



2008 Annual General Meeting

Friday 21 November 2008

Rick Lee - Chairman

Highlights

- Continued growth in revenue (+35%) to \$812 million
- Acquisition of HPA for \$300 million in November 2007
- Successful launch of new Lasoo website
- Group-wide roll-out of a major rebranding program

Financial summary

	Before significant items	After significant items
Sales	↑ 34.9% to \$812.0 million	
EBITA	↑ 22.6% to \$57.6m	↓ 33.8% to \$44.1m
Net profit after tax	↓ 19.9% to \$22.0m	↓ 71.0% to \$12.8m
Regular dividend	↑ 2.8% to 18.5 cents per share	

Capital management

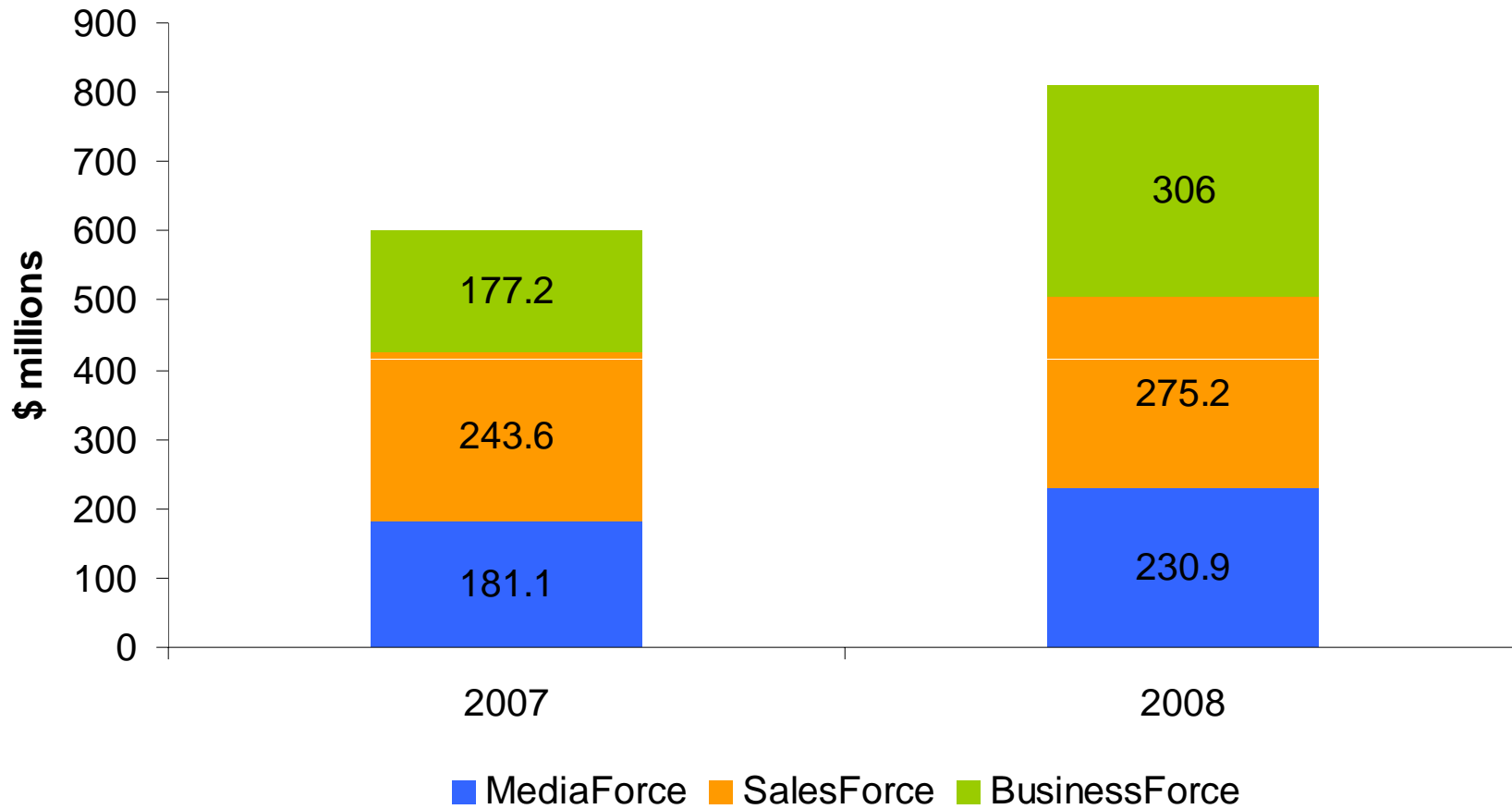
- Capital raising of \$75.5 million
- Dividend reinvestment plan: \$8.4 million
- Debt reduced from \$375 million to \$219 million by 30 June 2008
- Funding locked in until at least August 2010

