FULL YEAR RESULTS TO 30 JUNE 2011

16 AUGUST 2011

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.

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Agenda

Full year overview

Strategy update

Group financial performance

Business unit update

Market outlook

FULL YEAR OVERVIEW

GRANT HARROD

Year in review

BUILDING FOR THE FUTURE

- Financial performance in line with guidance.
- Underlying EBITA margin maintained despite macro environment deteriorating.
- Building the future:
  - Accelerated high-growth digital strategy.
  - Continued productivity initiatives delivered in Business Process Outsourcing.
  - Refined strategic focus in Customer Contact Solutions.
- Lasoo revenue and volumes continue to accelerate.
- Company positioned well for next leg of growth.
- Full year regular dividend up 2.1% to 24.0 cents per share.

Financial summary

Item - 2011	$ million	Movement
Reported sales revenue	863.0	- 1.8%
Underlying EBITA	88.6	- 2.8%
Underlying profit (NPAT)	42.4	- 10.6%
Statutory profit (NPAT)	36.0	- 26.8%
Underlying EBITA margin	10.3%	- 0.1%
Underlying earnings per share (cents)	26.8	- 10.7%
Earnings per share (cents)	22.7	- 26.9%
Total dividends per share (cents)	24.0	+ 2.1%

Strategic initiatives

1
one salmat

2
digital growth

3
SME

4
productivity & efficiency

Progress on strategic initiatives in FY11

1
one salmat

- Continued cross-selling of existing and newly-acquired services across client base.
- Teams better structured and incentivised to enable deeper multichannel sales.
- 50% of Salmat's top clients (representing >30% total revenue) used more than two segments of services in FY11: up from 40% in FY10.
- Eliminated duplication, delivering savings in corporate.

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Progress on strategic initiatives in FY11

2
digital growth

- Acquisition successfully integrated into the business. Added five new service areas to portfolio: SEM/SEO, self-service SMS & email, web development, eCommerce services and promotions plus extra consulting capability.
- Now leveraging Salmat's significant client base, creating solid pipeline of new opportunities.
- Lasoo continues to grow.
- Mobile application Roamz launching in FY12.
- New head of digital appointed to drive next phase of growth.

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Progress on strategic initiatives in FY11

3
SME

- SME strategy on track. Strong opportunity to present suite of services via dedicated SME online portal.
- Traffic to ldn.net.au up significantly since portal launch.
- SME revenue grew +20% in FY11.
- Expect SME volumes to grow significantly in FY12. SME clients potentially 30-40% of TMS over longer term (less than 6% today).

Progress on strategic initiatives in FY11

4

productivity & efficiency

- Consolidation to single sites in Vic, Qld and SA completed. Colour printing technology implemented. Will deliver $4.6m annualised savings from FY12.
- Completed CCS strategic review to focus on full-service work rather than labour for hire.
- Overheads and infrastructure associated with completed CCS commodity contracts now removed from the business.
- Further benefits from these initiatives will flow into FY12.

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Opportunities are significant

Australians spend
22 hours
online per week…
…more time than consuming
any other media.
Nielsen Australian Online Consumer Report

50% of all
retail purchases
are now influenced
online
ACRS Research

Australians are the
biggest
users of
social media
in the world.
Nielsen

Growth in Australia:
Online advertising
13.5%
…CAGR for the
next four years.
Newspapers 0.8%
Free TV 2.3%
PricewaterhouseCoopers' Australian
Entertainment and Media 2011– 2015 report

Australians will spend
$32 billion
online*(retail)* in 2012
Forrester 2010

79% of smartphone users
use their phone for
shopping related activities
(and 74% then purchase)
The Mobile Movement Study Apr 11

50% of online
retailers to upgrade
platforms in next two
years. **Forrester**

Email has the **highest**
ROI of any digital channel at
$42 DMA 2010

GROUP FINANCIAL PERFORMANCE

CHAD BARTON

Group result for year ended 30 June 2011

$ million	2011	2010	% change
Reported sales revenue	863.0	878.8	- 1.8%
Underlying EBITA	**88.6**	**91.2**	**- 2.8%**
Underlying EBITA margin	10.3%	10.4%	- 0.1%
Amortisation	(12.0)	(10.5)	+ 14.4%
Net interest	(16.9)	(12.9)	+ 30.7%
Tax expense	(17.3)	(20.4)	- 14.8%
Underlying profit (NPAT)	**42.4**	**47.4**	**- 10.6%**
Net significant items	(6.4)	1.7	NMF
Statutory profit (NPAT)	**36.0**	**49.1**	**- 26.8%**
Underlying EPS (cents)	26.8	30.0	- 10.7%
Earnings per share (cents)	22.7	31.1	- 26.9%
Total full year dividend (cents)	24.0	23.5*	+ 2.1%

