

**Data#3 (DTL)**  
**1H 2011 results**  
**presentation**

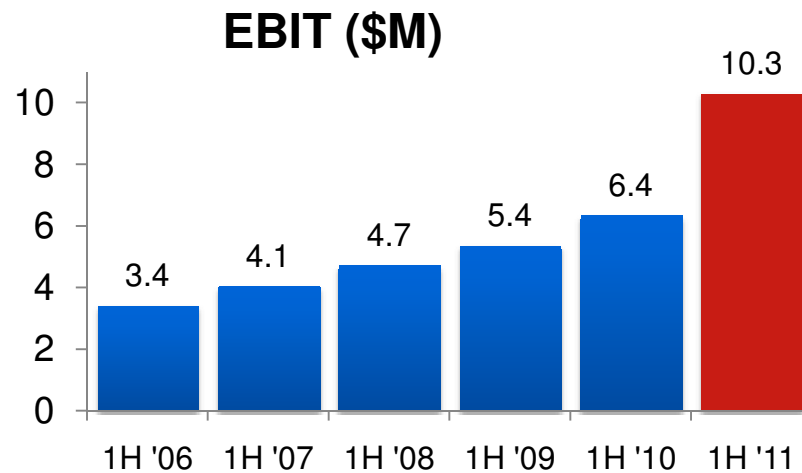
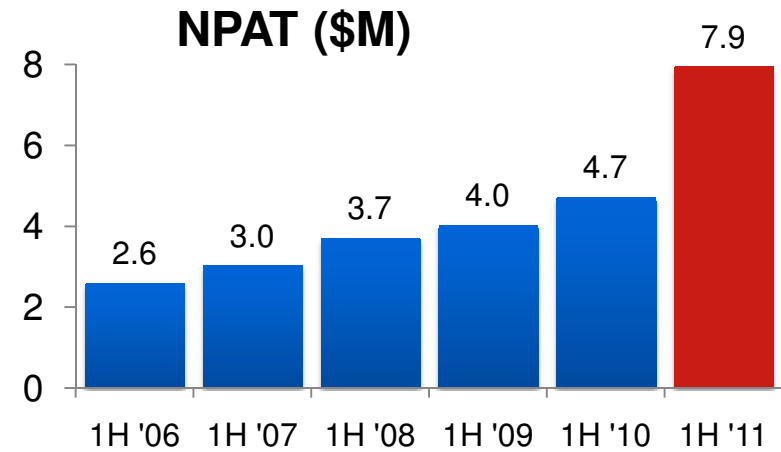
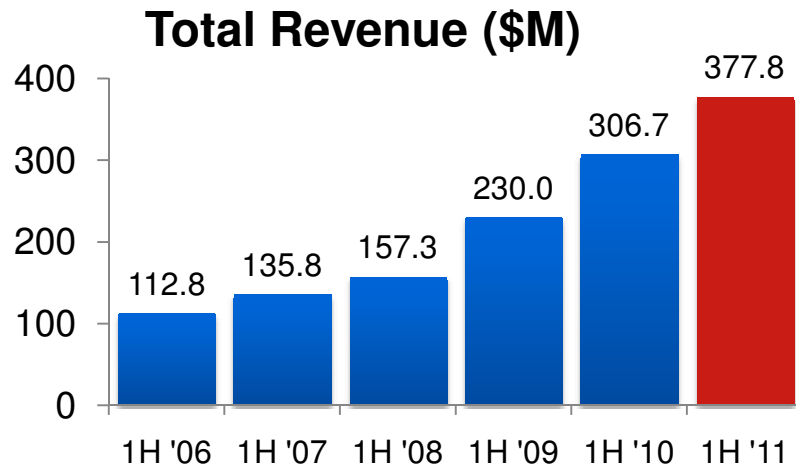
March 2011



