



Investor  
Day 2011



# Business update

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**Strategy** on track

**Guidance** on track at \$87 - \$92 million EBITA  
(before significant items)

**Significant items** approximately \$8 million

# Growth strategy

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# Agenda - Digital

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**Salmat**

Grant Harrod

CEO

**Digital**

David Blakers

EGM Salmat Interactive

**Case studies**

Tony Palmer

CEO C4 Digital

**Lasoo**

Paul Marshall

EGM Salmat Digital

**Mobile & social media**

Jonathan Barouch

CEO Roamz

**One Salmat**

Ian Jones

Head of Sales

**Wrap-up**

Grant Harrod

CEO

**Digital capabilities  
showcase**

Level 2, Miller St

**Lunch**

# Salmat

Grant Harrod



# Who are we

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A technology-driven  
market-leading  
communications company



# Who are we

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A trusted partner to Australia's leading organisations



## What we do

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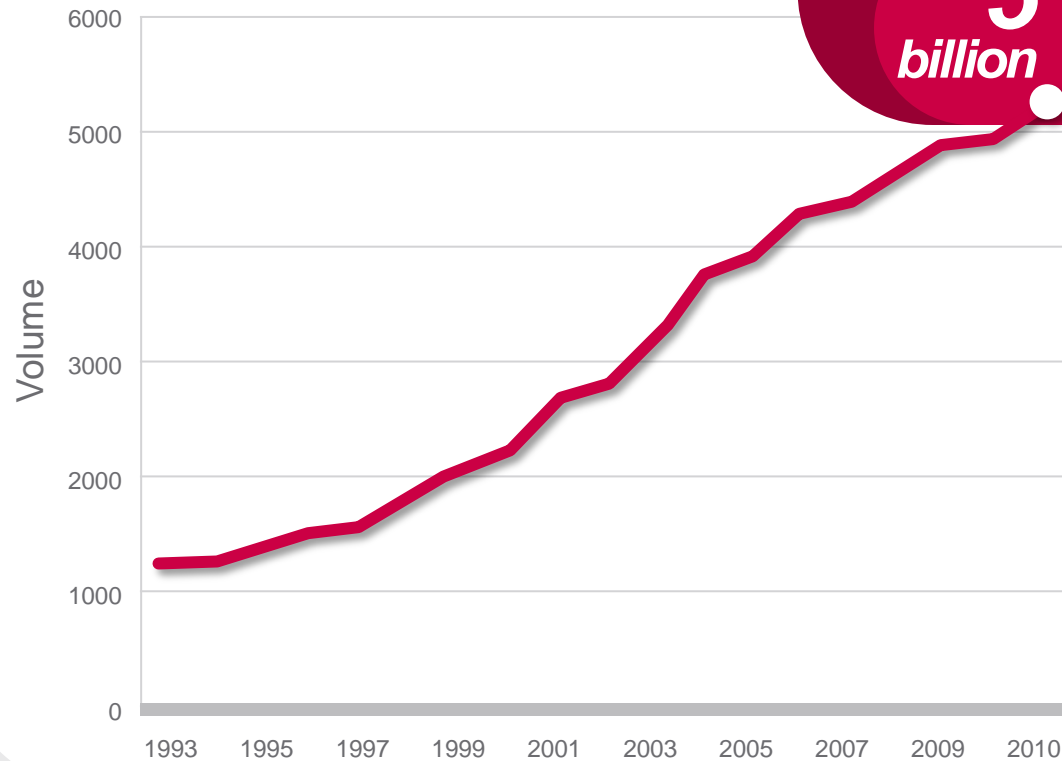
find acquire  
grow retain

reporting accountability trust



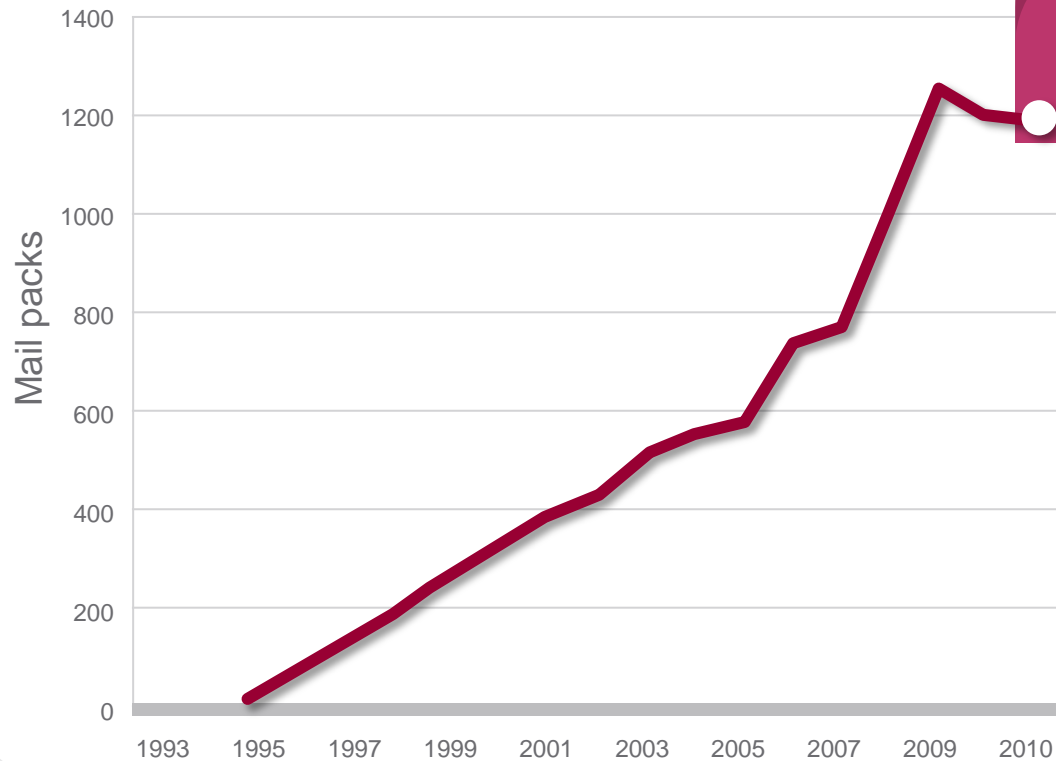
# Track record in backing the winning industries

## Catalogues



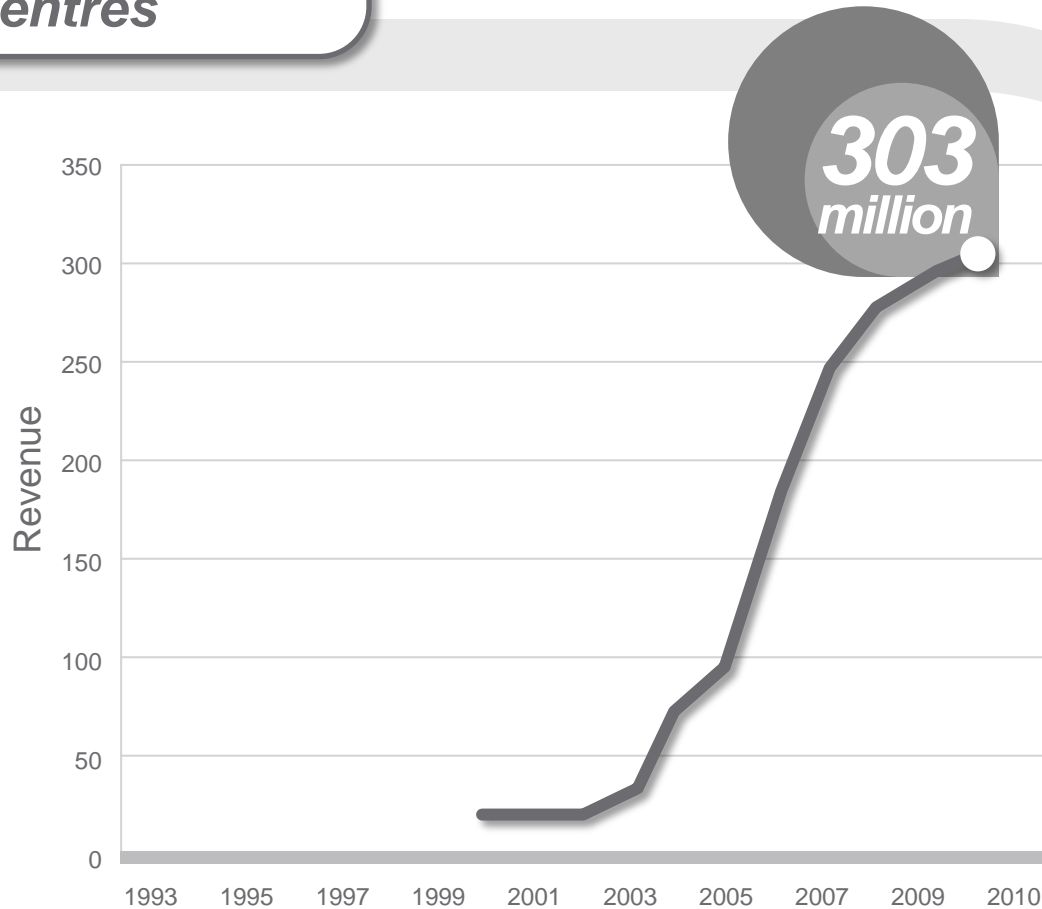
# Track record in backing the winning industries

