

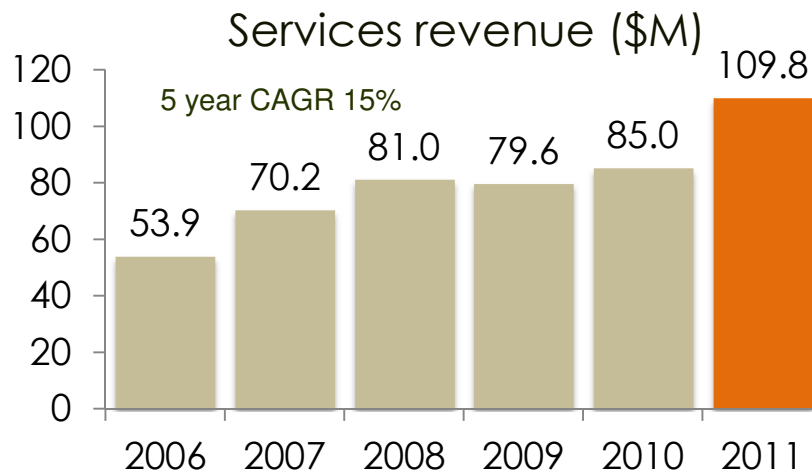
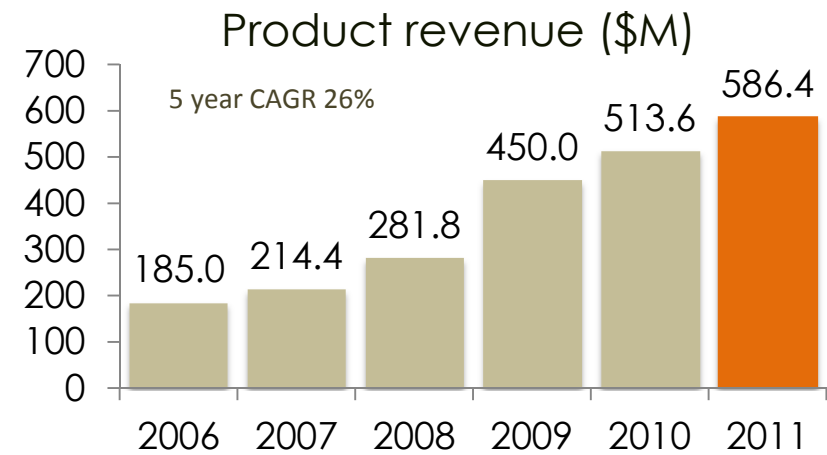
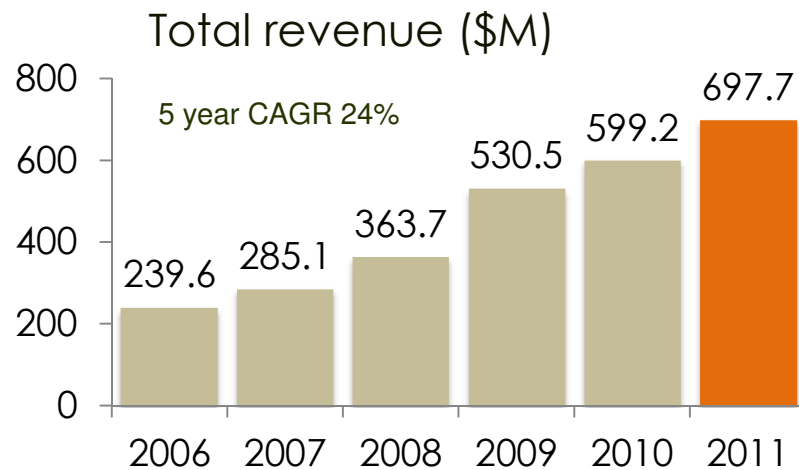
Data#3 (DTL)
2011 results presentation

