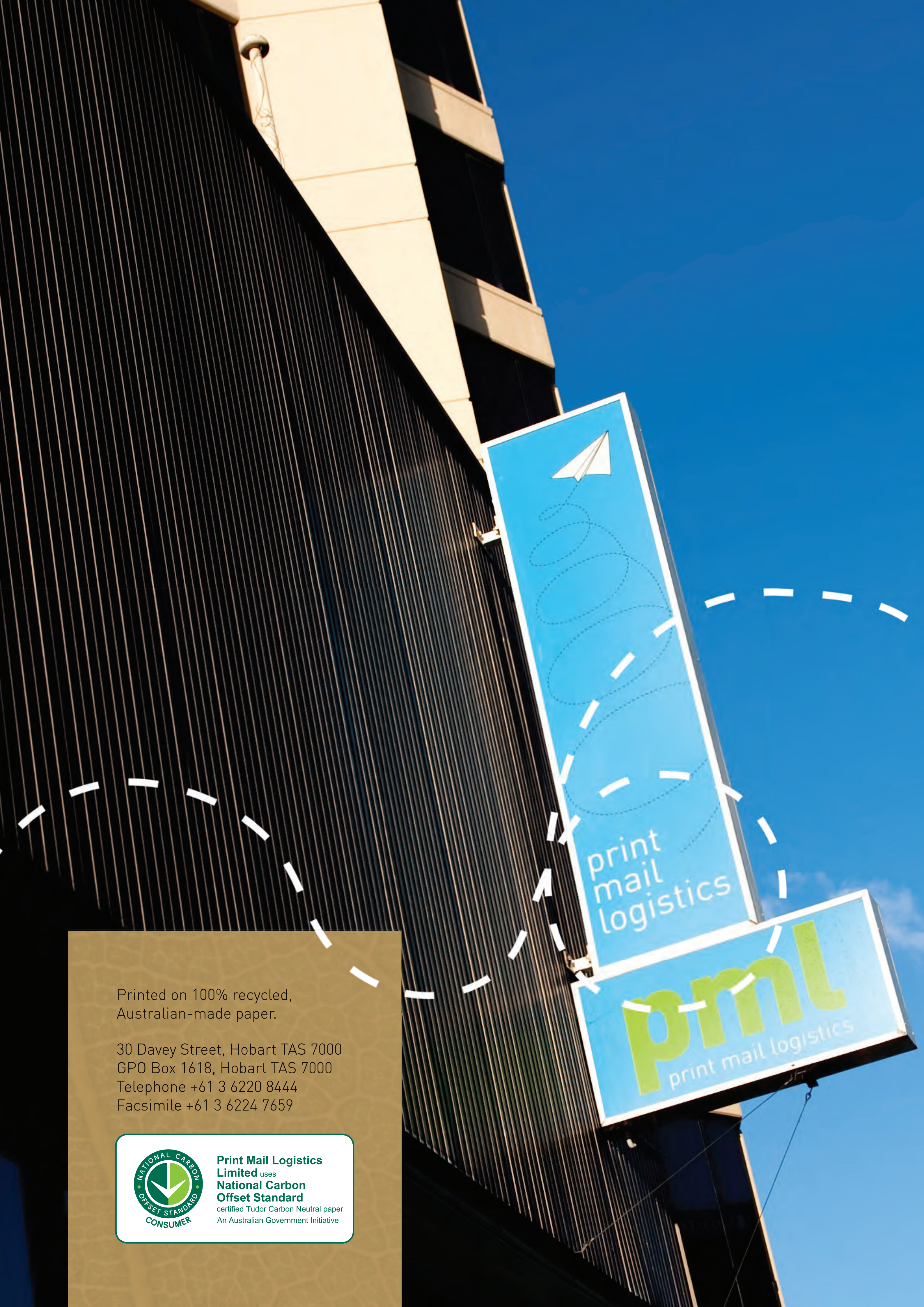
(i)	Distribution schedule of holdings	
	1 – 10,000	67
	10,001 – 50,000	22
	50,001 – 100,000	8
	100,001 and over	21
	Total number of holders	118
(ii)	Percentage held by the 20 largest Shareholders	93.61%

C. Twenty Largest Shareholders as at 30 June 2011

Name	Number of Shares	Percentage of issued shares
Landav Pty Ltd	6,785,000	24.79%
Mr J Capo-Bianco & Mrs S Capo-Bianco & NSS Trustees Ltd <The Capo-Bianco Retirement Trust>	5,437,280	19.86%
Nigel B Elias	2,917,720	10.66%
Armstrong Registry Services Limited	2,720,000	9.94%
Pumbaa Investment Pty Ltd	1,500,000	5.48%
Dermos Pty Ltd	1,433,000	5.23%
Jane George	554,000	2.02%
Robert C Cameron	504,000	1.84%
Wellington Capital Limited	500,000	1.83%
Estival Holdings Pty Ltd	400,000	1.46%
Hobart Properties and Securities Pty Ltd	400,000	1.46%
Lewis Securities Ltd (In Liquidation)	379,998	1.39%
Marc Hoegger	375,000	1.37%
Jarok Pty Ltd	369,000	1.35%
Inveham Pty Ltd	330,000	1.21%
Esther Jackson	275,000	1.00%
Maree Ellis	214,000	0.78%
Lance Bear Pty Ltd	200,000	0.73%
Nigel B Elias and Benjamin N Elias <Elias Superannuation Fund>	192,000	0.70%
Crossborder Investments Pty Ltd	140,334	0.51%
Top 20 Holders of Issued Capital as at 30 June 2011	**25,626,332**	**93.61%**

D. Voting Rights – Ordinary Shares

On a show of hands, every member, present in person or by proxy, shall have one vote and upon a poll every member, present in person or by proxy, shall have one vote for each share.



Printed on 100% recycled,
Australian-made paper.

30 Davey Street, Hobart TAS 7000
GPO Box 1618, Hobart TAS 7000
Telephone +61 3 6220 8444
Facsimile +61 3 6224 7659

NATIONAL CARBON OFFSET STANDARD CONSUMER

Print Mail Logistics Limited uses **National Carbon Offset Standard** certified Tudor Carbon Neutral paper
An Australian Government Initiative