# Highlights

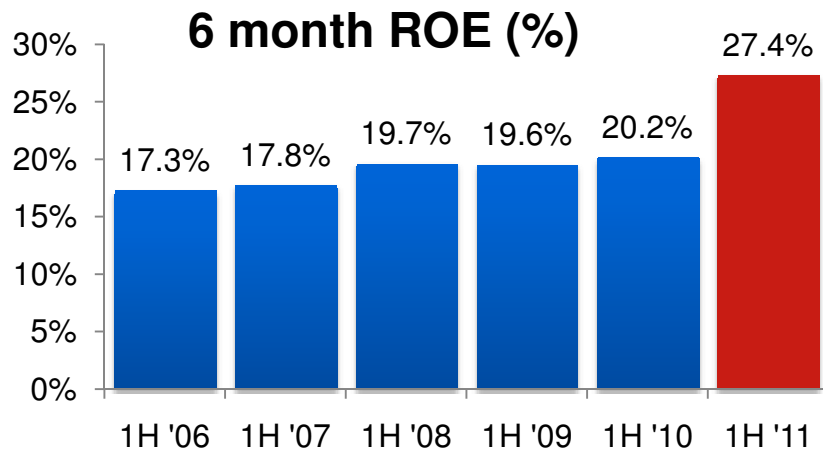
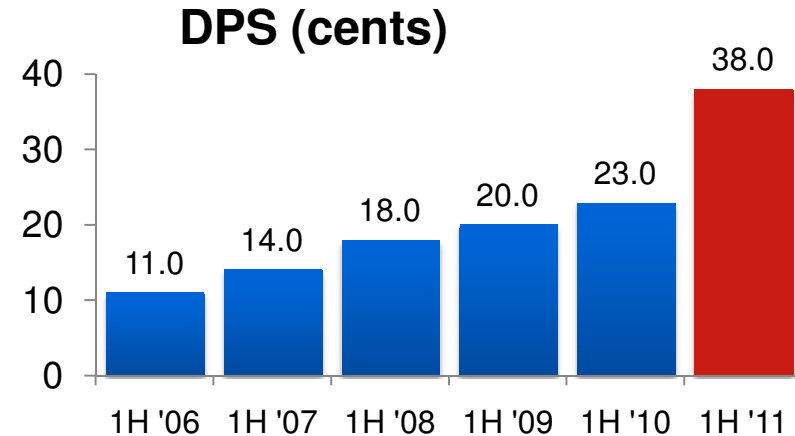
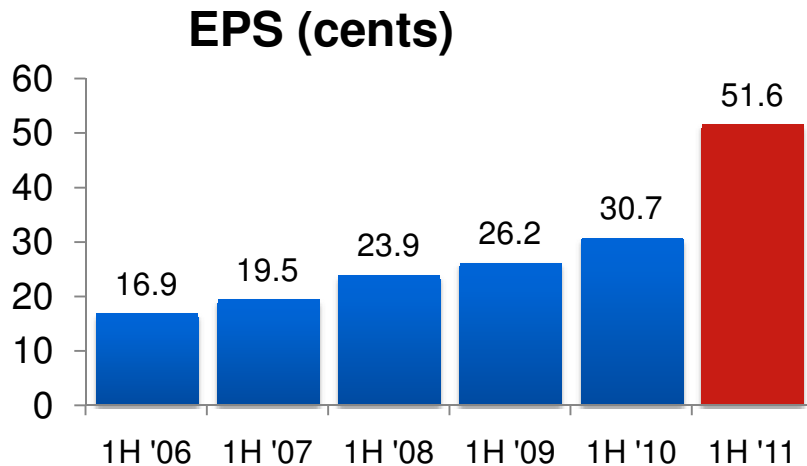
- Total revenue \$378M +23%
  - Product revenue \$325M +22%
  - Services revenue \$52M +31%
  - 61% under contract
- Sales margin 14.6% up from 14.2%
- EBIT \$10.3M +62%
  - EBIT margin 2.7% up from 2.1%
- Net profit before tax \$11.7M +71%
  - Earnings per share 51.6 cents +68%
- Dividends per share 38 cents +65%

# Growing revenue and profit



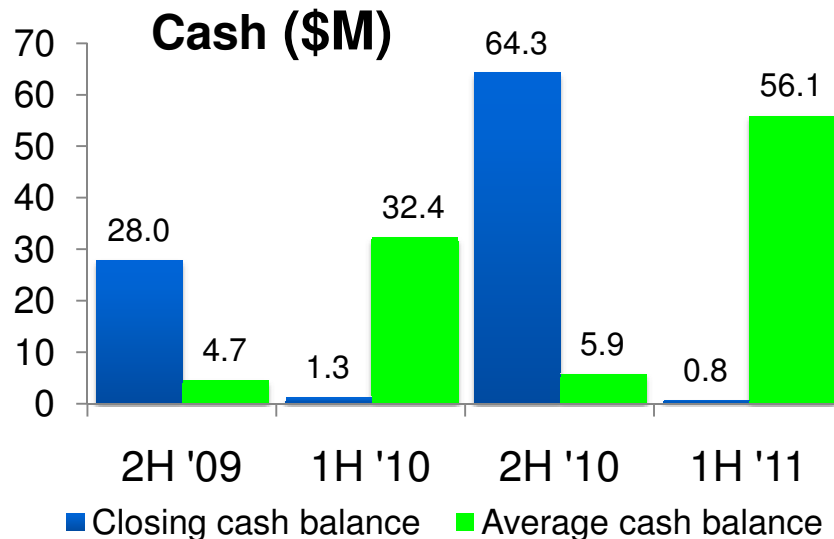
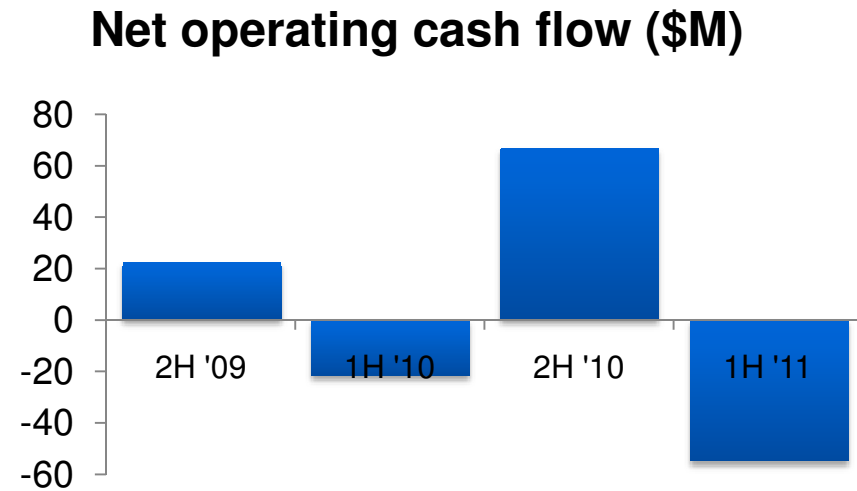
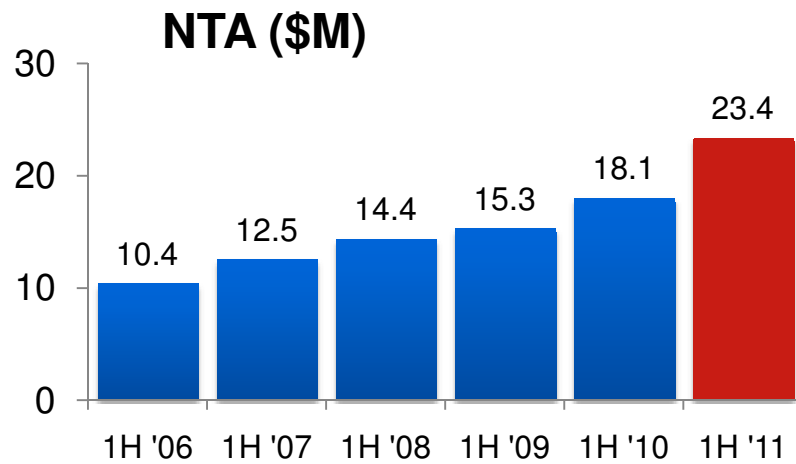
- Market share gains
- Services @ higher margins
- Productivity gains