22 August 2011

Best ever performance across all key metrics

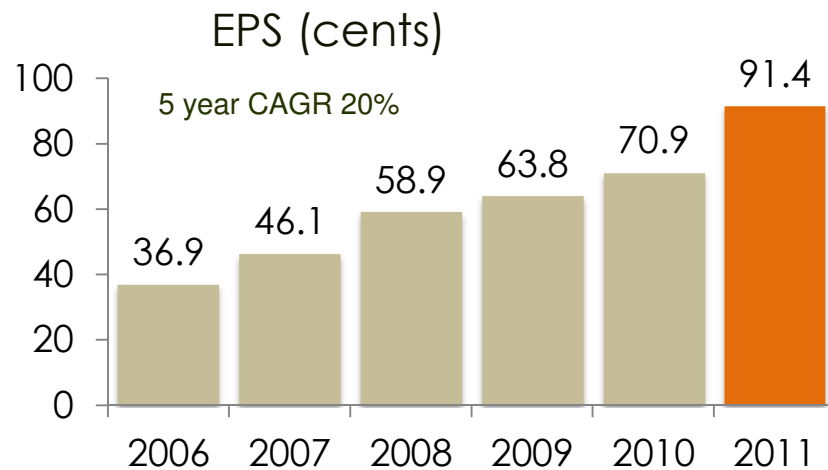
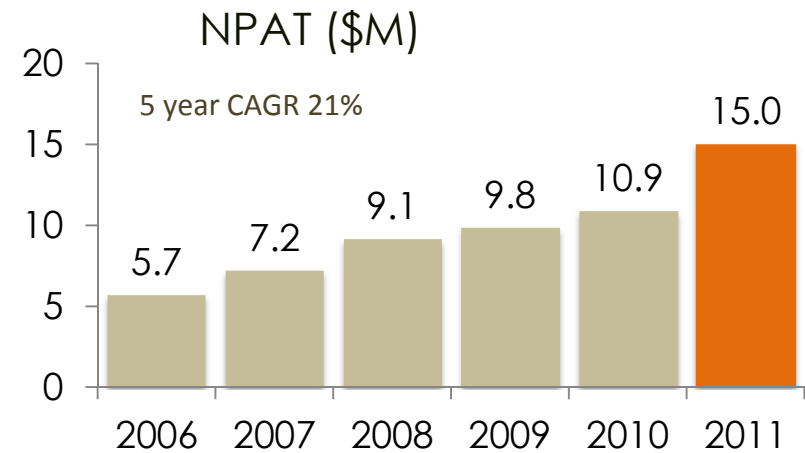
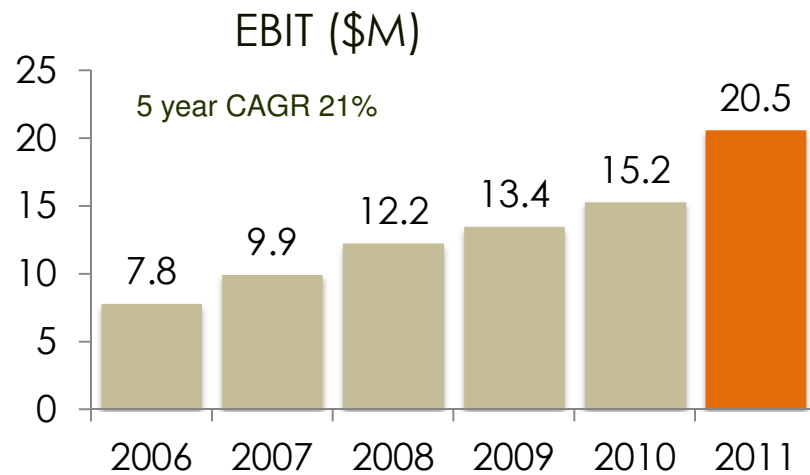
- Total revenue up 16% to \$697.8M
 - Product revenue up 14% to \$586.4M
 - Services revenue up 29% to \$109.8M
 - 59% under contract
- Sales gross margin up from 15.0% to 16.1%
- EBIT growth faster than revenue, up 34% to \$20.5M
 - EBIT margin up from 2.5% to 2.9%
- Net profit before tax up 38% to \$21.8M
 - Earnings per share up 37% to 91.4 cents
- Strong balance sheet with no material debt
- Return on equity up from 41.8% to 49.7%
- Total dividend up 38% to 77 cents, fully franked

Track record of growing revenue & market share



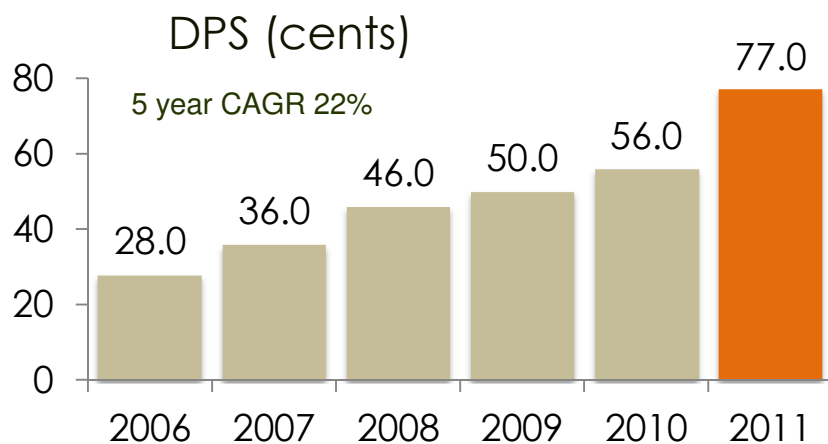
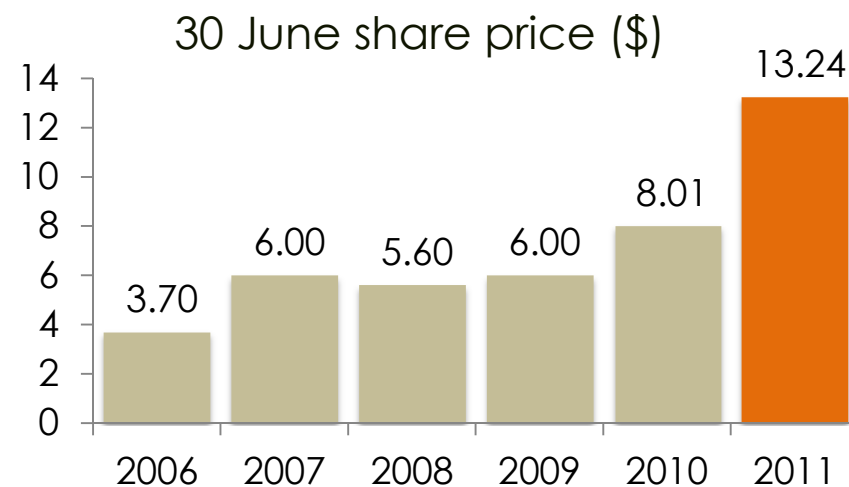
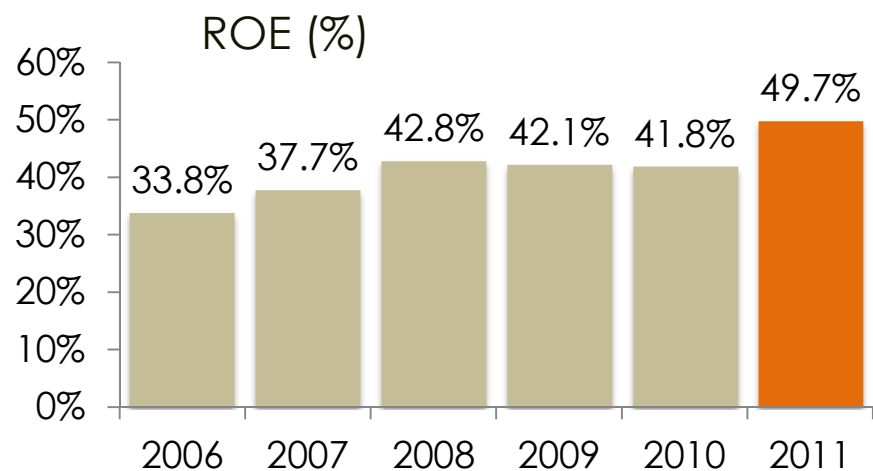
- IT market growth of 4%
- Data#3 growth of 16%
- Attractive IT services market

