

SALMAT LIMITED

DELIVERING ON COMMITMENTS

Full Year Results Presentation
1 September 2003

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Joint Managing Director

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2003 Result Highlights

SALMAT

Profitability

- Revenue 3.6% above prospectus
- Profit After Tax \$16.5 million (3.8% above prospectus)
- Earnings Per Share 14.2 cents (0.5 cents above prospectus)

Cashflow

- Operating cashflows of \$39.2 million

Dividend

- Full dividend 8.5 cents (vs 6 cents per prospectus)

Consolidated Result

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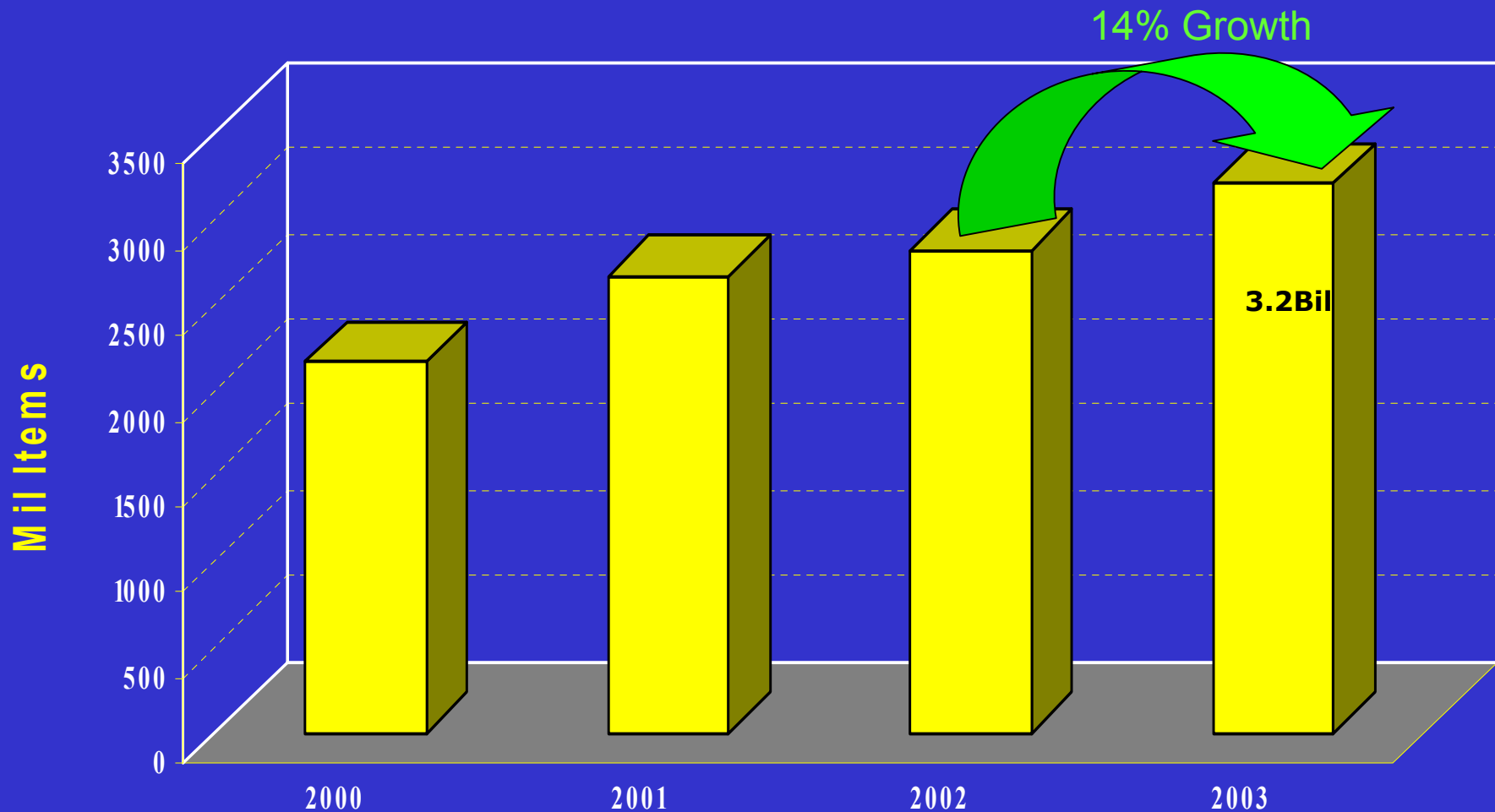
| | 2003 \$m | Prospectus | | Actual | |
|-------|-------------|-------------|----------|-------------|----------|
| | | 2002 \$m | Variance | 2002 \$m | Variance |
| Sales | 285.4 | 275.5 | 3.6% ▲ | 245.6 | 16.2% ▲ |
| EBIT | 27.2 | 25.9 | 5.0% ▲ | 10.8 | 151.5% ▲ |
| PAT | 16.5 | 15.9 | 3.8% ▲ | 3.6 | 358.1% ▲ |

