

SALMAT

Full Year Results 30 June 2006



PHILIP SALTER

Joint Managing Director



PETER MATTICK

Joint Managing Director



ASHLEY FENTON

Chief Financial Officer

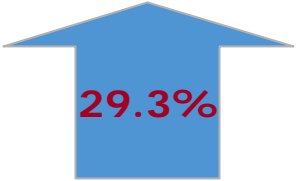
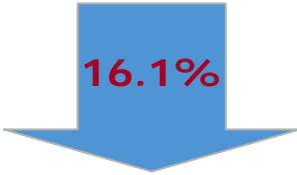
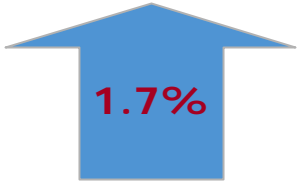
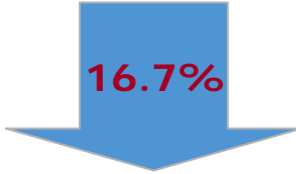
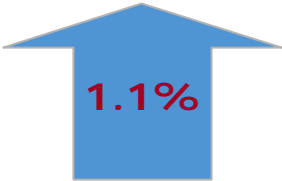
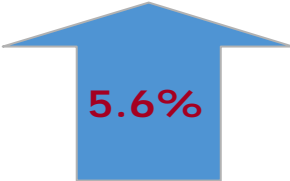
We are the Leader in Customer Communications in Australia

Key Messages

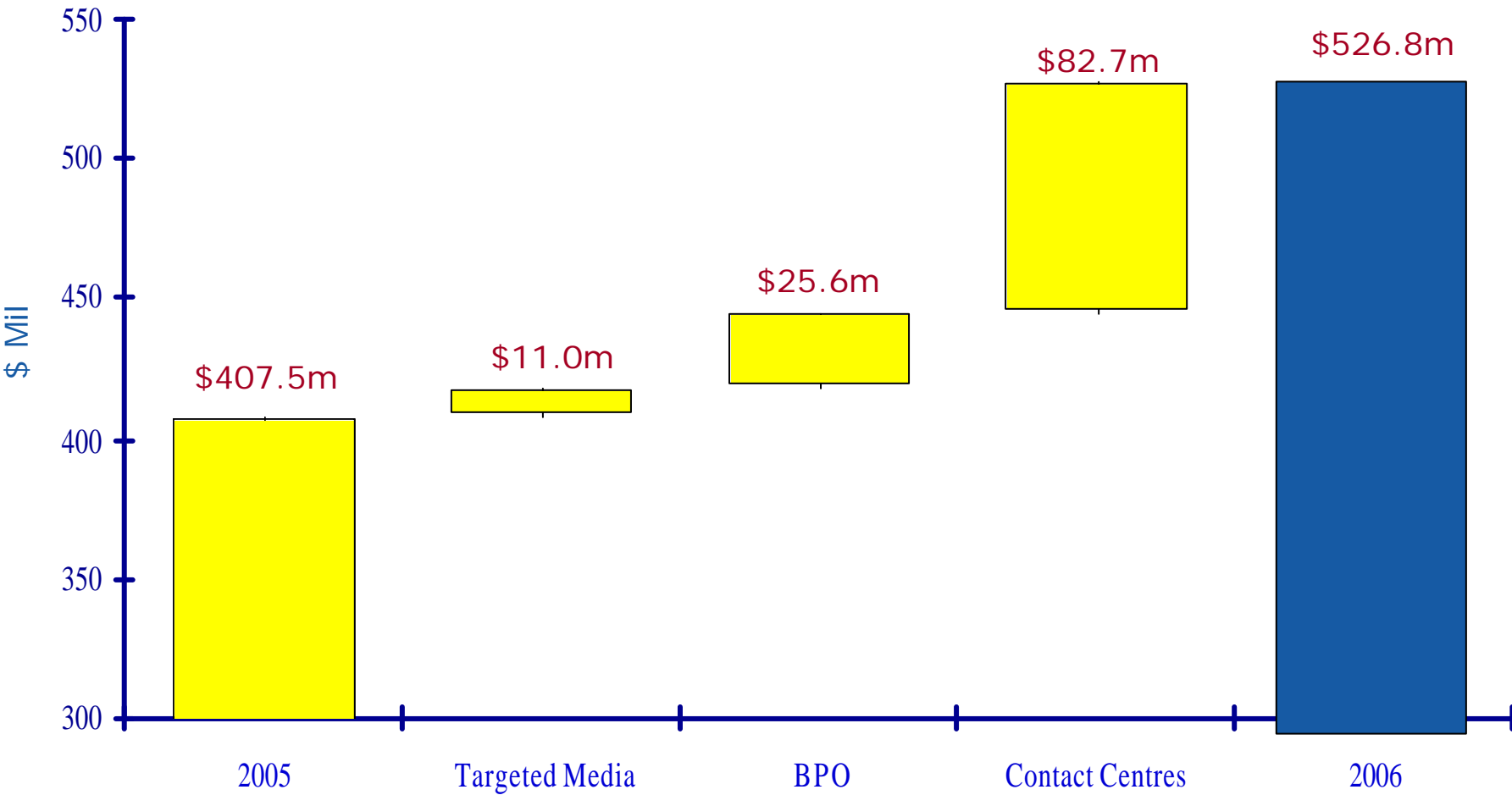
- Tough market conditions
- Incurred necessary restructuring and integration costs
- Better second half outcome than expected
- Revenue growth across all divisions
- Excellent Contact Centres result – Salesforce integration complete
- Business mix now provides wider growth opportunities

