

# BEYOND FACE VALUE

SHAREHOLDER REVIEW 2010

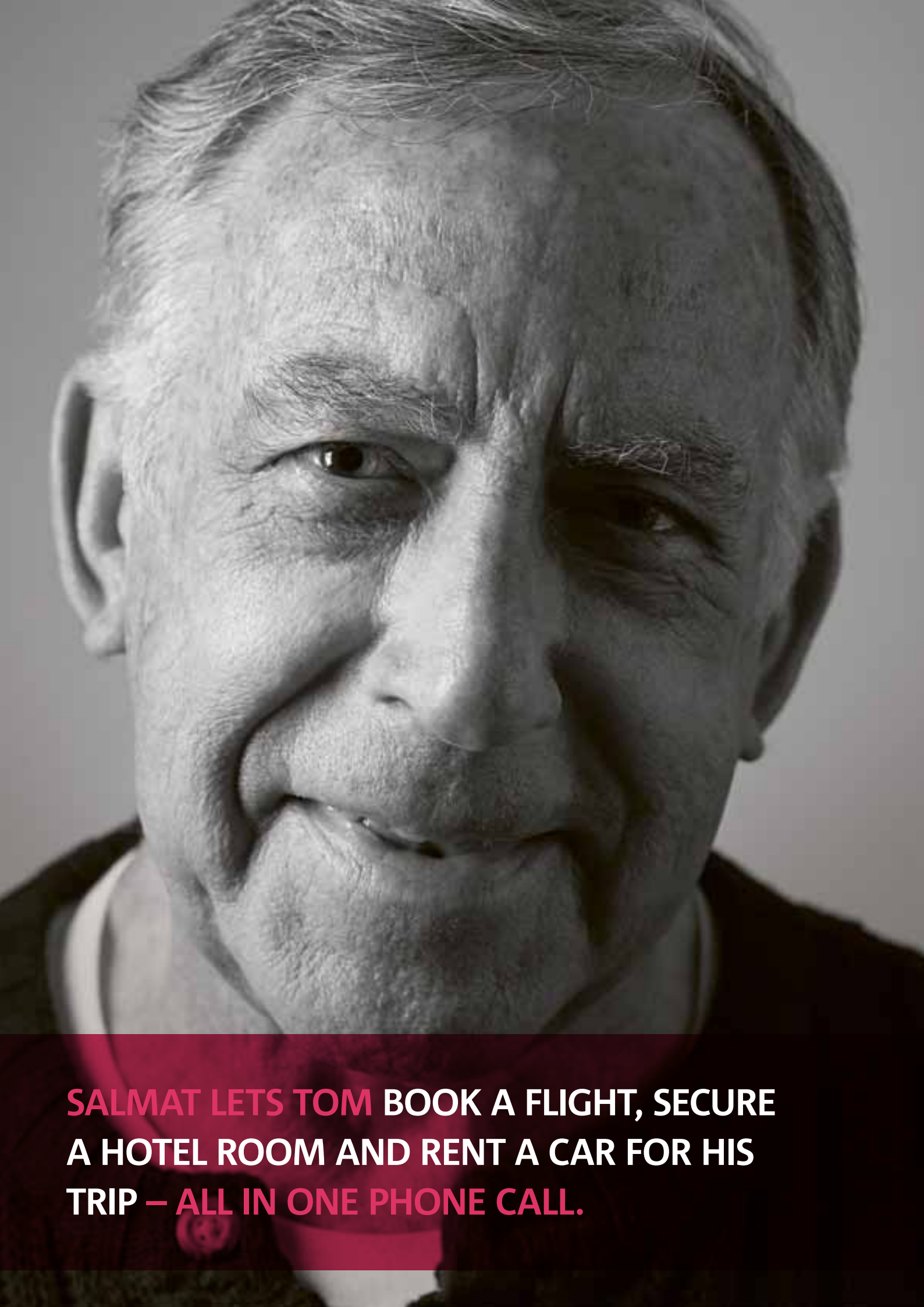


**THERE'S FAR MORE TO EFFECTIVE COMMUNICATION THAN  
IS BASED ON DEMOGRAPHIC INSIGHT, DETAILED DATA  
CHANNEL COMMUNICATION; ENGAGING CONSUMERS AS**





**TAKING CONSUMERS AT FACE VALUE. SALMAT'S SUCCESS  
MANAGEMENT, STATE-OF-THE-ART TECHNOLOGY & MULTI-  
INDIVIDUALS IN WHATEVER MANNER THEY CHOOSE.**



**SALMAT LETS TOM BOOK A FLIGHT, SECURE  
A HOTEL ROOM AND RENT A CAR FOR HIS  
TRIP — ALL IN ONE PHONE CALL.**





**SALMAT KNOWS THAT LUCY PREFERS TO  
RECEIVE QUARTERLY PHONE BILLS (AND LIKES  
AN SMS REMINDER WHEN THEY ARE DUE).**

## ABOUT SALMAT

### WHO WE ARE

Salmat is a unique Australian-based business that provides integrated communication solutions linking businesses with their customers.

Established 30 years ago, Salmat started as a letterbox distribution business, delivering catalogues via its national network. Through organic growth and acquisition, Salmat quickly expanded into complementary business areas including laser printing, direct and essential mail and call centres in local and international markets. We have evolved significantly over the years, acquiring and developing a broad portfolio of capabilities to build a unique multi-channel service model.

More recently, Salmat diversified into electronic technology segments including

#### Targeted Media Solutions include:

- Sophisticated customer targeting via lifestyle and geo-demographic analysis.
- Letterbox distribution to more than eight million households throughout Australia and New Zealand.
- Digital online advertising, including the Lasoo.com.au pre-shop website.
- Interactive email and premium SMS communication.