2003 Result Highlights

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Targeting and Delivery – Growth Continues

CATALOGUE VOLUMES

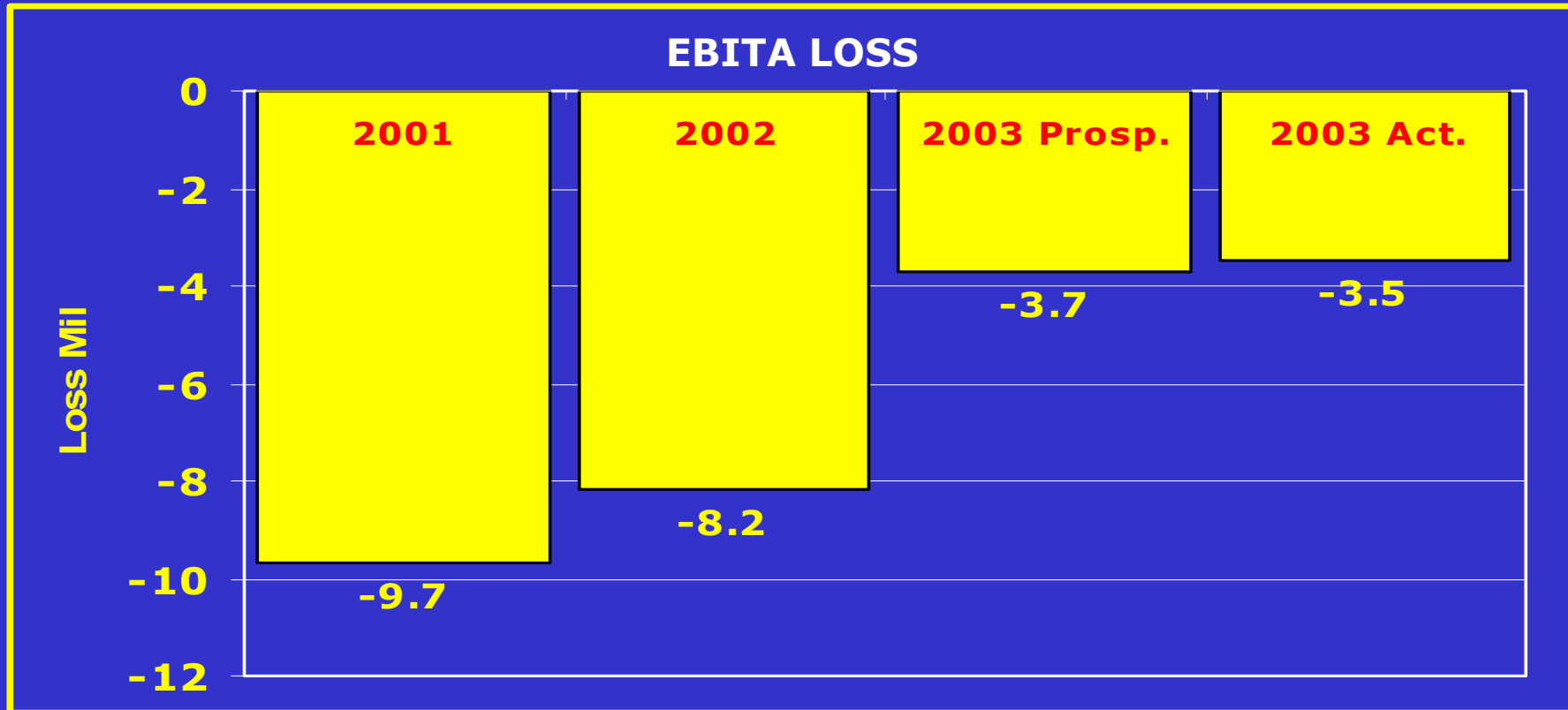


3 Year CAGR – 14%

2003 Result Highlights

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Voice – Strong Turnaround



| | |
|--------------------|---------------|
| H1 LOSS | \$2.2M |
| H2 UNDERLYING LOSS | \$0.8M |
| TELSTRA STARTUP | \$0.5M |
| 2003 LOSS | \$3.5M |

\$1.4M Profit improvement in H2

2003 Result Highlights

Voice Asia - Well Positioned

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- Strategic Alliance with Service Zone Inc.
- Major contracts won
- Revenues up \$1.4m -> \$8.2m
- Sustainable lower cost model

2003 Result Highlights

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BPO – Maintained margins and well positioned

AUSTRALIA

- Price pressures
- Maintained EBITA margin
- Focus on cost control and efficiency improvement

RESULT

Flat Revenues &
Profits

ASIA

- First full year of Salmat control
- Substantial integration benefits
- Adverse FX Impact EBITA \$0.5m

Improved EBITA
margins by
12.6%

Result vs Prospectus

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| | 2003 Actual \$m | 2003 Prospectus \$m | Variance |