Result Summary

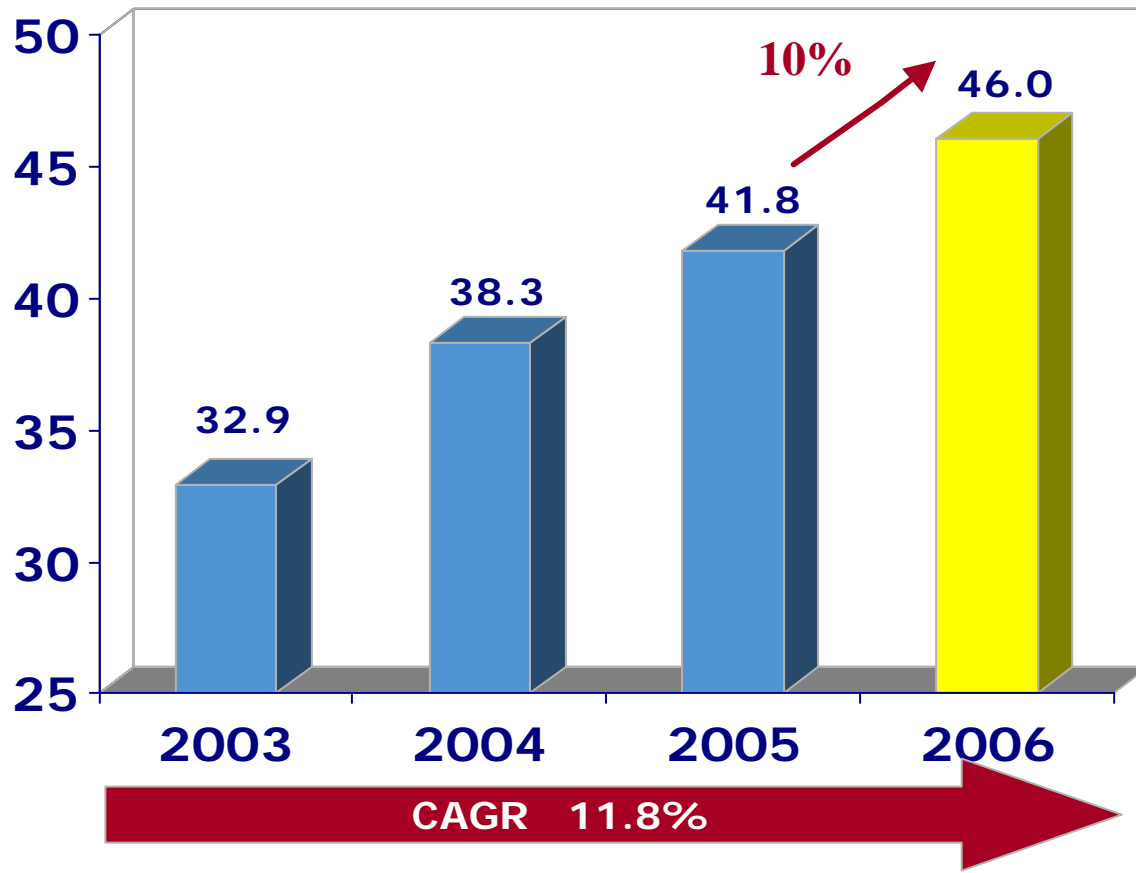
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Sales	 29.3%	PAT	 16.1%
EBITDA	 1.7%	EPS	 16.7%
EBITA	 1.1%	Dividend	 5.6%