Track record of growing profit & earnings



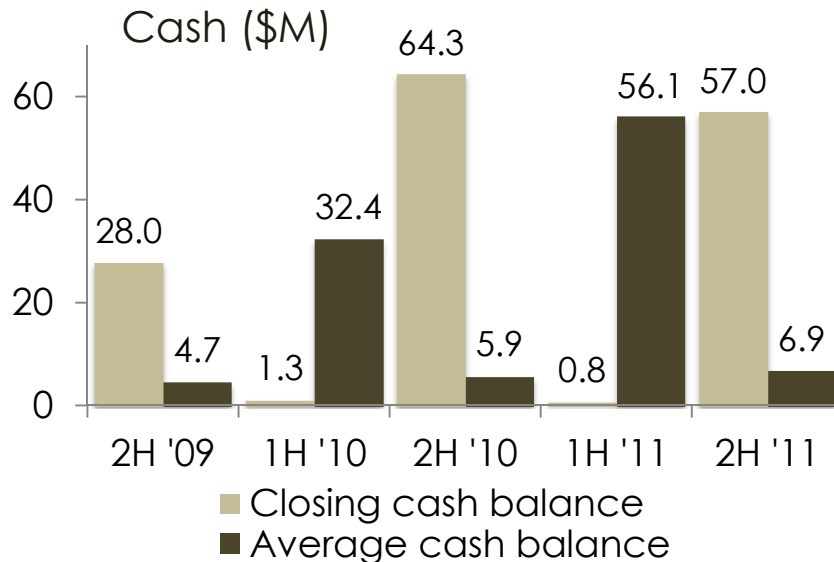
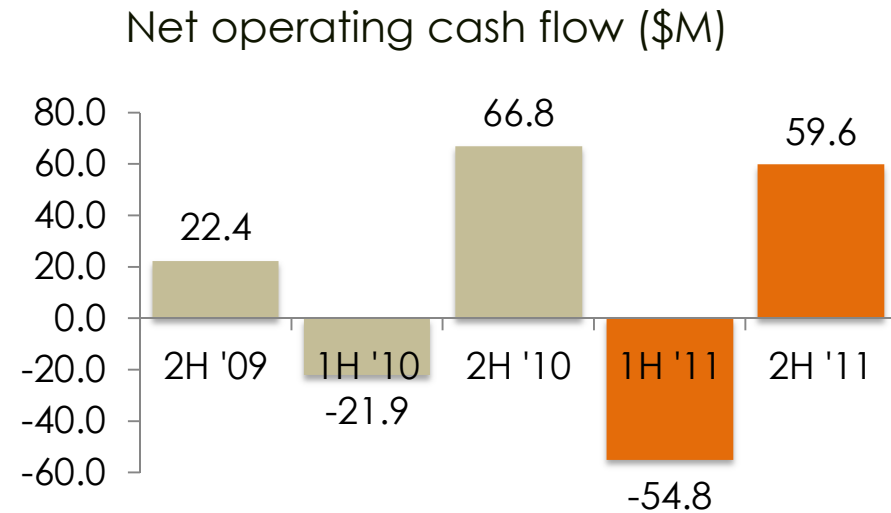
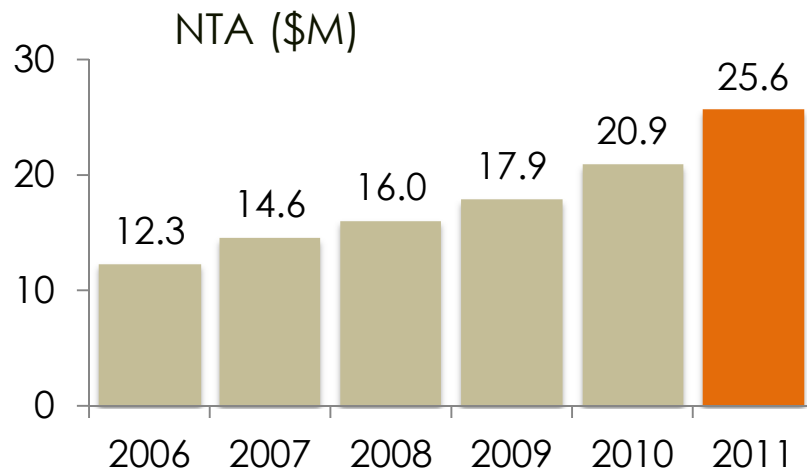
- Services @ higher margins
- Productivity/efficiency gains from leveraged cost structure

Track record of growing shareholder returns



- Sector leading ROE
- Dividend reflects strong earnings and growth opportunities
- 79% payout ratio