* Excludes special dividend of 10.0 cents per share

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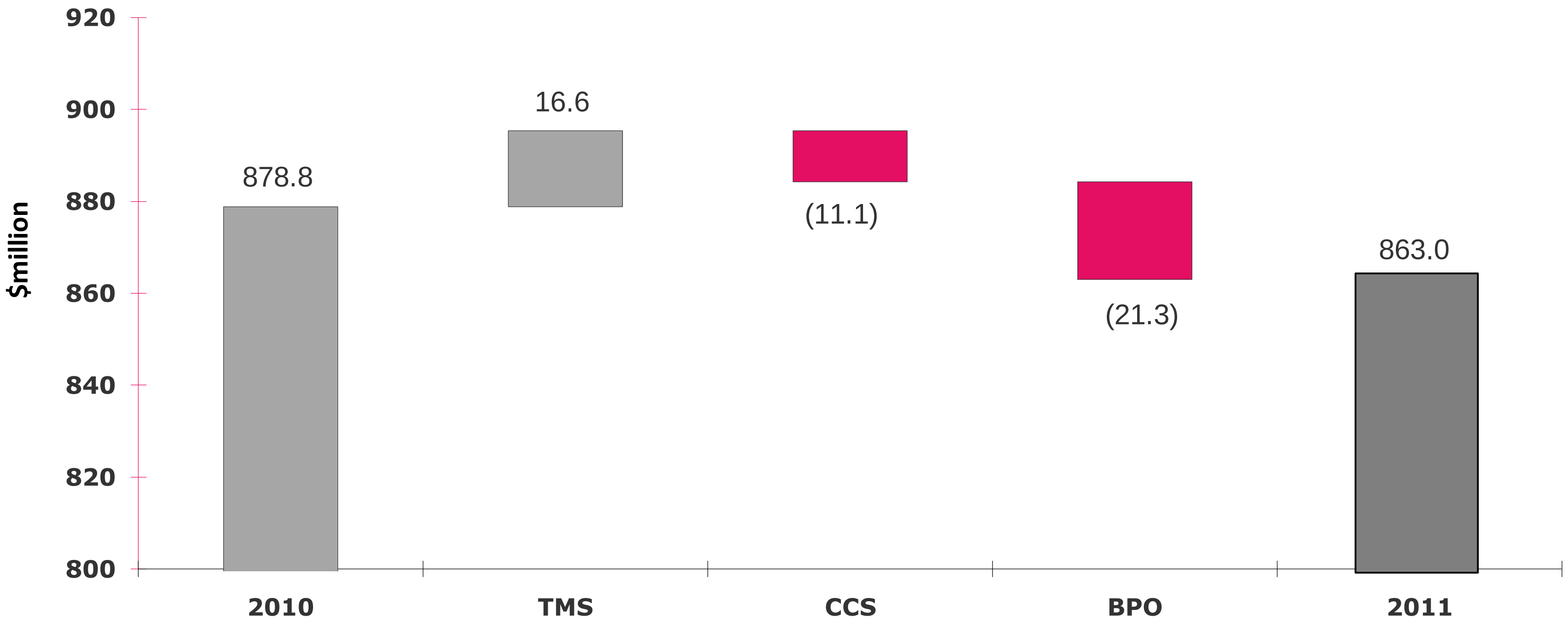
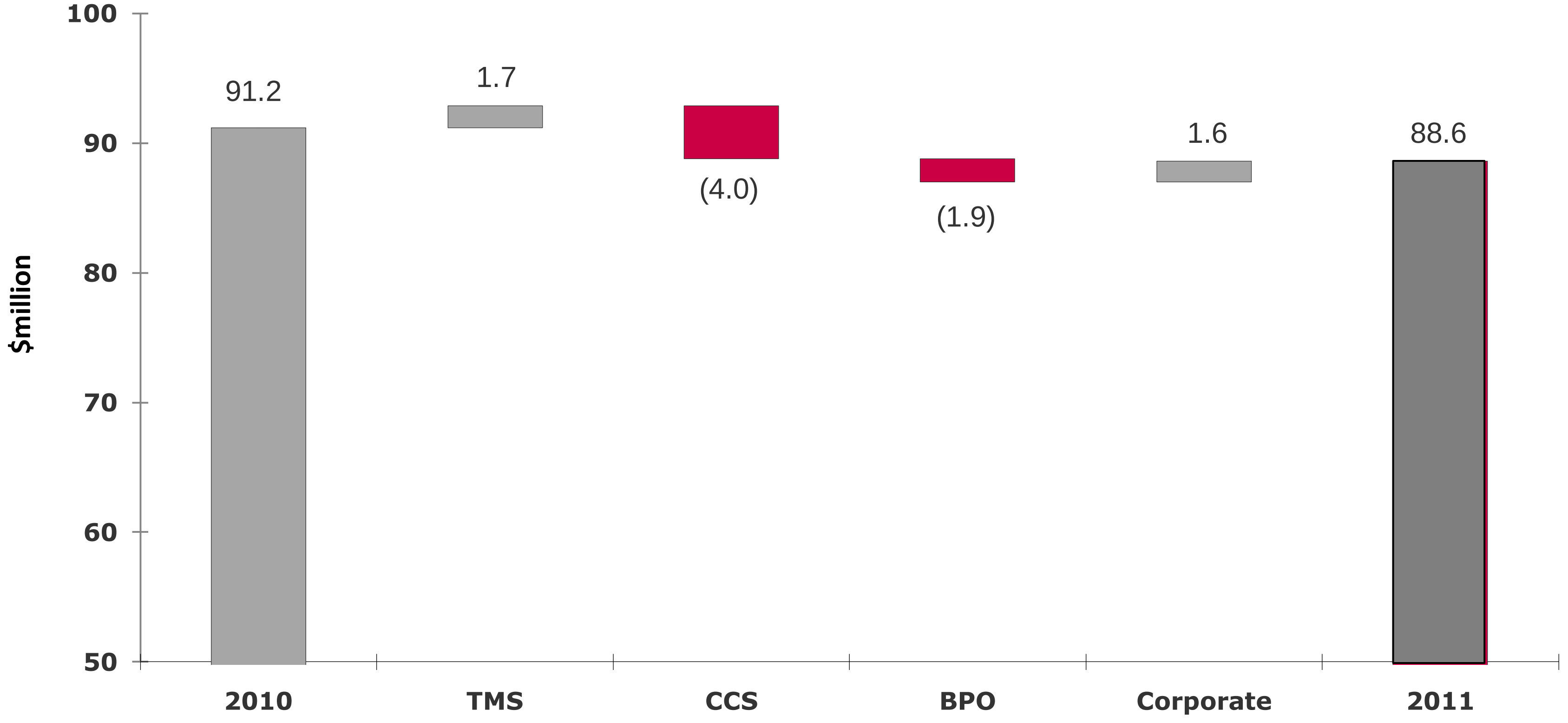
Normalised revenue