Salmat management

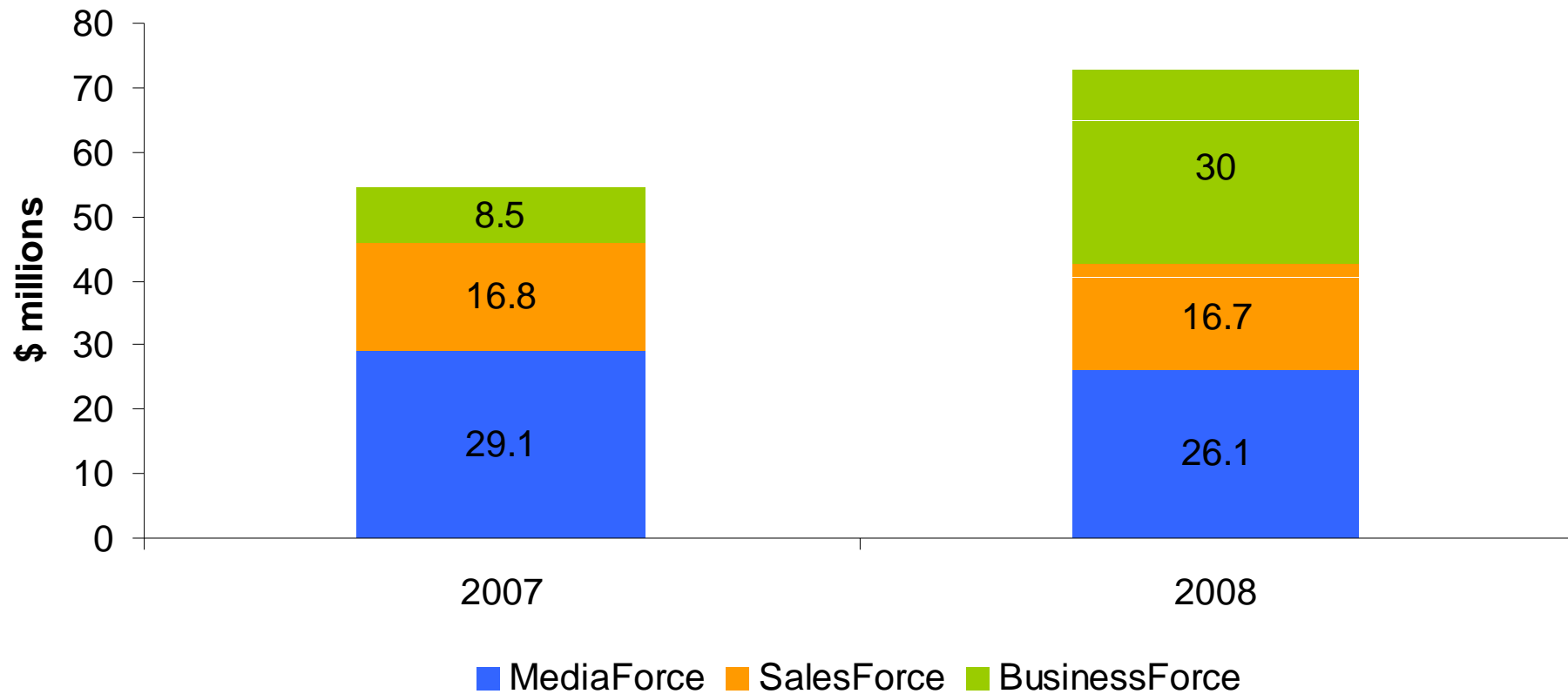
- New CEO, Grant Harrod, will commence in April 2009
- Joint managing directors renew contracts for twelve months to October 2009
- Six month handover period to ensure smooth transition
- Philip Salter and Peter Mattick to step back from day-to-day management of the business
- Mr Salter and Mr Mattick will remain on the board