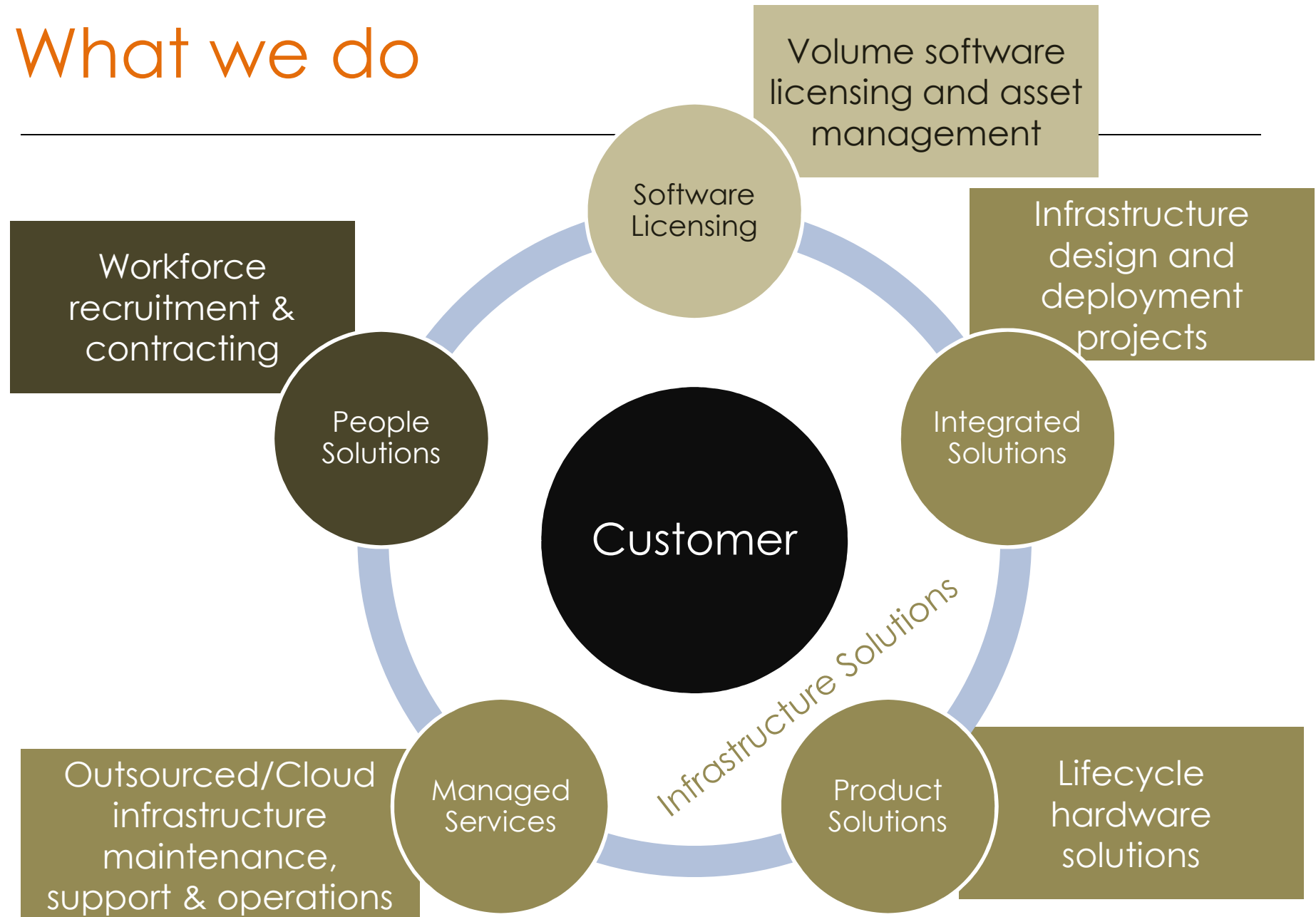
Strong balance sheet and cash flows



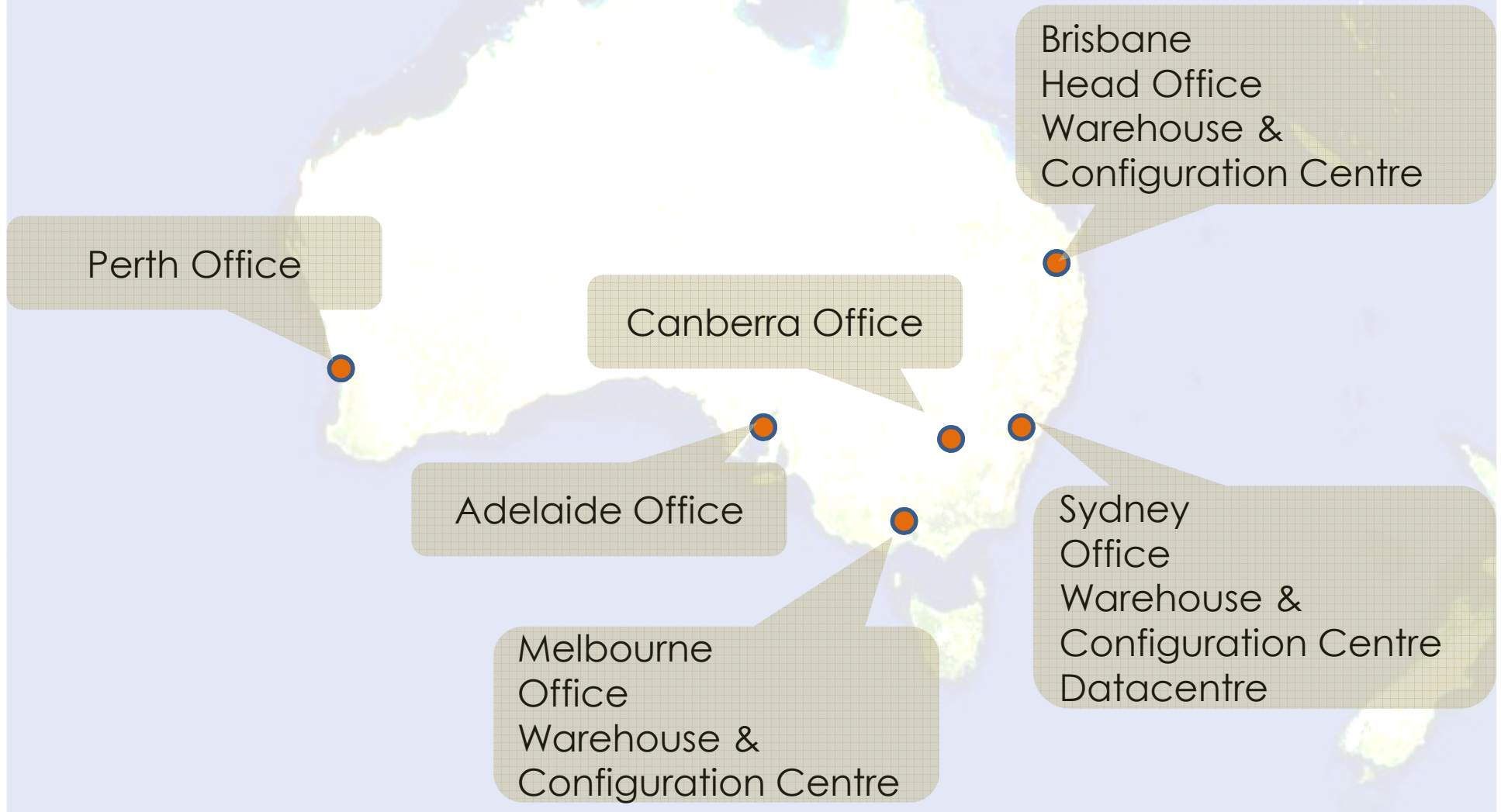
- Strong balance sheet with no material debt
- NTA up 27%
- Cash flow 'seasonality'
- FY11 average cash balance \$32.5M, up from \$19.1M in FY10

