

6<sup>th</sup> December, 2004  
Media Release

### **Salmat acquires Salesforce**

Salmat Limited (ASX:SLM) today announced it had entered into an agreement to purchase Salesforce Australia Pty Ltd, one of Australia's most successful and dynamic call centre and direct sales organisations, for a total consideration of \$64 million.

SalesForce posted sales revenues of \$92 million for the year ended 30 June 2004, with EBITDA of \$9.5 million.

The price represents an EBITDA (earnings before interest, depreciation, amortisation and tax) multiple of 6.7 times for the year ended 30 June 2004.

The acquisition is expected to be earnings accretive to Salmat immediately (without any synergies).

Existing cash and debt facilities will be used to finance the acquisition. Salmat's funding capacity will remain strong with net debt to equity increasing to around 65% and net debt to EBITDA projected to be approximately 0.8 times.

SalesForce is being acquired from DDB Worldwide and the founder, Kevin Panozza, who has run the business since its incorporation in 1994 and who will continue to be its Managing Director under Salmat's ownership.

Commenting on the acquisition, Joint Managing Director of Salmat, Peter Mattick, said "This is the most significant acquisition in Salmat's 25 years of business, both in terms of size and strategic fit. The new operation will strengthen our existing call centre business and take our total number of call centre seats to over 2,300. Most importantly the acquisition makes us the leading force in one of the fastest growing service sectors in the Asia Pacific region."

Joint Managing Director of Salmat, Philip Salter added "SalesForce has operations in Sydney, Melbourne and Auckland, with the majority of its seats in Melbourne. It has a blue chip customer base customers including Foxtel, Medibank Private, Flybuys, Transurban and Jetstar.

"This acquisition provides Salmat with a wider customer base across diverse industries including telecommunications, financial services and retail and enables us to provide a wider range of services to existing and potential customers of both businesses".

The Founder and Managing Director of Salesforce, Kevin Panozza said "The merger is good for our clients and great for our company.

"Our clients get greater choice and a wider range of services and we have access to capital and management that can take the business to a new level.

"Importantly it provides many of our staff with enhanced career opportunities. The success of our culture is reflected not only in the recent win of the Hewitt Award for the Best Employer in Australia and New Zealand but also in one of the lowest staff attrition rates in the call centre industry."

The transaction is due to be completed by 6<sup>th</sup> January, 2005.

## **ABOUT SALMAT**

Salmat is one of Australasia's largest customer contact companies specialising in data management, data and market analysis, electronic printing of essential mail, electronic bill presentment and payment, customer targeting and delivery of advertising material, call centre solutions and fulfilment.

Through its three operating divisions, Business Process Outsourcing, Targeted Media and Customer Contact Solutions, Salmat reaches nearly every household in Australia and New Zealand and provides end-to-end customer communication solutions for many of Australia's blue chip corporations and government bodies, and a number of major international companies. More than 2,300 staff are employed by Salmat across 20 sites in Australia and internationally in New Zealand, Taiwan, the Philippines and Hong Kong.

For further information, visit Salmat's web site at <http://www.salmat.com.au>.

For further information on Salesforce, please visit <http://www.salesforce.com.au>

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