|--------------------------|-----------------------|---------------------------|----------|
| Revenue | 285.4 | 275.5 | 3.6% ▲ |
| EBITDA | 42.1 | 41.6 | 1.2% ▲ |
| Depreciation | -12.5 | -14.1 | |
| EBITA | 29.6 | 27.5 | 7.6% ▲ |
| Amortisation | -2.5 | -1.6 | |
| EBIT | 27.2 | 25.9 | 5.0% ▲ |
| Interest | -0.8 | -0.9 | |
| Profit Before Tax | 26.4 | 25.0 | 5.6% ▲ |
| Tax Expense | -9.9 | -9.1 | |
| Profit After Tax | 16.5 | 15.9 | 3.8% ▲ |
| Capex | 11.1 | 11.9 | 6.7% ▲ |
| Dividend (Cents) | 8.5 | 6.0 | 41.7% ▲ |
| Earnings Per Share | 14.2 | 13.7 | 3.6% ▲ |

Earnings mix –
Higher CCS
Lower BPO

Lower Depreciation

Higher Asian
Amortisation



**Earnings
exceed
Prospectus**

Results vs Last Year

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| \$m | Actual | Actual | Variance | Prospectus | |
|---------------|--------|--------|----------|------------|----------|
| | 2003 | 2002 | | 2002 | Variance |
| Revenue | 285.4 | 245.6 | 16.2% ▲ | 266.6 | 7.1% ▲ |
| EBITDA | 42.1 | 27.8 | 51.4% ▲ | 32.7 | 28.7% ▲ |
| Depreciation | -12.5 | -12.6 | | -15.4 | |
| EBITA | 29.6 | 15.2 | 94.8% ▲ | 17.3 | 71.2% ▲ |
| Amortisation | -2.5 | -4.4 | | -1.6 | |
| EBIT | 27.2 | 10.8 | 151.5% ▲ | 15.7 | 73.0% ▲ |
| EBITDA Margin | 14.7% | 11.3% | 3.4% ▲ | 12.3% | 2.4% ▲ |
| EBITA Margin | 10.4% | 6.2% | 4.2% ▲ | 6.5% | 3.9% ▲ |

