

Wednesday 13th December 2017

Salmat agrees to sell MessageNet Pty Limited

Salmat Limited (**ASX:SLM**) today announces that it has entered into an agreement to sell MessageNet Pty Limited - the Salmat Group's SMS business - to Message4U Pty Limited trading as MessageMedia, for \$14.8 million.

Under the terms of the agreement, completion is scheduled to occur and - assuming all conditions precedent are satisfied - MessageMedia will acquire the company on 29 December 2017. Net proceeds from the sale will be used to pay down Salmat's existing debt facility.

This sale is aligned to Salmat's current strategic priorities, which are aimed at strengthening and innovating the core business for long term sustainable growth.

"Salmat continues to focus on ensuring that it has the right mix of solutions to deliver on its promise to clients, employees and shareholders in a way that is profitable and sustainable," said Salmat CEO, Rebecca Lowde.

"With catalogue at the core of our Marketing Solutions business, Salmat's digital focus in this segment is on solutions that help us extend the reach of our clients' marketing campaigns, to help them reach and convert more customers.

"MessageNet provides SMS-related services such as appointment confirmations, billing reminders and surveys: services that are not core to our Marketing Solutions proposition. As such, when the opportunity arose to sell MessageNet to a new owner, Salmat agreed to negotiate a sale.

"MessageNet is a great fit for MessageMedia, the Australian leader in business messaging solutions. Continuity of service will be maintained throughout the sale process. We are confident that the business will continue to thrive under this new ownership," said Ms Lowde.

"I am delighted the MessageNet team will be joining MessageMedia," said MessageMedia CEO, Nigel Dews.

"MessageNet has an excellent record of providing business messaging solutions to Australian businesses and technology partners. MessageMedia's strategy of delivering the region's most innovative portfolio of cloud communication solutions for businesses, centred around messaging is extended with the acquisition of MessageNet. We look forward to working with the MessageNet team," said Mr Dews.

Additional information about MessageNet and MessageMedia follows below.

ABOUT SALMAT

Salmat is a leading Australian marketing services business. We partner with our clients to help them with the constant pressure of acquiring and servicing their customers, week-in, week-out. With media, digital and contact capabilities, we have the right solutions for our clients, enabling them to Reach, Convert and Serve more customers.

Founded in 1979, Salmat has evolved from a small letterbox distribution business to an ASX-listed company. With a talented team across four countries, we work with some of Australia's most recognised and trusted brands to manage billions of customer interactions every year.

- **Reach:** We offer the broadest reach media (online & offline), with the ability to target individuals and up to 17 million people.
- **Convert:** We deliver conversion across multiple channels, creating more opportunities for our clients' customers to buy.
- **Serve:** We make every one of our clients' interactions count online and offline.

MessageNet is part of the Salmat Group, within the Marketing Solutions segment. MessageNet offers SMS-related services such as appointment confirmations, billing reminders and surveys to a range of clients, many in the B2B space.

MessageNet provides clients with a self-service online portal to quickly and easily build SMS campaigns, via a robust network that delivers around 14 million SMS per month. SMS campaigns can be integrated with client CRM, eCommerce or business applications.

ABOUT MESSAGEMEDIA

MessageMedia is Australia's leading provider of business messaging solutions. The business was founded in 2000 and has grown organically and through acquisition. Today, MessageMedia delivers more than one billion messages per annum to over 23,000 customers. MessageMedia has won numerous business awards and expanded to the UK, USA and NZ during the past decade.

For further information, please contact:

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