

21 December 2011

Salmat confirms full year outlook and provides half year forecast

With greater visibility on the second quarter, including Christmas trading, Salmat Limited (ASX:SLM) today reconfirmed that it remains on track to achieve FY12 EBITA (earnings before interest, tax and amortisation) guidance of \$83-88 million, as stated at the AGM in November.

First half performance is in line with these expectations and will be in the range of \$36-38 million EBITA. This compares to underlying EBITA of \$39.8 million for the six months ended 30 June 2011.

“As stated at our AGM recently, full year performance will be skewed to the second half as we reap the benefits of new business won and productivity initiatives being undertaken across the group,” said Chief Executive Officer Grant Harrod.

“Trading conditions have generally remained subdued throughout the half on the back of falling consumer demand, with an improvement in the lead up to Christmas. Our major retail clients continue to maintain their investments in catalogues and online promotions, however smaller retailers and those supplying discretionary goods and services have reduced their investments.

“Mailed communication has remained stable and is in line with forecasts and our new e-solutions channel is enjoying solid growth off a low base.

“Our contact centre business continues to build solid momentum replacing lost volumes following the closure of the Telstra centres in the fourth quarter of FY11. New business is expected to fully offset these volumes by early FY13 on an annualised basis.

“Salmat continues to pursue its strategy to transition the business to a digital future. The current half includes an investment of \$3.5 million in Lasoo and Roamz, fully expensed. Lasoo continues to achieve strong volume growth and is on track to achieve breakeven in FY13.

“Our other digital services continue to achieve a run rate consistent with 2H11 while being impacted by the softer market conditions which are deferring expected revenue synergies,” said Mr Harrod.

ENDS

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.

ABOUT SALMAT

Salmat is Australia's leading marketing communications and outsourced business services company.

Salmat helps businesses find, acquire, grow and retain customers by delivering innovative multichannel communications solutions across an unmatched range of channel options - including:

Digital:	web development, data analytics, e-commerce, social media, email, SMS, search, mobile, e-solutions, scanning, archiving, Lasoo.com.
Voice:	call centres, speech solutions, voice biometrics.
Mail:	unaddressed mail (catalogues), direct mail, essential mail.

Measurable Results

Return on Communication - we deliver a return on our clients' investment in communication with measurable results demonstrating improved sales outcomes and productivity improvements.

Market Leaders

Salmat has three divisions, all of which are market leaders:

Targeted Media Solutions (TMS) delivers more than 5 billion unaddressed items to homes across Australia every year. The division uses up to date lifestyle and geo-demographic data to maximise the effectiveness of each campaign, and employs the latest technology to provide clients with real time campaign reporting and auditing. Salmat's new business, Salmat Digital, brings together all of Salmat's digital capabilities into a digital centre of excellence under TMS. This new business establishes Salmat as Australia's leading digital marketing communications provider. Salmat Digital has extensive capability across nearly every aspect of digital marketing communication including: data analytics, online, e-commerce, email, SMS, social media and e-solutions. Lasoo.com.au - Australia's premier online pre-shop website - also forms part of Salmat Digital.

Customer Contact Solutions (CCS) engages in millions of conversations each year for its clients through its contact centres. This division applies world-class technology and a highly trained staff to handle inbound and outbound phone, fax, email and online communication. It also provides face-to-face sales teams on behalf of clients in Australia, New Zealand and more recently in Asia as well as voice biometric technology and e-Learning training.

Business Process Outsourcing (BPO) manages outsourced business services for large corporate clients, using high end technology to engage consumers through bulk 'essential' and direct marketing communication, via mail, email or online, both outbound and inbound. The division, which seeks to streamline and improve delivery of these regular services, also uses its data management capability to record, store and cross reference large amounts of archive information for clients in Australia, Hong Kong, Taiwan and the Philippines.

For more information on Salmat go to www.salmat.com

For further information, please contact:

*Grant Harrod
Chief Executive Officer*

*Chad Barton
Chief Financial Officer*

+612 9928 6782