

Macquarie Australia conference

5 May 2011

Presented by CEO, Grant Harrod



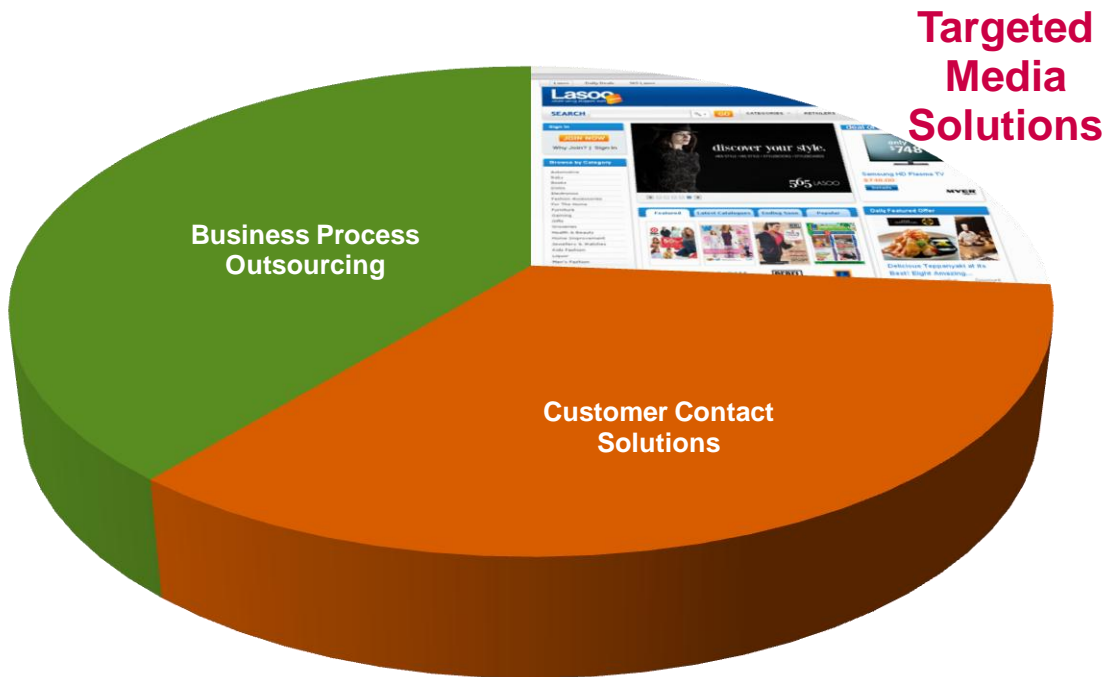
Agenda

- Overview of Salmat business
- Growth strategy
- One Salmat example
- Operations update:
 - Targeted Media Solutions
 - Customer Contact Solutions
 - Business Process Outsourcing
- Business update

Salmat today

- ❧ Leaders in customer communication:
 - Smart data analysis and strategy, communication design
 - Deployment of platform-based technology solutions
 - Integrated multi-channel delivery via digital, online, print, mail, smart phone, voice, face-to-face
- ❧ Extensive blue-chip client base and growing SME client base both offer strong potential growth
- ❧ Best of both worlds in traditional and new media
- ❧ Strong core cash-generating business and logical extension into high-momentum digital area, including both platform and content

Key divisions: Targeted Media Solutions



- ∞ Digital:
 - Email & social
 - Content management
 - SEM/SEO
- ∞ Data analytics and customer targeting
- ∞ Letterbox distribution
- ∞ Lasoo.com.au
- ∞ Interactive
- ∞ eCommerce

Key divisions: Customer Contact Solutions



**Customer
Contact
Solutions**

- ↻ Contact centre services
- ↻ Speech solutions
- ↻ Direct and retail sales
- ↻ Learning and development
- ↻ Consulting

Key divisions: Business Process Outsourcing

**Business
Process
Outsourcing**



- ❧ Electronic communication services
- ❧ Essential and direct mail
- ❧ Scanning and archive services
- ❧ Business process automation/workflow management platforms

Salmat's operations

- ↻ Unique expertise and leader in multichannel consumer communication, from strategy and data to deployment
- ↻ More than 7,000 employees
- ↻ 35 locations worldwide
- ↻ Largest outsourced communication services provider in Australia