# Growing shareholder returns

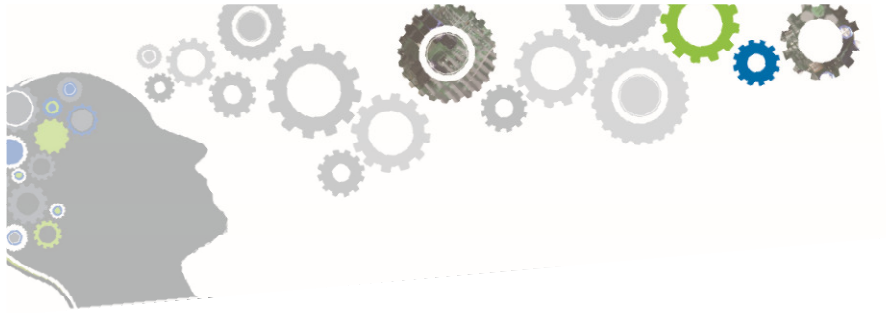


- Driven by organic growth
- Very high ROE (6 month returns shown on graph)
- 74% dividend payout

# Strong b/sheet and cash flows



- Continued growth in net tangible assets
- Cash flow seasonality
- Strong balance sheet with no debt

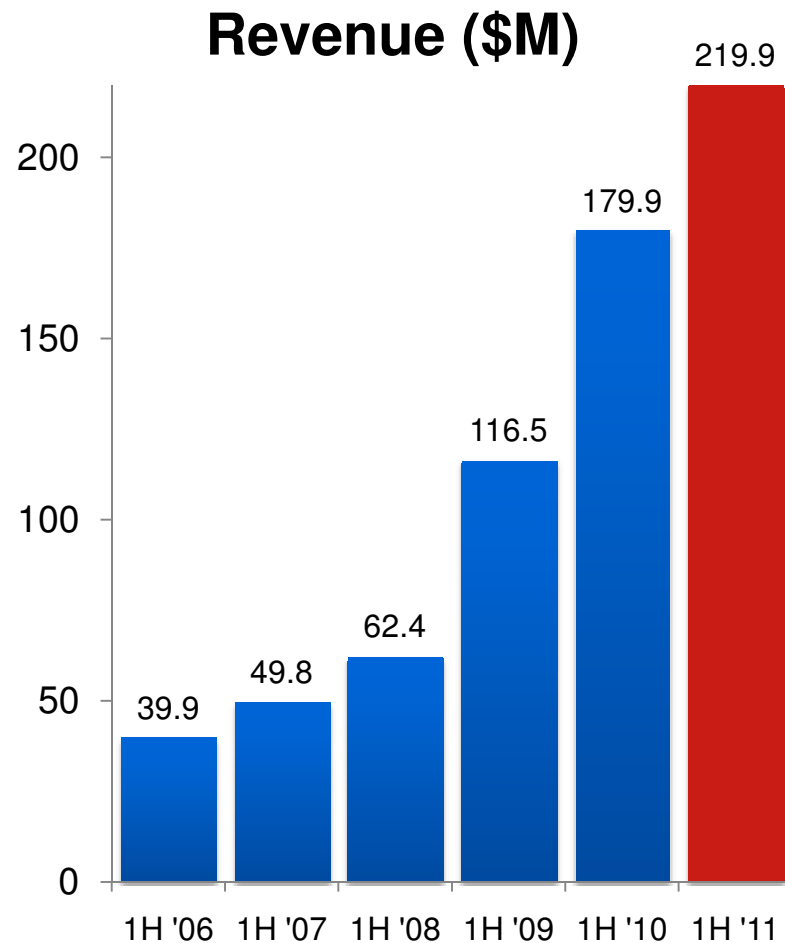


# Performance of the areas of specialisation

# What we do



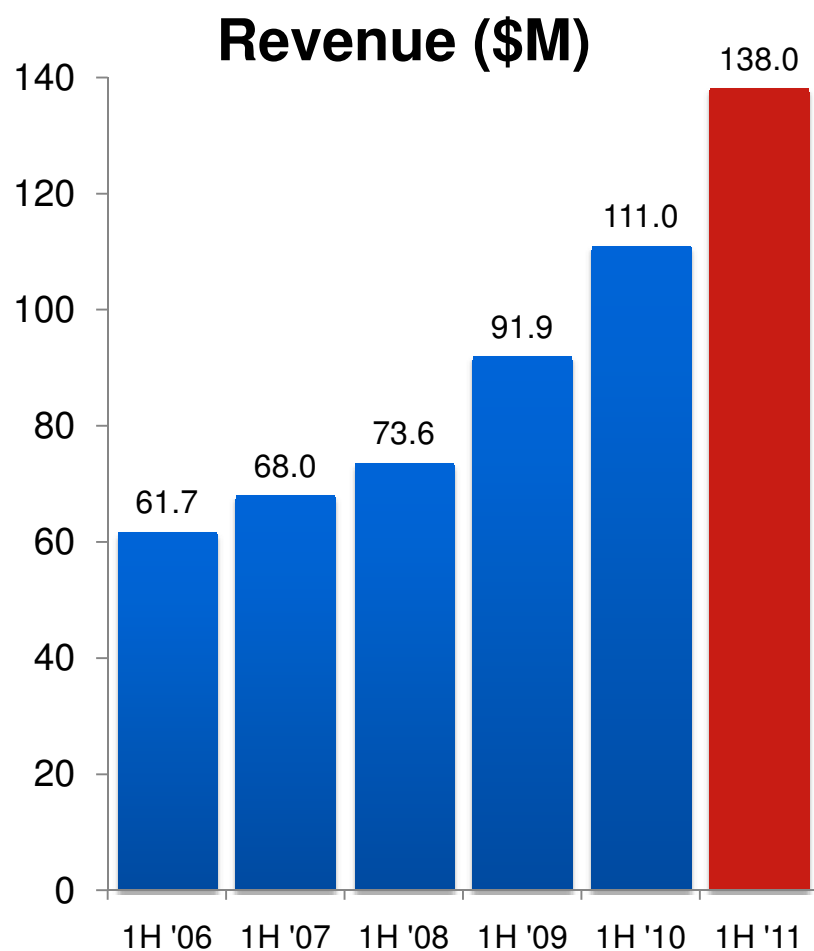
# Software Licensing more growth



- Total revenue \$219.9M +22%
