

Data#3 continues to generate record profits and pay record dividends

BRISBANE, Monday 22 August 2011: Data#3 Limited [ASX: DTL], a national information and communications technology (ICT) company, today announced another best ever result with a record net profit after tax of \$15.0 million for the year ended 30 June 2011 (FY11), a 37% increase over FY10.

Reflecting the company's very strong earnings and attractive growth opportunities, Data#3's directors declared a final fully franked dividend of 39 cents per share, bringing total dividends for FY11 to 77 cents per share fully franked, another record result and an increase of 37.5% over FY10. The final dividend will be paid on 30 September 2011.

FY11 highlights

- Revenue up 16.5% to \$697.8 million – with growth in all geographic regions and across all areas of specialisation
- EBITDA up 30.4% to \$21.2 million
- EBIT up 34.5% to \$20.5 million
- NPAT up 37.4% to \$15.0 million
- Earnings per share up 37.4% to 91.4 cents
- Return on equity up from 41.8% to 49.7%
- Full year fully franked dividend up 37.5% to 77 cents per share
- Strong financial position and no material debt
- Continued investment in new internal systems and premises to provide a platform for future efficiency and productivity gains.

Data#3's Chairman, Richard Anderson, said that the continued record results achieved in FY11 reflected management's success in executing the company's growth strategy.

"Our product and service offerings have continued to position us competitively to win business in a continuing difficult market. In addition, our ongoing investment in new internal systems has led to improvements in operational efficiency that was one of the drivers for margin growth in FY11.

"We are delighted to once again report strong growth in Data#3's earnings and dividends. This growth, combined with a 65% gain in the company's share price over the year, has delivered another excellent result for our shareholders," he said.

Operational performance

Commenting on Data#3's results, Managing Director John Grant said that the record results achieved in FY11 were a direct result of the company's focused execution of its strategy.

"We have successfully built a national footprint, developed market leading solutions through partnerships with leading global IT providers, ensured high levels of customer service, and importantly, developed growing numbers of highly engaged people in Data#3's teams.

"In an environment where business confidence saw some improvement but trading conditions were still difficult, our strategy has ensured Data#3 was able to achieve another record set of results, its seventh straight year, with growth across all our geographic regions and in all our areas of specialisation," said Mr Grant.

Hardware and software product revenues grew by 14% to \$586.4 million on the back of a number of significant software and hardware supply agreements signed with customers new to Data#3.

Services revenue continued to grow strongly, up 29% to \$109.8 million, as customers invested to drive business transformation and productivity, and improve IT operational performance.

In terms of Data#3's growth in its areas of specialisation:

- Software Licensing achieved its sixteenth year of consecutive growth, with revenue up 12% to \$356.7 million. In addition, FY11 saw Data#3 represented on Microsoft's worldwide partner engagement board, achieve its first sales of Microsoft's public cloud-delivered Office 365 and BPOS, and obtain the first customers for its new worker productivity practice
- Infrastructure Solutions continued to grow strongly, with revenue up 21% to \$301.1 million with growth across all areas - product procurement, integration and managed services
- People Solutions returned to growth, with revenue up 25% to \$38.3 million with contractor numbers up 27% to 350 and a new national leadership team in place.

Commenting on the outlook for Data#3, Mr Grant said "While 2011 saw some improvement in business confidence, its sustainability is dependent on stabilisation of the current uncertain global economic conditions and continued investment by business and government to transform their business models and increase productivity. Our sector saw further fallout and consolidation of competitors and once again we were able to move quickly to take advantage of the openings that resulted.

"Over FY12 we will be making a number of investments in new premises and systems, returns from which will flow into future years. We are well placed to continue growing revenues and earnings as we extend our offerings for customers into the cloud, build out new consulting offerings, and further automate business processes to increase efficiency and enhance customer service.

"With our national footprint and the broad appeal of our offerings, we are targeting to once again deliver growth ahead of the market in all areas of the business in FY12. In addition we will remain watchful for partnering and acquisition opportunities mindful of the cultural and financial issues that accompany them. Our overall financial objective is to improve on the performance of FY11."

	FY11 \$'000	FY10 \$'000	% Change
Revenue by segment:			
Product	586,354	513,585	+14%
Services	109,804	85,015	+29%
Other revenue	1,630	615	
Total Revenue	697,788	599,215	+16%
Revenue by area of specialisation:			
Software Licensing	356,709	319,649	+12%
Infrastructure Solutions	301,110	248,299	+21%
People Solutions	38,339	30,652	+25%
Total gross margin	111,745	90,045	+24%
EBITDA	21,189	16,262	+30%
EBIT	20,514	15,247	+34%
EBIT margin %	2.9%	2.5%	
NPBT	21,827	15,793	+38%
NPAT	14,999	10,914	+37%

	FY11	FY10	% Change
Earnings per share	91.4 cents	70.9 cents	+37%
Dividend per share	77.0 cents	56.0 cents	+37%
Return on equity %	49.7%	41.8%	

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Data#3 Email Alerts facility

You can now stay up to date with Data#3's business activities by registering to receive Email Alerts. This facility will automatically notify you via email each time Data#3 releases company news and information. To join Email Alerts, simply fill in your details in the Investor section on Data#3's website (<http://www.data3.com.au>) and select which information you would like to receive.

About Data#3

Data#3 Limited [ASX: DTL] is a national Information and Communication Technology (ICT) solutions company.

The following areas of specialisation deliver a wide range of solutions to Data#3's customers across a range of service delivery models from procurement to cloud:

- Software licensing and software asset management solutions to optimise and manage the acquisition of software licensed in volume from global manufacturers
- Integrated solutions to design and deploy hardware and software infrastructure integrating the desktop, network and data centre
- Product solutions for procuring, configuring and rolling-out technology cost effectively
- Managed services to provide outsourced solutions for infrastructure operations, support and maintenance
- People solutions to provide contract and permanent recruitment and human capital performance management.

Data#3's customers cover a wide range of industries including banking and finance, mining, tourism and leisure, legal, healthcare, manufacturing, distribution, government and utilities located throughout Australia and Asia Pacific.

Data#3 reported revenues of \$698 million in FY11, and has approximately 640 employees and 350 contractors. The company is headquartered in Brisbane, and has offices located in Sydney, Melbourne, Canberra, Adelaide and Perth.

More information about Data#3 and its solution offerings is available at <http://www.data3.com.au>