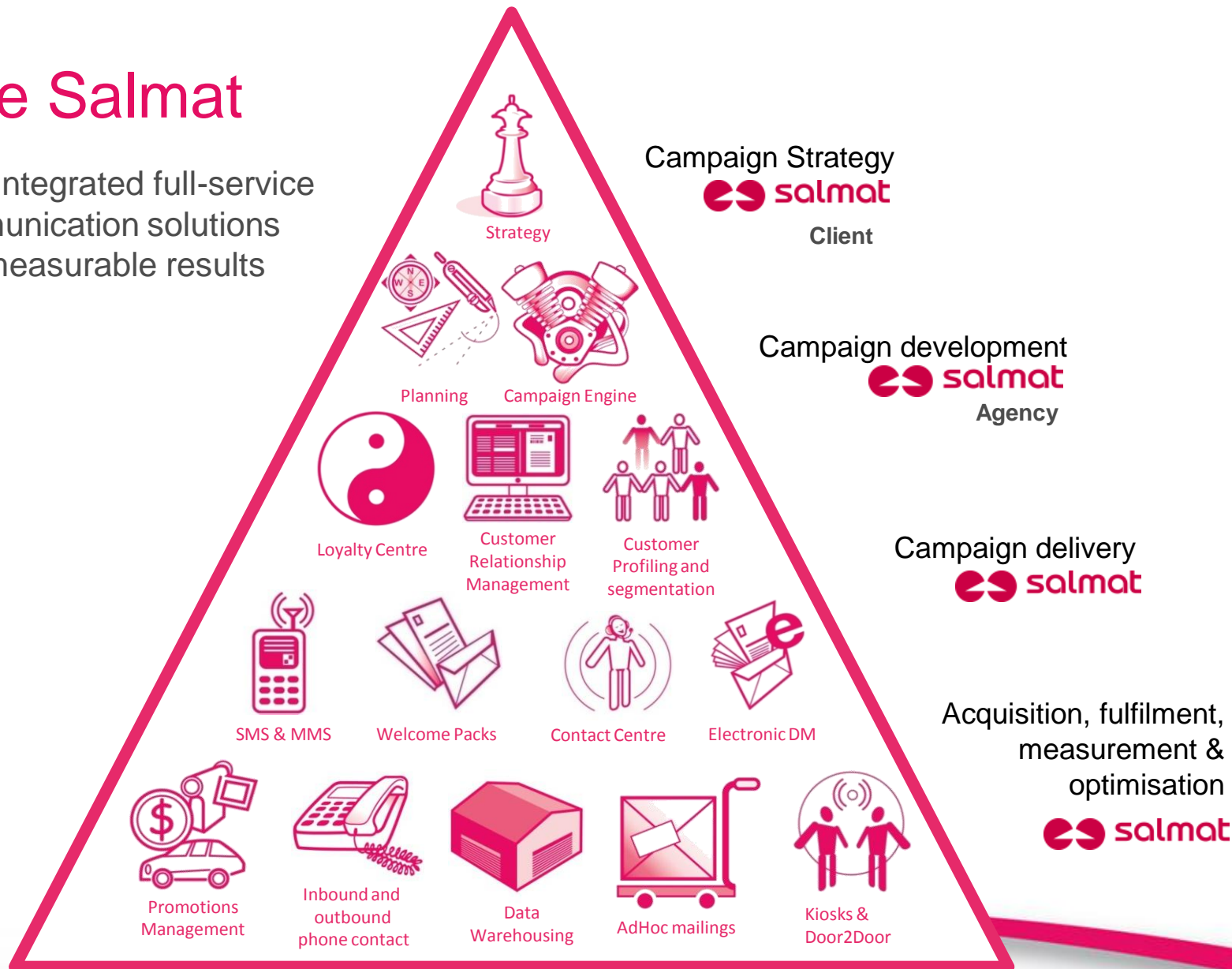


Last year, more than:

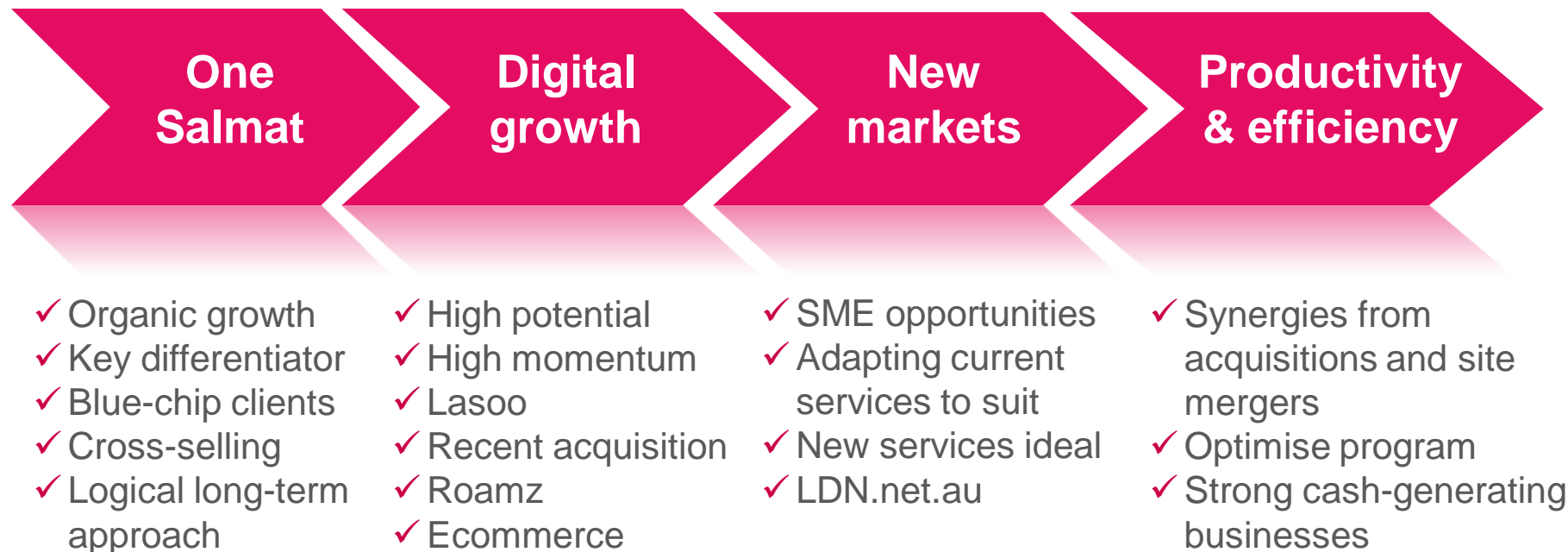
- ↻ Five billion catalogues
- ↻ 1.2 billion mailpacks
- ↻ 59 million telephone conversations
- ↻ 200 million emails
- ↻ 14 million Lasoo visits

One Salmat

Truly integrated full-service communication solutions with measurable results



Multi-pronged growth strategy



Plus acquisitions in support of these objectives

Targeted Media Solutions update

- ❧ Promotional catalogues to the household consistently drive more retail sales than any other channel
- ❧ Lasoo pre-shop online portal continuing to grow visitors, retailers and product offer numbers plus launching new features – more than 50% of retail purchases are now researched online
- ❧ Digital businesses integrating into a new full-service digital division
- ❧ SME market continues to grow in relevance
- ❧ eCommerce offering ready to go to market
- ❧ Data analytics services continue to grow, underpinning total targeted marketing capability

Lasoo update

Latest statistics:

- Average 1.6m visitors per month past six months
- 3.5 million offer interactions past six months
- 7.2 million mobile page views in April
- Products and offers will soon grow by 50%

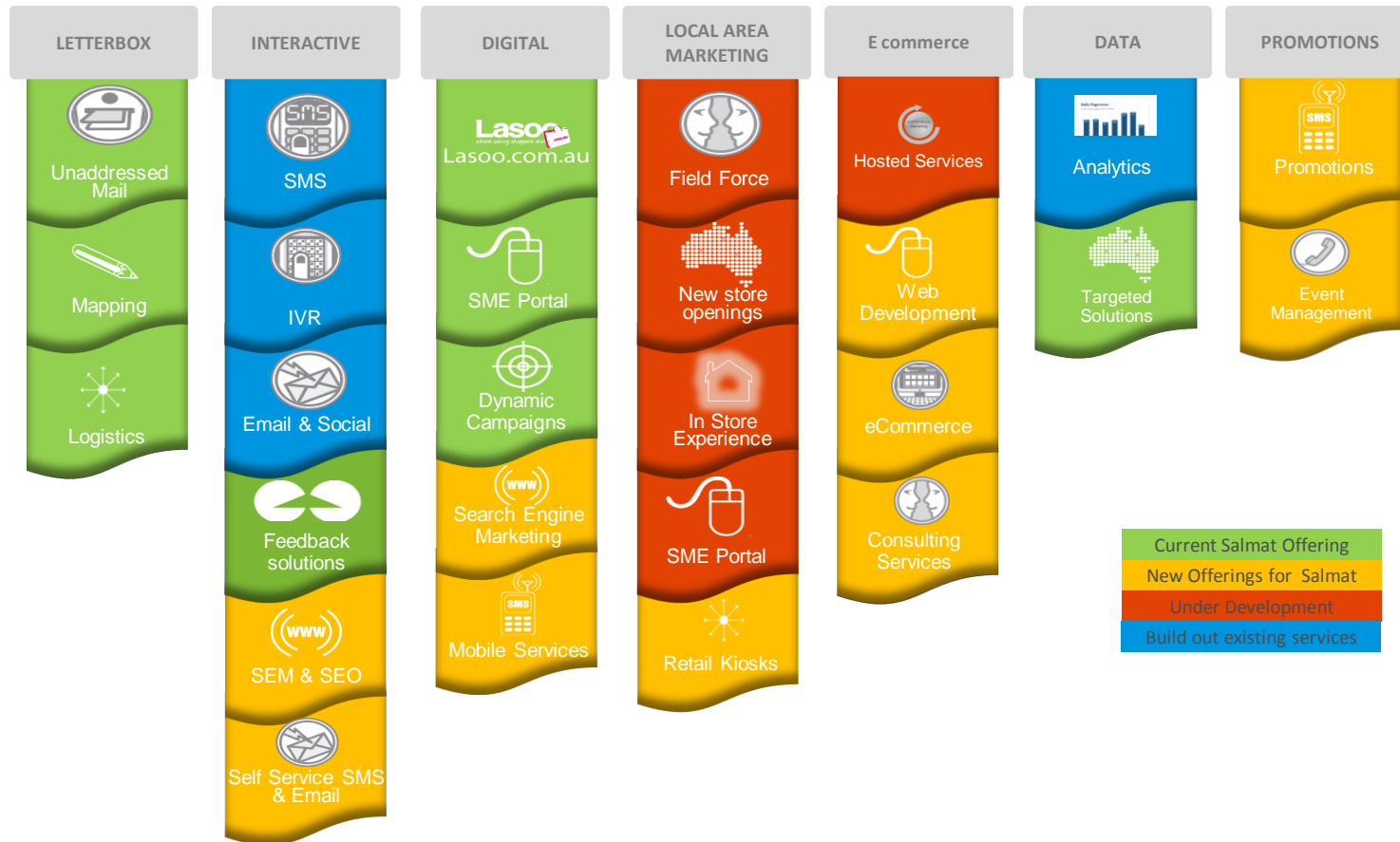
New Lasoo features now up: Daily Deals, 565 Lasoo fashion portal. More to come.