#### Customer Contact Solutions include:

- Call centre services, including @Home contract operators, onshore and offshore facilities.
- Speech solutions such as natural language speech recognition and biometric authentication.
- Field and retail kiosk sales services.

Our unmatched reach and experience is reflected in the sheer volume of communication we undertake on behalf of clients every year, including:

- Delivering more than five billion catalogues.
- Mailing more than 1.2 billion mail packs.
- Conducting more than 59 million telephone conversations.
- Sending more than 200 million emails.
- Enabling more than 14 million Lasoo.com.au visits.

Salmat's ability to get our clients' messages in front of their customers – by whatever medium they choose – is a compelling strength. The best consumer offer or most critical communication means nothing unless it gets to the right recipient in a timely manner.

## SALMAT HELPS PROVIDE A SUPERIOR CONSUMER EXPERIENCE FOR MILLIONS OF INDIVIDUALS EACH AND EVERY DAY.

online advertising, email and SMS, interactive voice response and biometric voice recognition.

Today, Salmat employs more than 7000 people in over 35 locations across Australia and around the world. We are one of the largest outsourced communication providers in the country and simply the only business that can offer such a wide spectrum of channel options.

### WHAT WE DO

Salmat helps our clients to gain greater insight into their customers and to communicate with them more effectively. We offer a unique capability in multi-channel communication, through three key divisions:

- Targeted Media Solutions;
- Customer Contact Solutions; and
- Business Process Outsourcing.

- Learning and development training solutions with customised interactive interface.
- Consulting and support services for customer contact optimisation.

#### Business Process Outsourcing encompasses:

- Transactional and direct marketing print and mail services.
- e-Solutions including email billing and payment systems.
- Print on demand nationally distributed digital printing and fulfilment.
- Business process automation of back office functions such as forms processing.

All of Salmat's capabilities link together to create a seamless, integrated service offering.

### HOW WE WORK

The graphic opposite illustrates how Salmat's range of services helps our clients offer a superior experience for their customers.

By having a more detailed understanding of a customer's lifestyle and preferences, our clients can customise their communication so that only the most relevant offers are delivered to each household.

By offering a wide range of communication options, our clients can let their customers opt in to the mediums that suit them best.

By delivering a quick, efficient and effective service, our clients can increase consumer satisfaction, gain competitive advantage and increase their market share.



#### CONSULTING AND SUPPORT SERVICES

HELP ME GET BETTER CUSTOMER SERVICE FROM MY PROVIDER...



#### CUSTOMER TARGETING

KNOW ME AND MY INTERESTS...



#### LETTERBOX DISTRIBUTION

DELIVER RELEVANT CATALOGUE OFFERS TO MY LETTERBOX...



#### INTERACTIVE

UPDATE ME VIA SMS...



#### LEARNING AND DEVELOPMENT SOLUTIONS

IMPROVE MY SKILLS WITH ONLINE TRAINING...



#### DIGITAL AND LASOO

LET ME COMPARE THE BEST DEAL ONLINE...



#### FIELD AND RETAIL KIOSK

BRING THE STORE TO ME...



#### BUSINESS PROCESS AUTOMATION

PROCESS MY APPLICATION FORM QUICKLY AND ACCURATELY...



#### E-SOLUTIONS

EMAIL ME INSTEAD OF SENDING IT IN THE POST...



#### CONTACT CENTRE SOLUTIONS

ANSWER MY QUERY IN ONE CALL...



#### PRINT ON DEMAND

PROVIDE ME WITH AN UP-TO-DATE PAMPHLET...



#### TRANSACTIONAL AND DIRECT MARKETING SERVICES

PERSONALISE MY BILLS, STATEMENTS AND MAIL OFFERS...



#### SPEECH SOLUTIONS

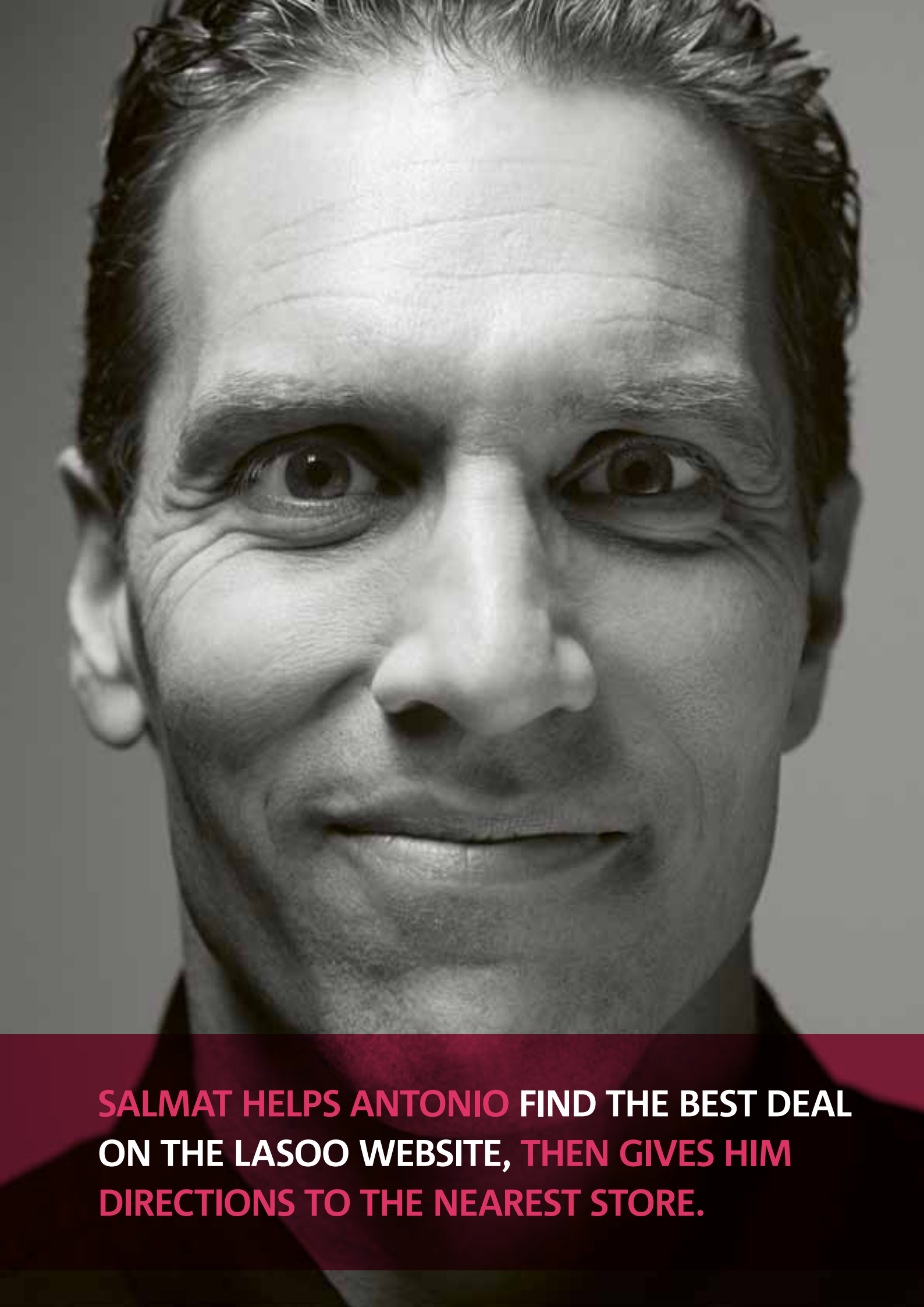
RECOGNISE MY VOICE...