- 16<sup>th</sup> year of consecutive growth
- Appointed to Microsoft worldwide partner engagement board
- First sales of Microsoft's 'cloud-based' desktop software
- First customers for new worker productivity practice

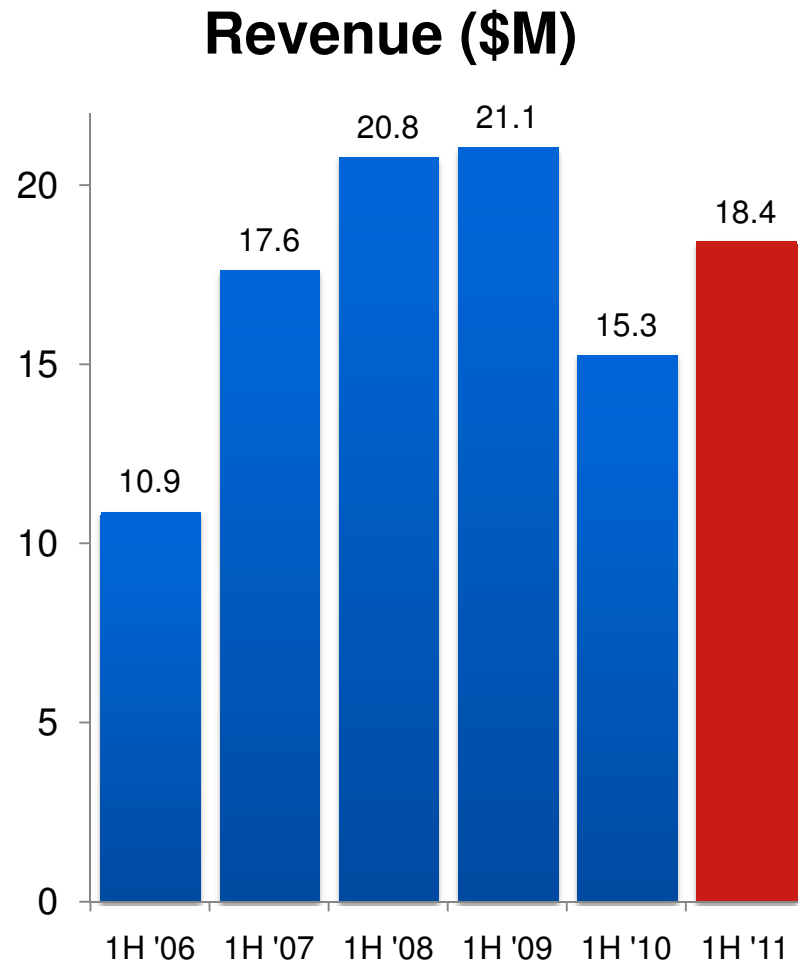


# Infrastructure Solutions strong growth



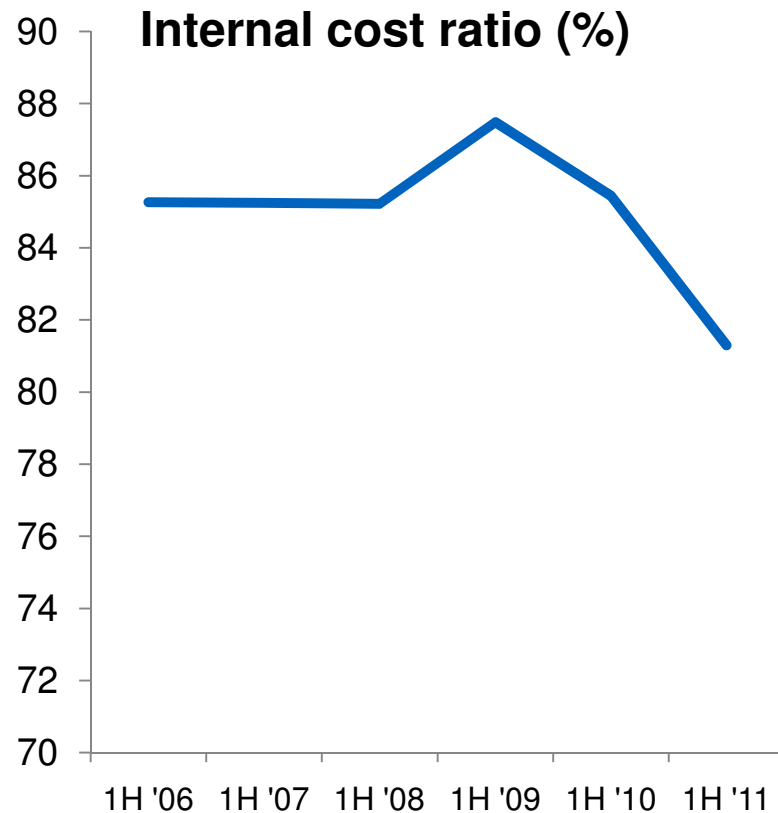
- Total revenue \$138.0M +24%
  - Product \$105.5M +21%
  - Project services \$16.6M +58%
  - Managed services \$16.0M +21%
- New govt panel contracts in Qld, ACT & Vic
- New integration centre in NSW

