

SALMAT

SALMAT LIMITED

2004 HALF YEAR RESULTS PRESENTATION 26 FEBRUARY 2004

PHILIP SALTER

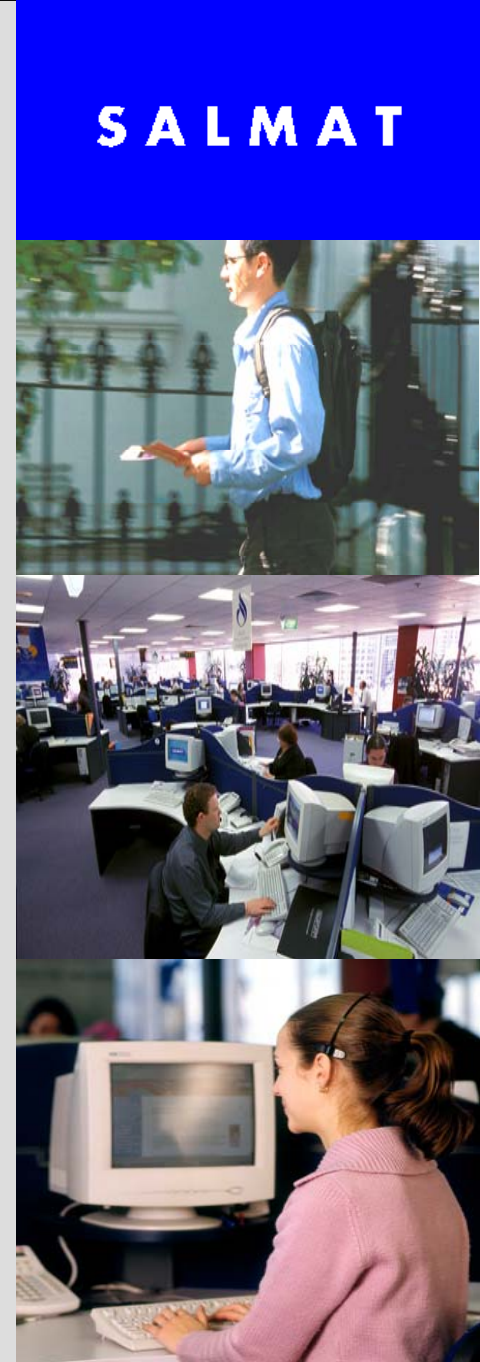
**Joint Managing
Director**

PETER MATTICK

**Joint Managing
Director**

ASHLEY FENTON

**Chief Financial
Officer**



- ⇒ **40% Return on Capital**
- ⇒ **ANZ and Westpac wins**
- ⇒ **St George Supplier of the Year**



Significant Increases in Non-traditional Targeted Media Customers



40 extra seats in Bundaberg call centre



ClientLogic becomes new partner in Philippines call centre operation

Operational Highlights

Consolidated Results

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	Six Months to 31 Dec 2003 <i>\$ Mil</i>	Six Months to 31 Dec 2002 <i>\$ Mil</i>	Increase
SALES	167.0	141.6	18.0%
EBITA	18.5	17.3	7.1%
PROFIT AFTER TAX	11.0	9.5	15.1%

