

27 August 2012

Divestment of BPO for \$375 million Salmat – Focused for the future

Salmat Limited (ASX:SLM), Australia's leading omni-channel communications partner, announces the sale of its Business Process Outsourcing ("BPO") division to FUJIFILM Holdings Corporation, ("Fujifilm Holdings"), for \$375 million.

The sale transaction follows Salmat's announcement on 30 May 2012 that it had received an unsolicited approach regarding the possible acquisition of its BPO division. Following the approach, the Board received considerable interest from a range of parties, culminating in the transaction announced today.

The revenue attributable to BPO for the year ended 30 June 2012 was \$316 million, underlying⁽¹⁾ EBITA was \$49.5 million and net assets were \$305 million. Salmat's financial results for the year ended 30 June 2012 released today, including the contribution from BPO, report group revenue of \$823.4 million, underlying⁽¹⁾ EBITA of \$80.6 million and net assets of \$270.9 million. The transaction is subject to Foreign Investment Review Board approval and completion conditions and is expected to be completed by mid-October 2012.

The divestment simplifies and focuses Salmat's group strategy around our goal of assisting clients to maximise their Return on Communication. The Board will now consider options to further drive shareholder value, accelerate the growth strategy by building our scale and capability in the digital services and communications market, review the appropriate business and cost structure and deleverage the balance sheet.

The divestment to Fujifilm Holdings has also created exciting growth opportunities for Salmat, as our two companies are now seeking to establish a broader working relationship that will leverage our respective geographies and services. For Salmat, this is a potential opportunity to drive growth by bringing our customer communication services and solutions into the Asian market with a highly credible partner.

A transitional services agreement has been entered into by Salmat and Fujifilm Holdings for a period of up to 18 months, to ensure that clients of BPO continue to receive excellent service in their essential mail communication.

"This is a great result for Salmat and the BPO division, which would not have been possible without the strong profit growth recorded as a result of the successful implementation of strategic initiatives and cost disciplines put in place by our team. Successful strategy execution, coupled with targeted investment in recent years, has paid dividends and underpins the excellent outcome for shareholders that today's sale represents. I commend the excellent work of everyone at BPO," said Chief Executive Officer Grant Harrod.

"We have taken the business a long way in recent years, but we also recognise that the next stage of BPO's development is better suited to an owner with global reach and broader outsourcing ambition. I am very confident that we received good value for the business, but also that BPO will be a valuable asset to Fujifilm Holdings. This is a good result for both parties and the strategic partnership that will form as a result of this transaction will lead to greater value creation for all shareholders," said Mr Harrod.

⁽¹⁾ Adjusted for significant items, and as reported in Note 2: Segment Information in the 2012 Annual Report published today.

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ABOUT SALMAT

Salmat is Australia's leading omni-channel communication partner.

Salmat helps businesses find, acquire, grow and retain customers by delivering innovative omni-channel 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.

Measureable 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