## *Essential Mail*

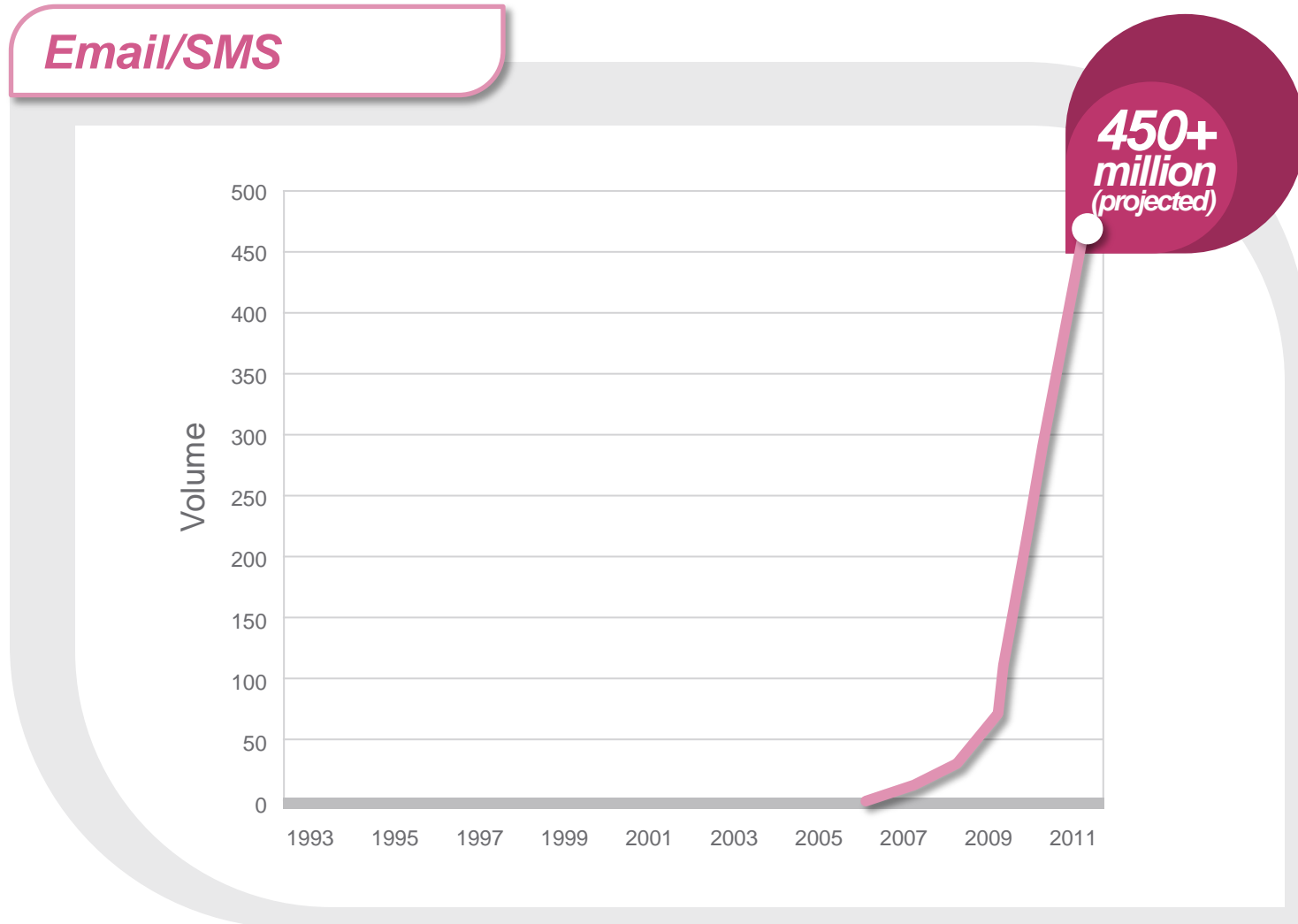


# Track record in backing the winning industries

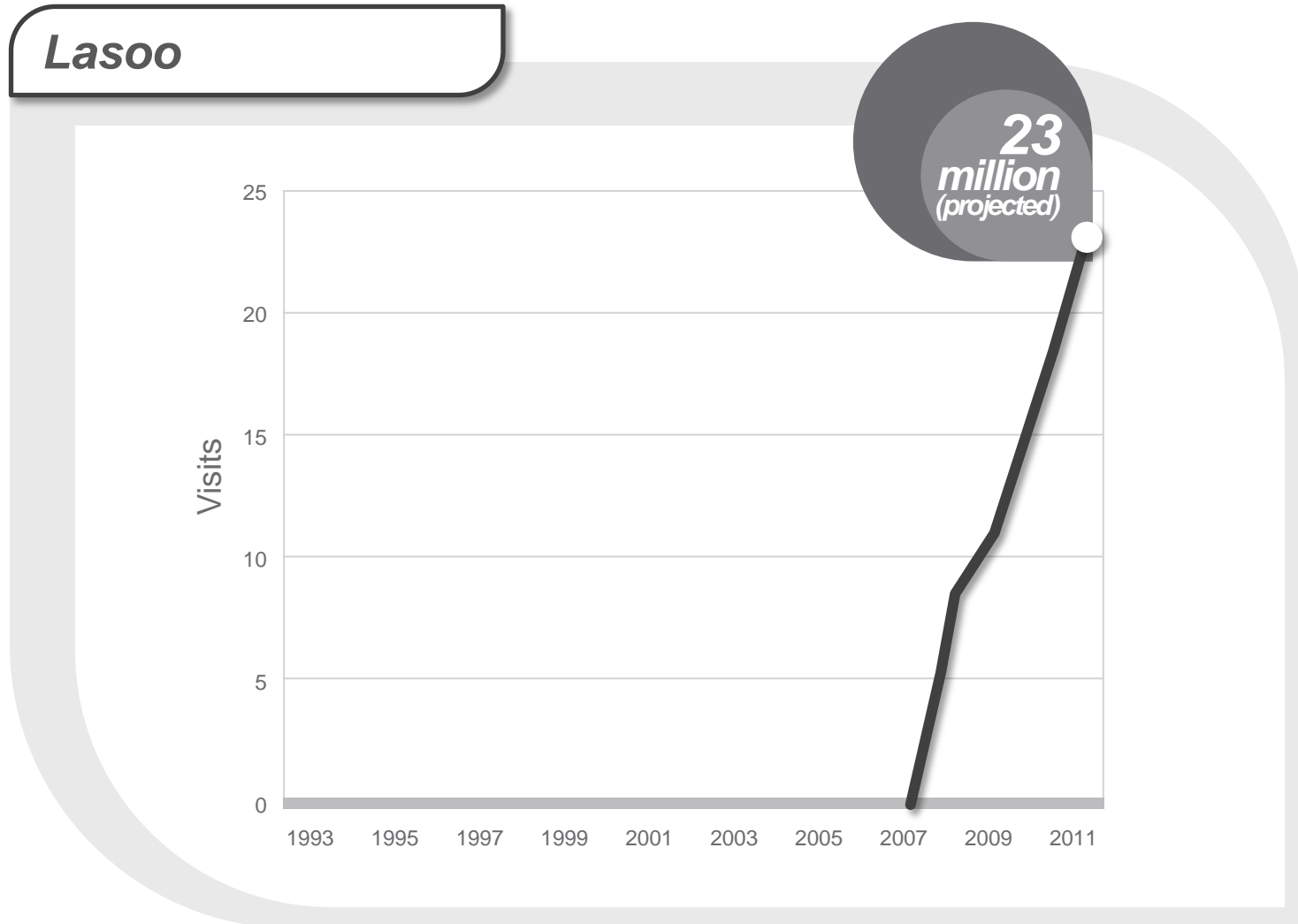
## Call Centres



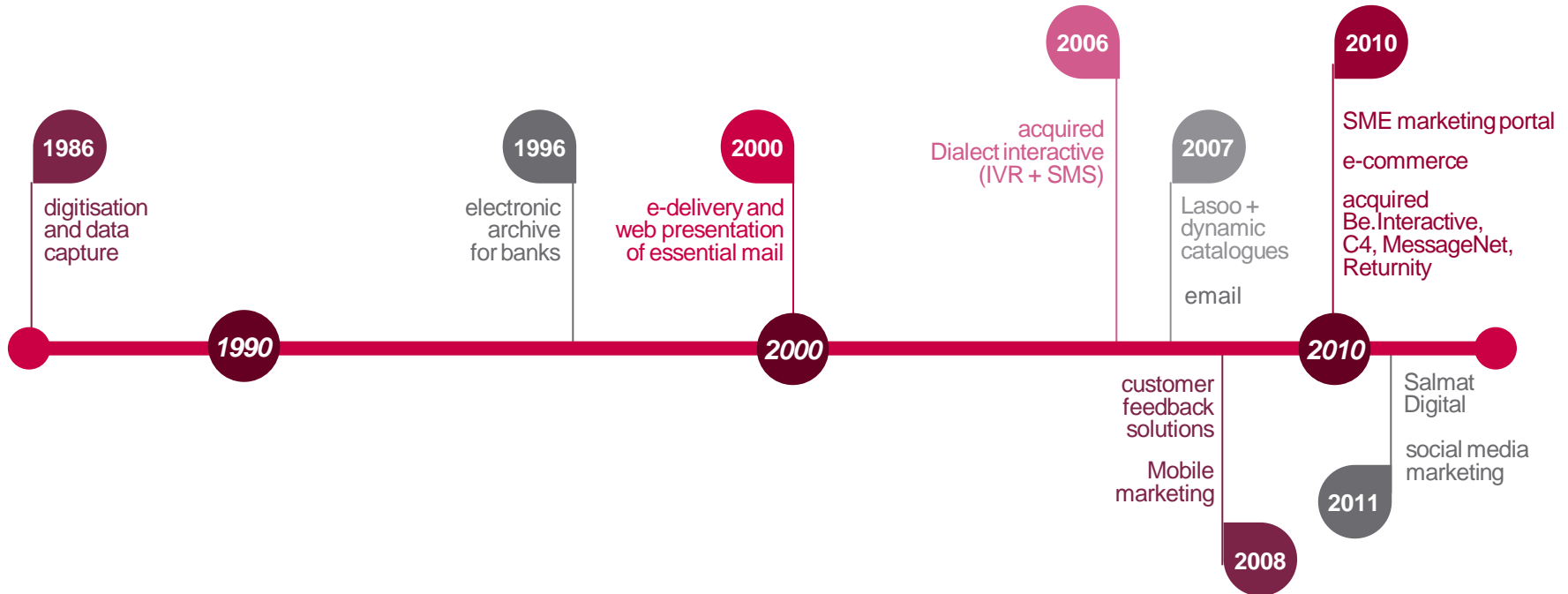
# Track record in backing the winning industries



# Track record in backing the winning industries



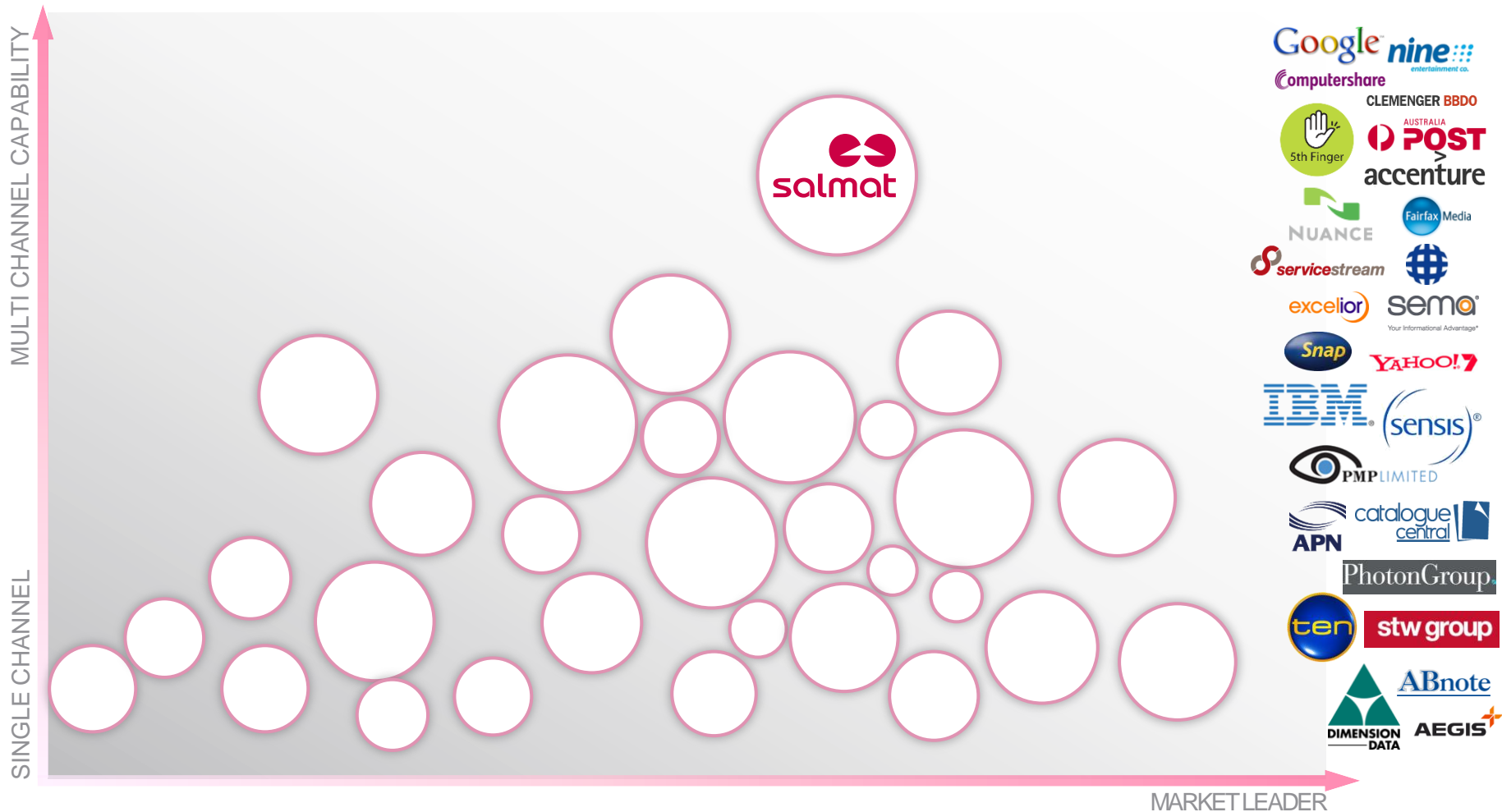
# Salmat's digital journey



we  
maximise  
**‘ROC’**



# Communication services landscape



# Digital

David Blakers





# Key statistics...

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Australians spend  
**22 hours**  
online per week...  
*...more time than consuming  
any other media.*

Nielsen Australian Online Consumer Report

**50%** of all  
retail purchases  
are now influenced  
**online**

ACRS Research

Australians are the  
**biggest**  
users of  
*social media*  
in the world.

Nielsen

*Growth in Australia:*  
Online advertising –

**15.4%**

...every year for the  
next four years.

**Print growth 1.9%**

**Free TV 3.9%**

According to the PricewaterhouseCoopers'  
Media and Entertainment Outlook 2010  
– 2014 report,

Australians will spend  
**\$32 billion**  
online (*retail*) in 2012

Forrester 2010

**Email** has the  
highest ROI of any  
digital channel at

**\$42**

DMA 2010



# Rewards Program

“Australia’s largest and most successful rewards program...”



complementary  
**not supplementary**



# Case studies

AFL, NRL, Telstra

Tony Palmer



# Website



AFL.com.au the  
most popular sports  
site in Australia –  
3m+ visitors per month