Strong Revenue Growth up 29%

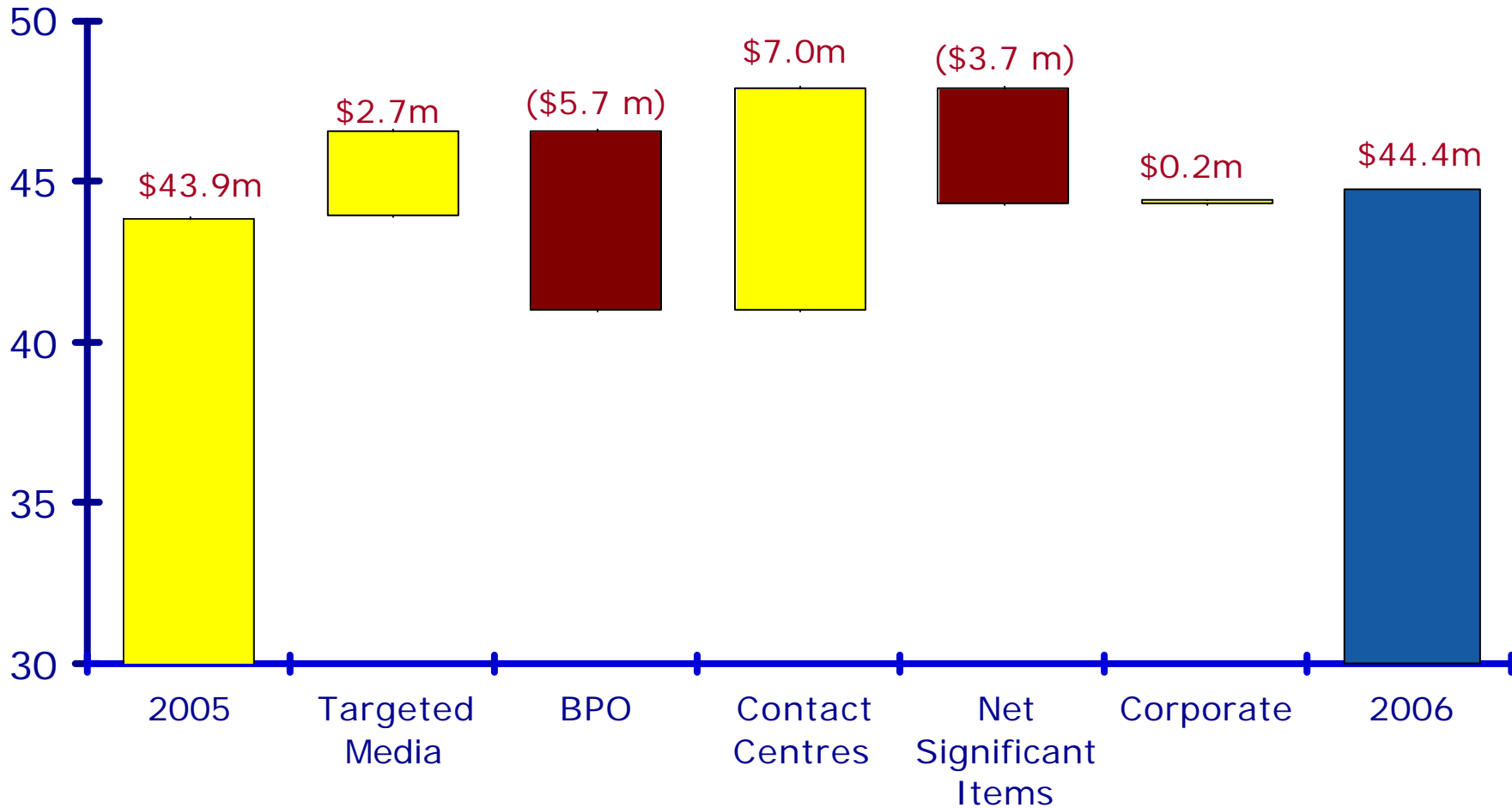


Group EBITA pre-significant items



EBITA up 1.1% (or 10% pre Significant items)

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Group Result

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<i>Year ended 30 June (\$m)</i>	<i>2006</i>	<i>2005</i>	<i>Increase</i>
SALES	526.8	407.5	29.3%
EBITDA	60.3	59.3	1.7%
Depreciation	(16.0)	(15.4)	
EBITA	44.4	43.9	1.1%
Amortisation	(1.4)	(0.7)	
Interest	(4.5)	(0.5)	
Tax expense	(12.3)	(11.4)	
Profit after tax	26.2	31.2	-16.1%
Final dividend (cents)	9.5	9.0	5.6%
Earnings per share	22.4	26.9	-16.7%

Cash Flow

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<i>Year ended 30 June</i>	<i>2006</i>	<i>2005</i>
NET OPERATING CASH FLOW	28.1	31.2
Net capital spend	(26.7)	(16.0)
FREE CASH FLOW	1.4	15.2
Acquisitions	(4.5)	(65.0)
Joint venture funding	4.9	(1.9)
Dividends	(18.7)	(15.7)
Other	1.6	1.0
Net cash movement	(15.3)	(66.4)
<i>Net (debt) / cash position</i>	<i>(67.9)</i>	<i>(52.6)</i>

Targeted Media

Key Results

- Sales up 6.5% to \$180.0 million
- EBITA up 7.5% to \$38.5 million
- Delivered 4.3 billion items, up 4.7%
- EBITA margin slightly up to 21.4%