Our business

What we do

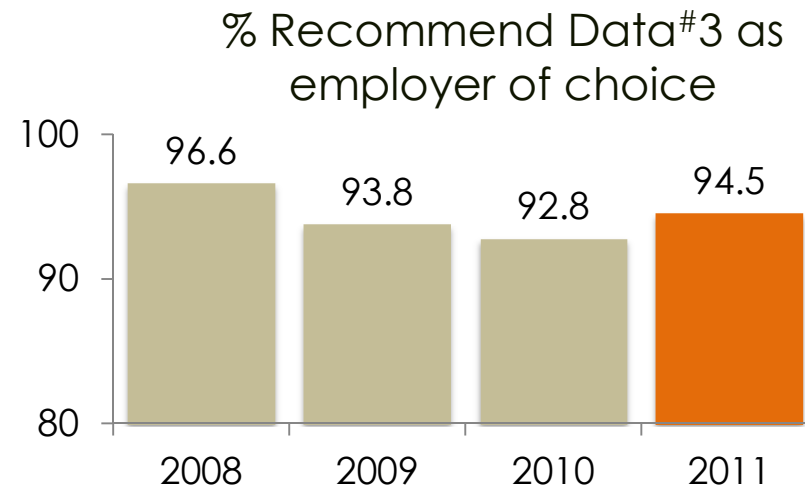
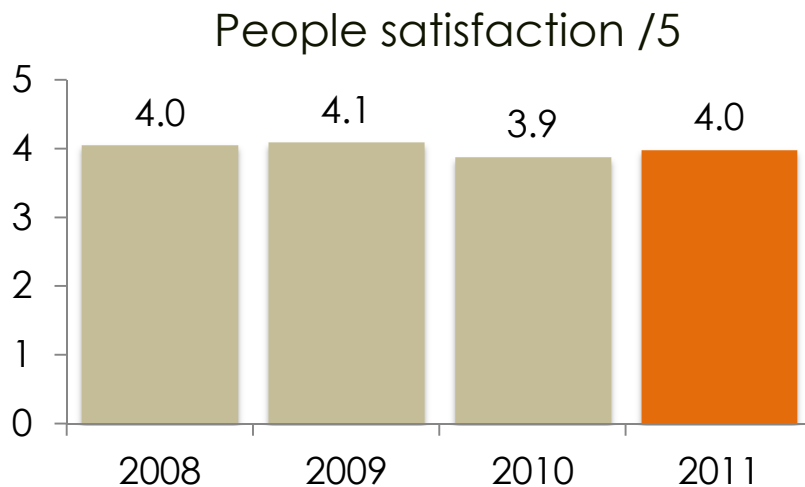
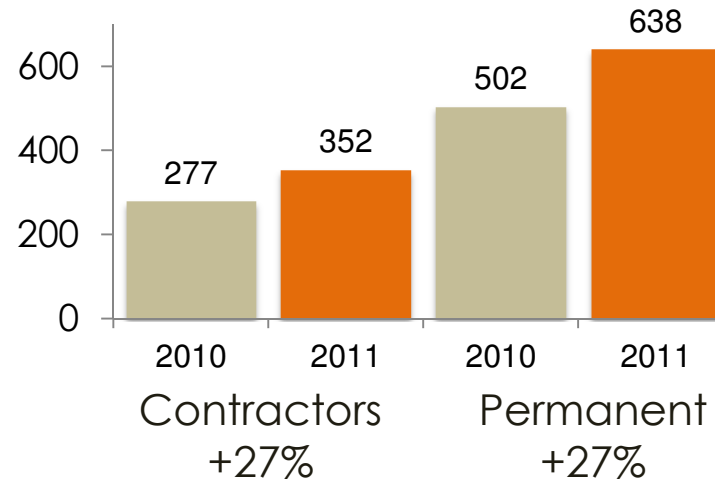