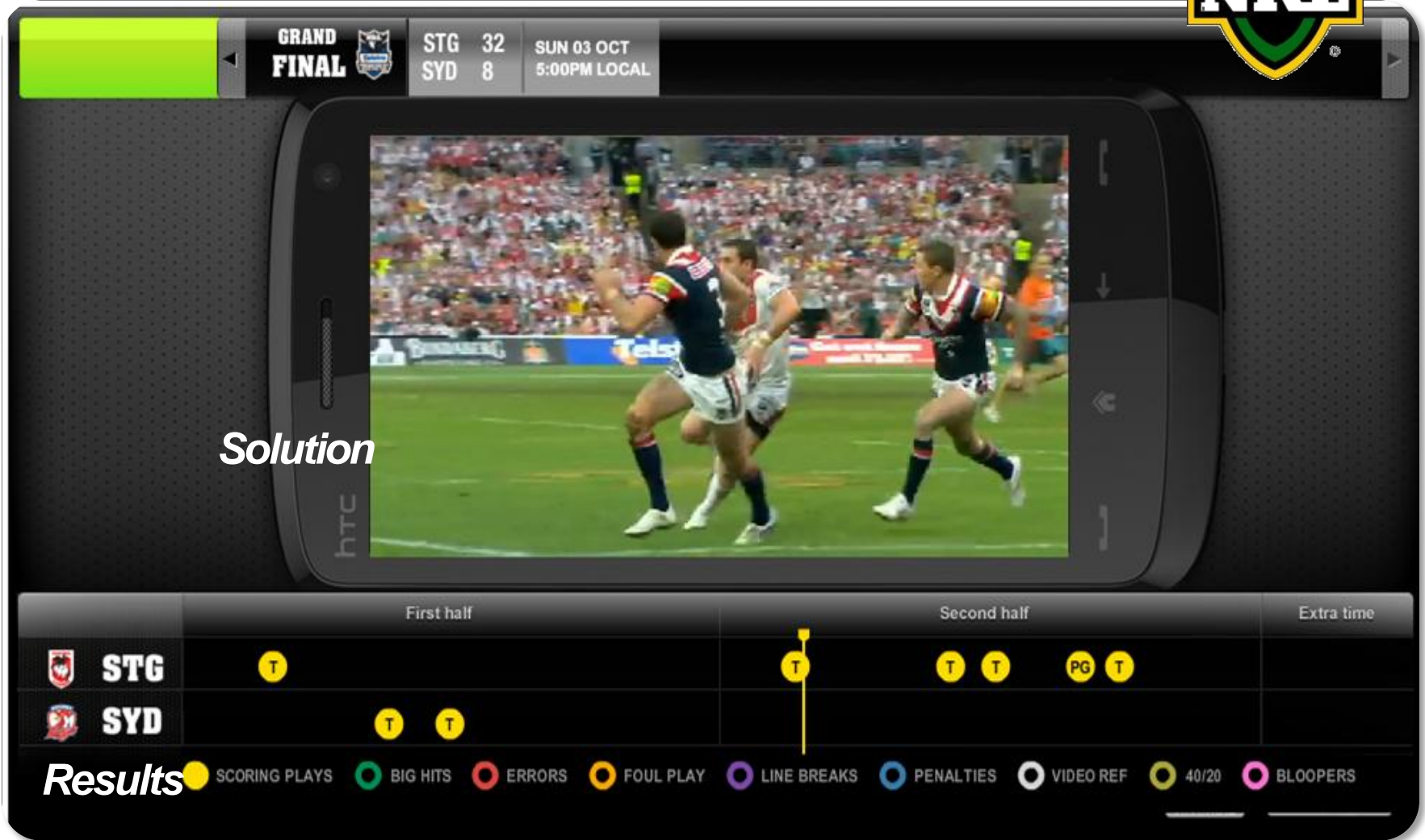
# Website



Traffic has grown **250%** since '07 to **2.5m+** monthly visitors.



# NRL – Game Analyser





# Revenue

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**Build**

**Manage**

**Leverage**

# Lasoo

Paul Marshall





SEARCH



GO

CATEGORIES ▾

RETAILERS ▾

BRANDS ▾

CATALOGUES ▾

## Shopping Tools

Welcome Paul Marshall

[My Pre-Shop list](#)[My Profile](#)[My Alerts](#)[Sign Out](#)

## Browse by Category

Automotive  
 Baby  
 Books  
 DVDs  
 Electronics  
 Fashion Accessories  
 For The Home  
 Furniture  
 Gaming  
 Gifts  
 Groceries  
 Health & Beauty  
 Home Improvement  
 Jewellery & Watches  
 Kids Fashion  
 Liquor  
 Men's Fashion  
 Music  
 Offers & Savings  
 Office Supplies  
 Pharmacy  
 Services  
 Shoes  
 Sports & Outdoor  
 Toys  
 Travel  
 Women's Fashion

[» All Category](#)

## allphones

### Buyer's Guide Online Edition



NOKIA SONY ERICSSON LG SAMSUNG HTC



## Featured

## Latest Catalogues

## Ending Soon



Target

BIG W  
live big for lessTeds  
corner

dick smith

[All Catalogues](#)

## Welcome to Lasoo



Welcome to Lasoo, Australia's leading Pre-Shopping™ website. Here you can view online catalogues from leading Australian retailers including Target, BIG W, Myer, Dick Smith, Toys R Us and more. View catalogues online for your local area before you head in-store to go shopping. We also have catalogues for many smaller specialty retailers around Australia. You'll

## deal of the week



**AWA Home Entertainment**  
**Full High Definit...**

**\$498.00**[Details](#)[Buy Now](#)BIG W  
live big for less

## Daily Deal

[View All](#)