Key Issues

- Soft advertising market
- Improving delivery - 90% + deliverability achieved
- Improved targeting tools
- Good progress on replacing lost Coles brand volumes

Focus

- Broaden customer base in competitive market
- Improved targeting tools aimed at new sectors
- Capitalise on removal of print industry capacity constraints

Business Process Outsourcing

Key Results

- Sales up 18.1% to \$166.9 million
- EBITA down 42.2% to \$7.8 million
- Australian mailpack volumes 632 million, up 6.0%
- NSW print on demand revenues of \$22 million

Key Issues

- Difficult industry environment
- Major renewals pricing impacts
- Significant restructuring
- Acquisition integration

Focus

- Grow new products and services
- Redesign of processes and investment in technology for efficiency gains
- Moving Asian operations into profit

Contact Centres

Key Results

- Sales up 85.1% to \$179.9 million
- EBITA \$10.5 million, up from \$3.5 million
- Strong Philippines JV equity result

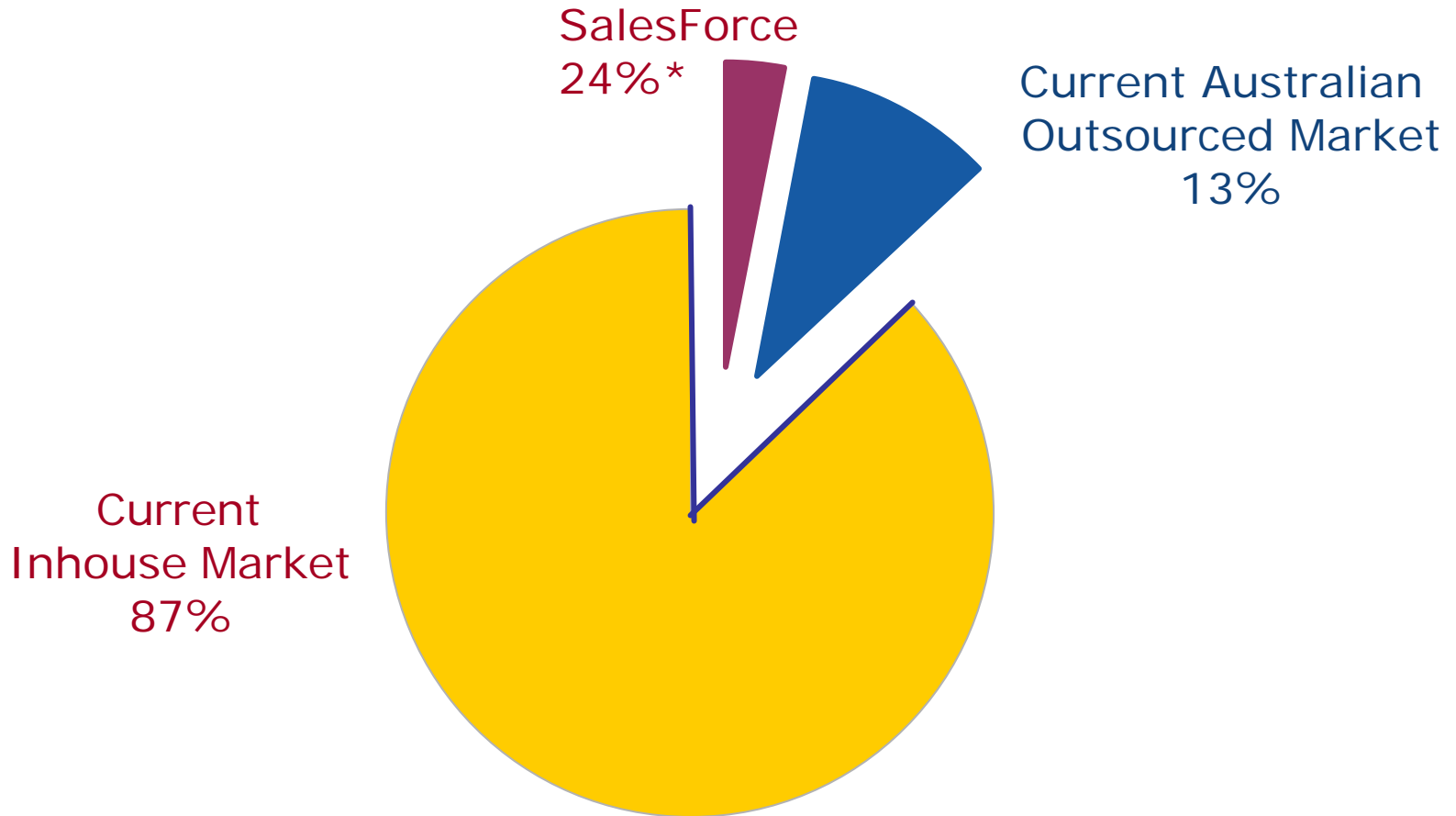
Key Issues

- Better than expected growth - customers, seats, revenues and profits
- Improved utilisation → new 300 seat call centre in Geelong
- Increased take-up of outsourcing – market growing
- Technology rolled out