Our national footprint



Satisfaction improving as we increase people numbers

638 permanent
42 casual
352 contractors
>1,000 people



Customer focus in mid to large corporate and government

Mid to large corporate



Government



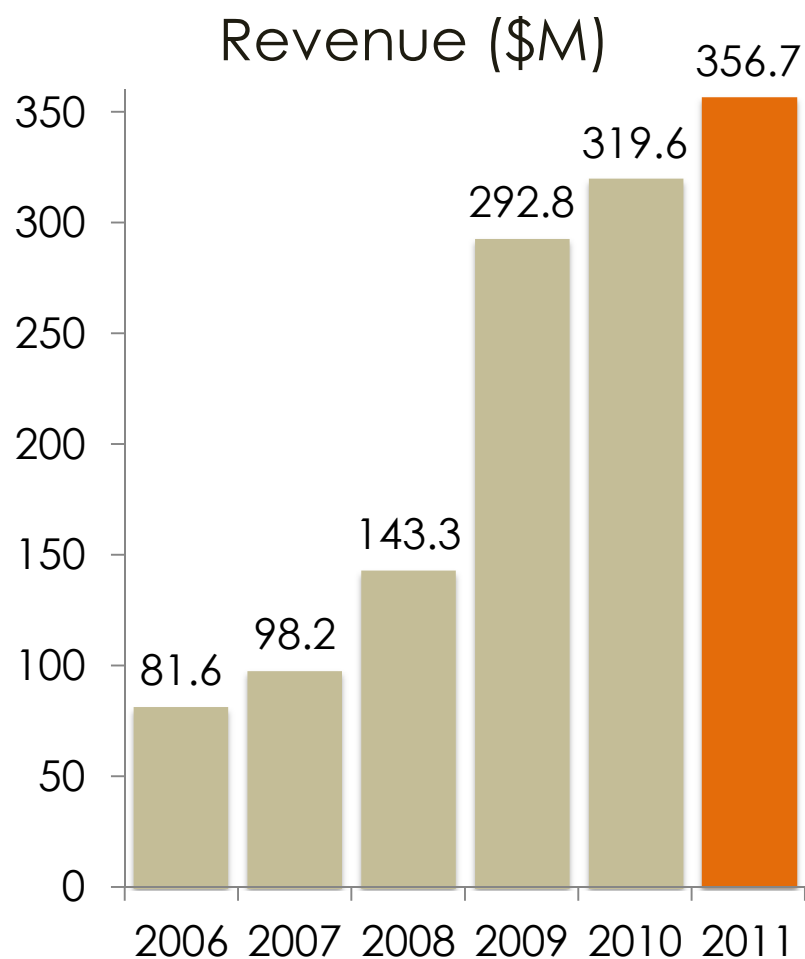
Strong partnerships with leading global suppliers



Performance of the specialist businesses

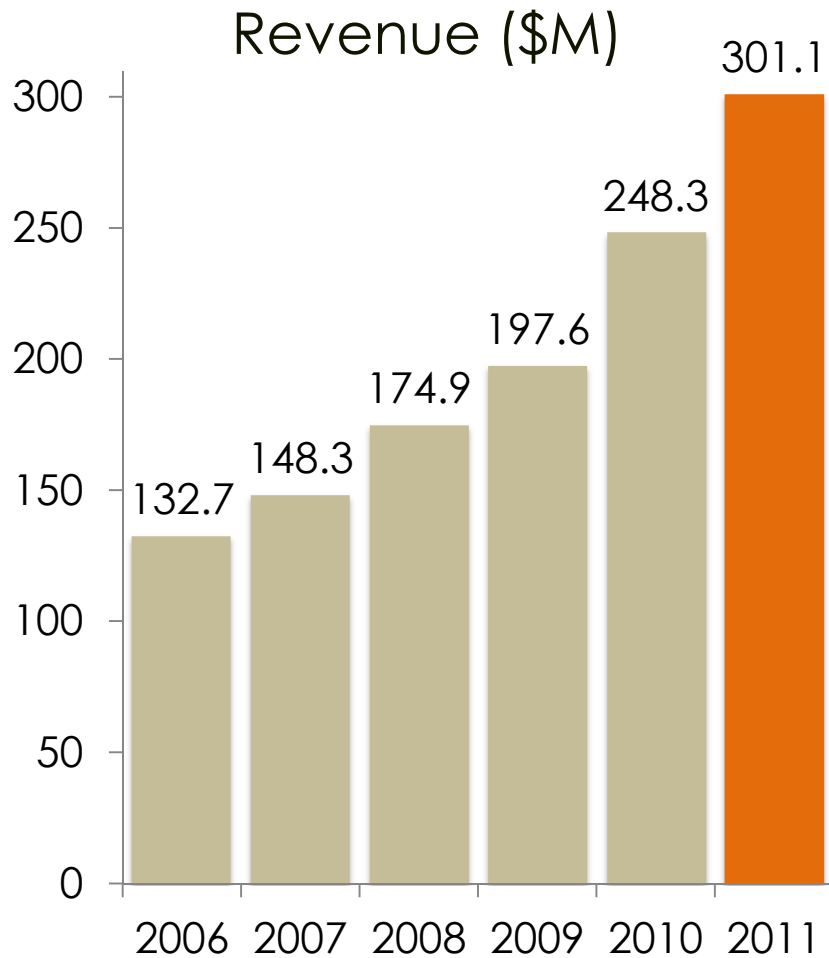


Software Licensing – continuing track record of growth



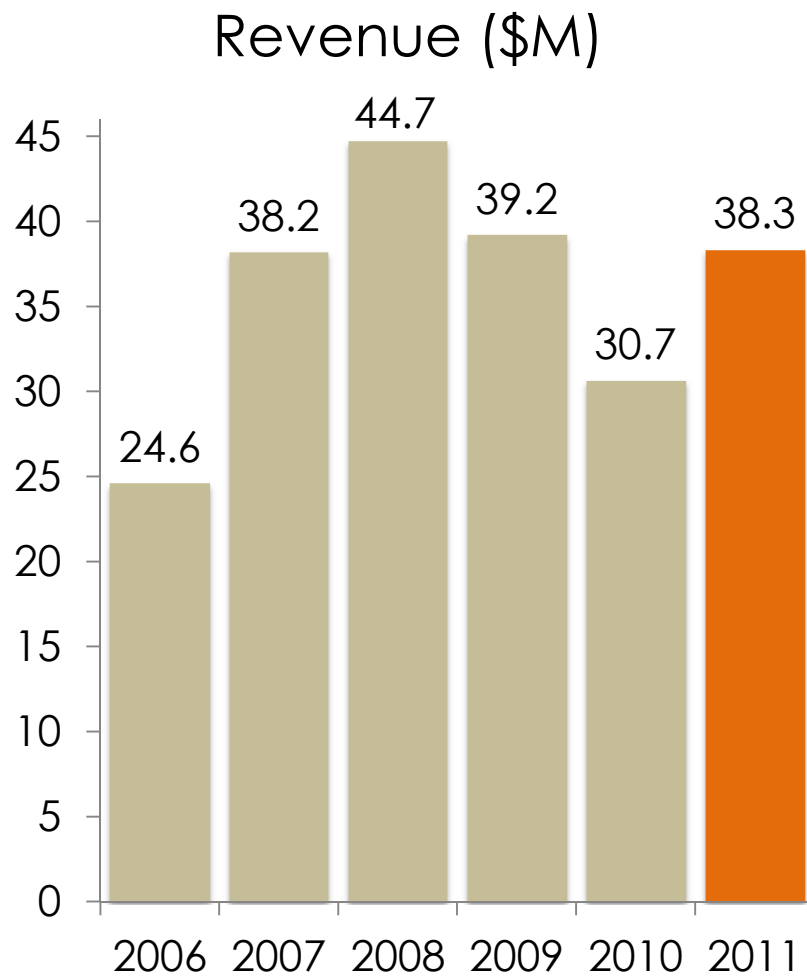
- Total revenue up 12% to \$356.7M
- 5 year CAGR of 34%
- 16th year of consecutive growth
- On Microsoft's worldwide partner engagement board
- First sales of Microsoft's public cloud-delivered Office 365 and BPOS
- First customers for new worker productivity practice