**Get Beautiful Skin! Only \$25 for a  
 Microdermabra...**



Buy \$25.00

Value	Discount	Save
\$99.00	74%	\$74.00



Popular Retailers

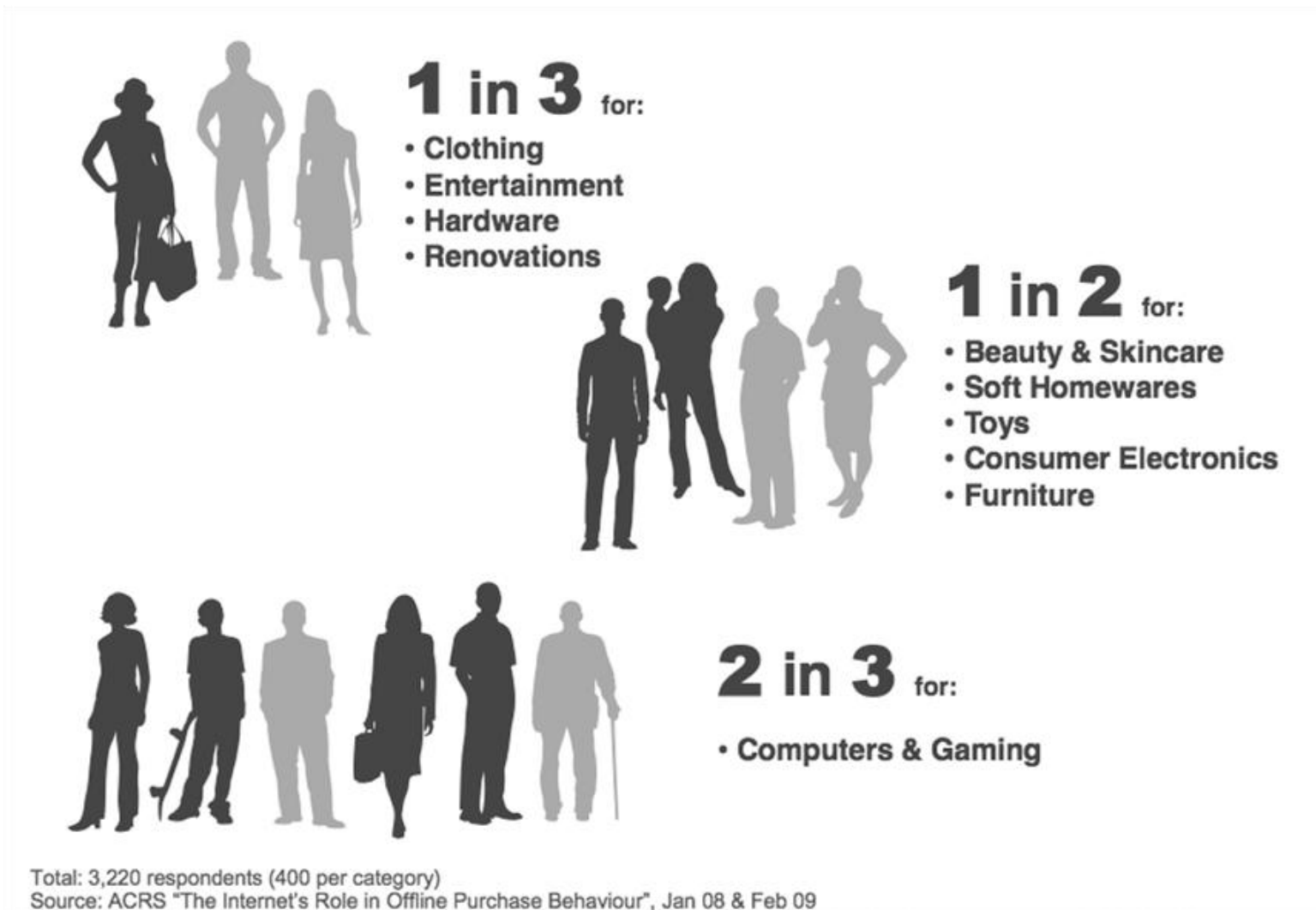
Popular Brands

BIG W  
live big for less

Target

MYER  
myer.com.au

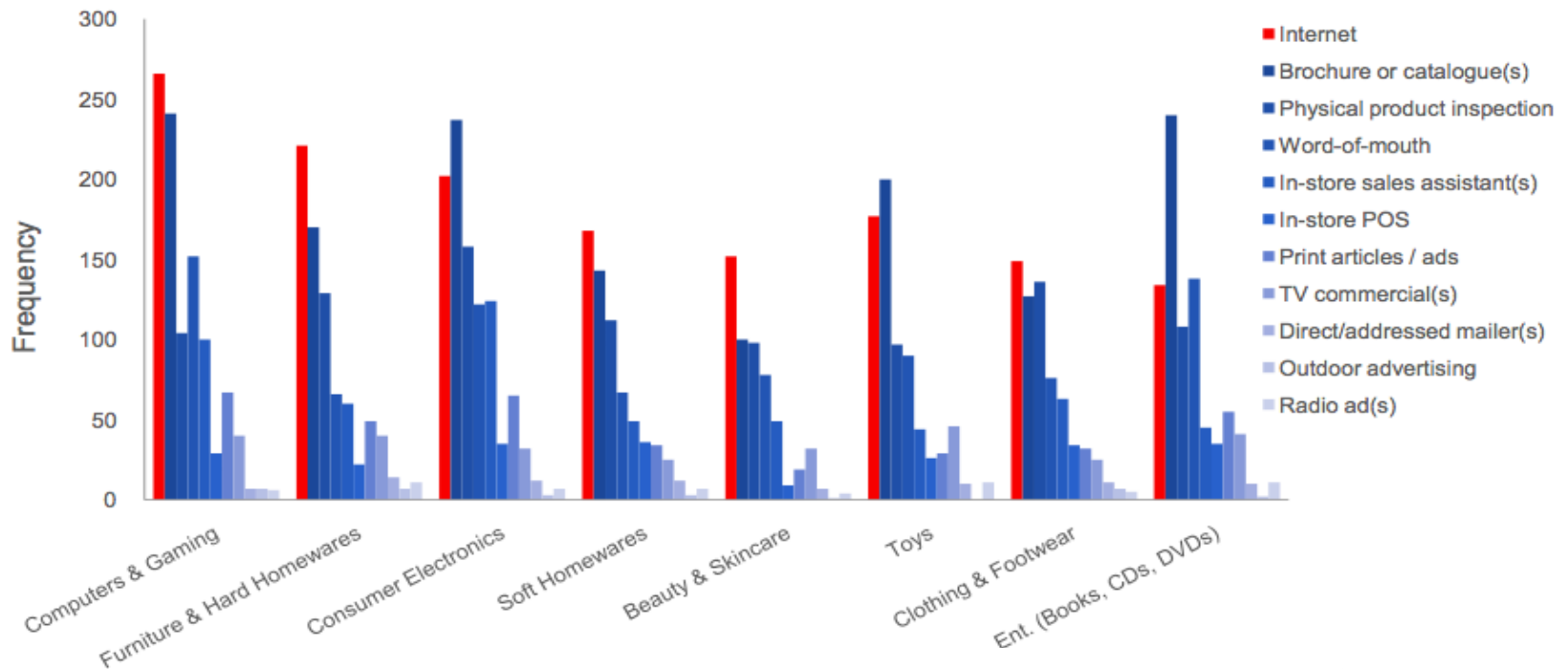
# 50% of shoppers research online before purchase



# Internet one of the most frequently used sources of information for shoppers

## Usage of Media Channels

*Which of the following information sources did you use in your pre-purchase research?*



Multiple Response = 4,822 answers. Base Sample = 3,220 respondents  
Source: ACRS "The Internet's Role in Offline Purchase Behaviour", Jan 08 & Feb 09

# Australia's leading pre-shop<sup>®</sup> site



- Engagement
- Retailer content
- Conversion



# Millions of Australians Lasoo, then buy

People are on Lasoo to make shopping decisions

- 8 to 9 minutes each visit
- Over 40 page views per visit
- The only content is retailer advertising

*“24% of lasoo.com.au visitors have gone on to **purchase** the item from the retailer they saw on the website.”*

*“69% either **purchased** the item from the retailer they saw on lasoo.com.au, **intend** to purchase the item, went to the retailer’s store or website and/or **contacted** the retailer.”*  
[Nielsen]

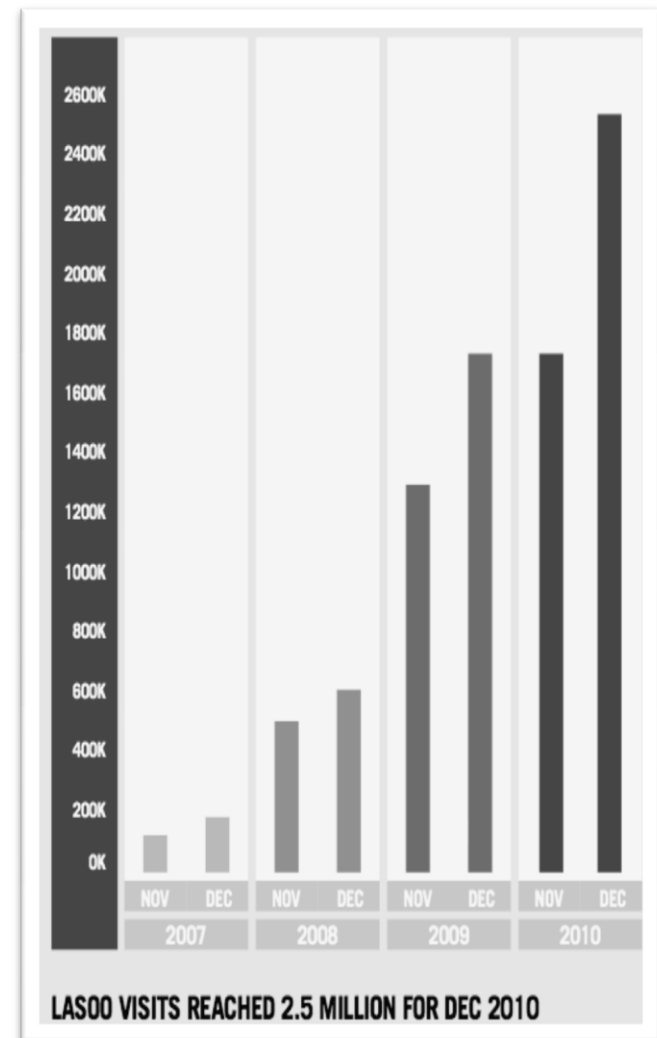
## 2.29 million

Australians driven in-store by Lasoo

## 75% went on to buy

Christmas 2010

(Q4 survey results. Number of unique visitors)













# eCommerce

Paul Marshall



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Australia's first truly enterprise  
class eCommerce platform  
with best of breed



**Vision:**

- functionality
- flexibility
- scalability

# Opportunity

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*Enterprise systems priced beyond core growth market.*

*50% of online retailers to upgrade platforms in next two years. (Forrester)*

*Short implementation times and flexible revenue models attractive.*

*Current mid-low end solutions scale poorly.*

# Salmat's solution

## Option 1: Licensed



more control



customisation



upgrade pathway  
control



build In-house  
expertise

## Option 2: Hosted



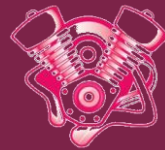
no tech  
management



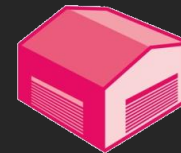
lower up-front  
costs



greater speed to  
market