Focus

- Building on strong new business pipeline
- World-class technology - bid for VeCommerce
- Increased scale to drive margins

Contact Centres – Growth Potential



* of outsourced market

Summary

- FY2006 has been a challenging, but important, year
- Strong revenue growth – solid base for future
- Costs and processes getting necessary attention – Project Optimise
- Update on FY2007 at AGM in November
- Complementary business mix houses considerable long term growth potential

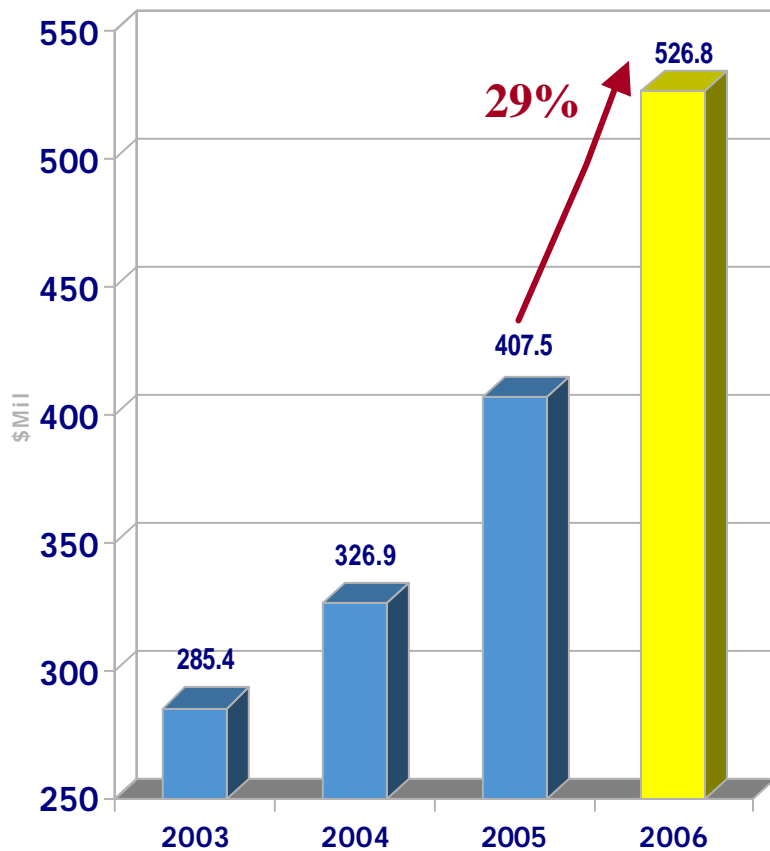
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Information Pack