Infrastructure Solutions – continuing track record of growth



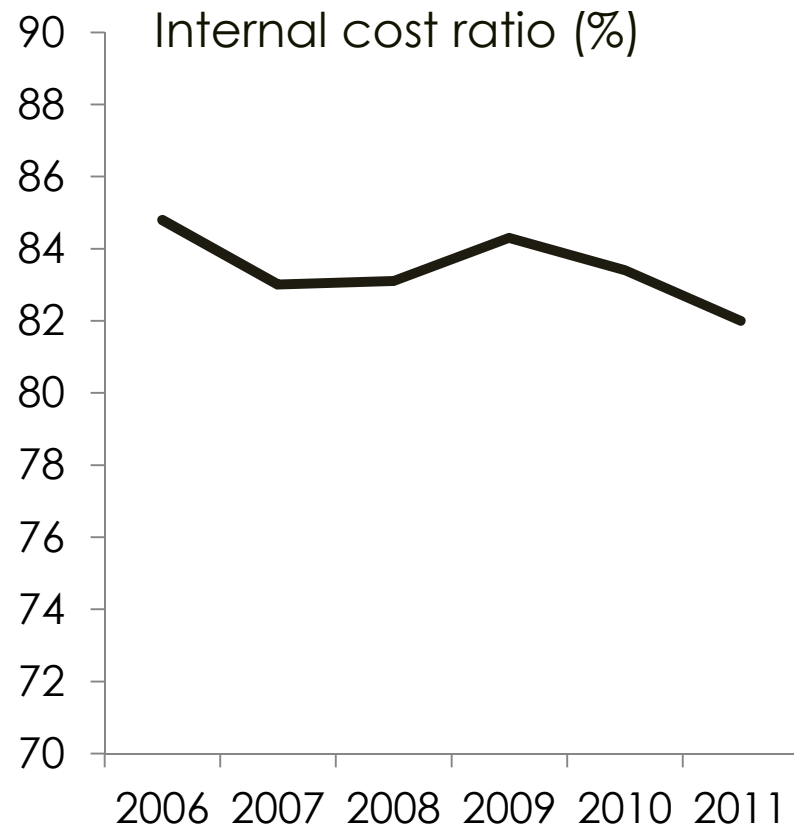
- Total revenue up 21% to \$301.1M
 - Products up 18% to \$231.3M
 - Project services up 58% to \$34.6M
 - Managed services up 18% to \$35.1M
- 5 year CAGR of 18%
- New government panel contracts in Qld, ACT & Vic
- New integration centres in NSW & Vic

People Solutions - returns to growth



- Total revenue up 25% to \$38.3M
- 5 year CAGR of 9%
- Contractor numbers up 27%
- New national leadership
- New operational systems
- Lower operating costs