upgrade pathway  
certainty



easy access &  
data mgmt



Lower hidden  
costs

# Roamz

Jonathan Barouch



# Market trends and mobile commerce

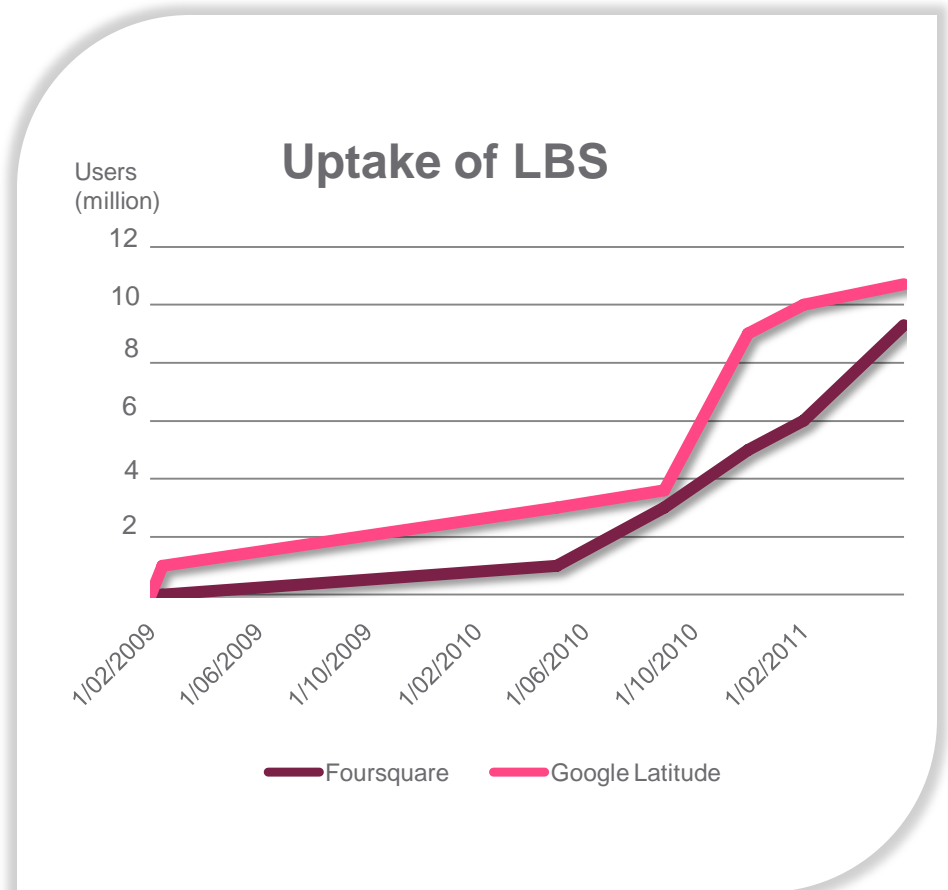
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- By 2013 more than 50% of web browsing will occur on mobile devices (Gartner)
- Total M-Commerce transactions in Australia totalled \$AUD 155 million in 2010; this number is forecast to grow 68% in 2011 (Neilson)
- Forrester predicts that cross-channel shopping — researching online, buying offline — sales will be \$USD 1.3 trillion and account for nearly 50% of total retail sales by 2013
- eBay predicts \$USD 4 billion in merchandise will be purchased using Smartphones in 2011



# Location based services

- There is a global uptake of location based services
- Some recent transactions in LBS industry:
  - **eBay** recently acquired local ad platform and recommendation app **Where.com** (thought to be \$USD 135m)
  - **Groupon** has just purchased **Whrrl**, a location-based social application





# Project overview

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- Roamz will display hyper-local and relevant content to the user
- Roamz will replace 'word of mouth' about local places and events
- Using social media to increase virality of places
- Complementary to Lasoo

# Revenue opportunities

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Incorporating location features in software provides unique revenue opportunities

- Roamz will be a targeted communications platform for business to interact directly with customers
  - great for SMEs
- Targeted communications (by location and relevance) will lead to decreased marketing wastage



# Summary: unique opportunity

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- Roamz is a **unique product** designed to target users in an underserviced region
- The software created by Roamz will give users a **unique experience** in discovering local activities
- This is a **unique point in time** and Roamz is well placed to take advantage of the paradigm shift towards location based content

*Roamz is mobile, local, social and real-time*





# one Salmat

Ian Jones

# What does OneSalmat represent?

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# Industry Partnerships



## Retail

BIGW



Telstra™

Woolworths

Target.