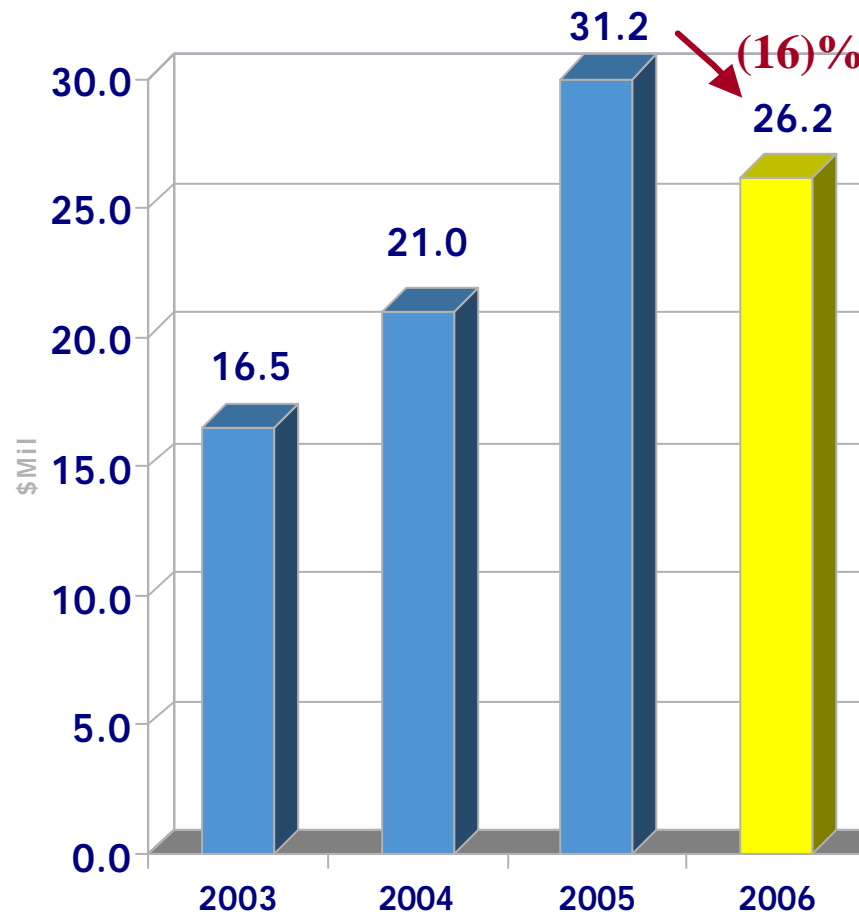
Revenue and Profit Growth FY03 to FY06

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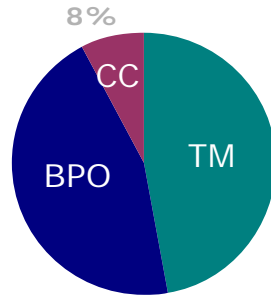
SALES



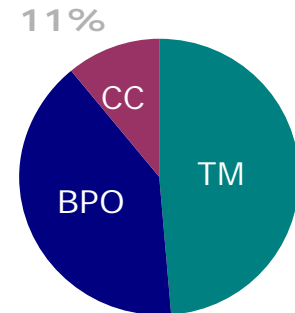
PROFIT AFTER TAX



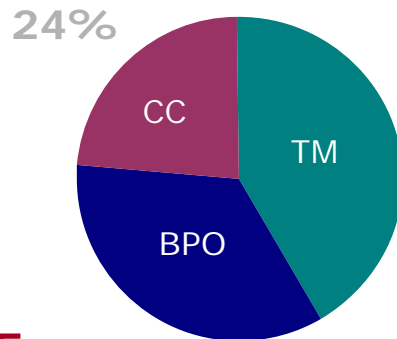
Business Mix – Total Revenues



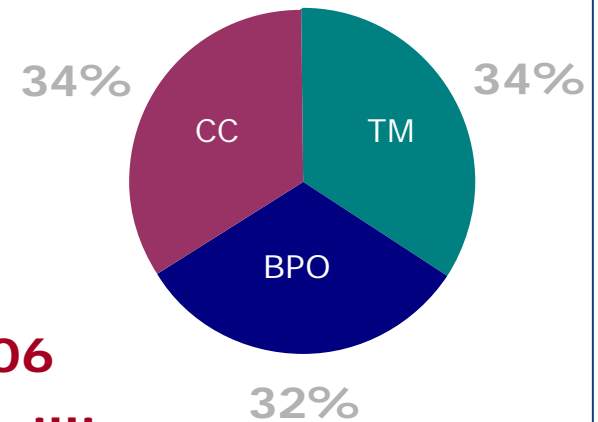
FY 2003
\$288 million



FY 2004
\$328 million



FY 2005
\$408 million



FY 2006
\$527 million

Divisional Summary

<i>Year ended 30 June</i> <i>(\$m)</i>	<i>2006</i>	<i>2005</i>	<i>Change</i>
REVENUE			
Targeted Media	180.0	169.0	6.5%
Business Process Outsourcing	166.9	141.3	18.1%
Contact Centres	179.9	97.2	85.1%
GROUP REVENUE	526.8	407.5	29.3%
EARNINGS			
Targeted Media	38.5	35.8	7.5%
Business Process Outsourcing	7.8	13.5	(42.2%)
Contact Centres	10.5	3.5	200.0%
Corporate Centre	(10.8)	(11.0)	1.8%
GROUP EBITA (before significant items)	46.0	41.8	10.0%
Net Significant Items	(1.6)	2.1	176.2%
GROUP EBITA	44.4	43.9	1.1%

Significant Items (pre-tax)

<i>Year ended 30 June</i>	<i>2006</i>	<i>2005</i>
First half		
Release of provision against ClientLogic loan	0.5	2.0
Write-down of software assets (depreciation)	0.0	(2.2)
Integration and restructure costs	(1.0)	0.0
Total for the half year	(0.5)	(0.2)
Second half		
Release of provision against ClientLogic loan	0.0	3.4
Write-down of software assets (depreciation)	0.0	(0.1)
Integration and restructure costs	(1.1)	(1.0)
Total for second half	(1.1)	2.3
Total for the year	(1.6)	2.1