# People Solutions returns to growth



- Total revenue \$18.4M +21%
- Contractor numbers up 33%
- New national sales leadership in place
- New operational systems
- Lower operating costs

# Continued **reinvestment** to drive productivity and efficiency



- Internal systems investment +9% over previous corresponding period
- Staffing investment +18%
- Internal staff costs & operating expenses as % of gross margin down from 85.4% to 81.3%



# Market overview

# Market opportunity

Australian market is large  
\$30.3B in 2010

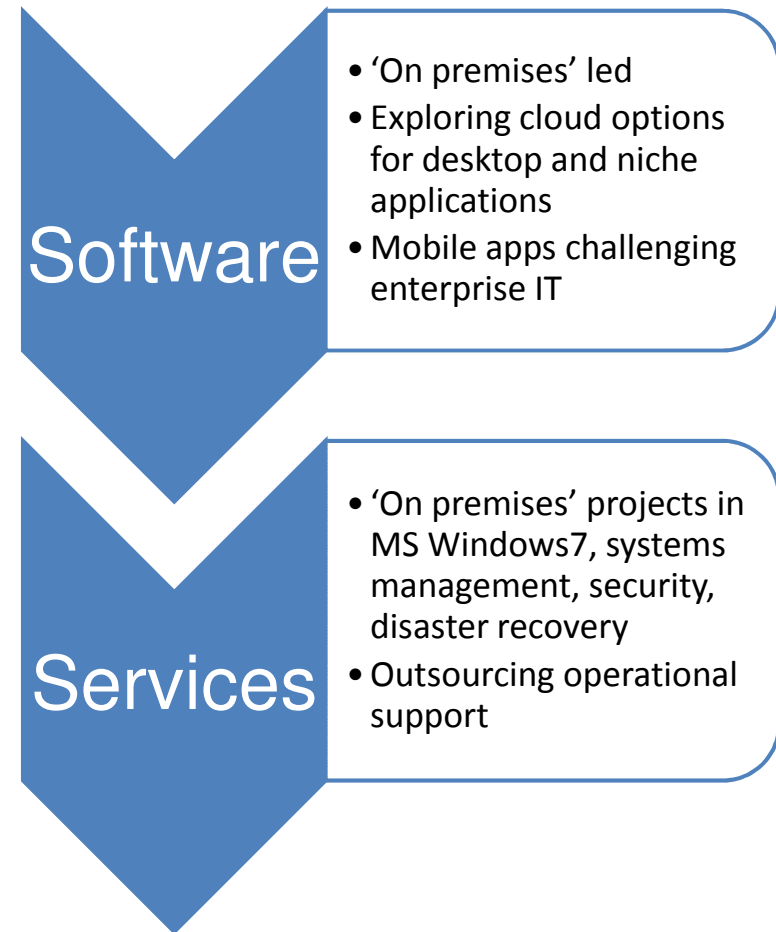
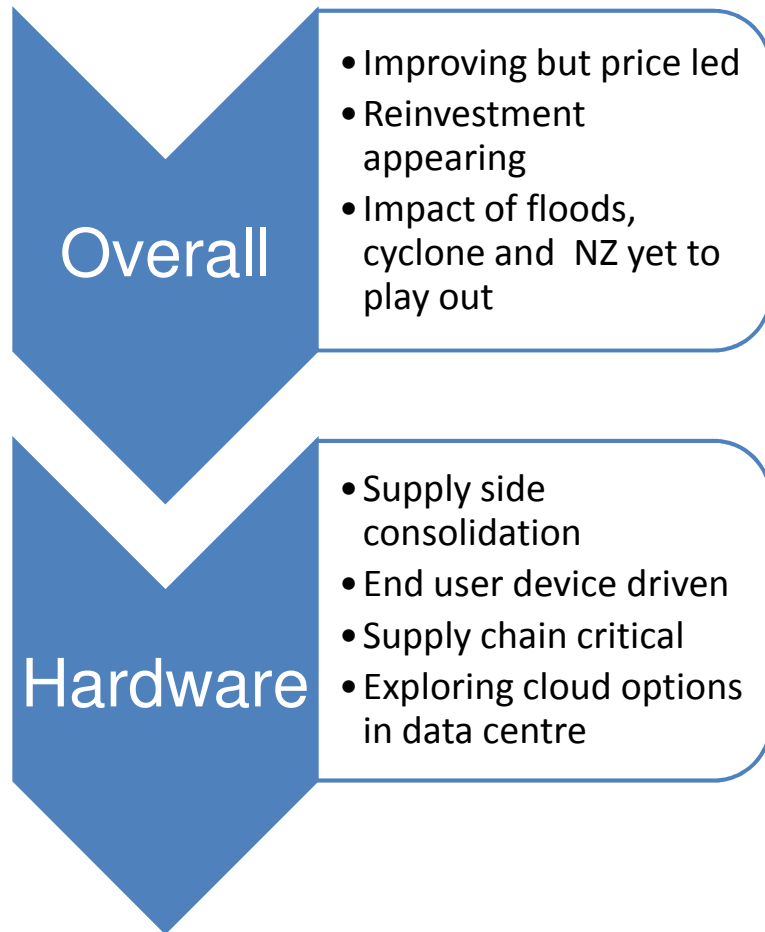
	2010 \$B	2011 \$B	2012 \$B	CAGR 2010- 2013
Hardware	10.1	10.2	10.6	2.2%
Software	14.0	14.6	15.1	3.9%
Services	6.2	6.7	7.2	8.1%
Total IT	30.3	31.5	32.9	4.2%
<b>Growth</b>		<b>3.9%</b>	<b>4.4%</b>	

