



# UBS Australian Small Caps Conference

Grant Harrod, Chief Executive Officer

21 October 2009

# Agenda

1. Salmat overview
2. Financial results to 30 June 2009
3. Business division update
4. Strategic insights
5. Outlook

# One Salmat

TECHNOLOGY

FINANCIAL

HEALTH

RETAIL

INDUSTRIAL

UTILITIES

GOVERNMENT

AGENCIES



Mobile Phone



Personal Computer



Letterbox



Home Phone

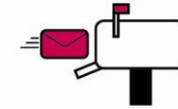


Direct Sales

# Business Process Outsourcing

1. Transactional and direct marketing services:
  - Receive electronic data (essential and direct mail), process and distribute in *hard copy* format.
  - Salmat distributes over 1.3 billion mail packs per year.
2. e-Solutions:
  - Receive electronic data, process and distribute in *electronic* format (email and online).
3. Print on demand:
  - Printing of short run, time critical information.
4. Business process automation:
  - Capture and store client data through scanning, imaging and archiving services to provide a range of workflow solutions.

Business Process Outsourcing  
(formerly BusinessForce)



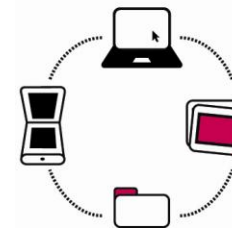
Transactional and direct marketing services



e-Solutions



Print on demand



Business process automation

# Customer Contact Solutions

## 1. Contact centre solutions:

- Operates 60 unique contact centres within 13 sites across Australia, NZ and Asia.
- Largest Australian-based contact centre operator.

## 2. Speech solutions:

- Speech recognition software and applications including voice biometrics, natural language and IVR.

## 3. Outsourced field and retail sales kiosks:

- Face-to-face sales teams service households and retail kiosks.

## 4. Learning and development solutions:

- eLearning and online educational programs.

## 5. Consulting and support services.



Contact centre solutions



Speech solutions



Field and retail kiosk



Learning and development solutions



Consulting and support services

# Targeted Media Solutions

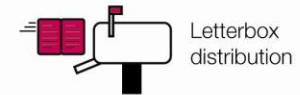
## 1. Customer targeting:

- Socio and demographic profiling.
- Data analytics.



## 2. Letterbox distribution:

- 18,000 contractors deliver over 4.5 billion retail catalogues to 7.8 million households throughout Australia.



## 3. Digital services:

- Web based pre-shopping portal including Lasoo.com.au.
- Dynamic Catalogue hosted contact management services.



## 4. Interactive services:

- Facilitates client communication via SMS, MMS, IVR, email and social networking channels.



# Financial summary

	Before Significant Items	After Significant Items
Sales	Up 9.7% to \$890.8 million	
EBITA	Up 34.3%	Up 84.6%
Net Profit After Tax	Up 49.7%	Up 168.2%
Earnings Per Share	Up 141.1%	
Total Dividend	Up 8.1%	