Normalised underlying EBITA



Significant items

$ million	2011	2010
Sale of land and buildings[1]	1.6	2.4
Relocation costs[2]	(5.5)	-
Acquisition transaction costs[3]	(1.9)	-
Acquisition integration costs[4]	(0.9)	-
CCS contract exit costs[5]	(2.5)	-
Significant items before tax	(9.2)	2.4
Income tax	2.8	(0.7)
Significant items after tax	(6.4)	1.7

1 Final deferred profit recognition from sale and leaseback of land and buildings in six months ended 31 December 2008
2 Relocation and restructuring costs for the consolidation of Victorian operations in Business Process Outsourcing.
3 Transaction costs relating to the acquisition of the digital and interactive businesses.
4 Integration costs relating to the acquisition of the digital and interactive businesses.
5 Business right-sizing costs in CCS.

FY11 half on half analysis

$ million	H2 2011	H2 2010	% change
Reported sales revenue:			
Targeted Media Solutions	129.0	111.9	+ 15.4%
Customer Contact Solutions	130.8	151.5	- 13.7%
Business Process Outsourcing	155.6	162.5	- 4.2%
Group sales revenue	415.4	425.8	- 2.4%
Underlying EBITA:			
Targeted Media Solutions	20.0	19.6	+ 2.5%
Customer Contact Solutions	6.0	10.3	- 42.7%
Business Process Outsourcing	19.9	21.8	- 8.6%
Corporate	(6.1)	(6.0)	- 0.5%
Group underlying EBITA	39.8	45.6	- 12.6%

Balance sheet

$ million	2011	2010
Current assets	149.3	187.8
Fixed assets	61.4	47.8
Goodwill	429.9	365.1
Other	52.4	56.6
Total assets	**693.0**	**657.3**
Current liabilities	120.0	146.6
Non-current liabilities	294.9	214.3
Total liabilities	**414.9**	**360.9**
Equity	**278.1**	**296.4**

Cash flow

$ million	2011	2010	Changes $Am
Underlying EBITDA	*109.6*	*113.0*	*3.4*
Operating Cash flow pre interest and tax	99.2	112.2	(13.0)
Underlying EBITDA conversion to cash flow	**91%**	**99%**	
Interest	(16.1)	(13.1)	(3.0)
Tax	(27.7)	(14.1)	(13.6)
Signficant items cash payments	(14.7)	-	(14.7)
Net operating cash flow	**40.7**	**85.0**	**(44.3)**
Financing and Investing activities			
Cash capital expenditure	(23.8)	(12.9)	(10.9)
Dividends paid	(54.2)	(34.9)	(19.3)
Net borrowings repayment	-	(23.0)	23.0
Other	(1.4)	0.9	(2.3)
Net financing and investing cash flow	**(79.4)**	**(69.9)**	**(9.5)**
Net cash movement	**(38.7)**	**15.1**	**(53.8)**

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Capital management

CASH INVESTED IN BUSINESSES, ASSET ACQUISITIONS AND RETURN TO SHAREHOLDERS

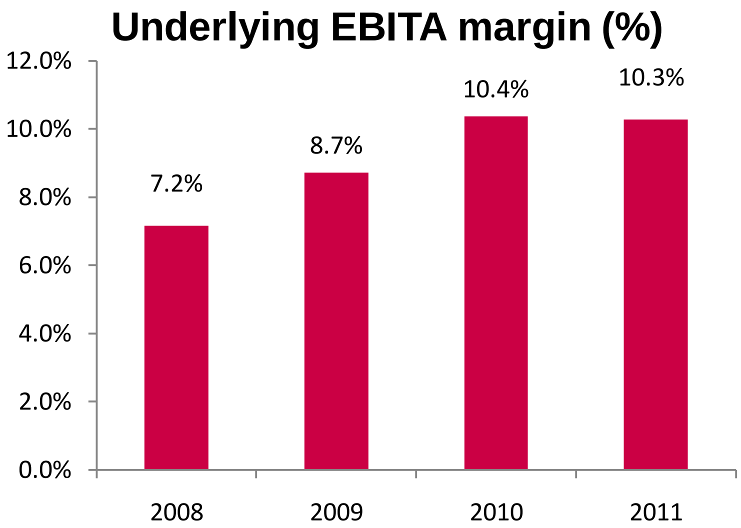
- Net debt increased to $258.3 million to fund investments in digital businesses, expanded production capability and efficiency initiatives.
- Total senior debt facilities of $309 million include:
  - $105 million tranche maturing December 2012.
  - $105 million tranche maturing December 2013.
  - $99 million tranche maturing December 2014.
- Total unused facilities of $77.9 million was available at year end.
- Gearing and interest coverage ratios increased in line with higher net debt but still comfortably within our required covenant ratios.
- Final dividend of 12.5 cents amounts to full year dividend of 24.0 cents with record date of 9 September and payment date of 28 September.