Group Result

Double Digit Growth – Revenues & Profits

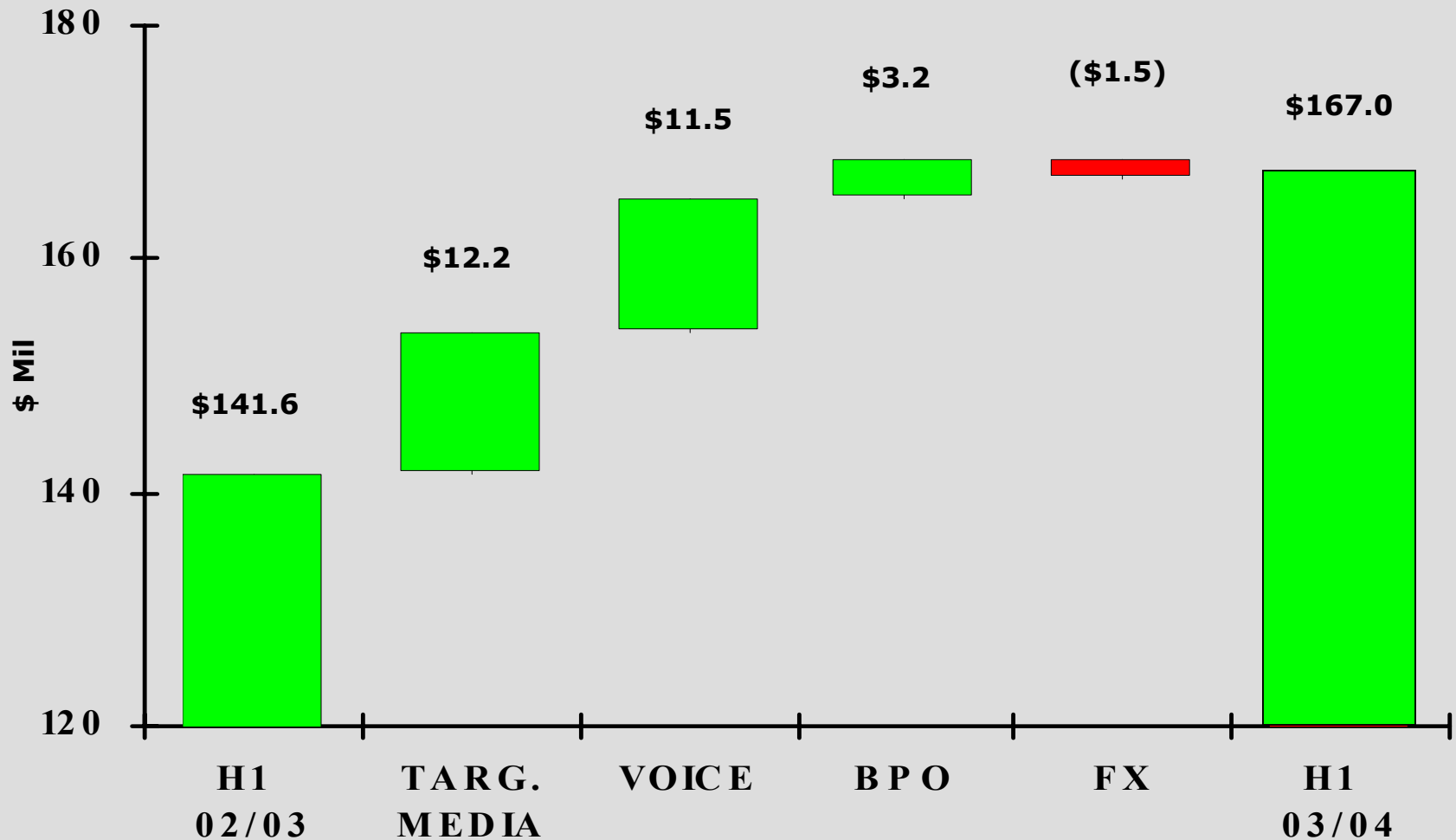
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<i>six months to</i>	<i>31 Dec '03</i> \$m	<i>31 Dec '02</i> \$m	<i>Variance</i>
Sales	167.0	141.6	18.0%
EBITDA	23.8	23.8	0.0%
Depreciation	-5.3	-6.5	
EBITA	18.5	17.3	7.1%
Amortisation	-2.7	-0.9	
Interest	0.2	-0.8	
Tax Expense	-5.1	-6.1	
Profit After Tax	11.0	9.5	15.1%
Net Capex Spend	4.5	3.8	
Dividend (cents)	5.0	3.0	66.7%
Earnings Per Share	9.5	8.2	15.1%