Our share is small  
2% in 2010

	2010 \$B	DTL revenue \$M	DTL % market
Hardware	10.1	194	1.9%
Software	14.0	320	2.3%
Services	6.2	85	1.3%
Total IT	30.3	599	2.0%

→ Significant opportunity for continued organic growth

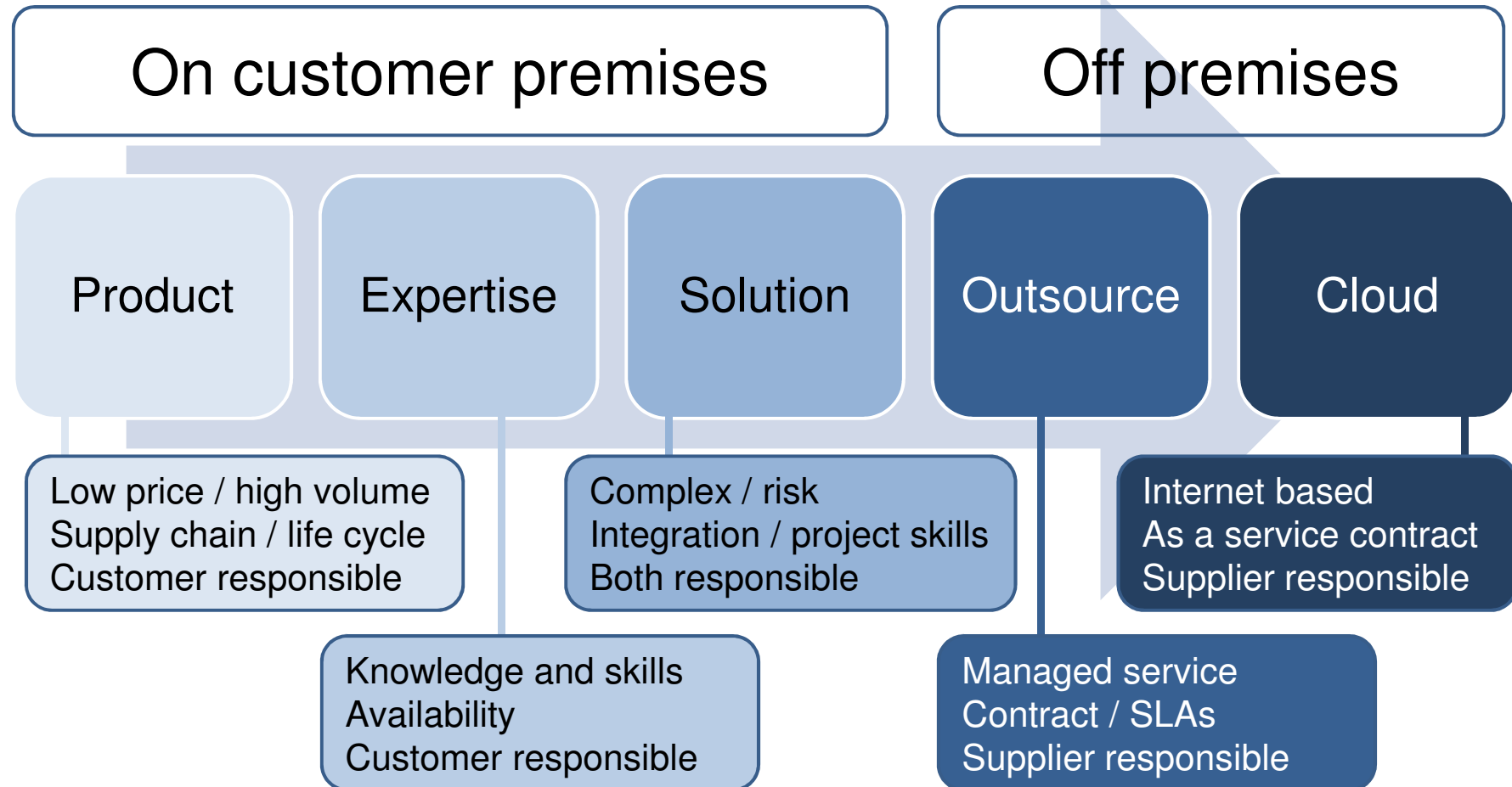
# Market sector characteristics



→ Deep portfolio with broad access to market