- Compelling figures: Australians use online more than any other media; 97% mobile usage, avid social networkers, will spend \$32b online in 2012

Targeted Media Solutions growth

- Catalogue growth in new markets and via enhanced technology offering: major retailers remain solid, secondary/discretionary softer due to prevailing conditions
- One Salmat multichannel sales continue to grow
- Several new services in development, including ecommerce offering and Roamz JV – further digital services under review
- Digital services growth a major opportunity via new capabilities, integration with existing services and rapidly developing market interest in these channels

Digital services now offered



Customer Contact Solutions update

- One Salmat strategy delivering strong pipeline opportunities
- Call centre services transformation strategy well underway: moving focus from commodity labour-hire contracts to full-service arrangements
- Telstra contract last major commodity contract (wrapping up now)
- New contracts contributing in final quarter FY11
- Direct and Retail Sales remain soft due to macro environment

Customer Contact Solutions growth

- Further transition of call centre work from commodity work to value-added partnership model
- New hosted platform strategy will extend opportunities and drive growth in existing and new markets
- Revitalised Speech, Learning and Direct & Retail Sales divisions also targeted more sophisticated sales, new sectors and new geographical markets
- Extending consulting capability across all services
- Strong fit with One Salmat strategy

Business Process Outsourcing update

- ❧ Electronic communication solutions:
 - Includes electronic bills/statements, online customer portals, workflow platforms to manage and present transaction information
 - Recent investments have strengthened capabilities
 - Growth in this area will accelerate over next few years
 - Recent wins in key areas and exciting growth potential
- ❧ Print/mail volumes structural environment remains unchanged - stronger focus on efficiency and position as cash-generation opportunity
- ❧ Site consolidation still carrying some costs:
 - Productivity is improving with renewed focus
 - Targeted savings will be achieved in early FY12

Business Process Outsourcing growth

- Opportunity for revenue and profit growth in mailing via new wins, new technology (including colour) and new markets
- Further efficiencies across the business from integration and unification of operating systems, centralised IT and data processing, quality focus
- E-business growth in Australia and overseas: seek to accelerate these services
- One Salmat continues to provide cross-selling opportunities amongst existing blue-chip client base

Business update

- Business repositioning and transformation to embrace new communication opportunities well underway with substantial upside
- Current retail market headwinds continue to impact some clients and more discretionary parts of the business
- Digital market potential is very strong – with the acquisition integration completed the focus is now on extracting synergies
- Remain on track for guidance before significant items
- Significant items include closure of Telstra contact centres, BPO site relocation and digital business acquisition

Thank you

Disclaimer

Company announcements and presentations can contain forward-looking statements. Words such as “believe”, “anticipate”, “plan”, “expect”, “intend”, “target”, “estimate”, “project”, “predict”, “forecast”, “guideline”, “should”, “aim” and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements.

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.