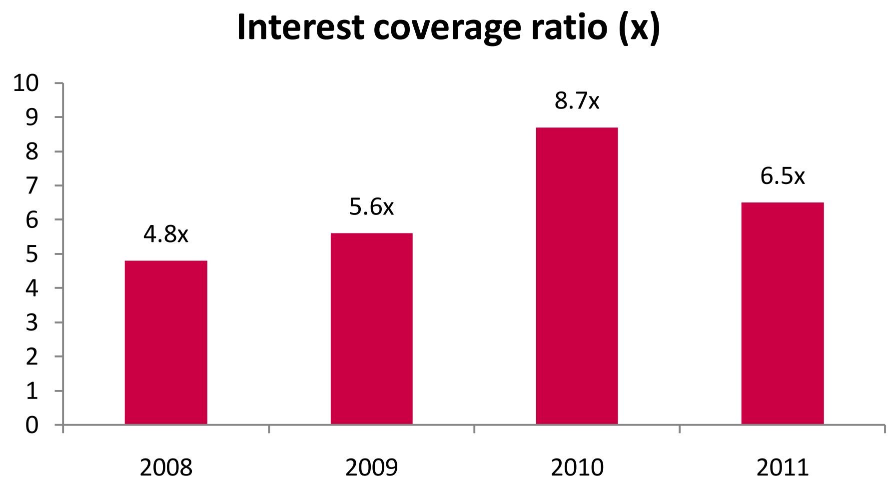
Capital expenditure

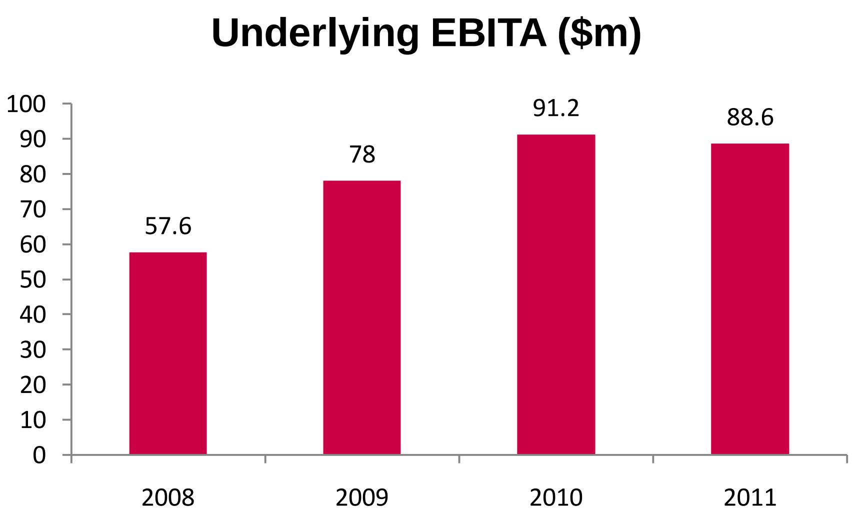
PROPERTY, EQUIPMENT AND IMPLEMENTATIONS

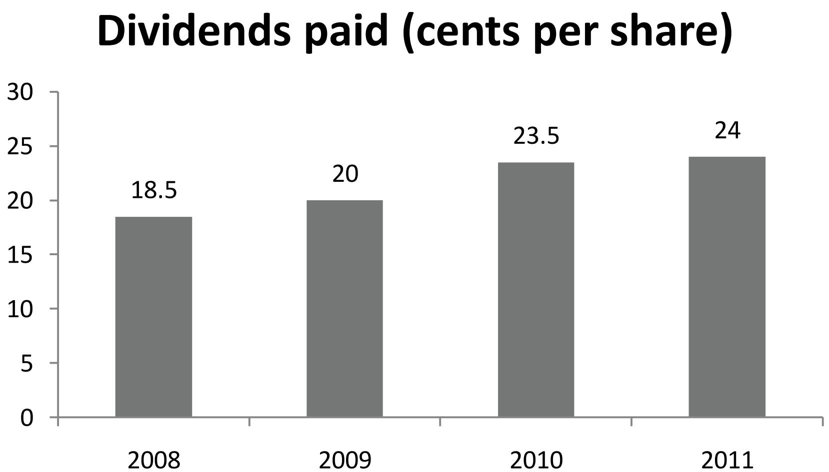
- Capex investment in FY11 was $35.5 million, driven by:
  - Both expansionary ($16 million) and business as usual ($19 million) elements.
  - Property consolidation investments for future cost efficiencies.
  - Production technology upgrades and enhancements such as colour platforms.
  - Client specific development investment.
  - Computer and software upgrades.

Key ratio movements









Excluding special dividends

BUSINESS UNIT UPDATE

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Targeted Media Solutions - financial performance

$ million	2011	2010	% change
Normalised revenue[1]	250.9	234.2	+ 7.1%
Normalised underlying EBITA[2]	42.5	40.8	+ 4.3%
Normalised margin	17.0%	17.4%	

1: FY10 revenue figure adjusted for transfer of business from BPO division ($3.6m).
2: FY10 EBITA figure adjusted for transfer of business from BPO division ($0.5m).

