

SALMAT

**ANNUAL GENERAL MEETING
25 November 2005**

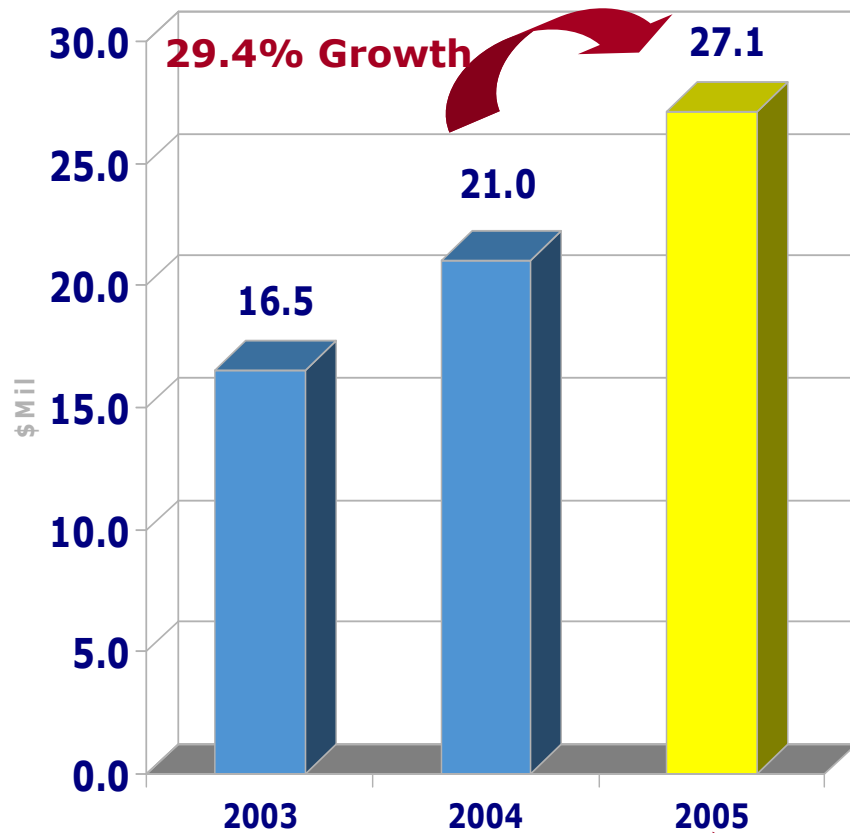
10.00am 25 November 2005
The Lyceum
The Wesley Centre

We are the Leader in Customer Communications in Australia



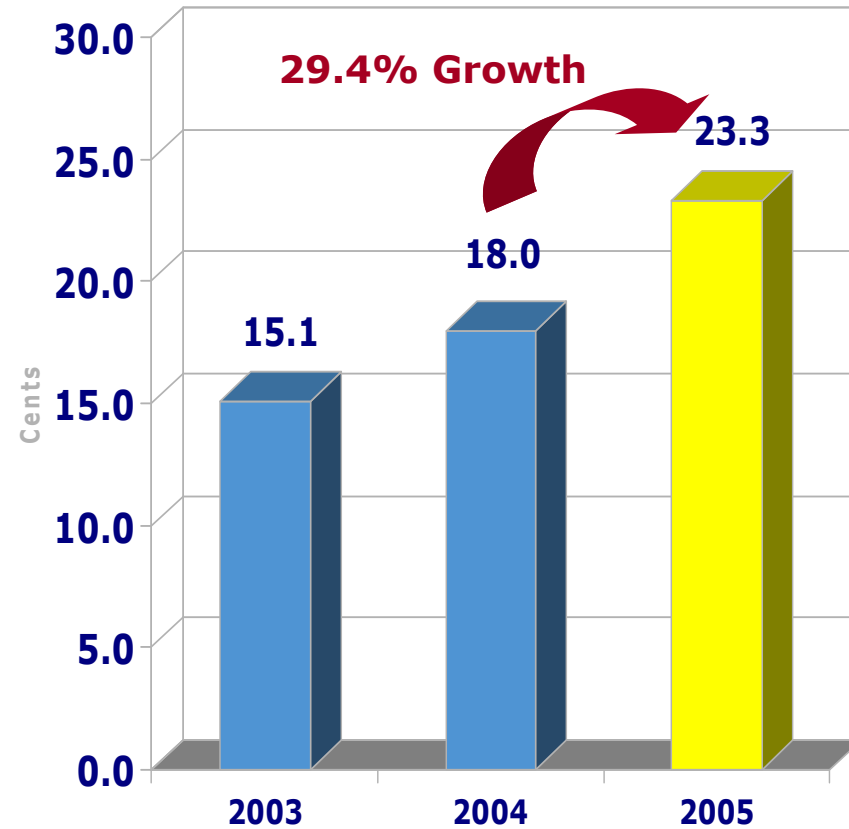
Results Summary

Net Profit After Tax (\$m)



