A photograph of a person's hands typing on a laptop keyboard. A white coffee cup on a saucer is visible on the desk to the right. The background is softly blurred, showing a window and some office furniture.

SALMAT FULL YEAR RESULTS TO 30 JUNE 2016

29 AUGUST 2016

Craig Dower, CEO and Rebecca Lowde, CFO

AGENDA

01 Full year summary

02 Group financial performance

03 Operations, transformation and growth

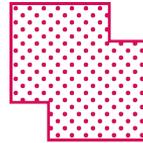
04 Outlook

BUSINESS TRANSFORMATION COMMENCED JANUARY 2015



FOCUS

... energy and investment in areas where we are - or can be - the clear market leader



SIMPLIFY

...every aspect of our business so we are agile, responsive, efficient and effective



GROW

...our business in a targeted, connected and profitable manner

Major change program to optimise all aspects of the business, driving operational effectiveness, targeted growth and increased profitability

SUMMARY

'Focus, Simplify, Grow' transformation is on track and delivering results

> Transformation continuing

Reduced cost structure and more efficient, cloud-based operating model. 'Focus' and 'Simplify' largely done.

> Getting the fundamentals right

Effectiveness in operations, sales and marketing. Ability to execute and manage change. Governance. Compliance.

> New brand position launched

Refined Salmat service suite now better geared to client needs in the current market. New sales drive underway.

> Underlying earnings up 47.4%

Against revenue down 9.5% on FY15, impacted ~\$38 million by discontinued services alone.

> We are 'match fit'

Salmat is now in a better position to compete and grow than at any time in the past five years.

> Growth is our clear priority

Short and medium-term initiatives now in play targeting quality, profitable revenue. Already showing results.

GROUP FINANCIAL PERFORMANCE

Rebecca Lowde, CFO

FINANCIAL RESULTS - OVERVIEW

Full year to 30 June 2016

\$ million	2016	2015	% change
Revenue	450.8	498.1	-9.5%
Underlying EBITDA	19.6	13.3	+47.4%
Depreciation & Amortisation	(13.6)	(14.7)	-7.5%
Net interest	(1.8)	(1.7)	+5.9%
Underlying profit/(loss) before income tax	4.2	(3.1)	*
Significant items	(6.8)	(91.3)	-92.6%
(Loss) before income tax	(2.6)	(94.4)	+97.2%
Income tax expense	(3.4)	(3.6)	-5.6%
Net (loss) after tax	(6.0)	(98.0)	+93.9%

* no meaningful figure

SALES REVENUE BRIDGE

Full year to 30 June 2016



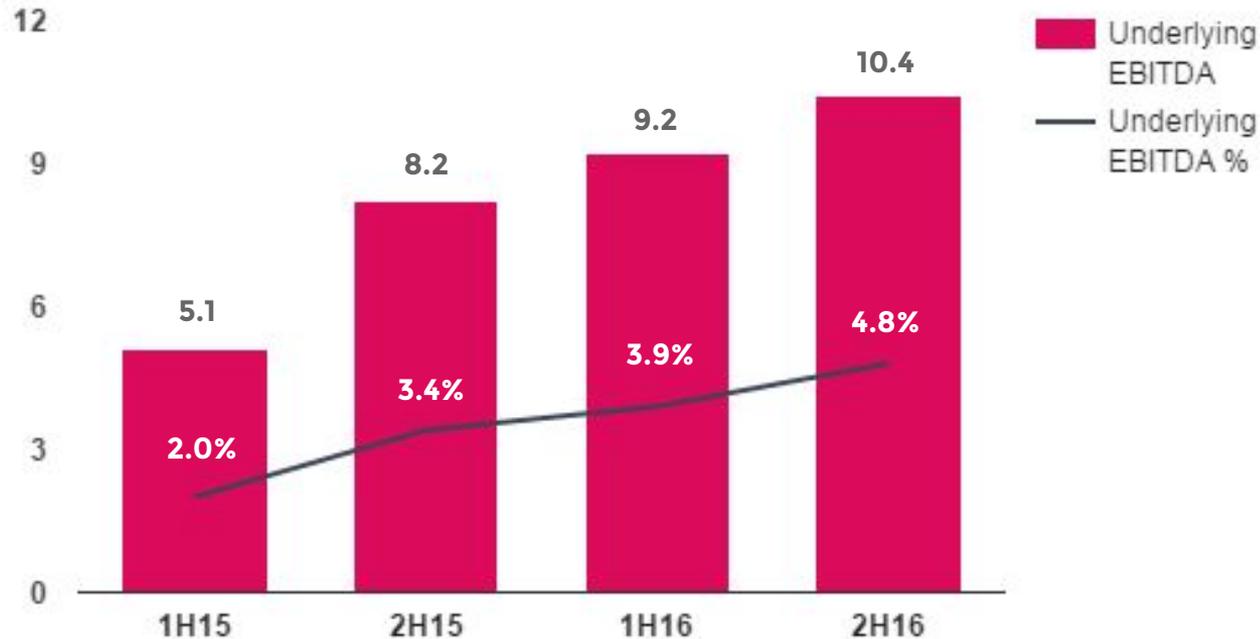
UNDERLYING EBITDA BRIDGE

Full year to 30 June 2016



UNDERLYING EBITDA TRAJECTORY

On track to grow again in F17



BALANCE SHEET

- Cash outflows include payment of deferred consideration, settlement of purchase commitment for Fuse and dividend to parties related to non-controlling interest.
- Trade receivables reduced in line with revenue and increased collections.
- Reduced spend on capital items.
- Borrowings increased by draw down of USD tranche to fund deferred consideration.

