

The logo for Salmat Limited, featuring the word "SALMAT" in white, uppercase letters on a dark blue rectangular background.

SALMAT LIMITED

A.B.N. 11 002 724 628

State of Incorporation/Registration: NSW

ASX/Media release

28 September 2006

Salmat sells Philippines Joint Venture for \$28 million

Today Salmat Limited (ASX: SLM) announced that it has signed an agreement to sell its 49% share of the ClientLogic Philippines joint venture for USD\$21.25 million (AUD\$28 million) to its joint venture partner ClientLogic.

The agreement is subject to certain Philippines regulatory clearances, with completion expected by the end of October. A condition of the sale is that outstanding loans of USD\$3.7 million, owing to Salmat are fully repaid prior to completion. Also as part of the agreement a strategic alliance between Salmat and ClientLogic will be entered into whereby Salmat is able to continue to offer to its Australian customers the offshore services provided by ClientLogic Philippines.

Salmat's Joint Managing Director, Philip Salter said: "We have taken the opportunity to realise a strong return from our investment in the Philippines joint venture, whilst being able to retain the excellent relationship with, and access to the service offering provided by, ClientLogic."

Joint Managing Director, Peter Mattick added: "The funds released will be mainly invested in strengthening our technological edge and product offering of our call centres business. In particular, we are

investing in speech verification technology to meet the growing demand for selfservice call centre solutions. Our recommended offer for the acquisition of speech solutions provider VeCommerce Limited is progressing well and is due to close on 12 October 2006.”

The sale of Salmat’s interest in ClientLogic Philippines is expected to realise approximately AUD\$24.5 million in profit before taxation.
ends

Further information: contact Phil Salter, Peter Mattick (Joint Managing Directors) or Ashley Fenton (Chief Financial Officer), Salmat Limited (02)99286500.

Salmat is Australia's leading customer communication group. We facilitate our customers' contact with their customers – through targeted catalogue distribution, mailouts or telephone communication.

We have three businesses, all of which are market leaders:

- **Targeted Media** delivers advertising catalogues to homes throughout Australia and New Zealand. Detailed demographic analysis enables us to target the consumers most likely to buy particular products, helping our customers to maximise their sales.
- **Business Process Outsourcing** processes and mails bank and credit card statements, accounts and other customised, bulk mailings in Australia, Hong Kong, Taiwan and the Philippines. We receive customers' electronic data, process it using smart technology, and print and mail statements, providing significant cost savings.
- **Contact Centres** handles inbound and outbound telephone, fax, email and online communications on behalf of our customers, from facilities in Australia and the Philippines. Inbound services include technical support and customer care; while outbound services include telemarketing, direct sales and customer retention. We also facilitate business-to-business and business-to-consumer conversations through a range of sales support services.

Over 27 years we have built a 4,500 strong team, experienced in contributing to our customers' growth through helping them to communicate effectively with their customers. This experience, together with our proprietary systems and technology and our strong customer relationships, secures Salmat's position as Australia's – and increasingly the region's – leader in customer communication services.