# Group result for year ended 30 June 2009

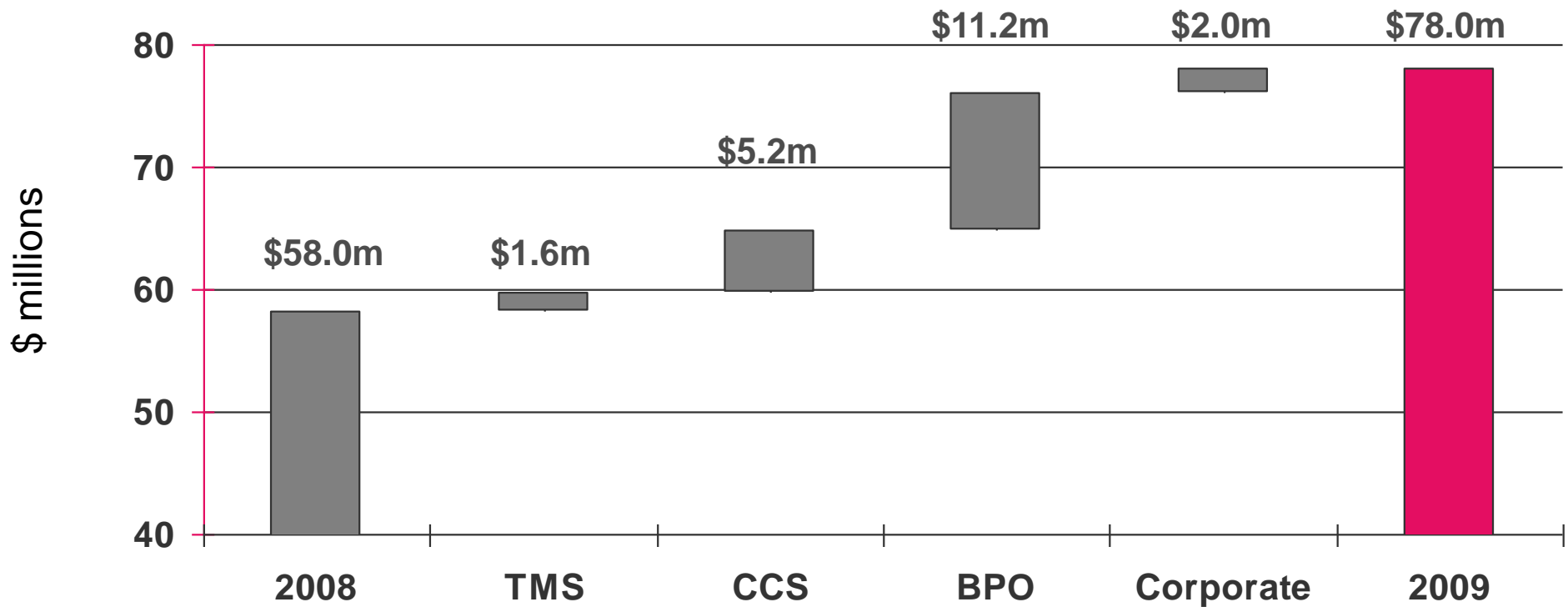
\$ million	2009	2008	% change
Sales	890.8	812.0	9.7%
EBITDA	101.7	80.0	27.1%
Depreciation	(23.7)	(21.9)	
<b>EBITA</b>	<b>78.0</b>	<b>58.1</b>	<b>34.3%</b>
Share of equity losses	(0.3)	(0.5)	
Amortisation	(11.8)	(8.0)	
Interest	(18.0)	(16.7)	
Tax expense	(14.9)	(10.9)	
Profit before significant items	33.0	22.0	49.7%
Net significant items	1.5	(9.2)	
Net profit after tax	34.5	12.8	168.2%
Final dividend (cents)	11.0	10.5	4.8%
Earnings per share	21.7	9.0	141.1%



# Revenue growth



# EBITA (before significant items) growth



# Key ratio table

	2009	2008
Return on capital employed	14.5%	8.0%
EBITDA (pre significant) margin	11.4%	9.9%
EBITA (pre significant) margin	8.8%	7.2%
NPAT margin	3.9%	1.6%
Debt to equity	59.6%	77.3%
Gearing	37.3%	43.6%
EPS accretion	141.1%	(76.1%)

# Earnings growth focus - 2010

## Business Process Outsourcing:

- Anticipate print & mail volumes to remain flat, discretionary mail to track down in line with macro environment.
- Continued focus on extracting further efficiencies via integration and optimisation.
- Expand BPO focus in workflow management & document management.
- New Philippines infrastructure further strengthens BPO services.
- Opportunity to capitalise on unique data analytics skills and establish additional income stream.

# Earnings growth focus - 2010

## Customer Contact Solutions:

- Industry growth expected at + 5%.
- SLM is ideally positioned as leading Australian-domiciled contact centre provider with increasing trend towards on-shoring.
- New businesses including speech solutions (formerly VeCommerce), learning and development solutions (formerly A-Frame) and field and retail kiosk sales (formerly Direct Sales) strengthen model and provide growth opportunities.
- Industry growth plus low market share provides continued growth opportunity.

# Earnings growth focus - 2010

## Targeted Media Solutions:

- Retail customers favouring targeted communication strategies.
- Multi-channel communication capability (addressed and unaddressed mail, email, SMS, on-line, voice and non-voice) provides unique opportunity for customers to consolidate communication strategy.
- Continue to evolve 'Lasoo' as the premier pre-shopping portal:
  - Further content upgrades scheduled to enhance user experience.
  - Expect to be break-even by 2011.
- Interactive services (SMS and email) enjoying strong support as retailers embrace mobile technology.
- Anticipate letterbox volumes to remain stable as we focus on enhancing value for our customers by leveraging our unique delivery capability and suite of services.

# Outlook – in the coming period

- Focus is on continued roll out of one to one communications business model.
- Assume macro environment does not deteriorate.
- Competitive environment is stable.
- Update to be provided at the AGM in November.

# Thank you

## 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.