MYER

IKEA®

IGA

Officeworks

dick smith

Pizza Hut

ALDI

coles



## Utilities & Telco

Telstra™

Alinta

vodafone 3

Virgin mobile

yes OPTUS

Sydney WATER

Tenix

EnergyAustralia

TRU energy

origin AGL

countryenergy

INTEGRAL energy

BOC



## Banking

Westpac

nab

st.george

BankWest

citibank



ANZ

HSBC

Standard Chartered



## Government



Centrelink



Inland Revenue  
Te Tari Taake

STUDYLINK  
Hoto Akoranga

Australian Government  
Child Support Agency

Australian Hearing  
Australia's Hearing Specialist

medicare

Housing

WorkCover  
Queensland

Queensland Government  
Queensland Health

vic roads



## Transport, Travel & Hospitality

LINFOX

nib

TNT

CALTEX

TAXI Tenix

COMBINED

FedEx Express

Roam

QUEENSLAND MOTORWAYS

Sydney WATER

CityLink

medibank

Jet



## Media Services

Fairfax

acp magazines

FOXTEL

News Limited

7 ten

9

FOXTEL

Carat

ZenithOptimedia

BMF MDA Starcom

OMD

MEDIACOM  
People First Better Results

UM



## Financial Services

ING

CIO

QBE

SUNCORP

MLC

TAB

GE

TAB

AIAG  
Insurance Australia Group

ZURICH

AMERICAN EXPRESS

BT Financial Group

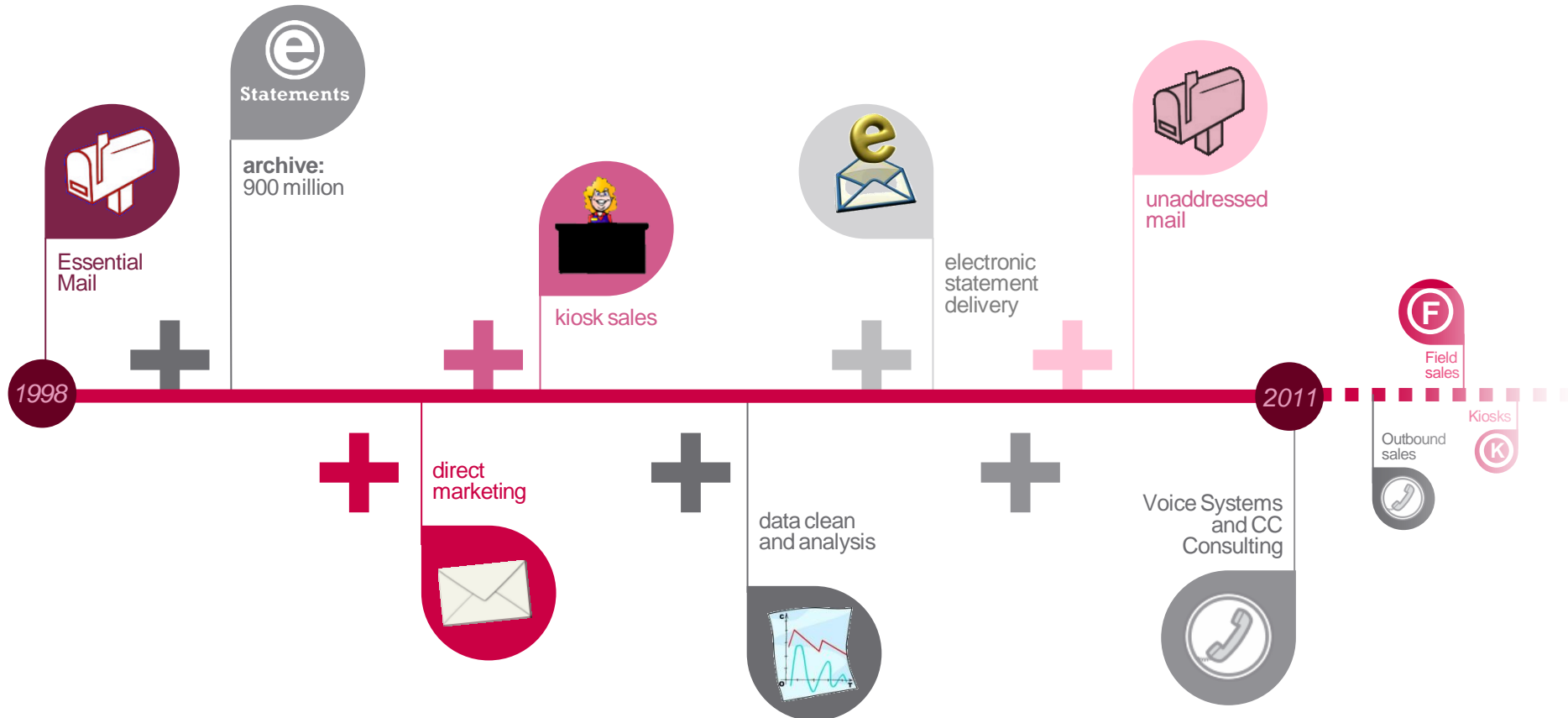


# Case Study:

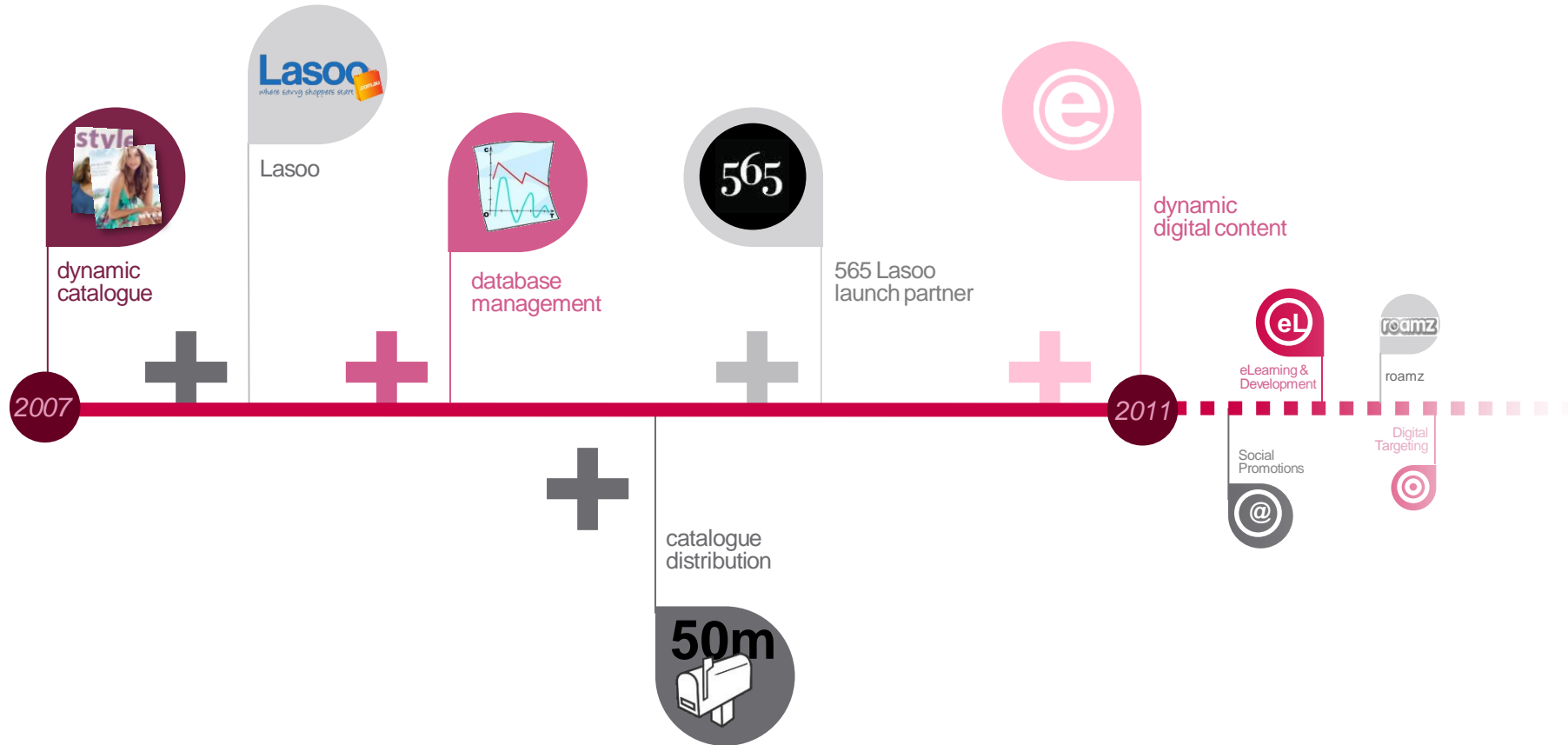
***‘organic customer growth’***



# A big 4 bank



# A leading department store





**Case  
Study:**

***‘business  
challenge’***

# Client: Leading financial services provider

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Generate qualified leads to  
feed into the clients call centre  
for Credit Card Acquisition

