

**ASX release****6 August 2007****Salmat and New Zealand Post propose NZ joint venture in unaddressed mail**

Salmat Limited (ASX: SLM) today announced it is working on a proposal for a joint venture business with New Zealand Post in unaddressed mail distribution in the New Zealand market.

Salmat and New Zealand Post will contribute the assets of their respective businesses (Deltarg and Letterbox Channel) to a new joint venture company in return for a 50% shareholding each. The parties will share the establishment costs and initial working capital requirements of the joint venture. The proposed joint venture would combine the strengths of the current businesses while realising a number of operating efficiencies and network synergies.

The proposal is subject to a number of contractual conditions that are yet to be satisfied, and clearance from the New Zealand Commerce Commission.

ends

**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.
- **SalesForce** handles inbound and outbound telephone, fax, email and online communications on behalf of our customers, from facilities in Australia and the New Zealand. 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 28 years we have built a 5,000 plus 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.

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