**SALMAT ENABLES MARY TO PROVE HER  
IDENTITY TO HER INSURANCE PROVIDER,  
JUST WITH THE SOUND OF HER VOICE.**





**SALMAT HELPS ANTONIO FIND THE BEST DEAL  
ON THE LASOO WEBSITE, THEN GIVES HIM  
DIRECTIONS TO THE NEAREST STORE.**

## PERFORMANCE HIGHLIGHTS

**SALMAT'S FINANCIAL POSITION IS STRONG,  
WITH INCREASED EARNINGS AND OPERATING  
CASH FLOW AND A STRONG BALANCE SHEET.**

### SALES REVENUE

**\$878.8M**

### EBITA

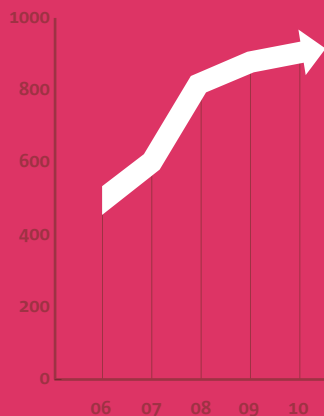
**↑17.3%**

### TOTAL DIVIDEND

**↑67.5%**

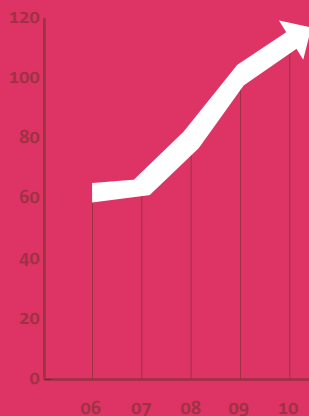
### SALES REVENUE

(\$million)



### EBITA PRE SIGNIFICANT ITEMS

(\$million)



### DIVIDENDS

(cents per share)





## RESULTS (in \$millions except where stated)

	2006	2007	2008	2009	2010	Change on prior year
<b>FINANCIAL PERFORMANCE</b>						
Sales revenue	526.8	601.9	812.0	869.7*	<b>878.8</b>	+ 1.0%
Earnings before interest, tax, depreciation and amortisation (EBITDA) pre significant items	62.2	63.9	79.5	101.4	<b>113.0</b>	+ 11.5%
Earnings before interest, tax and amortisation (EBITA) pre significant items	45.9	46.9	57.6	77.7	<b>91.2</b>	+ 17.3%
Net significant items included in the result (before tax)	(1.6)	15.2	(13.5)	4.3	<b>2.4</b>	- 43.8%
EBIT	43.0	60.6	36.1	70.2	<b>83.0</b>	+ 18.4%
Net profit after tax	26.2	44.3	12.8	34.5	<b>49.1</b>	+ 42.5%
Earnings per share (cents)	22.4	37.7	9.0	21.7	<b>31.1</b>	+ 43.3%
<b>CASH FLOW</b>						
Operating cash flow	28.1	32.1	60.6	80.9	<b>84.9</b>	+ 5.0%
Cash capital expenditure	26.8	15.9	20.2	18.0	<b>12.9</b>	+ 28.7%
Net debt	67.9	83.7	219.4	167.5	<b>134.3</b>	+ 19.8%
Interest coverage ratio (%)	13.3	10.7	4.8	5.6	<b>8.8</b>	
Gearing (Net debt: net debt + shareholder funds) (%)	38.9	40.8	43.6	37.3	<b>31.2</b>	
<b>OTHER KEY MEASURES</b>						
EBITDA margin (%)	11.8	10.6	9.8	11.4	<b>12.9</b>	
Net profit margin (%)	5.0	7.4	1.6	3.9	<b>5.6</b>	
Return on capital employed (%)	25	30	8	14.5	<b>18.6</b>	
Employees (full time equivalent)	4,434	4,492	5,953	6,014	<b>6,791</b>	+ 12.9%
<b>DIVIDENDS</b>						
Dividends (cents per share)	16.5	28.0#	18.5	20.0	<b>33.5#</b>	+ 67.5%

\* Normalised figure. # Including a special dividend of ten cents per share.