Philip Salter – Joint Managing Director

Revenue by division



EBITA by division (before significant items)



Year in review: MediaForce

- Good overall volume and revenue growth
 - Increased market share in catalogues
- Profitability impacted by pricing and cost pressures
- Traditional business restructured to improve productivity and process
- National rollout of multi-tiered accountability model for unaddressed mail
- New joint venture with NZ Post
- Dialect business profitable in first full year
 - Strong demand for SMS and IVR technology services will underpin growth
- Successful launch of Lasoo website and DigitalForce online services

Year in review: SalesForce

- Substantial growth in emerging services focussed on newer technologies
- Traditional contact centre business: improved call volumes and seat utilisation efficiency
- New contact centre offerings:
 - @Home call centre model expanded and profitable in first five months
 - 150 seat call centre in Kuala Lumpur opened
- Direct Sales increased both sales and profit
 - replicated business model in New Zealand market
- Increasing demand for e-Learning
- VeCommerce (voice recognition) businesses performing well

Peter Mattick – Joint Managing Director

Year in review: BusinessForce

- Strategic acquisition of HPA completed in November 2007
- Integration of HPA progressing well and on target for completion by end 2009
- Product and service portfolio strengthened, production capacity enhanced:
 - new sales structure developed to leverage cross-selling opportunities
 - increased focus on data and ‘end to end’ solutions
- Cost savings expected to increase EBITA by net \$5 million in 2009 through:
 - consolidation of sites
 - negotiation with suppliers
 - shared corporate expenses
- Synergy benefits to be at upper end of original \$10-15 million per annum estimate for 2010

Outlook

- Salmat offering somewhat counter cyclical with increased demand for cost effective services and outsourcing
- All divisions forecasting growth with good pipeline of prospects
- Key areas of focus for 2009 include:
 - Completion of BusinessForce integration program
 - Promotion of our integrated service offering: one to one communication
 - Continued debt reduction
 - Organic growth and improved productivity
- Guidance for EBITA in 2009
 - Comfortable with \$75-80 million for the full year

Ordinary business of meeting

Item one – Financial statements

Questions?

Item two – Remuneration report

Non-binding motion

That the remuneration report of Salmat Limited
for the year ended 30 June 2008 be adopted

Item two – Remuneration report

Proxies <u>in favour</u>	114,765,286
Proxies <u>against</u>	3,019,954
Proxies <u>abstaining</u>	199,171

Item three – Election of director: John Thorn

Resolution

That John Thorn be re-elected as a Director of Salmat Limited

Item three – Election of director: John Thorn

Proxies <u>in favour</u>	117,841,648
Proxies <u>against</u>	121,690
Proxies <u>abstaining</u>	21,073

Item four – Salmat exempt employee share plan

Resolution

That issues, if determined as appropriate by the Board under the Salmat Exempt Employee Share Plan, be approved for the purposes of Listing Rule 7.2, exception 9

Item four – Salmat exempt employee share plan

Proxies <u>in favour</u>	44,724,038
Proxies <u>against</u>	375,432
Proxies <u>abstaining</u>	38,399

Item five – Salmat deferred employee share plan

Resolution

That issues, if determined as appropriate by the Board under the Salmat Deferred Employee Share Plan, be approved for the purposes of Listing Rule 7.2, exception 9

Item five – Salmat deferred employee share plan

Proxies <u>in favour</u>	44,625,254
Proxies <u>against</u>	463,532
Proxies <u>abstaining</u>	49,083

Item six – Salmat executive performance option plan

Resolution

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

Item six – Salmat executive performance option plan

Proxies <u>in favour</u>	44,417,239
Proxies <u>against</u>	698,109
Proxies <u>abstaining</u>	33,653

Item seven – Election of director: Ian Elliot

Resolution

That Ian Elliot be re-elected as a Director of Salmat Limited

Item seven – Election of director: Ian Elliot

Proxies <u>in favour</u>	109,353,325
Proxies <u>against</u>	131,497
Proxies <u>abstaining</u>	550,415

Thank you for your interest.

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.