	2011	2010	% change
Catalogue volumes	>5.00 billion	>5.01 billion	down 0.2%
Lasoo visits	>20 million	>14 million	up 43%
Lasoo offer interactions	> 39.3 million	> 26.9 million	up 46%
Lasoo offer impressions	>5.9 billion	>4.0 billion	up 48%

Targeted Media Solutions update

TRADITIONAL MEDIA SOLID, DIGITAL ON THE RISE

- Catalogue volumes very stable with major retailers. Smaller and discretionary retailers remain subdued.
- Lasoo growth in volumes and revenue: continued upward trend.
- Lasoo investment spend of $4 million: all expensed to P&L.
- Interactive and data services performed strongly with excellent growth prospects.
- New digital businesses acquired in December now integrated into expanded digital communication division and performing well.

Lasoo update

- Lasoo remains Australia's leading pre-shop portal.
- Mobile access continues to ramp up (currently 16.5% of total visits) July 2011 visits up 144% on January 2011.
- Unrivalled retailer coverage:
  - 40 of top 50 major retailers.
  - Number of offers on site grew 48% in FY11 to almost six billion.
- Leading consumer engagement:
  - visits up 43% in FY11 to more than 20 million.
  - offer interactions up 46% in FY11 to more than 39 million.
- Targeting break even by end FY12 while holding marketing investment.

Digital acquisition update

- Integration of sites and teams completed.
- Added five new service areas to portfolio: SEM/SEO, self-service SMS & email, web development, eCommerce services and promotions plus extra consulting capability.
- Excellent cross-selling, leveraging Salmat client network, with new business pipeline reflecting this.
- Synergies on track to meet acquisition guidance for FY12
- New Digital CEO Nick Spooner joining Salmat in late August.
- Goal is to provide the most comprehensive digital and online services.

	2011 post acquisition	2011 underlying	2010
Interactive email	> 386 million *up 151%*	> 264 million *up 71%*	> 154 million
Interactive SMS	> 70 million *up 376%*	> 17.7 million *up 20%*	> 14.7 million*

* Normalised due to regulatory change in PSMS.

Business Process Outsourcing - financial performance

$ million	2011	2010	% change
Normalised revenue[1]	318.5	339.8	- 6.3%
Normalised underlying EBITA[2]	41.8	43.7	- 4.3%
Normalised margin	13.1%	12.9%	

1: FY10 revenue figure adjusted for transfer of business to TMS division ($3.6m) and FX impact ($1.9m).
2: FY10 EBITA figure adjusted for transfer of business to TMS division ($0.5m).

	2011	2010	% change
Mail pack volumes	>1.06 billion	>1.21 billion	down 12%

Business Process Outsourcing update

STRONG EFFICIENCY GAINS AND NEW BUSINESS WINS FOR FY12

- Anticipate stronger volumes in FY12 with new wins secured and improving communication environment.
- One-off relocation costs in FY11 (Victoria, QLD and SA flow-on).
- New colour print technology now installed.
- Key wins across all areas of the business: expect implementation of many wins to be completed in 1H12.
- Emerging activities: e-solutions, scanning and workflow management services providing real revenue growth opportunities.

Customer Contact Solutions - financial performance

$ million	2011	2010	% change
Reported sales revenue	293.7	304.8	- 3.6%
Underlying EBITA	16.0	20.0	- 20.0%
Margin	5.4%	6.6%	

	2011	2010	% change
Call centre utilisation (average)	77%	79%	down 200 bp

Customer Contact Solutions update

POSITIVE SIGNS IN A PERIOD OF TRANSFORMATION

- Revenue only marginally down despite contract closure.
- e-Learning, Direct Sales and Speech revenue pleasing despite softer discretionary market.
- Focus on leveraging unique capabilities to provide a comprehensive customer engagement service.
- Consulting team driving new business focus. Strong pipeline across the division.

Market update

Market update

STEADY VOLUME GROWTH DESPITE ECONOMIC UNCERTAINTY

- Expect trading conditions to remain challenging.
- Volumes for traditional services should remain resilient.
- Digital volumes will continue to accelerate.
- Leveraging our extensive client base and unique multi-channel strength, we will:
  - manage the traditional businesses to maximise efficiency;
  - drive digital services and new growth market; and
  - extend Salmat's market-leading position.