### EARNINGS PER SHARE

↑43.3%

### OPERATING CASH FLOW

\$84.9M

### NET DEBT

\$134.3M

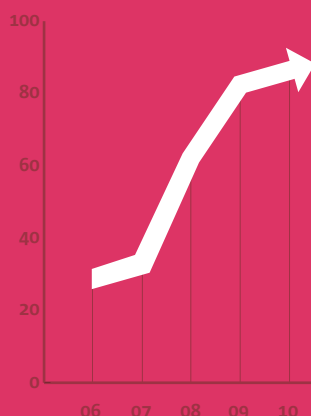
### EARNINGS PER SHARE

(cents)



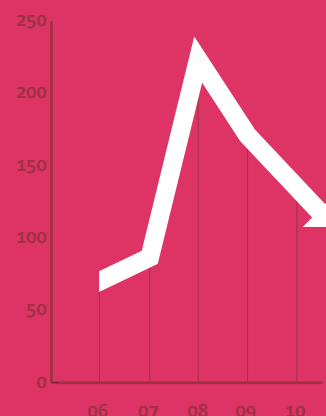
### OPERATING CASH FLOW

(\$million)



### NET DEBT

(\$million)



## CHAIRMAN'S MESSAGE

Salmat's results in 2010 reflect a year of consolidation, investment and improvement. With reduced debt, a strong cash position and increased efficiency, the business is primed for growth.

### FINANCIAL PERFORMANCE

Salmat delivered a solid performance in the past year, maintaining the top line on a like-for-like basis and significantly improving our bottom line result.

Sales revenue was \$878.8 million for the year, which was up 1% against a normalised 2009 result and down 1.3% on a reported basis.

While revenue was higher than the previous year for our Targeted Media Solutions and Customer Contact Solutions divisions, it was down for Business Process Outsourcing.

### INCREASED DIVIDEND

Salmat has delivered increased regular dividends each year since listing and I am very pleased that your directors were able to once again affirm an increased dividend payment in 2010.

In August, the board declared a final dividend of 12.5 cents per share, fully franked, bringing the total full year dividend to 23.5 cents per share, up 17.5% on the prior year.

The board also declared a special dividend of 10.0 cents per share, fully franked. The overall total dividend of 33.5 cents per share represents an increase of 67.5% on the prior year.

The board intends to continue delivering regular dividends to shareholders, whilst being mindful of the need to reinvest for future growth.

The board was also extremely pleased to welcome a new director during the year. Fiona Balfour joined the Salmat board as an independent Non-executive Director in January 2010, restoring the majority of independent directors to four of the seven total.

Fiona has extensive experience in senior information technology roles and heads the Board's new Technology and Innovation Committee, which was incorporated in June 2010. Leadership in information technology and service innovation will form a crucial component of Salmat's future success and we are fortunate to have Fiona's input in this area.

### STRATEGIC DIRECTION

Salmat is actively pursuing growth via a three year strategic plan. The key elements of this strategy include:

## WITH REDUCED DEBT, A STRONG CASH POSITION AND INCREASED EFFICIENCY, SALMAT IS PRIMED FOR GROWTH.

EBITA before significant items was up 17.3% on the prior year to \$91.2 million, exceeding our guidance of \$85-90 million. This was a significant achievement given the relatively stable revenue result.

Net profit after tax was up 43.8% to \$47.4 million. Our improved profitability led to an increase in earnings per share of 43.3%, to 31.1 cents.

We are also in an enviable position with regard to our balance sheet and cash flow, having brought Salmat's net debt down by another \$33.2 million to \$134.3 million at 30 June 2010.

### BOARD CHANGES

As forecast in last year's report, Philip Salter and Peter Mattick retired as Joint Managing Directors in October 2009, after thirty years with the business they founded. Following their retirement, Philip and Peter remained on the board as non-executive directors and were formally re-elected at the AGM in November.

It is a significant benefit to Salmat that both Philip and Peter have chosen to remain involved with the business as board members, given their unmatched knowledge of the business.

Grant Harrod formally succeeded Philip and Peter as Managing Director at the time of their retirement, having commenced with the business as Chief Executive Officer in April 2009. Grant has made great progress in his first year with Salmat and will report on these achievements in his CEO report.

- Continuing to strengthen the 'One Salmat' business model, which blends our capabilities into an integrated, multi-channel service offering.
- Accelerating Salmat's digital businesses, including Lasoo and speech solutions.
- Adapting our service offering for new, untapped markets, such as the small to medium enterprise segment.
- Achieving further business efficiencies and improved productivity across the group.
- Taking advantage of strategic acquisition opportunities.

Through this strategy, we aim to deliver strong, profitable and sustainable growth, facilitating a superior return on investment for our shareholders.





## THANK YOU

Sincere thanks on behalf of the board to the entire Salmat group for a significant team effort in 2010. We appreciate that it is the sum of many individual endeavours that drives Salmat's success.

I'd also like to thank our valued shareholders, clients and partners for your continued support. I look forward to sharing news of Salmat's further achievements in the coming year.

A handwritten signature in black ink, reading 'Richard Lee'. The signature is stylized with a large, flowing 'R' and 'L'.

**RICHARD LEE**  
Chairman

## CEO'S MESSAGE

Following my first full year with Salmat, I'm pleased with the work we've done so far and excited about our future prospects. We've laid the foundations for a strong and sustainable business and are ready to step up the next phase of innovation and growth.

There's been a lot of work done 'behind the scenes' during the past 12 months, across all areas of the business, helping to better unify our various divisions and many sites. Market response to our One Salmat offering has been gaining momentum, as clients recognise the powerful potential of a truly integrated communication model.