Cash Flow

Strong Cash Generation

SALMAT

| | Full Year \$m |
|---------------------------------|------------------|
| EBITDA | 42.1 |
| Interest | -0.8 |
| Tax Paid | -8.0 |
| Working Capital Change | 5.9 |
| NET OPERATING CASHFLOW | 39.2 |
| Net Capital Spend | -7.4 |
| Joint Venture Funding | -3.4 |
| NET INVESTING ACTIVITIES | -10.8 |
| Net Proceeds From IPO | 20.6 |
| Repayment of Borrowings | -42.9 |
| Dividends Paid | -5.5 |
| NET FINANCING ACTIVITIES | -27.8 |
| NET MOVEMENT IN CASH | 0.6 |

Interest reduced –
Debt payout post-IPO

Focus on Working
Capital – Improved
Debtor DSOs

Capex includes new
Call Centres

JV Funding for
Contact world



**Strong Cash
Generation**

Strong Balance Sheet

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| | Jun 03 \$m |
|--------------------------|---------------|
| Net Working Capital | 2.9 |
| Fixed Assets | 36.6 |
| Goodwill | 28.1 |
| Tax and Other Provisions | -10.5 |
| Capital Employed | 57.1 |
| Cash - net | 16.1 |
| Shareholder Equity | 73.2 |

| | |
|--------------------------------|-------|
| NET TANGIBLE ASSETS | 45.1 |
| ROCE (EBIT / Capital Employed) | 47.6% |
| ROTA (EBIT / NTA) | 60.3% |

Working Capital
Target <2% of sales

Capex reinvestment
4% - 5% of sales

Asian Goodwill
\$10.4m

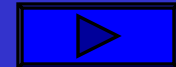
No Net Debt

Unutilised Facilities of
\$67.2m



**Platform for
Growth**

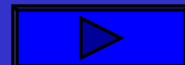
- **GROW EXISTING BUSINESSES ORGANICALLY**
 - Leverage existing customer base
 - New products
 - Promote integrated offering
 - Market growth as outsourcing gains momentum
- **ACQUIRE BUSINESSES WHICH FIT WITHIN EXISTING SPACE**
 - Timing
 - Scale
 - Criteria