Revenue up 18%

Strong Growth Across the Business

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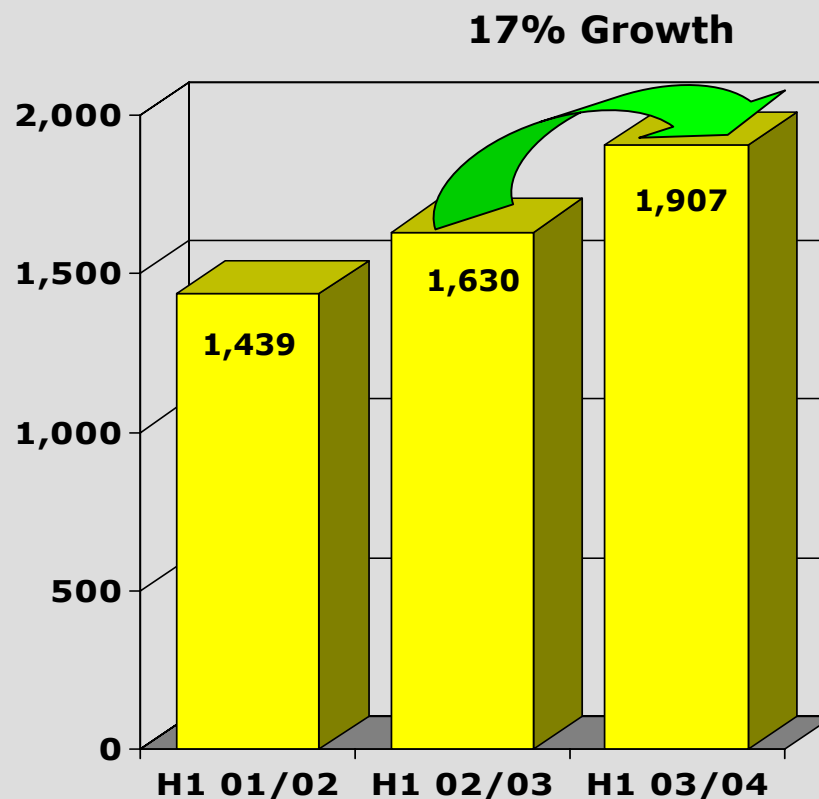
Targeted Media

Benefits of Shift to Direct Media

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<i>six months to</i>	<i>31 Dec '03</i>	<i>31 Dec '02</i>	<i>Variance</i>
	<i>\$m</i>	<i>\$m</i>	
Revenue	80.6	68.4	<i>17.9%</i>
EBITDA	18.5	15.8	<i>17.1%</i>
Depreciation	-0.5	-0.6	
EBITA	18.0	15.2	<i>18.4%</i>
<i>EBITDA Margin</i>	<i>22.9%</i>	<i>23.1%</i>	<i>-0.2%</i>
<i>EBITA Margin</i>	<i>22.3%</i>	<i>22.2%</i>	<i>0.1%</i>

Catalogue volumes (Mil)