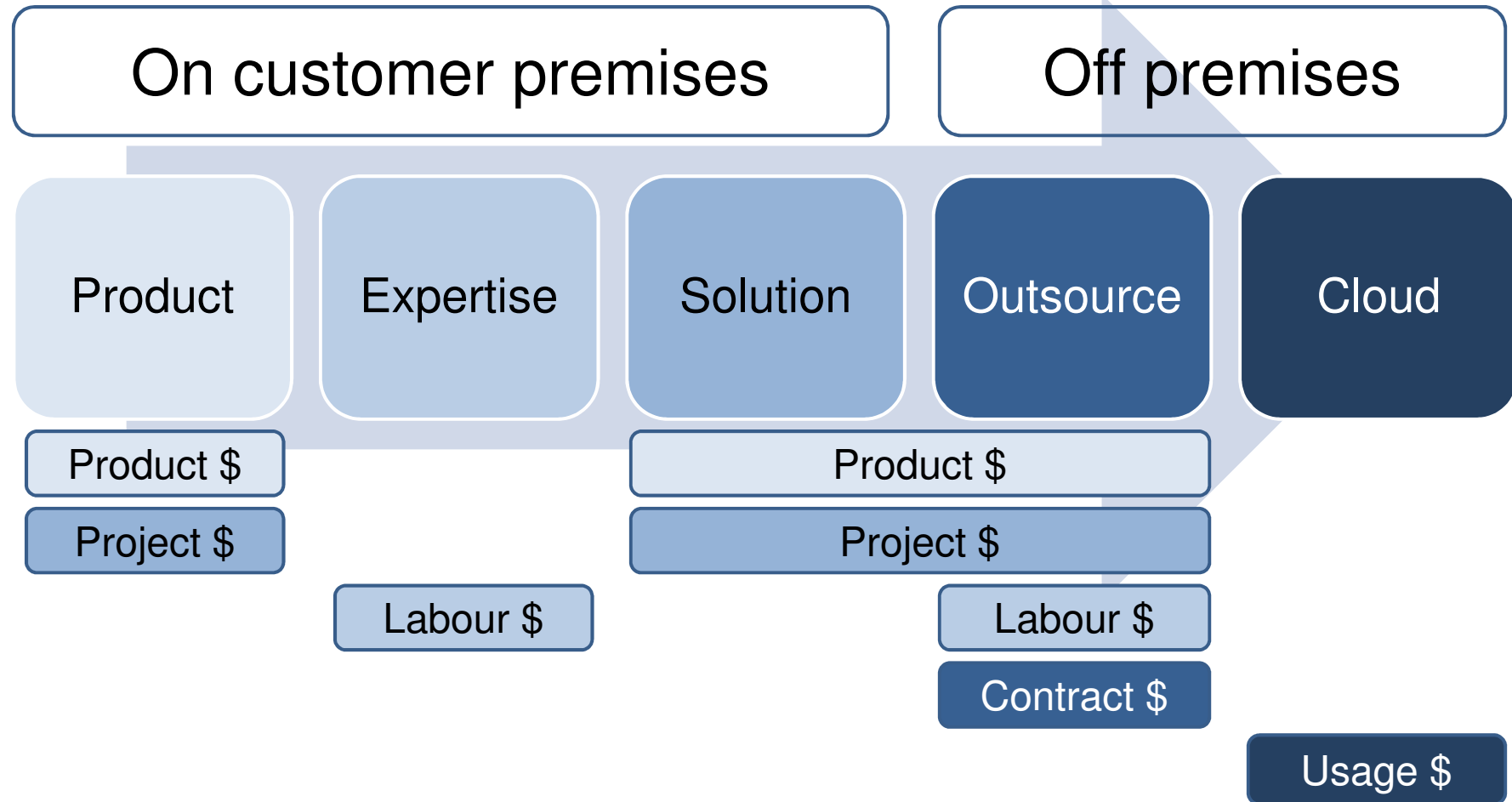


# Technology consumption model



→ Data#3 can engage across all models

# Supplier revenue model

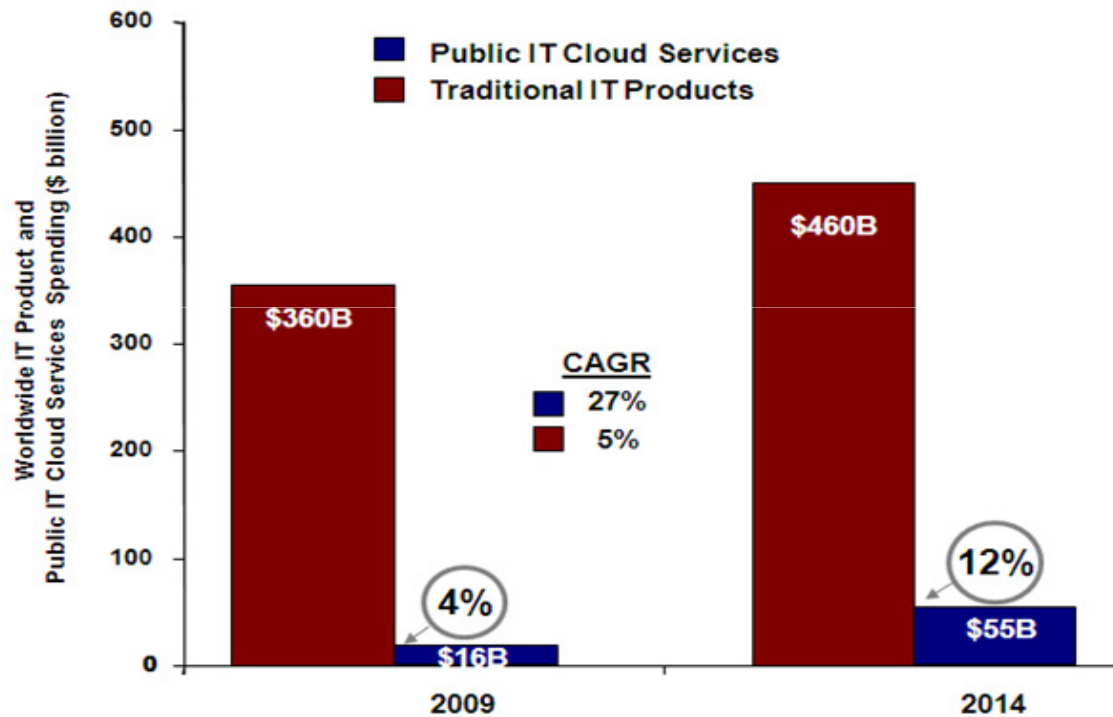


→ Data#3 revenue mix will change over time



# Cloud in perspective

Worldwide IT Spending\* by Consumption Model  
2009, 2014 (\$B)