CAGR 28.3%

EPS (cents)

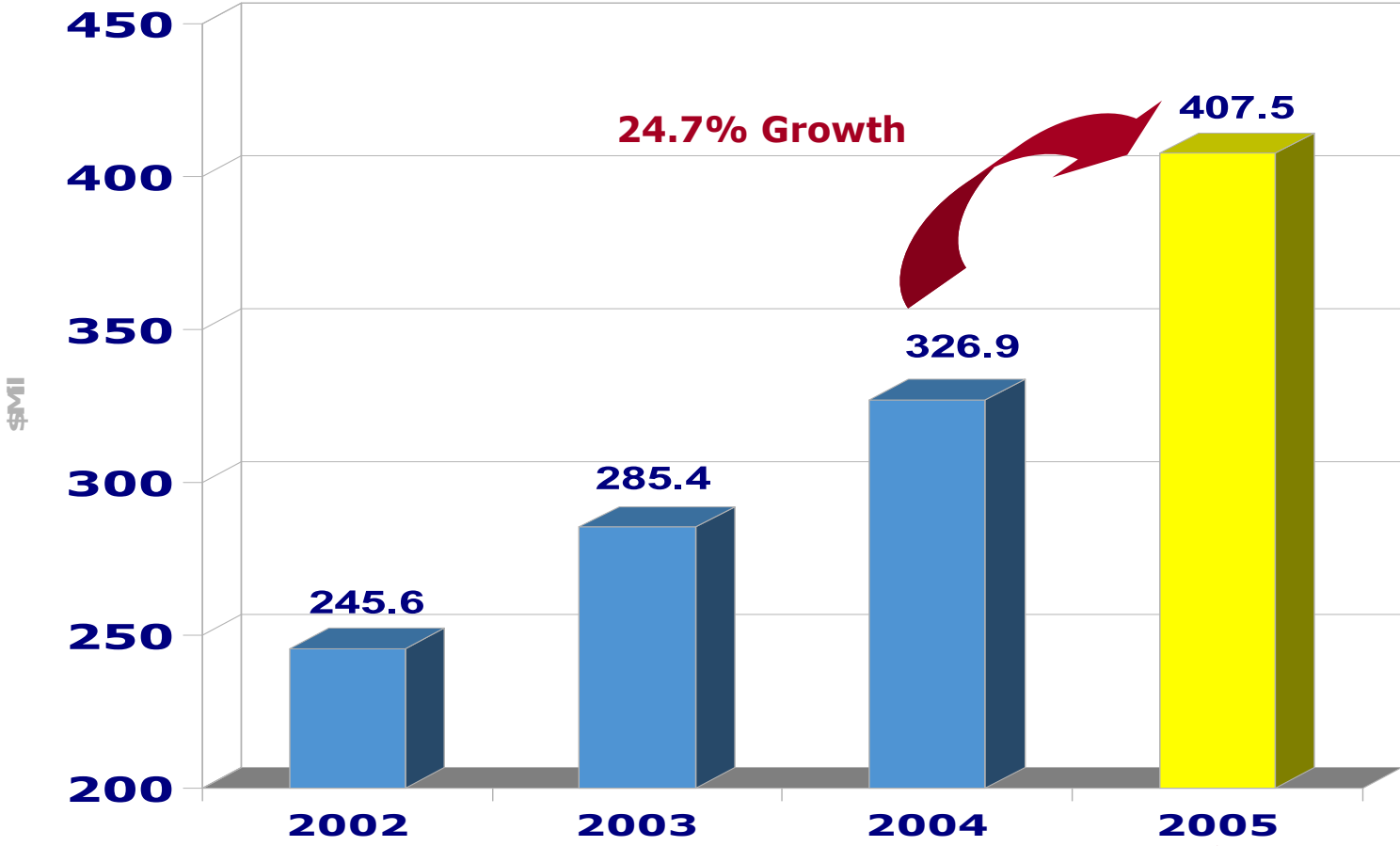


CAGR 24.3%

Strong shareholder returns since listing

Results Summary

Revenues (\$m)