CAGR 15.2%

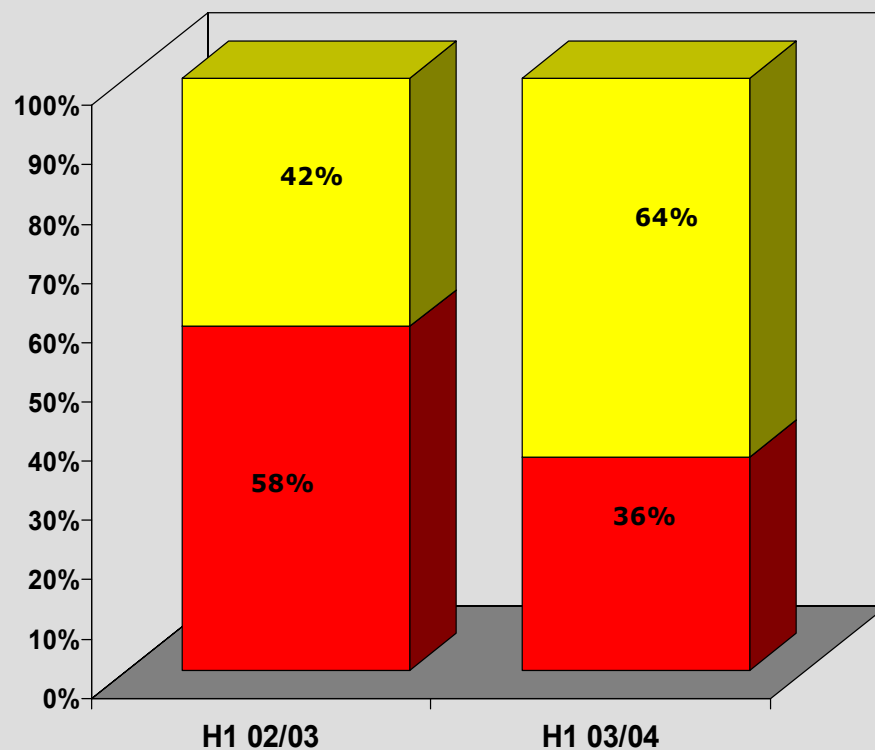
Voice - Australia

Significant Turnaround - Scale Developing

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Inbound vs Outbound

■ Inbound
■ Outbound



six months to	31 Dec '03	31 Dec '02	Variance
	\$m	\$m	
Revenue	19.5	8.0	145.0%
EBITDA	-0.2	-1.5	88.4%
Depreciation	-0.5	-0.7	
EBITA	-0.7	-2.2	68.2%
<i>EBITDA Margin</i>	<i>-0.9%</i>	<i>-19.0%</i>	<i>18.1%</i>
<i>EBITA Margin</i>	<i>-3.5%</i>	<i>-27.3%</i>	<i>23.7%</i>

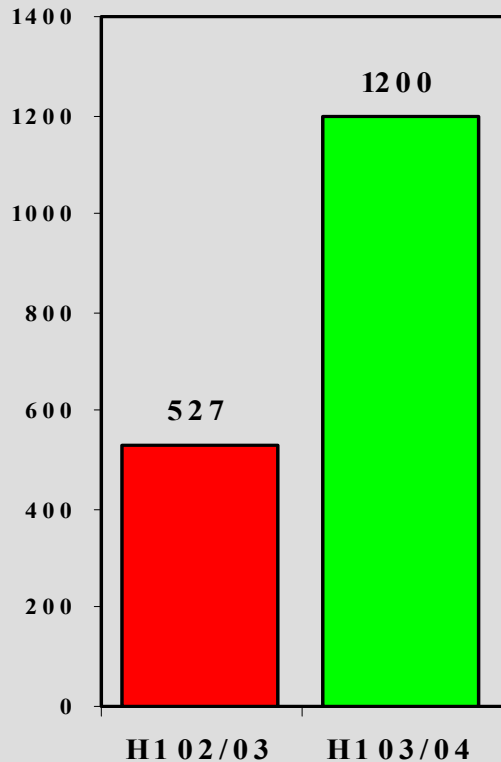
Voice - Philippines

Achieving Scale

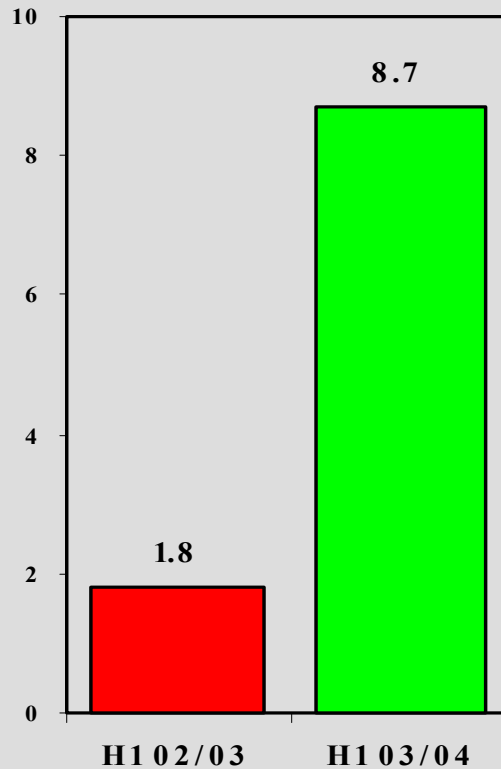
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<i>six months to</i>	31 Dec '03	31 Dec '02	Variance
	\$m	\$m	
Funding Provided	-2.5	-1.5	70.8%