### KEY HIGHLIGHTS

As touched on by our Chairman, Salmat's financial position by year end was very strong, with excellent cash flow and plenty

## BUSINESS PERFORMANCE

### Targeted Media Solutions

Our Targeted Media Solutions division posted sales revenue of \$230.6 million, up 2.1% on the prior year. This result was up 10.4% when the results were normalised to account for the removal of pass-through of telecommunications revenue due to a regulatory change; and the contribution from strategically exited businesses. Revenue growth was mainly due to new business wins across our letterbox, digital and interactive businesses.

EBITA before significant items increased by 44.3% to \$40.3 million. This was largely the result of a comprehensive program of cost control and the development of new systems to better manage both direct and indirect costs.

### Customer Contact Solutions

Customer Contact Solutions sales revenue was \$304.8 million, up 3.6% at a reported level and 2.8% at a normalised comparison level, adjusting for the Direct Headquarters (DHQ) business, a portion of which transferred from Business Process Outsourcing into Customer Contact Solutions during the year. The increase was driven by strong call centre services growth of more than 7%, both onshore and offshore. Salmat remains the leading outsourced call centre service provider in Australia, with a flexible and scalable range of service options.

EBITA was \$20.0 million, down 8.1% on the previous year. The EBITA result was mainly affected by delays in revenue from new business won late in the year and a higher volume of low-margin service sales.

# MARKET RESPONSE TO OUR ONE SALMAT OFFERING HAS GAINED MOMENTUM, AS CLIENTS RECOGNISE ITS POWERFUL POTENTIAL.

of headroom on our finance facilities. Free cash flow was up 14.7% to \$72.0 million and net debt was reduced by almost 20%.

Our strong gains in EBITA and net profit after tax point to a focus on cost control, productivity and margin enhancement that delivered excellent results during the year.

We've made great progress with our One Salmat strategy, which combines our extensive suite of services into an integrated multi-channel offering. We've realigned our sales resources to focus on the One Salmat service model and have experienced a positive market response to the concept.

We've also launched some new initiatives in the past year aimed at improving Salmat's standing as an employer of choice and responsible corporate citizen. More detail can be found in our corporate responsibility report on page 16.

Lasoo experienced significant growth in both revenue and consumer metrics. Total visits were up more than 35% on the previous year; offer interactions grew by more than 70%; product searches were up more than 200%; and web page views increased by more than 60%. We continued to innovate the Lasoo offering via improved content and functionality to create the best consumer pre-shop experience in its class.

Compelling online industry trends and the solid underlying performance of Lasoo during the year has spurred a decision to bring forward investment to accelerate the development of Lasoo in 2011. While this means that breakeven will now be postponed to 2012, we anticipate that investment now will deliver a four-fold increase in revenue in the next few years.

Field sales and speech solutions results were lower as clients held off spending in these areas. Investment in the learning and development solutions area and unfavourable foreign exchange variances also had a bearing.

We invested in each of our emerging business areas during the year and have had some new business wins that will post revenue in 2011. We feel that there is significant growth potential in each of these areas and that our unique capabilities present a strong differentiator and competitive advantage. A number of strategic initiatives to ramp up the scale of the emerging businesses will be introduced over the next 12 months.

### Business Process Outsourcing

Business Process Outsourcing revenue was \$343.4 million, down 7.4% for the full year, or 5.7% when adjusted for the closure of the DHQ business





and unfavourable foreign exchange movements. The main factor impacting revenue was lower bulk mail volumes.

EBITA was up 7.1% for the year to \$44.2 million, thanks to a strong focus on productivity and some residual integration benefits. The EBITA margin increased despite the lower mail volumes. Further benefits will be realised from the major Victorian site merger that took place in August, as well as a number of other optimisation programs.

We are continuing to see an increasing rate of growth in our e-business area, though this increase is from a relatively small base. We will be further developing our range of e-solutions in the coming year, both in BPO and across the business.

In the back office service areas, Salmat has been developing its traditional scanning and archive capabilities to incorporate more sophisticated workflow processing. We will be targeting ongoing, end-to-end solution based work such as online marking and accounts payable processing with this enhanced offering.

### OUTLOOK

Growth is our main focus for the next few years. The One Salmat strategy enables us to drive organic growth by cross-selling more services to both existing and new clients. Investment to upscale our digital businesses will keep Salmat at the forefront of these markets, capturing the growing demand for new media services. We are also branching into brand new market segments and actively reviewing acquisition opportunities to strengthen and extend our service portfolio.

Our key objectives for the coming year will be to accelerate sales, improve our profitability and innovate our service portfolio, supported by a strong performance-gearred culture. I'll provide more update on some of our specific goals and targets at our Annual General Meeting later this year.

**GRANT HARROD**  
Chief Executive Officer

# OPERATIONS REVIEW

## DIVISION

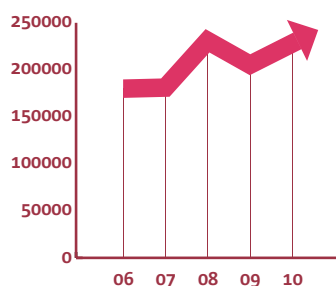
## 2010 PERFORMANCE SUMMARY

### TARGETED MEDIA SOLUTIONS

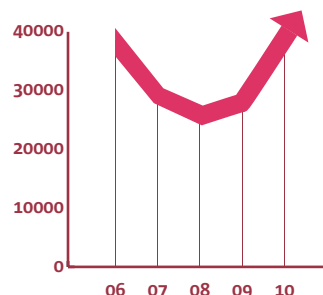
MORE THAN 5 BILLION  
CATALOGUES:  $\uparrow 11\%$