GOAL



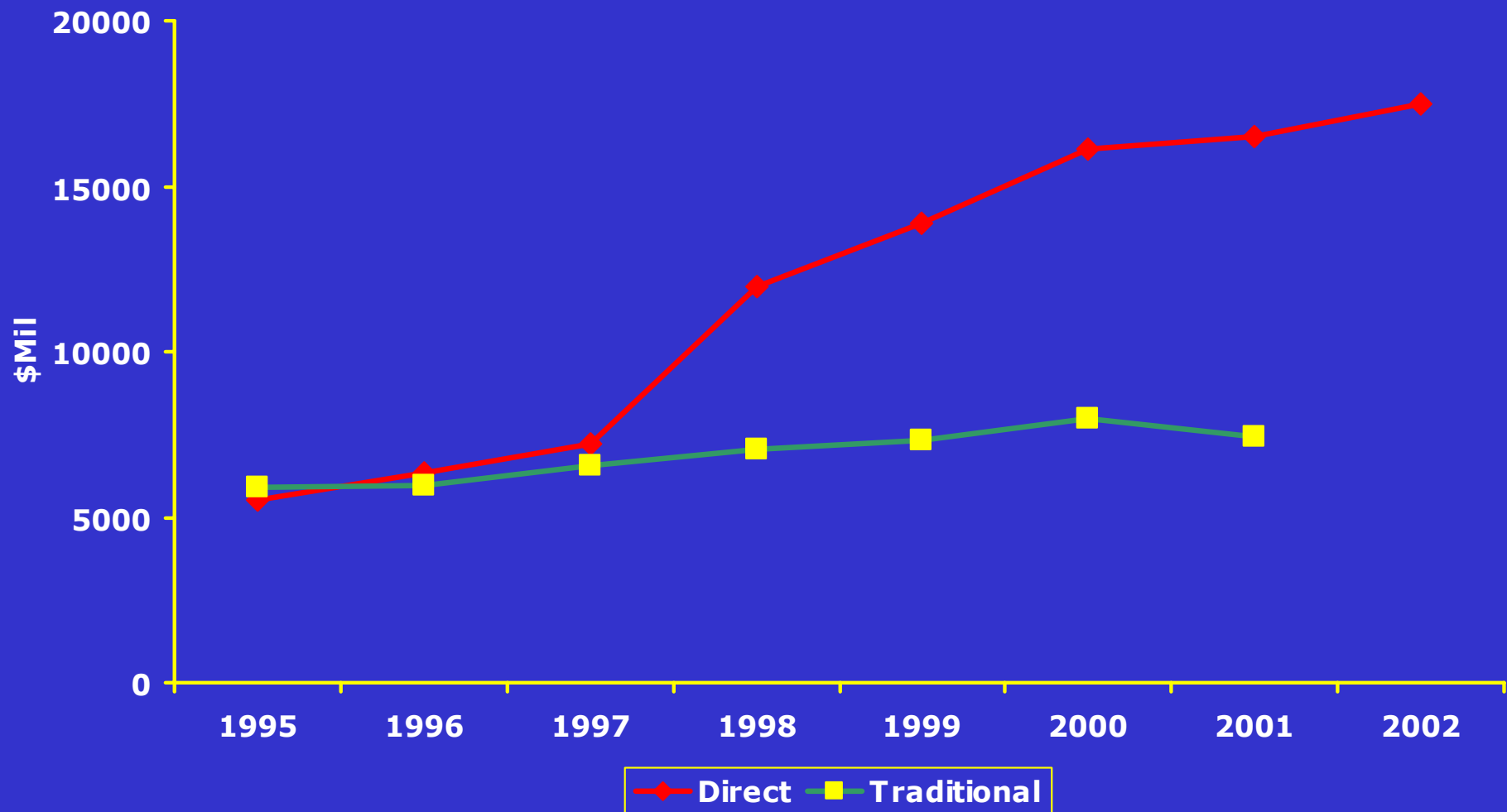
Delivery of consistent, long term growth in shareholder returns