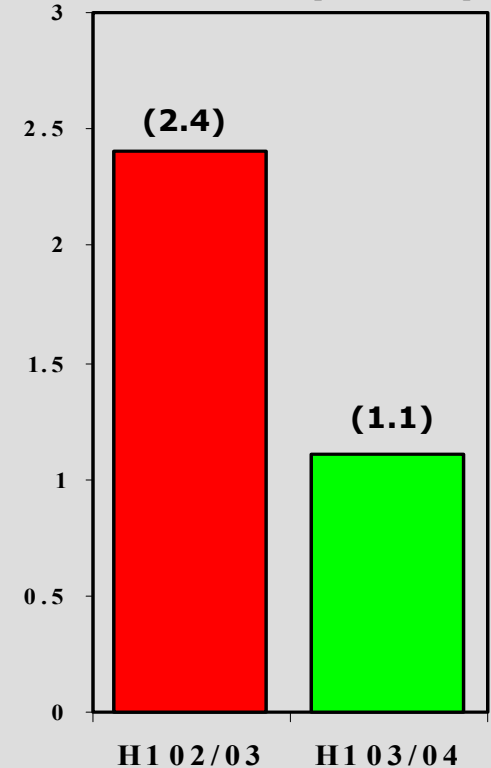
CAPACITY (Seats)



TURNOVER (\$A Mil)



NET LOSS (\$A Mil)



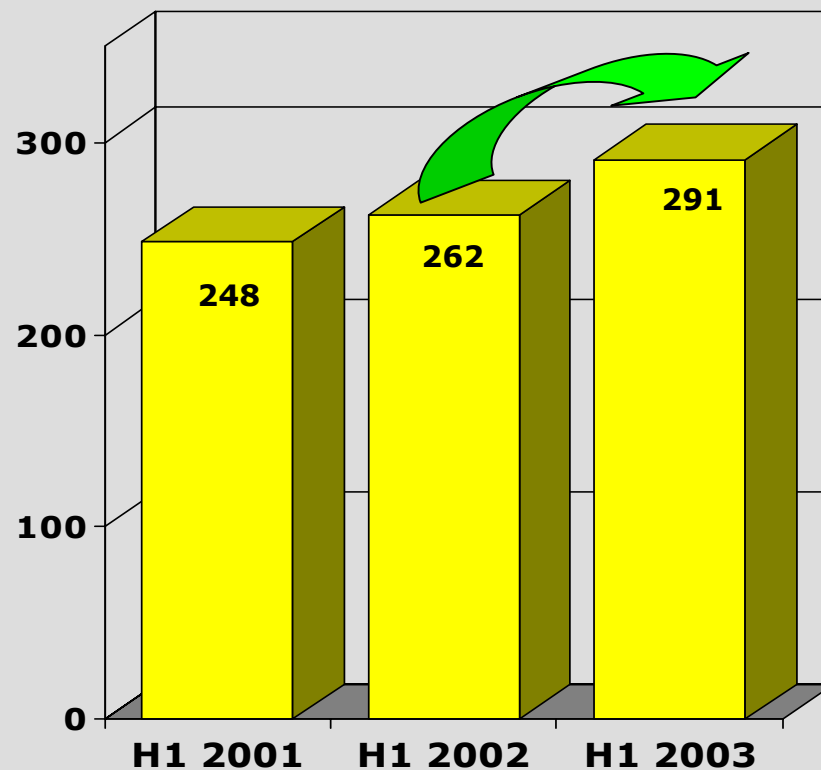
BPO

Sales Growth in Difficult Market

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Mailpack Volumes – Australia (Mil)