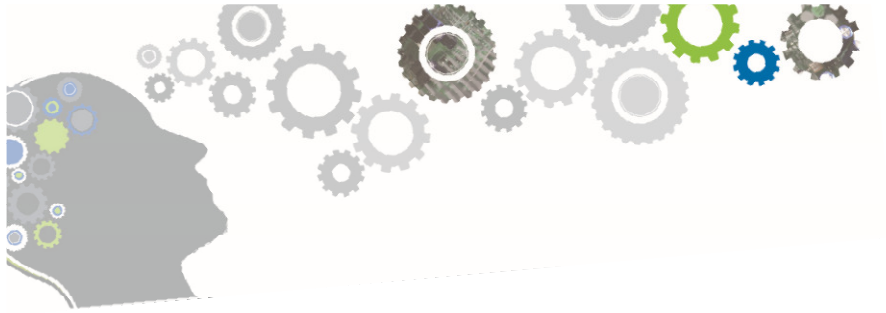
Source: IDC, June 2010

\* Includes spending on Applications, Application Development & Deployment Software, Systems Infrastructure Software, Server capacity and Storage capacity via both traditional product model and the public Cloud Services model.

→ 'traditional' product consumption remains the norm

# Cloud in perspective

- Current status
  - Still early stage / niche adoption
  - Lots of 'hype'
  - Significant global investment
  - Appearing in tender requirements
  - Significant long term potential
- Our positioning
  - We are providing cloud solutions today
  - We are extending our offerings to include cloud



# 2H outlook

# 2H outlook

## Software Licensing

- Modest increase in profit over 2H 2010
- New telesales team focused on mid-market < 2000 seats
- Supply chain gains through supplier automation
- Investment in new online customer portal in 2011/12
- Enhance profile in software licensing as a service

## Infrastructure Solutions

- Solid increase in profit over 2H 2010
- New telesales team focused on mid-market < 500 seats
- Supply chain gains through supplier automation
- Investment in new online customer portal in 2011/12
- Decisions on cloud offerings
- Consulting practice commences

# 2H outlook

## People Solutions

- Improving market
- Strong increase in profit over 2H 2010

## Internal investment

- Internal systems investment +45% over 2H 2010
- Staffing investment +21%
- Property and equipment +48%

## Summary

- 2H 2011 earnings expected to at least equal 2H 2010

## 2H outlook

*.....the company's financial objective for the second half is to at least equal the performance of the previous second half. This would mean solid underlying growth given some shift in revenue and interest income to the first half and increases in internal investment in the second half, particularly in new premises and systems*

# Summary

- Operating in attractive markets
- Significant potential for attractive organic growth given market size and market share
- Delivering growing earnings
- Increasing dividend
- Well positioned to continue growing shareholder value

## Appendix – Financial summary

	1H 2011 (\$'000)	1H 2010 (\$'000)	% Change
Revenue by segment:			
Product	\$324,762	\$266,753	+22%
Services	\$51,644	\$39,416	+31%
Other revenue	\$1,361	\$500	
Total Revenue	\$377,767	\$306,669	+23%
Revenue by area of specialisation:			
Software Licensing	\$219,925	\$179,859	+22%
Infrastructure Solutions	\$138,046	\$111,028	+24%
People Solutions	\$18,435	\$15,282	+21%
Total gross margin \$	\$54,859	\$43,413	+26%
Total gross margin %	14.6%	14.2%	
EBITDA	\$10,668	\$6,803	+57%
EBIT	\$10,323	\$6,358	+62%
EBIT margin %	2.7%	2.1%	
NPBT	\$11,664	\$6,822	+71%
NPAT	\$7,940	\$4,726	+68%
Earnings per share	51.6 cents	30.7 cents	+68%
Dividend per share	38.0 cents	23.0 cents	+65%



# Disclaimer

*This presentation has been prepared by Data#3 Limited (“the Company”). It contains general background information about the Company’s activities current as at the date of the presentation. It is information given in summary form and does not purport to be complete. The distribution of this presentation in jurisdictions outside Australia may be restricted by law and you should observe any such restrictions.*

*This presentation is not (and nothing in it should be construed as) an offer, invitation, solicitation or recommendation with respect to the subscription for, purchase or sale of any security in any jurisdiction, and neither this document nor anything in it shall form the basis of any contract or commitment. The presentation is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with or without professional advice, when deciding if an investment is appropriate.*

*The Company has prepared this presentation based on information available to it, including information derived from publicly available sources that have not been independently verified. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness, correctness or reliability of the information, opinions and conclusions expressed.*

*Any statements or assumptions in this presentation as to future matters may prove to be incorrect and differences may be material. To the maximum extent permitted by law, none of the Company, its directors, employees or agents, nor any other person accepts any liability, including, without limitation, any liability arising from fault or negligence on the part of any of them or any other person, for any loss arising from the use of this presentation or its contents or otherwise arising in connection with it.*

# Data#3