Direct Marketing Spend

is growing faster than traditional media

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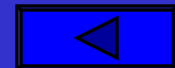
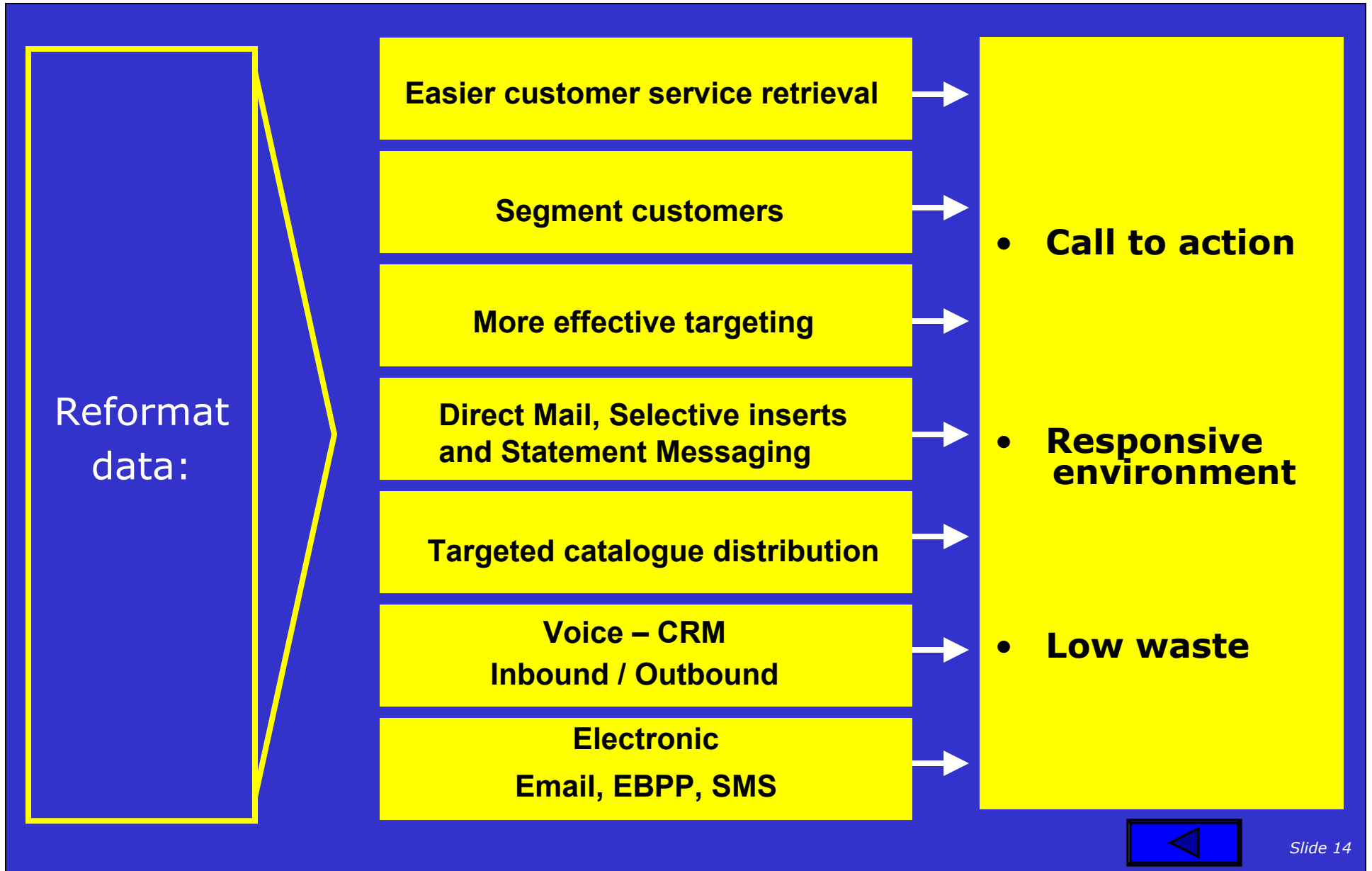


Source: Commercial Economic Advisory Service of Australia
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The 'New' Direct Media:

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Unlocking the hidden value in existing databases



CCS Strategies

Targeting and Delivery

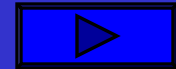
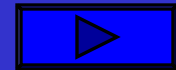
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- ✓ Continue to increase sales to non-traditional customers
- ✓ Focus on the value of data
 - Targeted approach
 - Marketmap
 - Till Data
- ✓ Grow the entire market through substitution from other forms of media