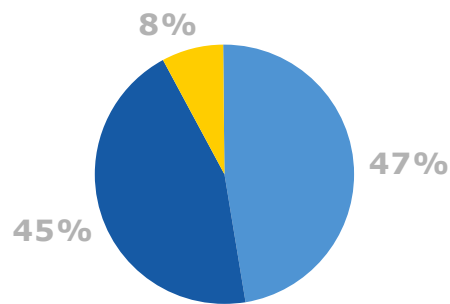


CAGR 18.5%

Strong revenue growth since listing

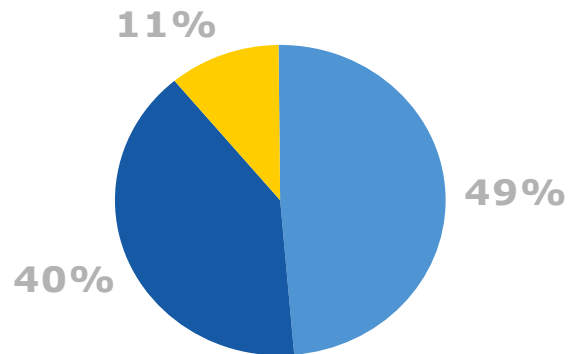
Business Mix – Total Revenues

\$288 million



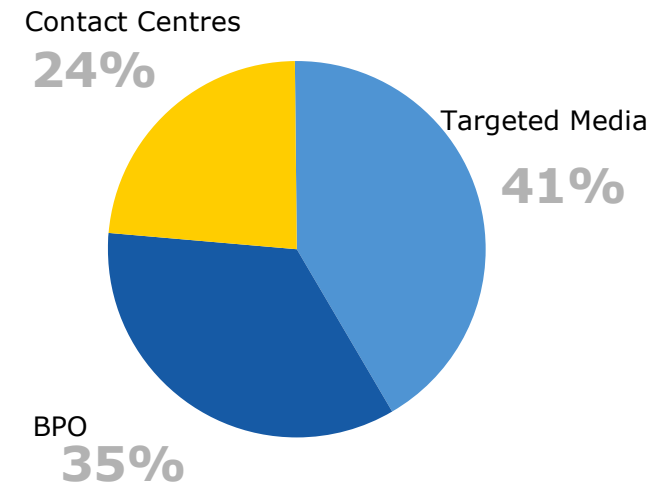
2003

\$328 million



2004

\$408 million



2005

Three significant business streams

The Strategic Goals We Achieved

<i>Our goals for 2004/5</i>	<i>What we achieved</i>
<ul style="list-style-type: none"> ● Satisfactory shareholder returns 	<ul style="list-style-type: none"> ● Earnings per share up 29.4% ● Dividend up 28.6% ● Total shareholder return 30.9%
<ul style="list-style-type: none"> ● Maintain market leadership in Targeted Media and Business Process Outsourcing 	<ul style="list-style-type: none"> ● Maintained market leadership in both businesses
<ul style="list-style-type: none"> ● Achieve sufficient scale in Contact Centres to achieve positive EBITA 	<ul style="list-style-type: none"> ● Contact Centres EBITA \$3.3 million ● Salesforce acquisition gave us market leadership
<ul style="list-style-type: none"> ● Invest in new technology to enhance product and service offerings 	<ul style="list-style-type: none"> ● MarketDisk introduced by Targeted Media ● New call centre technology acquired ● Print on demand technology acquired ● BPO laser and mail platform refresh
<ul style="list-style-type: none"> ● Make selective acquisitions which complement our business 	<ul style="list-style-type: none"> ● Acquired Salesforce ● Acquired NSW Government Printing Service

Achieved all key strategic goals

Our Goals for 2005/06

Continue to generate satisfactory shareholder returns



Maintain market leadership in all three businesses



Grow each business organically



Continue to improve customer service through further investment in technology and new products



Make acquisitions that extend our services and add shareholder value



Sustainable Growth

Business as usual

Targeted Media


Key Results

- Sales up 9.3% to \$169.0 million
- EBITA up 3.7% to \$36.0 million
- Delivered over 4 billion advertising catalogues

Key Issues

- Print capacity constraints
- Increased freight costs

Focus

- Broaden customer base
 - Local sales strategy
 - Price/freight recovery
 - Cost/system efficiencies
 - Maintain market leadership
- 