MORE THAN 14 MILLION  
LASOO VISITS:  $\uparrow 35\%$

#### NORMALISED<sup>1</sup> REVENUE



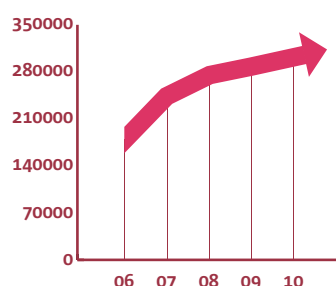
#### EBITA



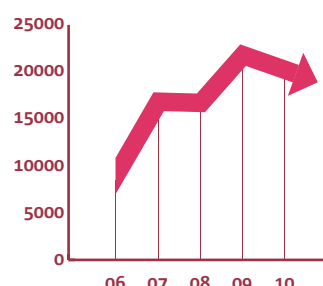
### CUSTOMER CONTACT SOLUTIONS

3523 CALL CENTRE  
OPERATORS:  $\uparrow 7\%$

#### NORMALISED<sup>2</sup> REVENUE



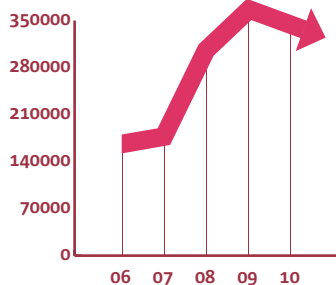
#### EBITA



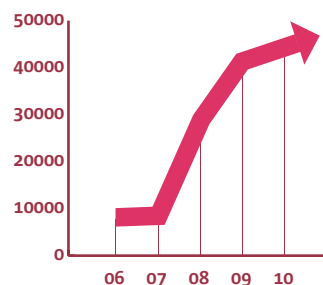
### BUSINESS PROCESS OUTSOURCING

MORE THAN 1.2 BILLION  
MAIL PACKS:  $\downarrow 5\%$

#### NORMALISED<sup>3</sup> REVENUE



#### EBITA



1. Adjusted for pass-through telecommunications (revenue \$15.1m) and exited businesses (revenue \$1.8m) in FY09

2. Adjusted for DHQ impact in FY10 (revenue -\$2.3m)

3. Adjusted for DHQ impact in FY10 (revenue \$2.3m) and FX impact in FY09 (revenue -\$4.2m)

## 2010 OBJECTIVES

## PROGRESS ON OBJECTIVES

## 2011 GOALS

**Continue** development of digital services, including Lasoo.

➔ **Investment** and innovation in digital services portfolio. Lasoo grew revenue and volumes plus launched new features and improved usability.

**Drive** integrated sales via a deeper multichannel strategy.

**Further** develop our targeted marketing offer incorporating catalogue distribution, digital and mobile technology services.

➔ **Successfully** grew client uptake of the integrated offering, supported by consumer demand.

**Expand** Lasoo and accelerate growth via further investment.

**Continue** cost efficiency programs.

➔ **Strong** continued improvement in efficiency gains, driven by comprehensive review of direct and indirect costs.

**Launch** new offering for small to medium enterprise market.

**Transition** *@Home* from start-up to future operating model.

➔ **Revenue** and earnings growth for *@Home* model. Looking to further integrate with traditional call centre business.

**Drive** operating profit growth in line with revenue growth.

**Establish** a complete Salmat learning business.

➔ **Two** learning divisions brought together to create new operating model: new sales revenue will impact in FY11.

**Capitalise** on untapped opportunities in existing client base and markets.

**Continue** to develop an offshoring contact centre capability.

➔ **Established** new Philippines centre and ramped up utilisation of other centres in Malaysia and New Zealand.

**Focus** on margin improvement via efficiency and rationalisation.

**Extend** portfolio of services into existing customers and secure new customer contracts.

➔ **Grew** revenue from consulting and other non-traditional services. Secured considerable new contracts.

**Maintain** focus on productivity and efficiency gains.

➔ **Overheads** were substantially reduced, enabling EBITA to grow despite lower revenue.

**Further** develop range of e-solutions capabilities.

**Further** evolve product and services offering to new and existing customers.

➔ **Broadened** sales offering and made significant solution sales in key sectors.

**Realign** cost base and improve margins via improved standardisation.

**Review** technology platforms to ensure they are optimally structured.

➔ **Division-wide** review completed. Now implementing equipment refresh and investment strategy.

**Focus** on client retention and revenue growth.

**Leverage** HPAL resources and capabilities to drive innovation and enhance customer relationships.

➔ **Commenced** program of cross-selling different capabilities into existing client base to enhance total solution.



## CORPORATE RESPONSIBILITY

Salmat recognises that we have a responsibility to our people, the wider community and the natural environment to conduct our business in a conscientious and respectful manner.

### PEOPLE

Salmat is proud of its strong team culture and consistently high employee engagement. We regularly monitor engagement and our most recent survey in March 2010 indicated an improvement of 300 basis points.

Salmat boasts a large and diverse workforce of more than 7,000 people across eight countries. We undertook a diversity survey during the year to gain a better understanding of the profile of our workforce and to help support an active diversity program.

- Salmat is currently developing a Reconciliation Action Plan and Indigenous Employment Strategy. Salmat already employs a relatively high percentage of indigenous Australians and we are examining ways of encouraging further participation.

Salmat also operates a comprehensive occupational health and safety program. In the past year, we reduced our Lost Time Frequency Rate by 28% and reduced Lost Time Injuries by 23%.

### COMMUNITY

Salmat has a long history of community involvement, at a local and international level.

Salmat's headline program for community giving is our Activate initiative, which enables our employees to support a

### ENVIRONMENT

Salmat's energy consumption and greenhouse gas emissions are well below reportable threshold levels. Nonetheless, it is policy within Salmat to continually seek to reduce the environmental impact of our operations.

We incorporate environmental objectives within our business plans and audit scope and we regularly conduct awareness initiatives for employees, contractors and suppliers.

