

19 December 2013

Salmat expands offshore capability with the acquisition of outsourced services provider MicroSourcing International

Salmat Limited (ASX:SLM) today announced that it has entered into an agreement with outsourced services provider MicroSourcing International (MicroSourcing) to acquire 50% of the shares in the business, with a performance-based option to acquire the remaining 50% by mid 2016.

The deal comprises two tranches, with an initial investment of US dollars \$7.75 million and an estimated total investment of US dollars \$31 million, dependent upon performance incentives. The deal is EPS accretive after the first full year.

MicroSourcing is a Philippines-based business that provides a range of offshore outsourced business solutions including contact centre services, back-office processes and digital creative and development services, which are provided via an innovative range of service delivery models.

“This acquisition complements our current growth strategy, enabling our Customer Engagement Solutions division to expand both capabilities and scale in the key growth market of the Philippines,” said Salmat’s Chairman and interim CEO, Mr Peter Mattick.

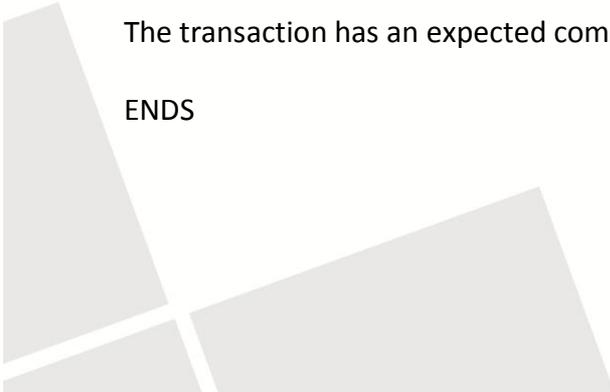
“We’ve experienced an increase in client demand for offshore services in recent years. This deal expands our footprint in the contact centre business with now more than 4,000 seats in offshore locations and also provides a valuable extension of our product offering into offshore digital and back-office services.

“The business has a unique service delivery model which is extremely attractive, with an established and stable client base in the USA and Australia, presenting the opportunity for Salmat to extend its other services into new geographic markets,” he said.

MicroSourcing current CEO and founder Philip Kooijman will stay on as CEO to lead the business, which will continue to operate under its current branding and model.

The transaction has an expected completion date of 31 January 2014.

ENDS

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ABOUT SALMAT

Salmat is focussed on driving Return on Communication for our clients through applicable and effective media channels and on delivering outcomes that improve marketing effectiveness, are highly measurable, engaging and build loyalty and lasting relationships with consumers.

Market Leaders

Salmat has two market leading divisions:

Consumer Marketing Solutions (CMS) division consists of the Salmat Digital, Targeted Media Solutions and Lasoo businesses. CMS delivers relevant, targeted and integrated communications across all digital and traditional channels. Salmat's solutions enable clients to interact and engage with their customers through interactive email, online content management, search optimisation, data insights and analytics, loyalty management, e-commerce, SMS, letterbox advertising and catalogue distribution, as well as Influence, omnichannel marketing solution, and Australia's premier online pre-shopping site, Lasoo.com.

Customer Engagement Solutions (CES) helps Australia and New Zealand's most trusted brands generate revenue, exit cost, and improve their customer experience. Salmat designs and delivers multi-channel contact centre services and technology solutions, field sales services and learning and development solutions. Salmat CES specialises in maximising customer lifetime value using inbound and outbound voice, email, web chat, social media, mobile, SMS and field sales. Salmat provides sophisticated speech technology and automation solutions including natural language speech recognition, voice biometrics and Reach, enterprise class contact centre technology solutions hosted in the cloud.

Salmat is focussed on the growth and sustainability of our clients by designing and delivering highly engaging relationships with their customers.

For more information on Salmat go to www.salmat.com

ABOUT MICROSOURCING

MicroSourcing enables foreign companies to operate in the Philippines in an easy and effective way. The business offers a number of service delivery models which focus on giving its clients more transparency and direct control over their offshore operations including low risk ways of incubating and growing out their Philippine operations. It provides these services over a wide range of disciplines including:

Creative & IT Development: creative services, web and software development, online marketing, content development and online media management.

Knowledge Services: healthcare information management, technical support, finance and accounting, human resources, industrial design and engineering.

Business Support Services: call centre services, administrative support, research and data processing

MicroSourcing has over two thousand people working in the Philippine operations of more than one hundred and thirty clients from all over the world. These clients leverage MicroSourcing's capabilities in the Philippine to grow their business in the most cost effective and flexible way.

For more information on MicroSourcing go to www.microsourcing.com

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