11% Growth



CAGR 8.3%

<i>six months to</i>	<i>31 Dec '03</i>	<i>31 Dec '02</i>	<i>Variance</i>
	<i>\$m</i>	<i>\$m</i>	
Revenue	66.9	65.2	2.6%
EBITDA	11.0	12.3	-10.9%
Depreciation	-3.0	-3.9	
EBITA	8.0	8.4	-5.0%
<i>EBITDA Margin</i>	<i>16.4%</i>	<i>18.9%</i>	<i>-2.5%</i>
<i>EBITA Margin</i>	<i>12.0%</i>	<i>12.9%</i>	<i>-1.0%</i>

Cash Flow & Balance Sheet

Strong and Well Positioned

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CASH FLOW - six months	Dec-03	Dec-02
	\$m	\$m
Operating - pre tax	18.9	15.5
Tax	-9.2	-4.4
Capex / Acq'ns / JV	-8.3	-5.3
Dividends	-6.4	-2.0
IPO/Debt Repayment	0.0	-8.6
NET MOVEMENT	-5.0	-4.8

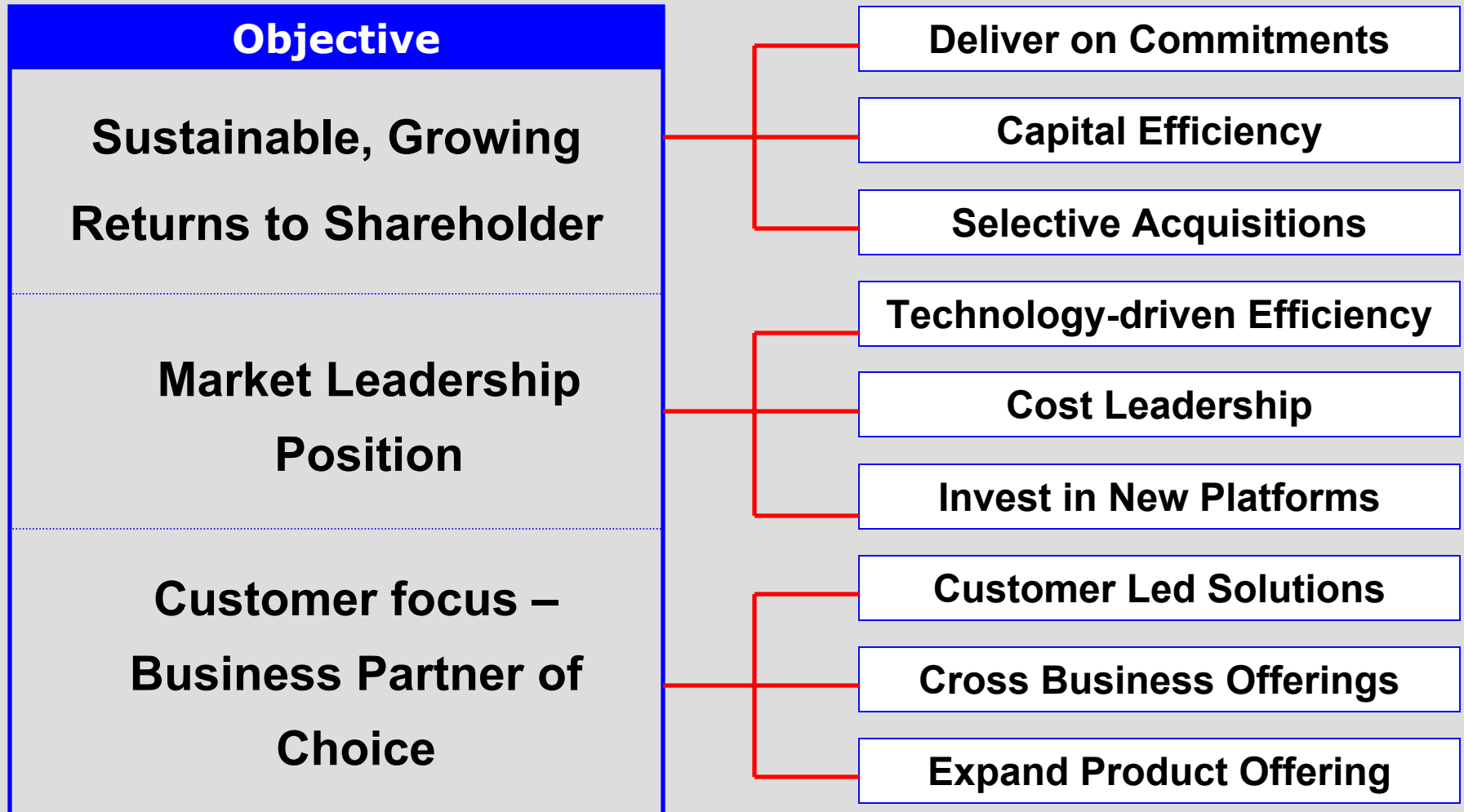
**21.9%
increase**

BALANCE SHEET		
Key Balances		
Return on Capital	40.6%	40.8%
Capital Employed	66.4	69.4
Cash (net)	10.7	0.7
Shareholder Equity	77.1	70.1

Three-Year Strategy

Key Focus Areas

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Second Half FY 2004

Key Focus Areas

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TARGETED MEDIA

- ⇒ Strengthen national network
- ⇒ Grow the market
- ⇒ Utilise our data capabilities

VOICE

- ⇒ Organic growth
- ⇒ Consolidation of Telstra Retail
- ⇒ Philippines growth

Second Half FY2004

BPO Financial Services Strength

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Existing Customers



SUNCORP



GE Commercial
We bring good things to life.

