

18 November 2008

Salmat appoints new Chief Executive Officer Joint Managing Director contracts renewed for a further year

Salmat Limited (ASX:SLM), Australia's leading force in one to one communication, today announced that the board has appointed Mr Grant Harrod as Salmat's new Chief Executive Officer.

Mr Harrod will commence with Salmat on 1 April 2009 and will work alongside Joint Managing Directors, Mr Philip Salter and Mr Peter Mattick, through to the end of their current contracted period. Mr Salter and Mr Mattick both recently renewed a three-year contract expiring in October 2008 for a further 12 months.

After this time, Mr Salter and Mr Mattick will step back from day to day management of the Salmat business, but will remain on the Salmat board as non-executive directors.

The six month crossover period has been designed to facilitate a detailed and thorough handover to Mr Harrod, to ensure the continued smooth running and uninterrupted growth of the business.

"After 30 great years building Salmat from the ground up, we have both decided that the time is right to take a step back and let some new blood into the business," said Joint Managing Directors, Peter Mattick and Phil Salter.

"We will maintain an active interest in the business as non-executive board members and have no plan to divest our shareholdings at this time, we look forward with anticipation to our continued involvement in the growth and development of the Salmat brand" they said.

"This is an exciting time for the business and we are confident that Grant Harrod is the right person to lead Salmat through its next stage of development."

The move follows a comprehensive program of succession planning undertaken by the Salmat board.

"Philip and Peter are at the core of Salmat's success, so we needed to be sure that this transition was handled with the utmost care," said Chairman, Rick Lee.

"The board is extremely pleased with this outcome. We will retain Philip and Peter's indispensable understanding of the business, while supplementing their knowledge with new ideas from Grant," he said. "Grant is a proven CEO with an impressive track record. We believe that he will deliver great results for Salmat."

Mr Harrod will join Salmat following 13 years with leading business to business distribution supplier, Corporate Express Australia Limited (ASX: CXP), including the past six years as Managing Director and Chief Executive Officer.

During this time, Mr Harrod has made significant achievements in growing Corporate Express and establishing market leadership in the majority of its business lines.

"I'm excited to be joining the Salmat team at such a significant phase," said Mr Harrod.

"Following a period of strategic investment and restructuring, Salmat is ready to move into its next stage of growth. I'm honoured to have the opportunity to lead this growth and continue Salmat's long history of success," he said.

Further details of Mr Harrod's experience and contract terms follow below.

ENDS

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Biography – Grant Harrod

Mr Harrod has most recently served as Managing Director of Corporate Express Australia Limited, having been appointed to that position in August 2002.

He joined Corporate Express in 1996 and during his time with the company held a variety of positions including National Manager, Sales and Marketing and General Manager, IT Solutions Division.

Prior to joining Corporate Express, Mr Harrod spent 11 years in the I.T. industry in manufacturing, sales and marketing. He also spent seven years in the office products industry in sales, marketing and general management.

Contract terms

The key terms of Mr Harrod's contract are as follows:

1. The term is evergreen with tenure subject to six months notice for both parties;
2. Remuneration : Commencing remuneration package is \$2,125,000 comprising fixed (38%) and at risk (62%) of total. Both fixed and at risk components are subject to annual review.
3. The at risk component comprises an annual cash payment which is dependent upon achieving performance targets set by the Remuneration and Compensation Committee which total around 29% of commencing package. The long term incentive in the form of deferred shares (purchased on market in accordance with the terms of the Salmat Deferred Share Plan) based on service and performance hurdles will comprise around 33% of commencing package. The performance hurdles are currently based on a mixture of Relative Total Shareholder Return measures and a cumulative Earnings per Share target over a three year period;
4. The Company can choose to make payment in lieu of notice to Mr Harrod, which would not exceed the average base salary plus STI's paid to him in the 12 months before termination.
5. The terms of his contract are otherwise in accord with Salmat staff employment conditions.

About Salmat

Salmat is Australia's leading force in one to one communication. We facilitate our clients' contact with their customers via an unmatched range of communication channel options – including voice, online, print, electronic and mobile - with comprehensive reporting on measurable results.

We have three key divisions, all of which are market leaders:

Salmat BusinessForce manages outsourced business services for large corporate clients, using high end technology to engage consumers through bulk 'essential' and direct marketing communication, via mail, email or online, both outbound and inbound. The division, which seeks to streamline and improve delivery of these regular services, also uses its data management capability to record, store and cross reference large amounts of archive information for clients in Australia, Hong Kong, Taiwan and the Philippines.

Salmat SalesForce engages in more than 100 million conversations per year for its clients through its contact centres. This division applies world-class technology and a highly trained staff to handle inbound and outbound phone, fax, email and online communication. It also provides face-to-face sales teams on behalf of clients in Australia, New Zealand and more recently in Asia. Tailored voice recognition applications and accredited e-Learning training are fuelling further growth through its specialist businesses, VeCommerce and Aframe.

Salmat MediaForce delivers more than 4.5 billion unaddressed items to homes across Australia every year. The division uses up to date lifestyle and geo-demographic data to maximise the effectiveness of each campaign, and employs the latest technology to provide clients with real time campaign reporting and auditing. Furthermore,



MediaForce undertakes promotional mobile and interactive voice response campaigns throughout Australia through its digital communication operation Dialect Interactive.

Within MediaForce, Salmat DigitalForce launched Lasoo.com.au in 2007 and is now the premier online pre-shop service for Australia's retailers. Lasoo provides a strong online presence for promoted items and catalogues, while consumers have a single means of assessing the best price and closest location for their desired purchases. Further growth in this developing sector is coming from Salmat's Dynamic Catalogue software product, which creates searchable catalogues on the retailers' own websites.

Over 29 years we have built a 5,000 plus strong team, experienced in contributing to our clients' growth by helping them to communicate effectively with their customers. This experience, together with our proprietary systems and technology and our strong client relationships, secures Salmat's position as Australia's – and increasingly the region's – leader in customer communication services.

For more information about the Salmat Group, please visit Salmat's website at www.salmat.com.au.

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