# Client: Leading financial services provider

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Determine what customer behaviour best represented the 'warmest' leads, and perform a comprehensive sales campaign across multiple channels

# Client: Leading financial services provider

---



## The Results:

- 9.3% response
- Warm handover leads generated a further 12.5% response
- Successful acquisition of 6.8% of targeted base
- Cost per acquisition (CPA) reduced by almost 300% from \$294 to less than \$100

# Customer perception

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Channel agnostic delivery

Dependable brand representation

A trusted partner that delivers

Measureable outcomes



# Industry Partnerships



## Retail

BIGW



Telstra™

Woolworths

Target.

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IKEA®

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dick smith

Pizza Hut

ALDI

coles



## Utilities & Telco

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Alinta

vodafone 3

Virgin mobile

yes OPTUS

Sydney WATER

Tenix

EnergyAustralia

TRU energy

origin AGL

countryenergy

INTEGRAL energy

BOC



## Banking

Westpac

nab

st.george

BankWest

citibank



ANZ

HSBC

Standard Chartered



## Government



Centrelink



Inland Revenue  
Te Tari Taake

STUDYLINK  
Hoto Akoranga

Australian Government  
Child Support Agency

Australian Hearing  
Australia's Hearing Specialist

medicare

Housing

WorkCover  
Queensland

Queensland Government  
Queensland Health

vic roads



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nib

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UM



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GE

TAB

AIAG  
Insurance Australia Group

ZURICH

AMERICAN EXPRESS

BT Financial Group

# Wrap-up

Grant Harrod





# introducing **Salmat Digital**

# digital showcase & lunch

Please relocate to **level two**



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## 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.



# information pack



# Salmat's operations

- 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 mail packs
- 59 million telephone conversations
- 200 million emails
- 14 million Lasoo visits

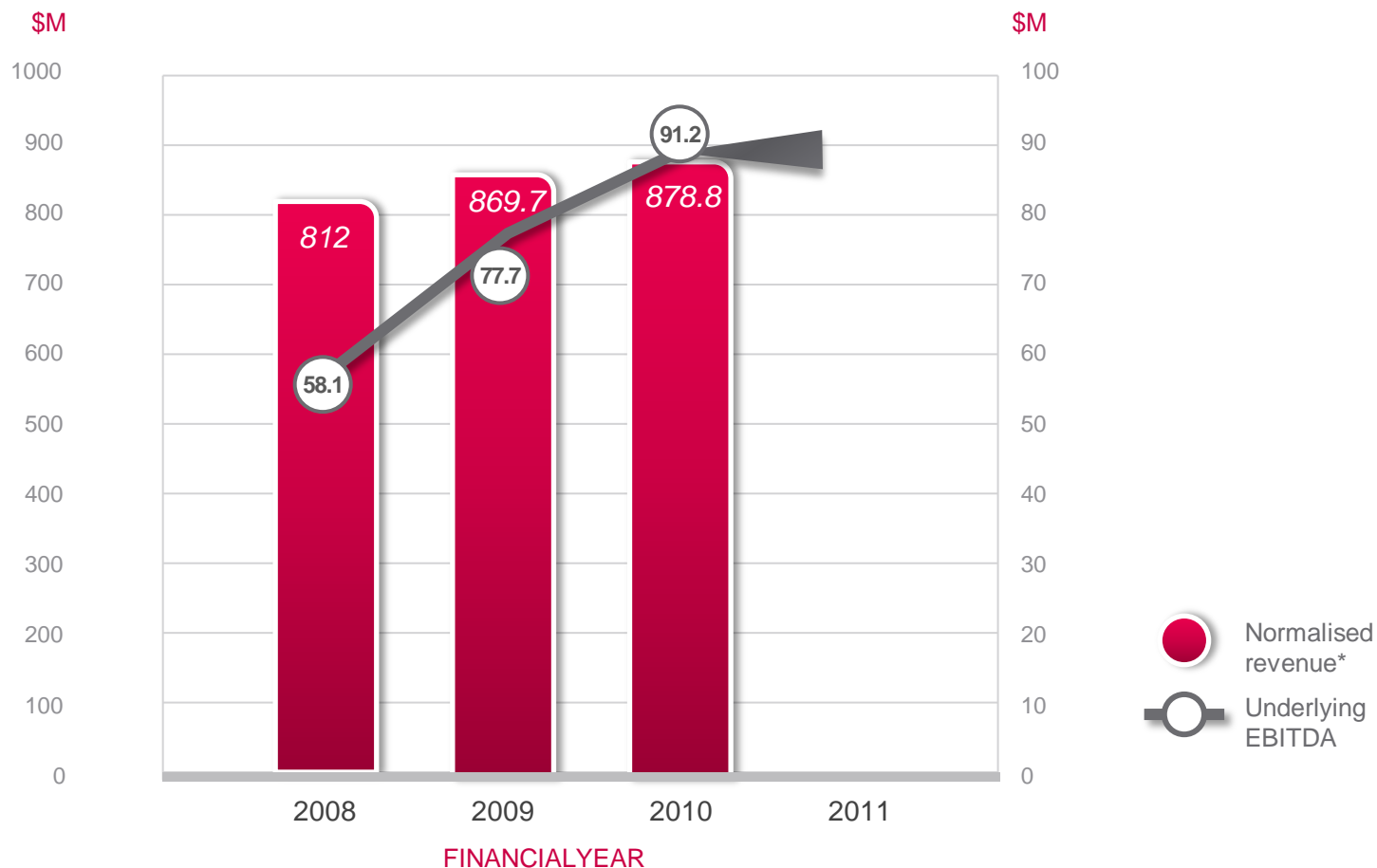




# Operations at a glance

	<b>Targeted Media Solutions</b>	<b>Customer Contact Solutions</b>	<b>Business Process Outsourcing</b>
<b>Activities</b>	<b>Consulting, data services, specialised design, integrated communication</b>		
<b>Channels</b>	<ul style="list-style-type: none"> <li>Digital communication</li> <li>Letterbox distribution</li> <li>Lasoo.com.au</li> <li>Interactive services</li> <li>Ecommerce platforms</li> <li>Data analytics, customer profiling, loyalty platforms</li> </ul>	<ul style="list-style-type: none"> <li>Call centres</li> <li>Speech solutions</li> <li>Learning &amp; development</li> <li>Direct &amp; retail sales</li> </ul>	<ul style="list-style-type: none"> <li>Electronic communication</li> <li>Essential &amp; direct mail</li> <li>Scanning &amp; archive</li> <li>Digitisation of physical data</li> <li>Automated workflow systems to manage data</li> </ul>
<b>Key clients</b>	Woolworths, Coles Myer	Foxtel, Origin	CBA, Telstra, Amex
<b>FY10 financials</b>			
• <i>Revenue</i> (*normalised)	\$230.6m	\$302.5m*	\$345.7m*
• <i>EBITA</i>	\$40.3m	\$20.0m	\$44.2m
• <i>Margin</i>	17.5%	6.6%	12.8%
• <i>5 year earnings growth average</i>	4.2%	32.0%	75.7%