New Customers



American Express
Australia

Outlook

Continue to Deliver Value

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REVENUES

⇒ H2 Double digit growth

PROFITS

⇒ Full Year PAT up 20% - 25%

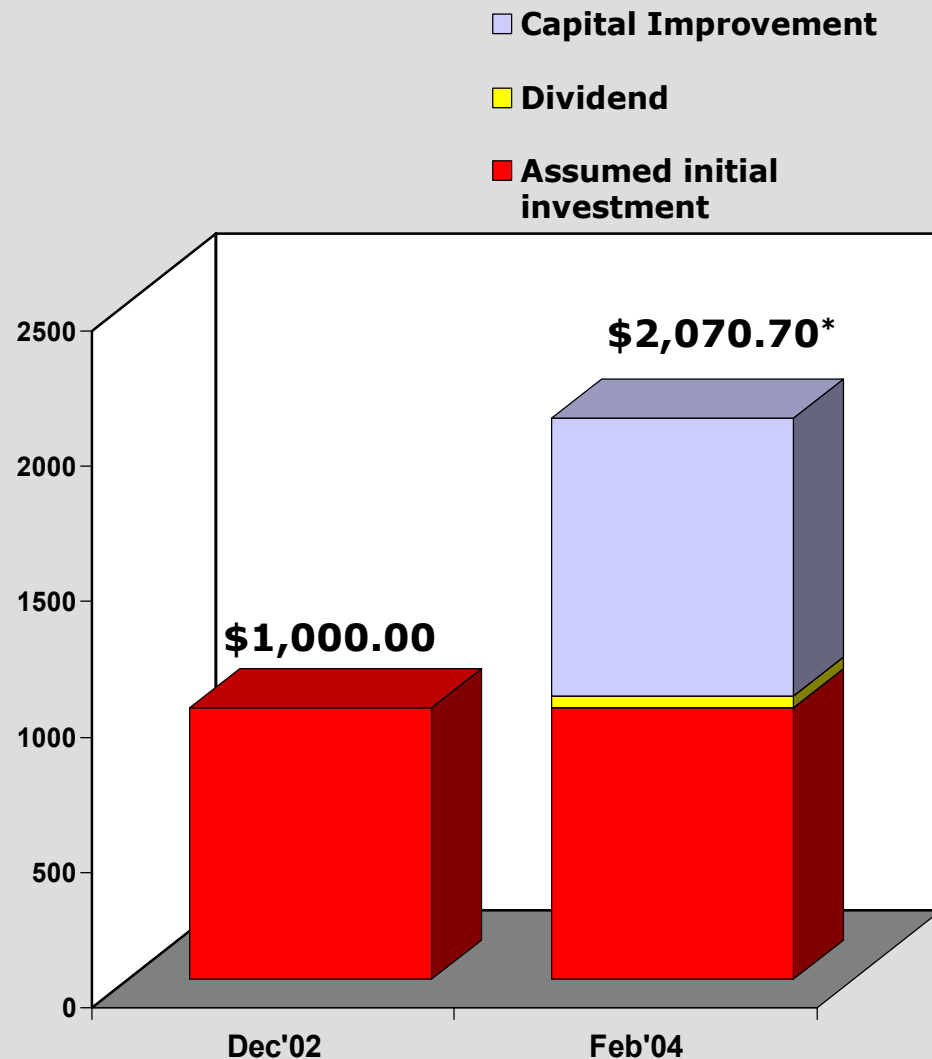
Returns to Shareholders

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**2004 is Salmat's
25th Year in
Business**

**Ten-year
Compound Sales
Growth of 13.6%**

**Return to
Shareholders since
IPO - 107.1%**

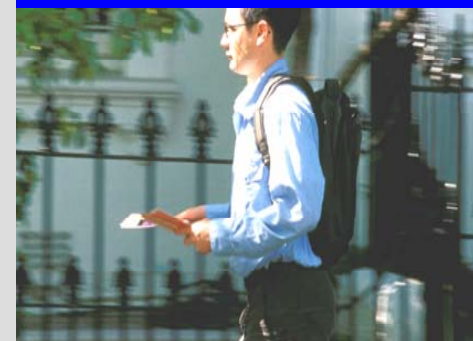


* Based on ASX closing price 20th February 2004

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**SALMAT LIMITED
2004 HALF YEAR
RESULTS PRESENTATION**

APPENDICES



Summary by Business

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<i>six months to</i>	<i>31 Dec '03</i> <i>\$m</i>	<i>31 Dec '02</i> <i>\$m</i>	<i>Variance</i>
REVENUE			
Targeted Media	80.6	68.4	17.9%
Voice - Australia	19.5	8.0	145.0%
Business Process Outsource	66.9	65.2	2.6%
GROUP REVENUE	167.0	141.6	18.0%
PROFITABILITY			
Targeted Media	18.0	15.2	18.4%