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Year in review

BUILDING FOR THE FUTURE

- Financial performance in line with guidance.
- Underlying EBITA margin maintained despite macro environment deteriorating.
- Building the future:
  - Accelerated high-growth digital strategy.
  - Continued productivity initiatives delivered in Business Process Outsourcing.
  - Refined strategic focus in Customer Contact Solutions.
- Lasoo revenue and volumes continue to accelerate.
- Company positioned well for next leg of growth.
- Full year regular dividend up 2.1% to 24.0 cents per share.

Thank you

Appendices

Divisional summary: normalised and underlying

$ million	2011	2010	% change
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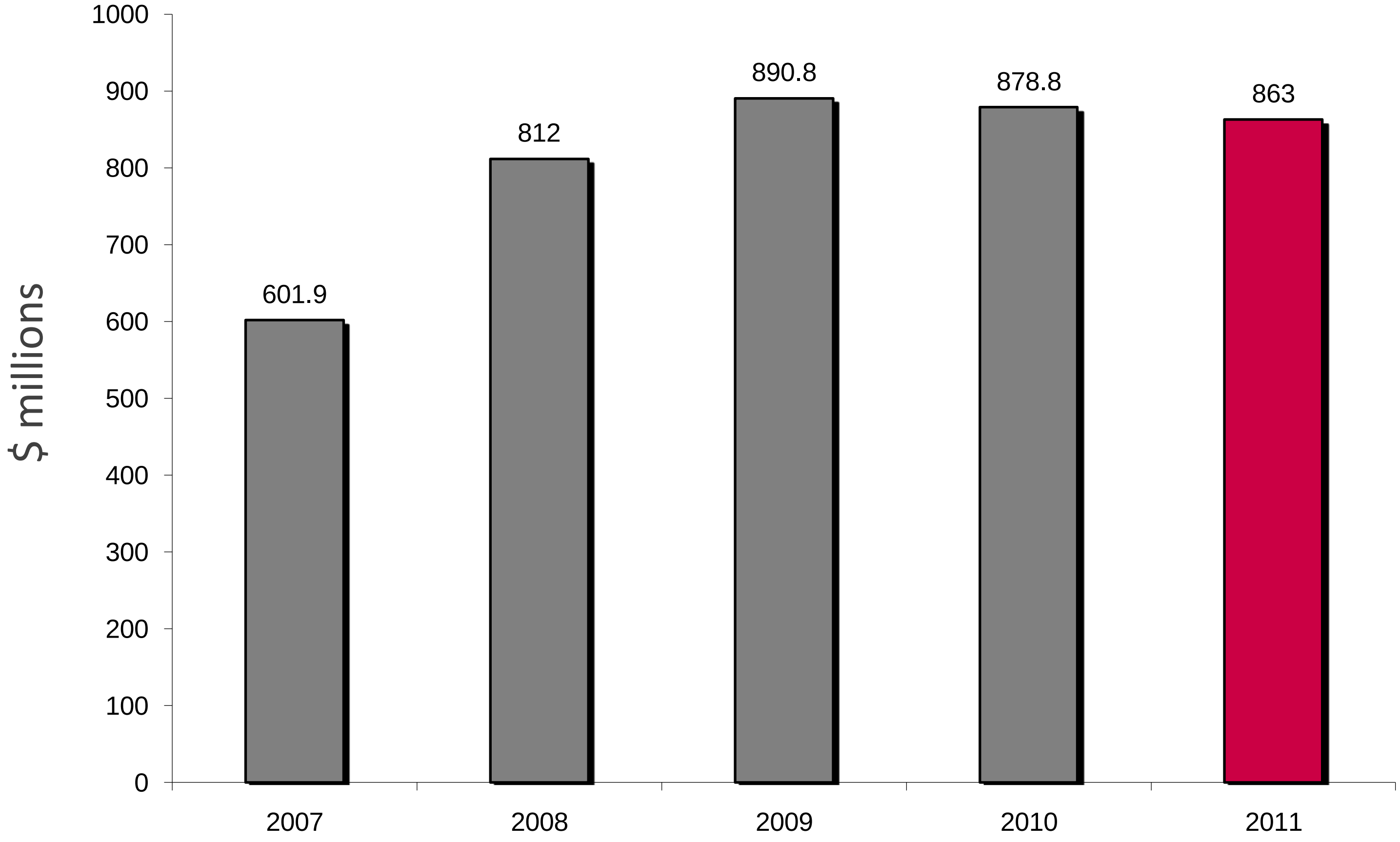
Corporate	(11.7)	(13.3)	+ 11.7%
Group underlying EBITA	88.6	91.2	- 2.8%