OUTLOOK

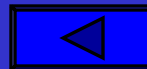
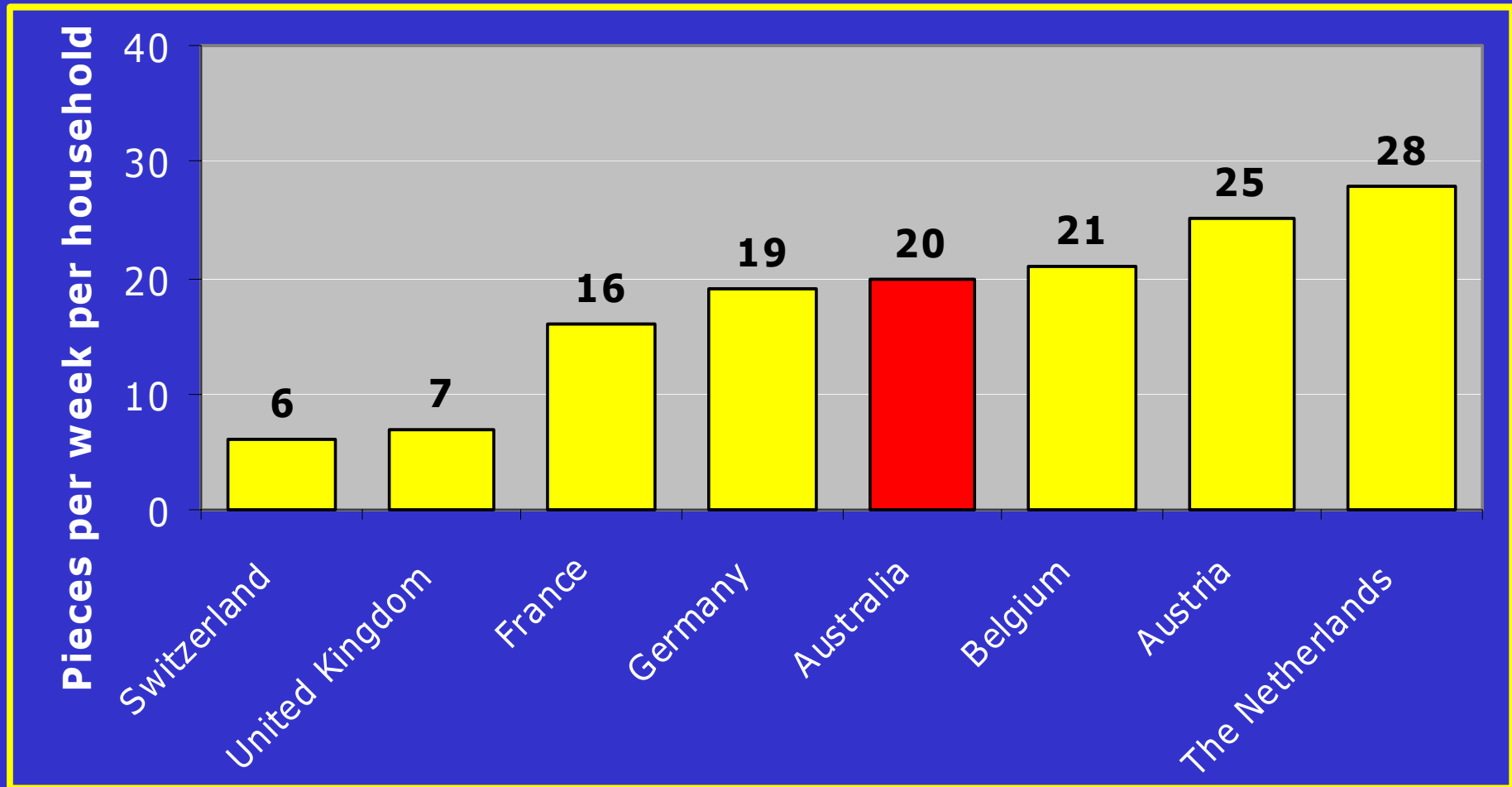


Continuing growth



Distribution Growth Potential

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Source: Direct Marketing Association (UK)

Slide 16

CCS Strategies

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Voice

- ✓ Develop regional call centre model
 - Wagga and Bundaberg – improve efficiencies
 - 1st full year of Telstra Retail contract
- ✓ Inbound mix
 - Higher level of recurrent business
- ✓ Leverage opportunities to grow the market
 - Benefits of outsourcing to improve customer services & reduce cost
- ✓ Integration with other Salmat offerings / Cross sell
- ✓ Asia – Develop scale and US inbound work

OUTLOOK



**EBITDA positive during
second half 2003/4**

BPO Strategies

Australia

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- ✓ Deepen existing product offerings
 - Strong & extensive customer base
- ✓ Focus on higher margin data offerings
- ✓ Drive down operational costs
 - Improved efficiencies
 - Invest to reduce cost of operation
- ✓ Potential Acquisitions

OUTLOOK



**Volume increasing
Pricing Pressures**

BPO Strategies

Asia

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- ✓ Deepen existing product offerings
 - Data offering not as strong as Australia
- ✓ Development of local customer base
- ✓ Continued cost / efficiency focus

OUTLOOK



Build momentum

To Sum Up

- Delivered on commitments ✓
- Strong results – benefits of portfolio ✓
- 2003/4 – We have started the year strongly ✓
- Commitment to increase in shareholder returns ✓