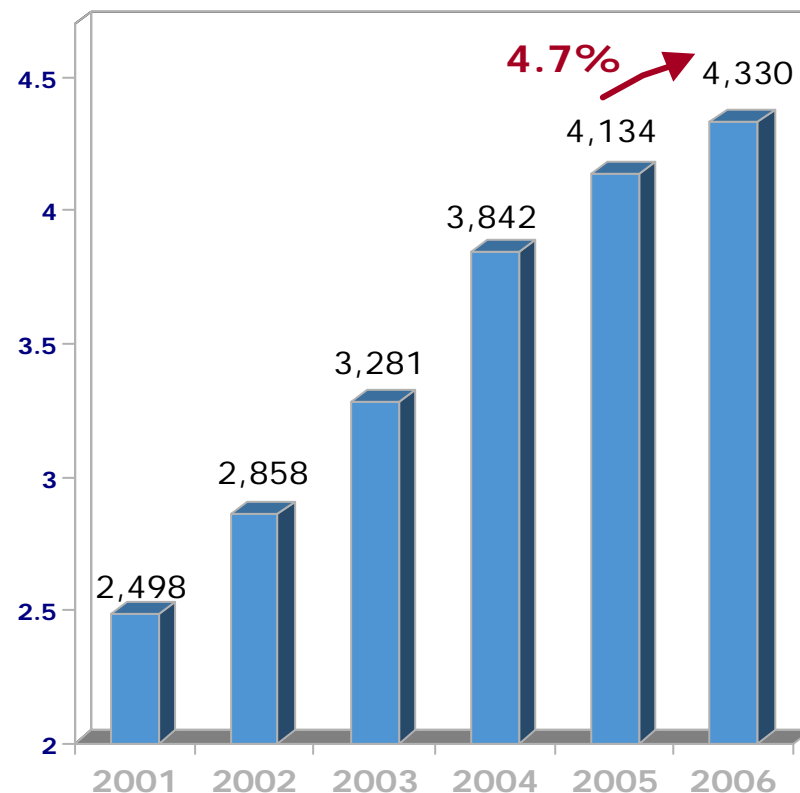
Note – these significant items are included in the Group Result

Targeted Media

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Year ended 30 June (\$m)	2006	2005	Increase
SALES	180.0	169.0	6.5%
EBITDA	39.4	36.8	7.1%
<i>Margin</i>	<i>21.9%</i>	<i>21.8%</i>	<i>0.1%</i>
Depreciation	0.9	1.0	
EBITA pre significant items	38.5	35.8	7.5%
<i>Margin</i>	<i>21.4%</i>	<i>21.2%</i>	<i>0.2%</i>

Distribution volumes (Mil)

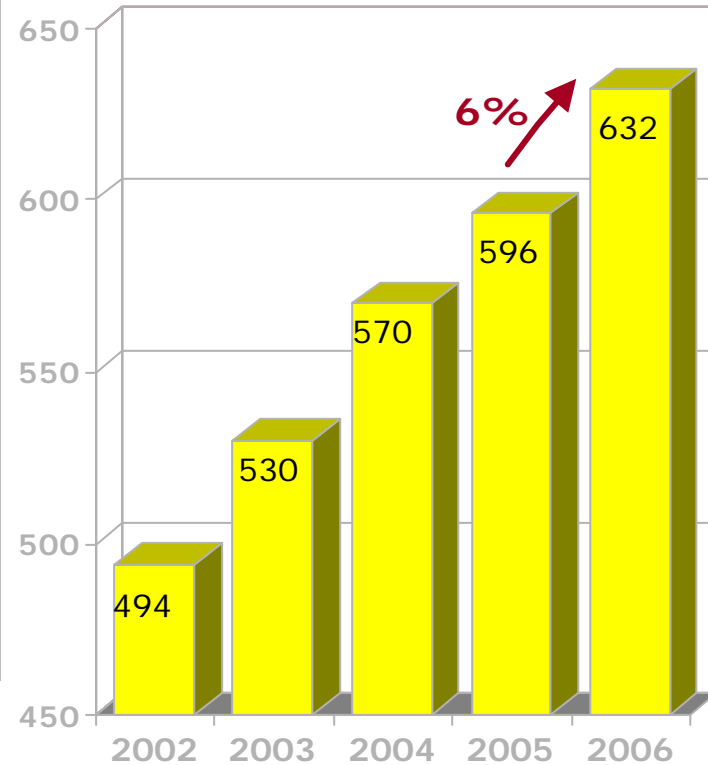


CAGR 11.7%

Business Process Outsourcing

Mailpack Volumes – Australia (Mil)

Year ended 30 June (\$m)	2006	2005	Increase / (Decrease)
SALES	166.9	141.3	18.1%
EBITDA	15.6	20.2	(22.8%)
<i>Margin</i>	9.3%	14.3%	5.0%
Depreciation	7.8	6.7	
EBITA pre significant items	7.8	13.5	(42.2%)
<i>Margin</i>	4.7%	9.6%	(4.9%)