Underlying EBITA reconciliation

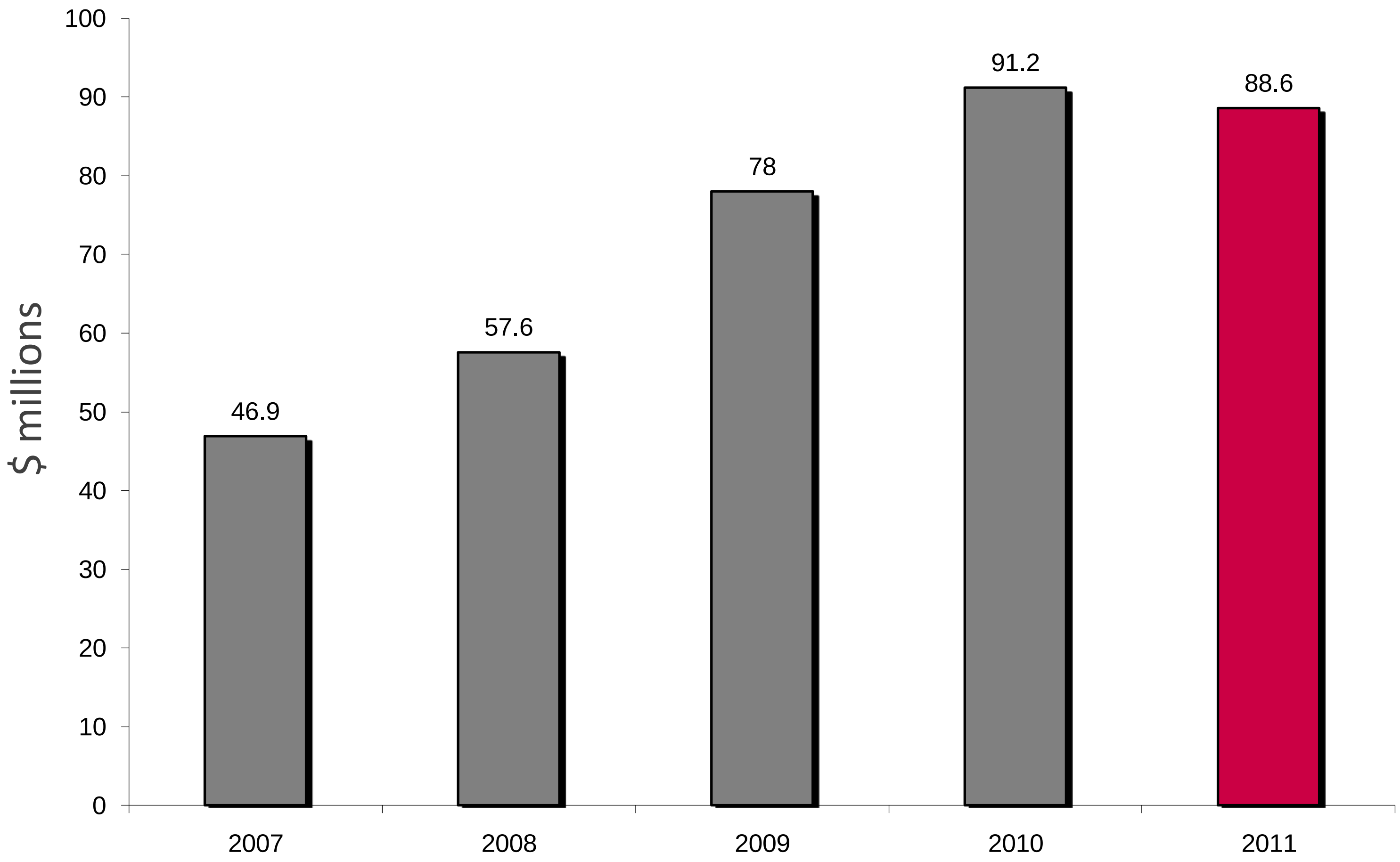
$ million	2011	2010
Underlying EBITA	**88.6**	**91.2**
Significant items before tax	(9.2)	2.4
Reported EBITA	**79.4**	**93.6**

FY10 normalisation only involved transfers between divisions.

Reported sales revenue – five year comparison



Underlying EBITA – five year comparison



Underlying NPAT – five year comparison