In August 2008, Salmat committed to work towards achieving:

- a 5% reduction per annum in electricity and water usage per full time equivalent (FTE).
- a 10% reduction per annum in internal paper usage and waste to landfill per FTE.

## SALMAT IS COMMITTED TO DOING BUSINESS IN A RESPONSIBLE AND SUSTAINABLE MANNER, FOR THE BENEFIT OF THE WIDER COMMUNITY.

Salmat has a number of initiatives in place to encourage participation from a wider cross-section of the community, including:

- Salmat operates a 'Women in Leadership' council that implements initiatives to encourage increased participation of women at all levels in the organisation. Women comprised 47% of Salmat's total workforce last year.
- During the year, Salmat became the first corporate to align with WorkFocus – a national body providing services and employment for the disabled. Salmat has committed to employing five people per annum with physical, mental and/or learning disabilities. We hope to assist these employees be more independent and participate in a team environment.

number of different charities via payroll giving. Staff make a pledge to contribute what they can from their regular pay and Salmat matches each contribution dollar for dollar, up to \$100,000 each year.

Last year, Salmat supported Save the Children, Care Australia and the Starlight Foundation. More than \$194,000 was donated in the past financial year.

Salmat also aims to provide community support through our business practices. For example, Salmat is a foundation member of the Australian Indigenous Minority Supplier Council. We have awarded work to a number of accredited suppliers in the past year through this program.

Salmat also supports regional Australia, operating offices and employing local staff in locations such as Bundaberg and Goulburn.

- carbon neutral status for power consumption by the end of 2010.

Our electricity consumption per FTE was down 4.7% in 09/10, following a reduction of almost 9% the previous year. Water saving programs have been implemented to reduce consumption.

Internal paper usage per FTE grew by 16.8% in the past 24 months, with recycling up by 14.8% during the same period. This will be an area of particular focus moving forward.

We are unlikely to reach our target of becoming carbon neutral for power consumption by the end of 2010, however we remain committed to this goal. We are currently reviewing our carbon neutral plan.

Salmat also offers our clients sustainable service options to help them achieve their own environmental goals.



## BOARD OF DIRECTORS

# SALMAT'S DIRECTORS CONTRIBUTE A DIVERSE RANGE OF SKILLS AND BROAD EXPERIENCE TO THE BUSINESS, HELPING GUIDE SALMAT TOWARDS A SUSTAINABLE AND PROFITABLE FUTURE.



1

2

3

### 1 **RICHARD LEE**

Non-executive Chairman

Richard Lee is a non-executive director of Ridley Corporation Limited, CSR Limited, Newcrest Mining Limited and the Australian Rugby Union Limited. Richard is a Fellow and Chairman of the Australian Institute of Company Directors. He also holds degrees in chemical engineering and economics and is a Rhodes Scholar. Richard is also a former Chief Executive of the NM Rothschild Australia Group, and a former director of NM Rothschild and Sons Limited in London, Singapore and Hong Kong.

### 2 **FIONA BALFOUR**

Non-executive Director

Fiona Balfour is a former member of the Qantas executive committee with responsibilities for information technology and related areas for Qantas worldwide. Fiona was subsequently Chief Information Officer of Telstra and has advised Medibank Private and Link Market Services on IT strategy. Fiona is a trustee of the National Breast Cancer Foundation, a member of the Information Technology Faculty Advisory Board of Monash University, a council member of Knox Grammar School and a Fellow of the Australian Institute of Company Directors.

### 3 **IAN ELLIOT**

Non-executive Director

Ian is a non-executive director of Hills Industries Limited, former chairman of Promentum Limited and is currently on the board of the National Australia Day Council and a Fellow of the Australian Institute of Company Directors. Ian is also a former Chief Executive Officer of George Patterson Bates and a graduate of the advanced management program of the Harvard Business School.



#### 4 **GRANT HARROD**

Chief Executive Officer and Managing Director

Grant Harrod is the Chief Executive Officer of Salmat, assuming this role in early April 2009. Prior to this, Grant spent 13 years with Corporate Express Australia Limited (ASX: CXP) a leading business supplies distributor, where he served as Managing Director and Chief Executive Officer for six years. Grant's previous roles at Corporate Express included General Manager of Sales and Marketing and General Manager of Operations. Grant has a Masters of Business Administration from Macquarie Graduate School of Management.

#### 6 **PHILIP SALTER**

Non-executive Director

Philip Salter is a joint founder of Salmat. Philip entered the real estate business in 1977. In 1979, Philip and Peter formed Salmat, developing the business into one of Australasia's leading customer communications company. Philip is a member of the Australian Institute of Company Directors.



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#### 5 **PETER MATTICK**

Non-executive Director

Peter Mattick is a joint founder of Salmat. Peter joined in business with Philip Salter, forming Salmat in 1979. Peter, who holds a degree in commerce from the University of New South Wales, is a Fellow of the Australian Society of Certified Practising Accountants, a Fellow of the Australian Institute of Company Directors, a Governor of the Advisory Council for the Institute of Neuromuscular Research and a Board member of the Shepherd Centre.

#### 7 **JOHN THORN**

Non-executive Director

John Thorn has been a non-executive director of Salmat Limited since September 2003. John has had over 37 years of professional experience with PricewaterhouseCoopers (PWC), with over 20 years as a partner responsible for significant international and Australian clients. John was the Australian National Managing Partner of PWC and a member of the Global Audit Management Group until 2003. John is also currently a non-executive director of National Australia Bank Limited (since October 2003), Caltex Australia Limited (since June 2004) and Amcor Limited (since December 2004).

## SENIOR LEADERSHIP TEAM

# SALMAT'S SENIOR LEADERSHIP TEAM IS FOCUSED ON MANAGING THE COMPANY TO DELIVER ON KEY GROWTH AND PROFITABILITY OBJECTIVES.