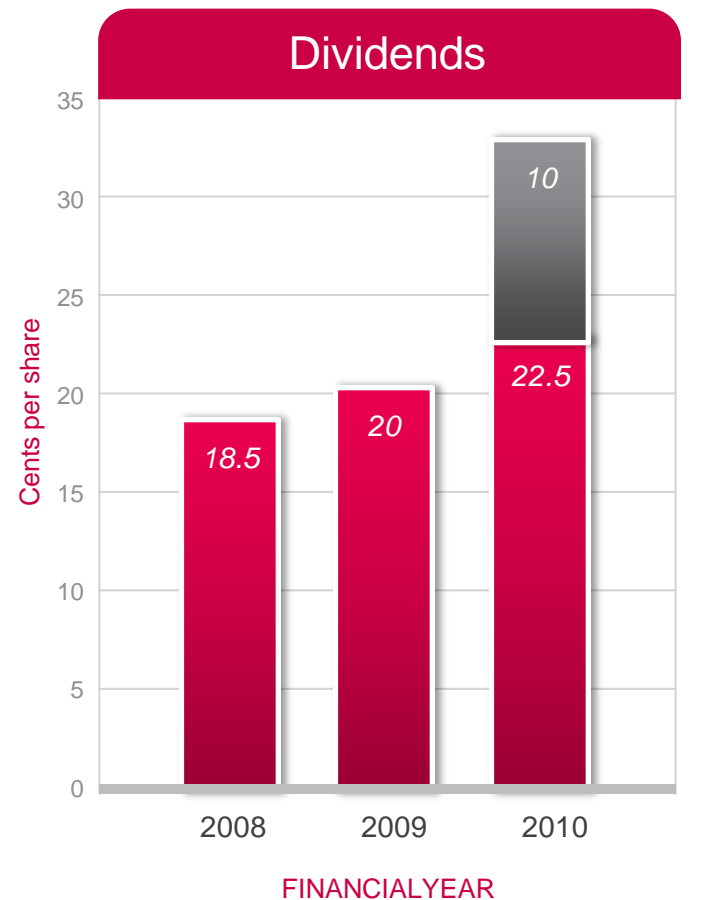
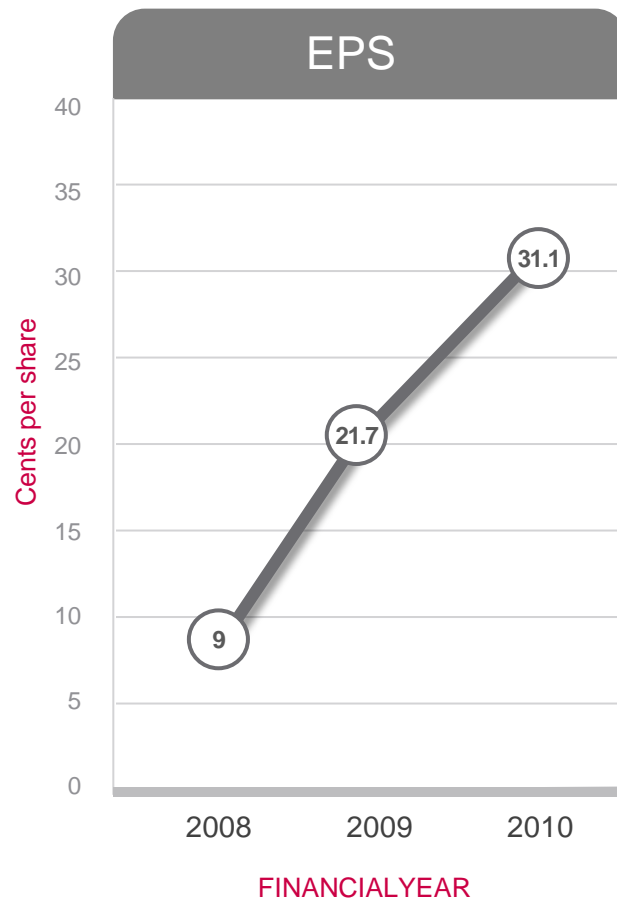
# Consistent earnings growth: FY11 transformational



\* 2009 revenue normalised for FX impact, net pass-through telco revenue and exited businesses

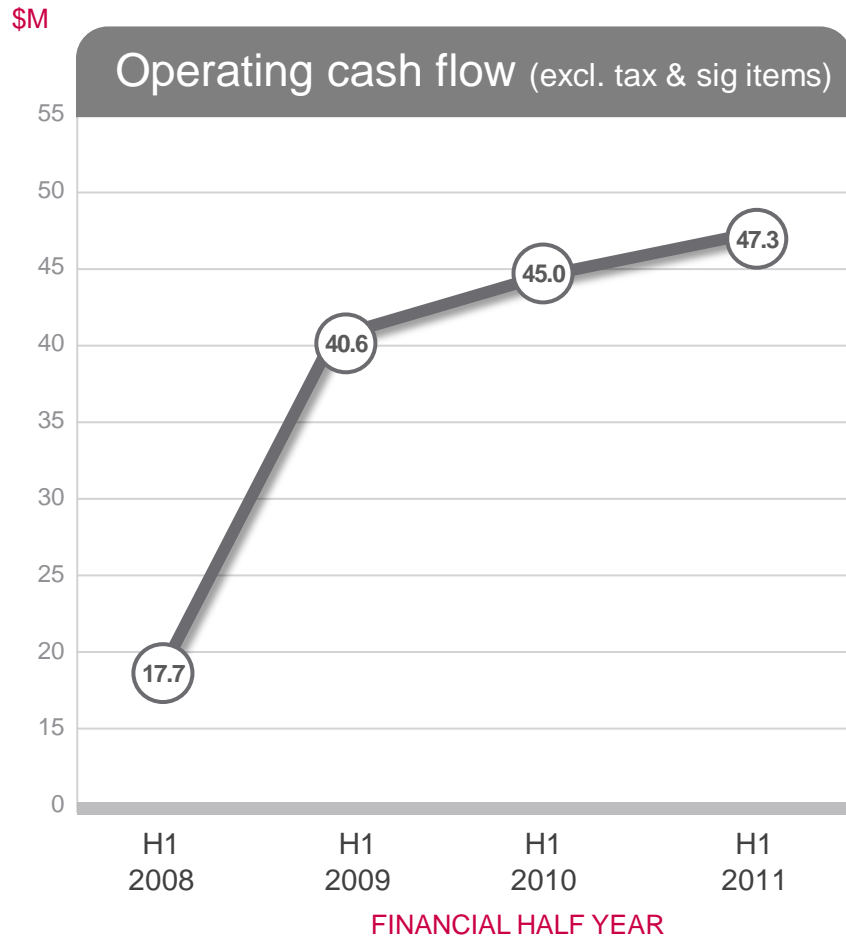
# Shareholder returns

Ongoing growth in EPS and regular dividends



Regular dividend      Special dividend

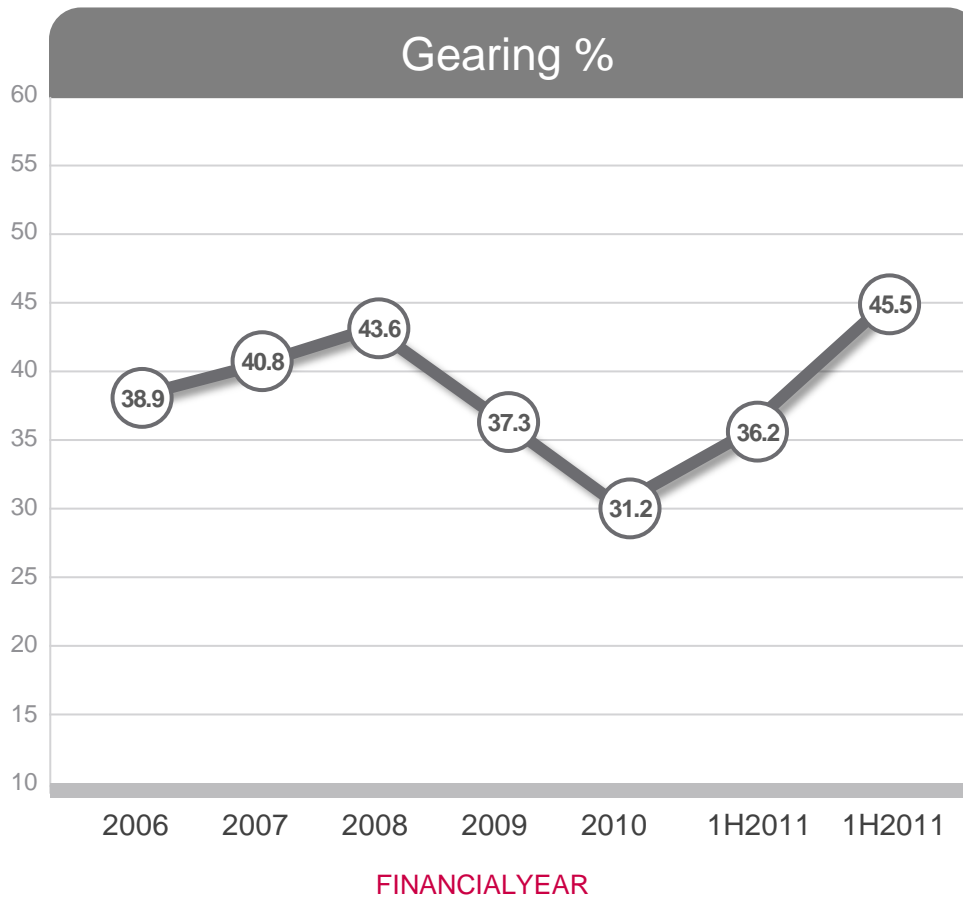
# Excellent cash-generating businesses



\* Debt peak in October 2007 related to funding of the HPA acquisition.

^ Debt in January 2011 increased to fund the digital business acquisition.

# Comfortable gearing and finance facilities



*Senior debt facility updated in December 2010*

\$105 million senior debt **extended** to December 2013

New four year tranche for **\$99 million** to December 2014

Total available facilities of **\$309 million**

Gearing and interest coverage ratios remain well below debt covenant requirements: **plenty of headroom**