

7 March 2011

Changes to call centre business

Salmat Limited (SLM.ASX) has been notified by Telstra Corporation Limited (TLS.ASX) that Telstra no longer requires the provision of certain call centre services from Salmat. The notification covers the bulk of the call centre services Salmat currently provides to Telstra.

Salmat has clearly stated the strategy for its call centre business is to focus on leveraging its unique complement of hosted call centre technology and outsourced capabilities and to progressively move away from labour hire call centre contracts, such as the current Telstra arrangement.

The EBITA impact of this announcement on the current half is estimated to be between \$4.0m-\$5.0m. Therefore, Salmat's anticipated FY2011 EBITA guidance has been revised to \$87m-\$92m for the full year, including closure provisions.

This decision clears the way for Salmat to focus on its strategy to provide professional outsourced call centre services delivering a superior customer experience and improved business efficiency to Australian businesses,. These services incorporate its full suite of voice automation, workflow management, people capability development and call centre operational excellence capabilities. With a strong pipeline of opportunities, plus this strategic focus, the company is confident of lifting returns and growing its leadership position in the call centre business.

Salmat and Telstra continue to have a close strategic relationship, with Salmat providing a range of customer communication services across the Telstra Group, and Telstra continuing to provide substantial telephony and data services to Salmat.

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Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include but are not limited to: competition and product pricing in the markets in which we operate; general economic and market conditions; compliance with, and possible changes in, environmental and health and safety laws; dependence on cyclical markets; the supply and cost of materials; exposure to environmental or other legal proceedings; and risks of conducting business internationally. We caution you that the foregoing list of factors is not exclusive and that other risks and uncertainties may cause actual results to differ materially from those contained in forward-looking statements. Forward-looking statements speak only as of the date they are made.