Business Process Outsourcing

Key Results

- Sales up 9.0% to 141.3 m
- EBITA flat at \$13.7 million
- Acquired NSW Government Print
- Won \$40 million, 5 year contract

Key Issues

- Continued pricing pressures

Focus

- Strong new business pipeline
 - Integrate GPS acquisition
 - Technology upgrade and efficiencies
 - New facilities
 - New products
- 

Contact Centres


Key Results

- Sales up 128.1% to \$97.2 million
- EBITA positive at \$3.4 million
- Salesforce acquisition
- Philippines JV maiden profit of \$2.5 million

Key Issues

- Drive margins through scale
- Integration of Salesforce

Focus

- Strong new business pipeline
 - Leverage available seats to increase utilisation
 - Technology enhancements – intelligent routing
 - Expanding the Philippines opportunity
- 

Outlook - FY 06

First Half (H106)

Revenues

- Contact Centre revenues boosted by Salesforce / new seats
- BPO revenues boosted by GPS

Group Sales - All divisions growing - growth around 40%

Net Profit

- BPO EBITA \$4.5 to \$5.5m lower than H105
- Targeted Media margins to improve
- Contact Centre margin growth impacted by new business set-up costs
- IFRS year on year negative impact - \$1m
- Higher interest costs

Group Net Profit - \$4 to \$5m lower than H105

Second Half (H206)

Group Net Profit – improve over first half.

Proxy Validity

Valid Proxy Total	31,733,444
Invalid Proxy Total	0




Item 1

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Annual Financial Report

Questions?

Remuneration Report

- Best practice policies per 2005 Annual Report
 - Benchmark against other companies of similar size
 - Consult independent expert
 - Appropriate mix of base salary, short term at risk component, long term incentives
 - New three year contracts for Joint Managing Directors
 - No increase in non-executive directors fees
- 

Item 2

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Remuneration Report

Non-binding Motion

That the Remuneration Report for the year ended
30 June 2005 be adopted

Item 2 - Proxies Held

For	23,314,631
Against	251,106
Abstain	6,320,178



Item 3

SALMAT

Re-election of John Thorn

Resolution

That John Thorn be re-elected as a director of the Company



Item 3 - Proxies Held

For	29,764,833
Against	30,357
Abstain	88,825



Item 4

SALMAT

Re-election of Ian Elliot

Resolution

That Ian Elliot be re-elected as a director of the Company

Item 4 - Proxies Held

For	29,797,914
Against	27,472
Abstain	58,629



Item 5

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Issue of Options to Philip Salter

Resolution

That the grant of options under the Salmat Employee Option Plan to Joint Managing Director, Philip Salter, in the manner set out in the Explanatory Notes to the Notice of Meeting be approved for all purposes, including for the purpose of ASX Listing Rule 10.14

Item 5 - Proxies Held

For	20,752,926
Against	4,291,560
Abstain	4,190,029



Item 6

SALMAT

Issue of Options to Peter Mattick

Resolution

That the grant of options under the Salmat Employee Option Plan to Joint Managing Director, Peter Mattick, in the manner set out in the Explanatory Notes to the Notice of Meeting be approved for all purposes, including for the purpose of ASX Listing Rule 10.14

Item 6 - Proxies Held

For	20,734,826
Against	4,291,960
Abstain	4,191,629



Item 7

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Grant of Deferred Shares to Ian Elliot

Resolution

That the grant of deferred shares under the Salmat Deferred Employee Share Plan to non-executive director, Ian Elliot, in the manner set out in the Explanatory Notes to the Notice of Meeting be approved for all purposes

Item 7 - Proxies Held



For	23,366,701
Against	5,786,235
Abstain	59,779



Item 8

SALMAT

Appointment of Auditor

Resolution

That, having received ASIC's consent, the resignation of WHK Greenwoods as auditors of the company be accepted and that Ernst & Young, having provided their written consent, be appointed as auditors

Item 8 - Proxies Held



For	29,824,186
Against	7,900
Abstain	53,829



Item 9

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Salmat Executive Performance Option Plan

Resolution

That the issues if determined as appropriate by the Board under Salmat Executive Performance Option Plan as set out in the Explanatory Statement be approved for the purposes of Listing Rule 7.2 exception 9

Item 9 - Proxies Held

For	24,571,890
Against	425,896
Abstain	4,215,629



Thank You

Please join us outside for morning tea

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Improving our Customers' Businesses

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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.