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### 1 **GRANT HARROD**

Group Chief Executive Officer

Grant Harrod is the Chief Executive Officer of Salmat, assuming this role in early April 2009. Prior to this, Grant spent 13 years with Corporate Express Australia Limited (ASX: CXP) a leading business supplies distributor, where he served as Managing Director and Chief Executive Officer for six years. Grant's previous roles at Corporate Express included General Manager of Sales and Marketing and General Manager of Operations. Grant has a Masters of Business Administration from Macquarie Graduate School of Management.

### 2 **CHAD BARTON**

Group Chief Financial Officer

Chad Barton commenced with Salmat as Chief Financial Officer in August 2009. Chad previously held the position of Chief Financial Officer with Electronic Data Systems Corporation (EDS), a HP company, for Australia and New Zealand as well as CFO for EDS's Global Financial Services practice. Prior to this, Chad was Commercial Director with Singtel Optus Limited and CFO for SunSystems Australia and New Zealand. Chad is a Chartered Accountant and has professional experience at Arthur Andersen.

### 3 **PETER ANSON**

Group Chief Operating Officer

Peter Anson was appointed COO in August 2008 and has over 18 years experience with Salmat. Peter is responsible for the overall growth and profitability of Salmat's operations and the alignment of strategies across the company's three business units. Peter previously held the position of Programme Director for Optimise – an enterprise-wide initiative aimed at reviewing and re-engineering processes, systems, products and services to provide a platform for continued revenue and profit growth across the organisation.

#### 4 **DAVID HACKSHALL**

Group Chief Information Officer

David Hackshall commenced as Chief Information Officer with Salmat in November 2009. David previously worked as Global CIO with Babcock & Brown, and prior to this with Staging Connections Group. David has also held senior roles with Patrick Corporation and Ord Minnett. He joins the senior leadership team to provide the appropriate strategic IT focus for Salmat moving forward.

#### 6 **ANDREW HUME**

Chief Executive Officer –  
Customer Contact Solutions

Andrew Hume is the CEO of Customer Contact Solutions and is responsible for Salmat's contact centres, consulting and support services, speech solutions, field and retail kiosks and learning and development solutions. Andrew previously worked with Salesforce and had over 10 years experience with this business before it was acquired by Salmat in 2005.

#### 8 **GEOFFREY COURT**

Head of People and Culture

Geoffrey Court heads Salmat's People and Culture team, having fulfilled a similar role within Salesforce since 1999. Key responsibilities include supporting managers in areas such as people development, staff engagement, training, industrial issues and culture. Geoffrey previously worked for Ansett Australia, in marketing and people management roles.



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#### 5 **DAVID BESSON**

Chief Executive Officer –  
Targeted Media Solutions

David Besson was appointed CEO of Salmat's Targeted Media Solutions division in June 2009 and has over 25 years experience with Salmat. In his role, David is responsible for the full Targeted Media Solutions offering, including Targeted Media, Targeted Solutions, Digital and Interactive. Prior to this position, David served as Chief Operating Officer of Salmat's Business Process Outsourcing division and previously as State Manager of Targeted Media Solutions.

#### 7 **NICK DEBENHAM**

Chief Executive Officer –  
Business Process Outsourcing

Nick Debenham was appointed CEO of Business Process Outsourcing in June 2010. With a long and distinguished sales and executive management career with organisations including HP and QM Technologies, Nick continues to develop Salmat's leadership position in the BPO space.

#### 9 **GARY SMITH**

Head of Strategic Solutions

Gary was appointed to lead Strategic Solutions in July 2009 after working as the Joint CEO of Customer Contact Solutions. Gary previously held senior executive roles in a diverse range of industries both in Australia and overseas, including aviation, travel and tourism, global fruit marketing and distribution, specialist mail aggregation and car rental industries.



**SALMAT LIMITED**

ABN 11 002 724 638

**REGISTERED OFFICE**

Innovation Place  
Level 17, 100 Arthur Street  
NORTH SYDNEY NSW 2060  
Phone: (02) 9928 6500  
Fax: (02) 9928 6652  
Web: [www.salmat.com.au](http://www.salmat.com.au)

**DIRECTORS**

**Richard Lee** Chairman  
**Fiona Balfour** Non-executive Director  
**Ian Elliot** Non-executive Director  
**Grant Harrod** Managing Director  
**Peter Mattick** Non-executive Director  
**Philip Salter** Non-executive Director  
**John Thorn** Non-executive Director

**COMPANY SECRETARY**

Stephen Bardwell

**AUDITORS**

Ernst & Young  
680 George Street  
SYDNEY NSW 2000

**BANKERS**

Australia and New Zealand Banking  
Group Limited  
National Australia Bank  
Westpac Banking Corporation

**SHARE REGISTRY**

Link Market Services Ltd  
Locked Bag A14  
SYDNEY SOUTH NSW 1235  
Phone: 1300 554 474  
(02) 8280 7111  
International: +61 2 8280 7111  
Fax: (02) 9287 0303  
Web: [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

**STOCK EXCHANGE LISTING**

Salmat Limited shares are listed on the  
Australian Securities Exchange.  
ASX code: SLM

**ANNUAL GENERAL MEETING**

10.00am, Thursday 25th November 2010  
AGL Theatre, Museum of Sydney  
Corner Bridge and Phillip Streets  
SYDNEY NSW 2000

Please refer to the formal  
Notice of Meeting for full details.

**KEY DATES****Final dividend payment**

28 September 2010

**Annual General Meeting**

25 November 2010

**Half year results**

February 2011

**Interim dividend**

April 2011

**Full year results and dividend  
announcement**

August 2011

The Australian Securities Exchange  
will be notified of any changes to  
these dates.



**salmat**  
the evolution of one to one communication

[www.salmat.com.au](http://www.salmat.com.au)