\$ million	30 Jun 16	30 Jun 15	Change A\$m
Cash and cash equivalents	42.9	48.6	(5.7)
Trade and other receivables	56.2	63.5	(7.3)
Fixed assets	13.4	19.9	(6.5)
Goodwill & intangibles	91.2	94.2	(3.0)
Other	23.2	21.7	1.5
Total assets	226.9	247.9	(21.0)
Current liabilities	91.8	106.7	(14.9)
Borrowings	28.3	25.5	2.8
Other non-current liabilities	8.9	9.6	(0.7)
Total liabilities	129.0	141.8	(12.8)
Equity	97.9	106.1	(8.2)

CASH FLOW SUMMARY

- Net cash position as at end of June 2016.
- Capex spend reduced.
- Dividend paid relates to MicroSourcing.
- Deferred consideration payment to MicroSourcing.
- Settlement of purchase commitment for Fuse.
- Gain from sale of shares in associate and small online learning business.

	\$ million
Net cash at 30 June 2015	23.1
Net operating cash inflow	5.4
Capex	(3.6)
Dividend paid to non-controlling interest	(3.2)
Deferred consideration	(4.2)
Purchase commitment	(3.4)
Sale of shares/learning business	0.9
Net financing costs (incl interest)	(0.2)
Net cash at 30 June 2016	14.6

SEGMENT INFORMATION

Full year to 30 June 2016

\$ million	2016	2015*	% change
Sales revenue:			
Media + Digital	254.9	293.3	-13.1%
Contact	194.9	202.9	-3.9%
Underlying EBITDA:			
Media + Digital	24.2	25.2	-4.0%
Contact	5.8	7.2	-19.4%

* Restated due to reclassification of revenue streams

Production volumes	2016	2015	% change
Catalogues	4.6bn	4.8bn	-4.5%
Contact centre seat utilisation (average)	68.9%	65.8%	+310bp
Email/SMS	336m	328m	+ 2.4%

CAPITAL MANAGEMENT

Funding MicroSourcing payments

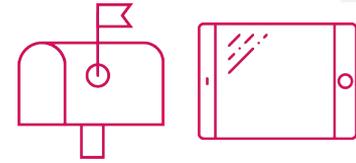
- As previously announced, Salmat acquired the remaining 50% of the MicroSourcing business on 10th August 2016 for US\$24.1 million. This consideration is being paid via a combination of cash and up to 30% shares, including some deferred payments.
- Currently considering alternatives to fund payments for MicroSourcing. Should any equity raising be pursued, Salmat intends that any such offer would be conducted on a pro rata basis.

OPERATIONS, TRANSFORMATION & GROWTH

Craig Dower, CEO

MEDIA + DIGITAL

Market-leading media and e-commerce capabilities



MEDIA

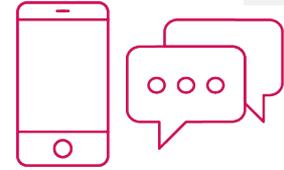
- Catalogue market remains strong (and competitive).
- Salmat has clear leadership in market share and delivery capability.
- Superior bundled offering combining physical and digital media.
- Actively targeting white space through agency capabilities.
- Upgraded Local Direct Network site to make it easier for SMEs to transact.
- FUSE portal for franchise clients.

DIGITAL

- Award-winning and market-leading Magento ecommerce capability targets mid-tier sweet spot.
- Ecommerce bundles seamlessly with email, search, competition offering.
- Clearly defined product and service suite with much improved systems, reporting and efficiency.
- Universal catalogue/Lasoo extends physical footprint

CONTACT

Onshore and offshore contact centres and managed services



CONTACT CENTRES

- FY16 focus on upgrading existing platform and improving client service standards.
- Planned transition to full cloud platform with significant technology, cost and service benefits.
- Australian key facility relocating to new custom fitout in Melbourne.
- Several new contracts already secured with further pipeline opportunities.
- Increased focus & momentum on Government agencies.

MICROSOURCING

- Outsourced, offshore managed service model.
- Positioned ideally for mid-tier.
- Fully acquired on 10 August 2016.
- Has been growing strongly year on year.
- Leading market position in the Philippines.
- Investing in sales capability in USA (strong presence already) and Australia.

FY17 GROWTH PRIORITIES

Sales focus geared to growing profitable revenue

- All major letterbox clients retained for next two-three years.
- Significant wins in Contact: two recent wins and strong pipeline for FY17.
- Growth continuing in Agency, Local Area Marketing, eCommerce, MicroSourcing.
- New sales leadership, focused territory and account plans and sales training in place.
- Assisted by marketing sales support focus.

OUTLOOK

Craig Dower, CEO

SUMMARY

On track for improved financial performance in FY17

- Transformation program is delivering great results. We are focussed on the right products and services; we have simplified the business; now it is time to grow.
- Cost base structurally and systemically reduced. Moving towards less capital intensive and more variable cost model through cloud adoption.
- Key agenda for FY17 is driving sales and growing profitable revenue.
- Expect to continue operating cash generation and return to sales growth in FY17.
- Expect continued EBITDA growth in FY17.

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.

**THANK YOU
+
QUESTIONS**