Voice - Australia	(0.7)	(2.2)	68.2%
Voice - Philippines	(2.5)	(1.5)	-70.8%
Business Process Outsource	8.0	8.4	-5.5%
Corporate Centre	(4.2)	(2.7)	
GROUP EBITA	18.5	17.3	7.1%

Balance Sheet

Strong and stable

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	Dec 2003 \$m	Dec 2002 \$m
Net Working Capital	11.7	11.7
Fixed Assets	35.5	36.4
Goodwill	28.2	28.6
Tax and Other Provisions	-8.1	-7.3
Net non-trading assets	-0.9	0.3
Capital Employed	66.4	69.4
Cash (net)	10.7	0.7
Shareholder Equity	77.1	70.1

Cash Flow

Impacted by tax timing

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<i>six months to</i>	31 Dec '03	31 Dec '02
	\$m	\$m
EBITDA	23.8	23.8
Interest	0.2	-0.8
Tax Paid	-9.2	-4.4
Working Capital Change	-5.1	-7.6
NET OPERATING CASHFLOW	9.7	11.0
Net Capital Spend	-4.2	-3.8
Purchase of New Entity	-1.7	-
Joint Venture Funding	-2.4	-1.5
NET INVESTING ACTIVITIES	-8.3	-5.3
Net Proceeds From IPO	-	20.6
Repayment of Borrowings	-	-29.2
Dividends Paid	-6.4	-2.0
NET FINANCING ACTIVITIES	-6.4	-10.6
NET MOVEMENT IN CASH	-5.0	-4.8