

The logo for Salmat, featuring the word "SALMAT" in white, uppercase, sans-serif font centered within a dark blue rectangular background.

JOINT ASX ANNOUNCEMENT

27 July 2006

Salmat Limited announces recommended bid for VeCommerce Limited

Salmat Limited (**Salmat**) today announced its intention to make an off-market takeover offer for speech solutions provider VeCommerce Limited (**VeCommerce**).

Salmat will offer \$2.30 cash per share, valuing VeCommerce at approximately \$28.7 million (the "Offer"). The Offer will be subject to standard conditions including a 90% minimum acceptance condition. A summary of the conditions to the Offer are attached.

The acquisition will be funded from Salmat's existing facilities.

The Directors of VeCommerce have indicated that they unanimously recommend that VeCommerce Shareholders accept the Offer, in the absence of a superior offer, and that they intend to accept the Offer for all shares they hold directly or beneficially in the absence of a superior offer.

The Offer Price of \$2.30 in cash for each VeCommerce share represents a premium of:

- 21.1% above the closing share price of \$1.90 on 26 July 2006, being the last day of trading prior to the date of the announcement of the Offer;
- 76.9% above the closing price of VeCommerce's shares of \$1.30 on 11 May 2006, being the day prior to VeCommerce's announcement that it had received a non-binding expression of interest to acquire 100% of the shares of the company; and
- 74.2% above the VWAP of VeCommerce's shares of \$1.32 for the three months to 11 May 2006.

Mr Peter Mattick, Joint Managing Director of Salmat, said "the cash offer of \$2.30 per VeCommerce share represents an attractive price, which has secured the unanimous support of the VeCommerce Board. Given the limited trading liquidity of VeCommerce's shares and in light of the profit warning issued by VeCommerce on 12 May 2006, Salmat's offer provides an excellent outcome for all of VeCommerce's Shareholders. We look forward to working with Paul Magee (Managing Director) and his experienced team."

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Phil Salter, Joint Managing Director of Salmat, said "the strategic fit between VeCommerce and our Salesforce call centre division is excellent. The acquisition will enable us to expand our product offering to our existing clients and give us greater access to a blue-chip customer base, while at the same time providing VeCommerce with the support to further develop its technology and product offering. The globally accepted and implemented technology will allow our call centres to meet the growing demand for self service call centre solutions."

Chris Golis, Chairman of VeCommerce said "The Offer represents a fair price and provides a great opportunity for the business to grow and progress to the next stage of its development as part of the larger Salmat group. This bid is the outcome of extensive discussions that the Board of VeCommerce has held with Salmat over the last few months to develop Salmat's proposal. We believe that the Offer is a good outcome for shareholders, staff and customers of VeCommerce. The Offer also reflects the dedication and hard work of Paul Magee and his team over the last 6 years."

Salmat's bidder's statement will be served on VeCommerce and lodged with the Australian Stock Exchange and the Australian Securities and Investments Commission shortly. VeCommerce recommends that its shareholders take no action in relation to their shares until they have had the opportunity to review the Salmat bidder's statement and the VeCommerce target's statement.

*Salmat is being advised by KPMG Corporate Finance and Gilbert + Tobin.
VeCommerce is being advised by TMT Partners Pty Limited and Watson Mangioni Lawyers Pty Limited*

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About SALMAT

Salmat is Australia's leading customer communication group. We facilitate our customers' contact with their customers – through targeted catalogue distribution, mail-outs 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 4,000+ 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.

<http://www.salmat.com.au>

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About VeCommerce

VeCommerce Limited (ASX:VCM) is a global leader in the provision of voice self-service and speaker verification solutions.

VeCommerce has been a pioneer in the industry since 1997, and is a recognised market leader with a host of references to back this claim. VeCommerce was one of the first organisations in the world to recognise the business benefits of voice self-service solutions utilising speech recognition and speaker verification technology. Its early market entry, its single point focus and continued innovation has led the company to be one of the most experienced application developers and solution providers in the industry.

VeCommerce's voice self-service solutions eliminate the long hold times experienced by callers waiting to speak to an available call centre agent. They also increase the caller's satisfaction by removing their need to struggle with confusing push button menus. Its solutions do this by utilising the latest in speech recognition and communications technology to 'understand' the caller and allow them to simply say what they want, in the same way that they would speak to a call centre agent.

VeCommerce clients around the world include: AAPT, Suncorp, Bet Direct, ASX Perpetual, Pizza Hut, NSW's Motor Accidents Authority, Magna Entertainment Corporation, Youbet.com Inc., TelstraClear, Westpac Bank, Auckland Co-op Taxis, New Zealand's Ministry of Social Development and Tabcorp.

<http://www.vecommerce.com.au>

APPENDIX I

SALMAT BID CONDITIONS

1. 90% minimum acceptance condition

At the end of the Offer Period, Salmat has a relevant interest in more than 90% (by number) of VeCommerce Shares then on issue and comprising at least 75% by number of all VeCommerce Shares subject to the Bid.

