

Salmat Limited update

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Goldman Sachs
Emerging Companies Conference

Presented by Peter Mattick
Salmat Chairman

**Get closer to your
customers.**



Salmat's vision

To be the leading multi-channel communication provider in the Australasian marketplace.

We help clients '*Get closer to your customers*'.



Salmat at a glance

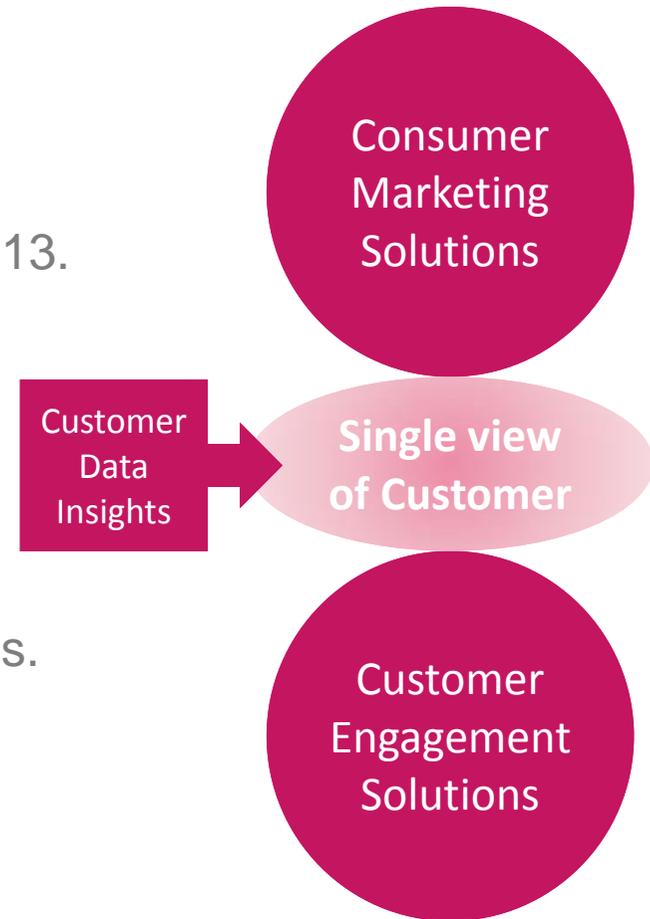
- 35 years in the customer communication industry.
- Offers an integrated suite of consumer marketing and engagement solutions (print, digital, voice, data) to blue chip clients.
- Offering includes print and online catalogues; contact centre services; direct sales; digital marketing; e-commerce; consumer data insights.
- More than 3000 employees in Australia, NZ and the Philippines.
- Track record of innovation and market leadership.
- Long history of organic growth plus strategic acquisitions.
- With final dividend, return of \$2.43 fully franked since Dec 2002 listing.

Path to transformation

- Technology has changed consumer behaviours.
- Clients overwhelmed by the challenge of combining traditional and new technology channels.
- Divested BPO business in 2012. Continued service agreement.
- Commenced IT separation process in 2013: group-wide IT transformation, including migration to new managed data centre, standard processes, job management system, software refresh.
- Re-engineering and re-architecting the business for growth.
- \$10m cost savings: efficiency, property consolidation, best-shoring.

Salmat's growth strategy

- Launched three-year growth strategy July 2013.
- Upgrading and investing in world's best technology platforms. Partnered with Avaya, Kana, Teradata, Kenshoo.
- Focus on platform-based solution sales.
- Strategic acquisitions to round out capabilities.
- Stated what success would look like after 12 months building/investment phase.



Growth strategy progress to date



Milestone goals: FY14	Status
CES: Reach migration completed. Several new platform sales secured.	Migration on track. A number of key sales already signed. More expected. Holding new implementations back.
CMS: several clients trialling Influence solution. Job management system implemented.	Several clients at scoping and pilot phase. JMS operational in January 2014. Clarity around job profitability.
IT: finalise data centre migration.	Two main data centres complete bar Reach migration.
Acquisitions: fill capability gaps with strategic, earnings-accretive businesses.	Two successful acquisitions completed: criteria-compliant and progressing well. Performance-based payments.

Half year results – subdued as expected

\$ million	H1 2014	H1 2013	% change pcp
Revenue from continuing operations	232.1	243.4	- 4.6%
Underlying EBITA	10.0	15.0	- 33.3%
NPAT from continuing operations	7.0	- 2.2	NMF
Statutory NPAT	7.0	41.5 ¹	- 83.1%
Statutory earnings per share - cents	4.4	26.2	- 83.2%
Interim dividend - cents per share	7.5	4.0	+ 87.5%

¹ Includes \$43.6 million profit on sale of the BPO division.

Growth strategy next steps

- Continue along three-year journey.
- Finalising IT migrations and platform upgrades.
- Converting significant pipeline, securing additional sales and implementing new wins.
- New long-tail platform sales wins: typically 3-5 year quality contracts with options.
- Acquisitions essentially completed for now.
- Using data to maximise operational efficiency.

Outlook

- Transformation in progress. On schedule at 12 month mark.
- Strategy progressing ahead of expectation in several areas.
- Leading indicators for FY15 are strong: pipeline and sales conversion rate both on the rise.
- New CEO Craig Dower in place and new CFO commencing in August: Rebecca Lowde (from Bravura Solutions).
- Sales to resume growth trajectory with circa 15% topline uplift next year.

Questions

Salmat.
Get closer to your customers.



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.