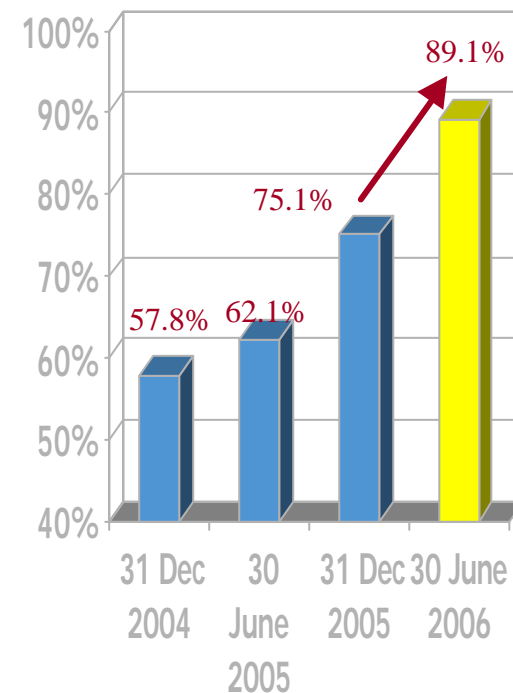


CAGR 6.4%

Contact Centres

Year ended 30 June (\$m)	2006	2005	Increase
Direct sales and fulfillment	42.0	23.8	76.5%
Call centres	137.9	73.4	87.9%
TOTAL SALES	179.9	97.2	85.1%
TOTAL EBITDA	15.4	6.2	148.4%
<i>Margin</i>	8.6%	6.4%	2.2%
Depreciation	(4.9)	(2.8)	
Direct sales and fulfillment	1.8	0.6	200.0%
Call centres	6.6	2.9	127.6%
CLP equity profit	2.1	0.0	NMF
TOTAL EBITA	10.5	3.5	200.0%
pre significant items			
<i>Direct sales and fulfillment Margin</i>	4.3%	2.5%	1.8%
<i>Call centres Margin (excl CLP)</i>	4.8%	4.0%	0.8%
Total Margin	5.8%	3.6%	2.2%

Utilisation (%)

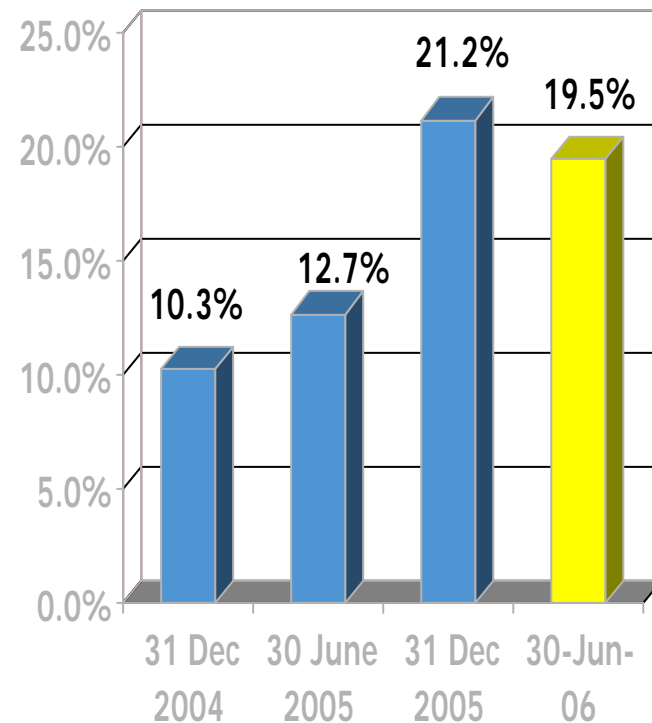


ClientLogic Philippines Joint Venture

Year ended 30 June (\$A m)	2006	2005	Increase
SALES	40.6	28.8	41.0%
EBITA	7.9	3.6	119.4%
Profit after tax	6.9*	2.4	187.5%
Net LM equity share	2.1*	-	NMF

* Salmat began equity accounting its 49% share during the year after recouping prior losses.

EBITA Margin (%)



Balance Sheet

As at 30 June (\$m)	2006	2005
Goodwill	82.2	81.2
Other intangible assets	2.0	3.3
Fixed assets	53.9	40.9
Other net assets	36.5	24.2
Net cash / (debt)	(67.9)	(52.6)
Shareholders Equity	106.7	97.0
Net debt to equity	63.6%	54.1%
Gearing	38.9%	35.1%

Key Ratios

ROC 25%	PAT margin 4.9%
EBITDA margin 11.4%	Debt to Equity 63.6%
EBITA margin 8.4%	Gearing 38.9%

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Improving our Customers' Businesses

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Disclaimer

Company announcements and presentations can contain forward-looking statements. Words such as “believe”, “anticipate”, “plan”, “expect”, “intend”, “target”, “estimate”, “project”, “predict”, “forecast”, “guideline”, “should”, “aim” and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements.

Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include but are not limited to: competition and product pricing in the markets in which we operate; general economic and market conditions; compliance with, and possible changes in, environmental and health and safety laws; dependence on cyclical markets; the supply and cost of materials; exposure to environmental or other legal proceedings; and risks of conducting business internationally. We caution you that the foregoing list of factors is not exclusive and that other risks and uncertainties may cause actual results to differ materially from those contained in forward-looking statements. Forward-looking statements speak only as of the date they are made.