2. No material adverse change

Between the Announcement Date and the end of the Offer Period:

- a) no event, matter or thing occurs or information is disclosed by VeCommerce concerning any event, matter or thing which will or is reasonably likely to have a material adverse effect on the assets and liabilities, financial position and performance, profitability or prospects of VeCommerce and its subsidiaries taken as a whole; or
- b) no event, matter or thing, as described in paragraph (a), which occurred before the Announcement Date but was not apparent from publicly available information before then, becomes public.

3. No material transactions

None of the following events occurs during the period from the Announcement Date to the end of the Offer Period:

- a) VeCommerce or any subsidiary of VeCommerce acquires, offers to acquire or agrees to acquire one or more companies, businesses, assets or shares (or any interest in one or more companies, businesses, assets or shares) for an amount in aggregate greater than **\$0.5 million**;
- b) VeCommerce or any subsidiary of VeCommerce disposes of, offers to dispose of or agrees to dispose of one or more companies, businesses, assets or shares (or any interest in one or more companies, businesses, assets or shares) for an amount, or in respect of which the book value (as recorded in VeCommerce's statement of financial position as at 30 June 2005) is, in aggregate, greater than **\$0.5 million**;
- c) VeCommerce or any subsidiary of VeCommerce enters into, or offers to enter into or agrees to enter into, any agreement, joint venture, asset or profit share, partnership or commitment which would require expenditure, or the foregoing of revenue, by VeCommerce and/or its subsidiaries of an amount which is, in aggregate, more than **\$0.5 million**, other than in the ordinary course of business;

- d) VeCommerce or any subsidiary of VeCommerce declares or pays any dividends or other distributions of profits or capital to any VeCommerce Shareholder;
- e) VeCommerce or any subsidiary of VeCommerce resolves or announces an intention to do any of the things referred to in paragraphs (a) – (d) above.

4. Non exercise of specified rights

No person having any right (whether subject to conditions or not) as a result of Salmat acquiring VeCommerce shares to:

- a) acquire, or require the disposal of, or require VeCommerce or a subsidiary of VeCommerce to offer to dispose of, any material asset of VeCommerce or a subsidiary of VeCommerce; or
- b) terminate, or vary the terms or performance of, any material agreement with VeCommerce or a subsidiary of VeCommerce,

exercises that right or notifies VeCommerce of its intention to exercise that right and the exercise of that right will or is reasonably likely to have a material adverse effect on the assets and liabilities, financial position and performance, profitability or prospects of VeCommerce and its subsidiaries taken as a whole.

5 No untrue Statements

Before the end of the Offer Period, Salmat does not become aware of any statement or fact that is untrue or misleading in any document filed by or on behalf of VeCommerce with ASX, and which has or is reasonably likely to have a material adverse effect on the business, financial or trading position or condition, or the assets, liabilities, profitability or prospects of VeCommerce since 31 December 2005, other than changes, events or conditions publicly announced to ASX by VeCommerce prior to the announcement of the Bid.

6. No prescribed occurrences

None of the following events happen in the period between the Announcement Date and the end of the Offer Period:

- a) VeCommerce converting all or any of its shares into a larger or smaller number of shares under section 254H of the Corporations Act;
- b) VeCommerce or a subsidiary of VeCommerce resolving to reduce its share capital in any way;

- c) VeCommerce or a subsidiary of VeCommerce entering into a buyback agreement or resolving to approve the terms of a buyback agreement under section 257C(1) or 257D(1) of the Corporations Act;
- d) VeCommerce or a subsidiary of VeCommerce making an issue of its shares (other than an issue of shares pursuant to the exercise or conversion of options or other securities which have been issued and notified to ASX prior to the Announcement Date) or granting an option over its shares or agreeing to make such an issue or grant such an option;
- e) VeCommerce or a subsidiary of VeCommerce issuing, or agreeing to issue, convertible notes;
- f) VeCommerce or a subsidiary of VeCommerce disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property;
- g) VeCommerce or a subsidiary of VeCommerce charging, or agreeing to charge, the whole, or a substantial part, of its business or property;
- h) VeCommerce or a subsidiary of VeCommerce resolving that it be wound up;
- i) the appointment of a liquidator or provisional liquidator of VeCommerce or of a subsidiary of VeCommerce;
- j) the making of an order by a court for the winding up of VeCommerce or of a subsidiary of VeCommerce;
- k) an administrator of VeCommerce or of a subsidiary of VeCommerce being appointed under section 436A, 436B or 436C of the Corporations Act;
- l) VeCommerce or a subsidiary of VeCommerce executing a deed of company arrangement; or
- m) the appointment of a receiver, receiver and manager, other controller (as defined in the Corporations Act) or similar official in relation to the whole, or a substantial part, of the property of VeCommerce or of a subsidiary of VeCommerce.