Continued reinvestment to drive productivity and efficiency

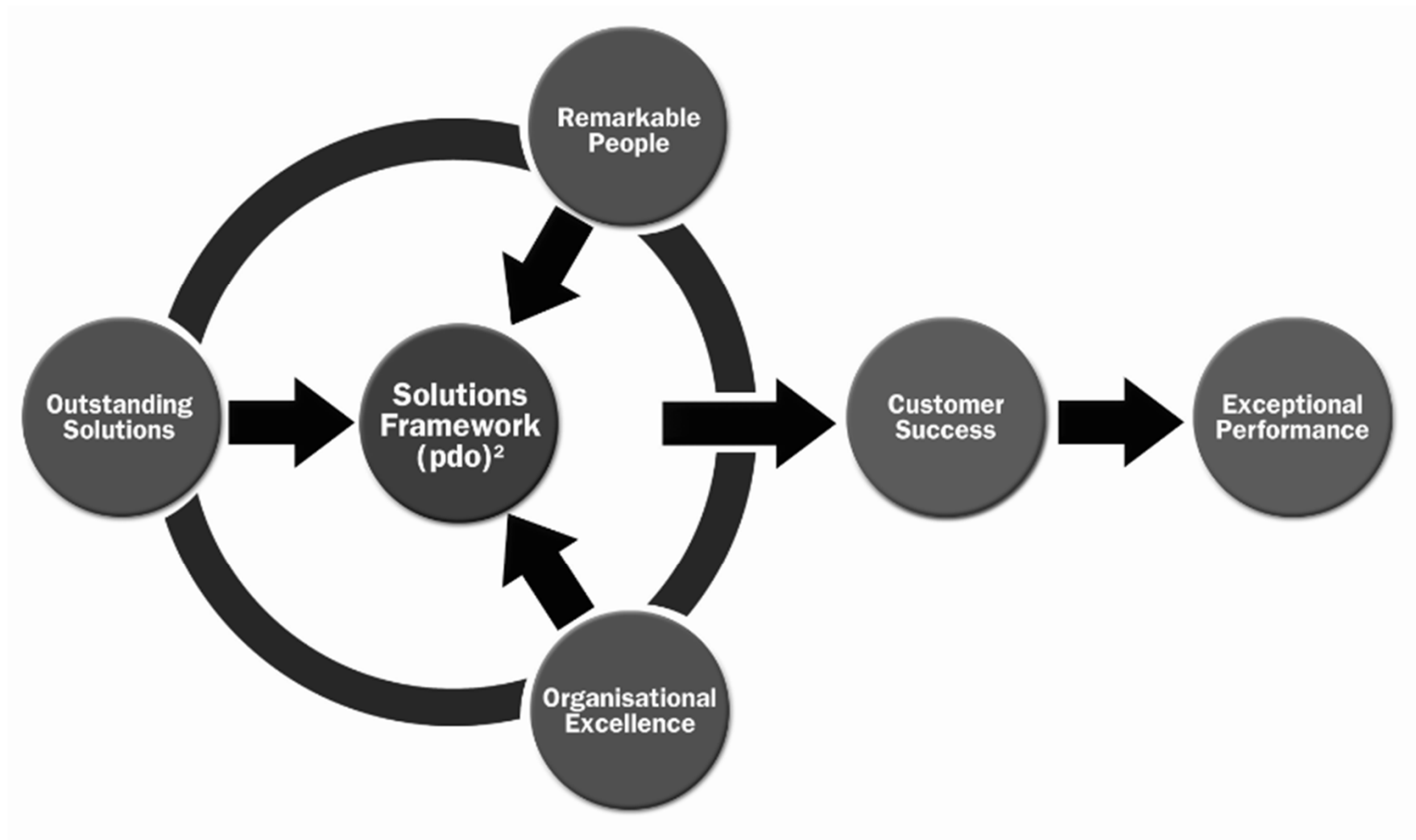


- Internal cost ratio [internal staff & operating expenses as % of gross margin] improved from 83.4% to 81.9%
- Internal systems investment up 12% on previous corresponding period
- Staffing investment up 21%

Strategy to sustain performance



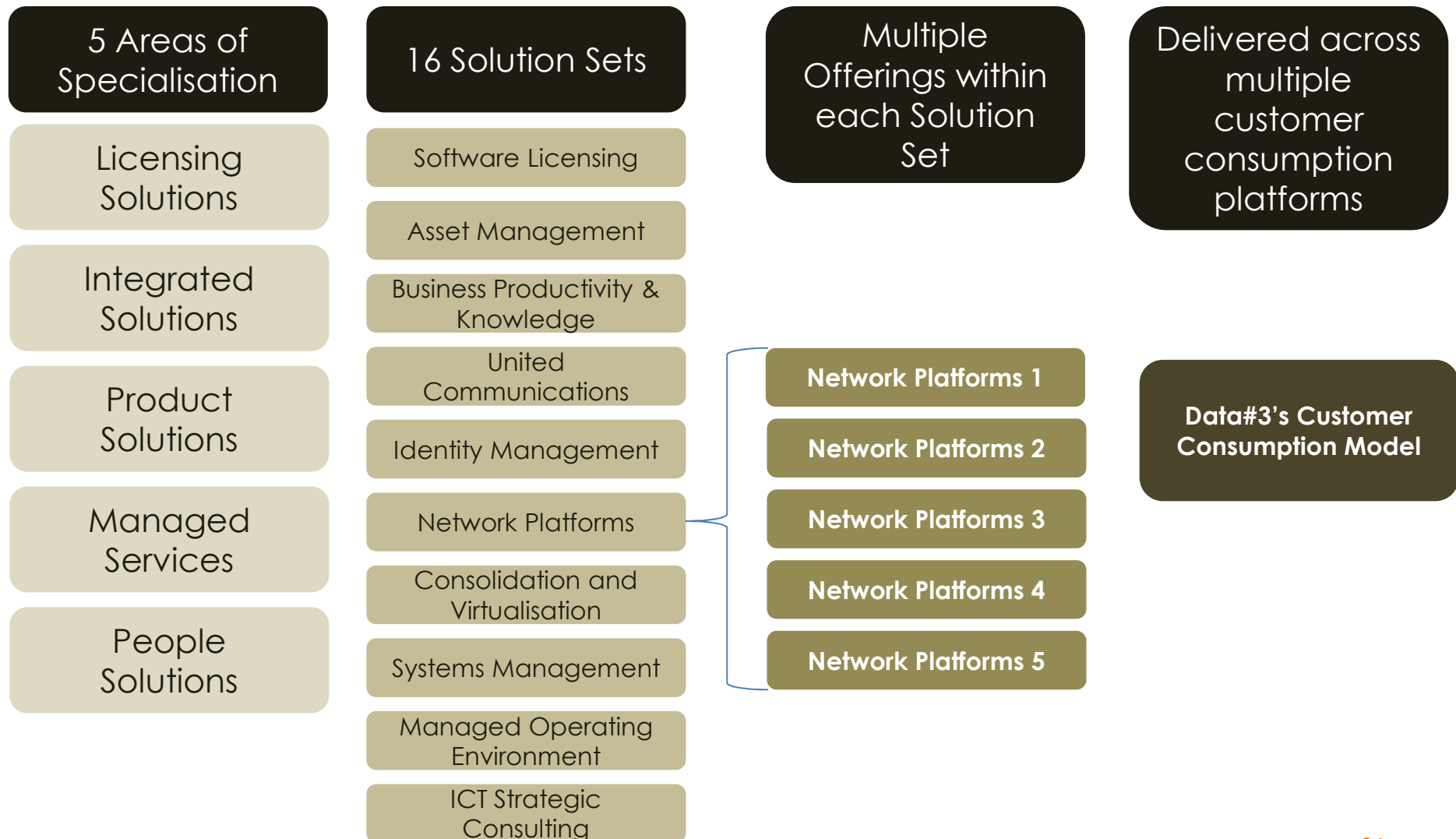
Well articulated and connected strategy



Simple business model well executed

- Addressing largest ICT market segments
- Reseller for leading global vendors
- Great people with market leading skills
- Sales focused/customer 'intimate'
- Move quickly to opportunity
- Working capital funded from cashflow
- Invest to grow
- Limited capital expenditure

A complete solution for customers



A complete solution for customers

Technology Consumption Model

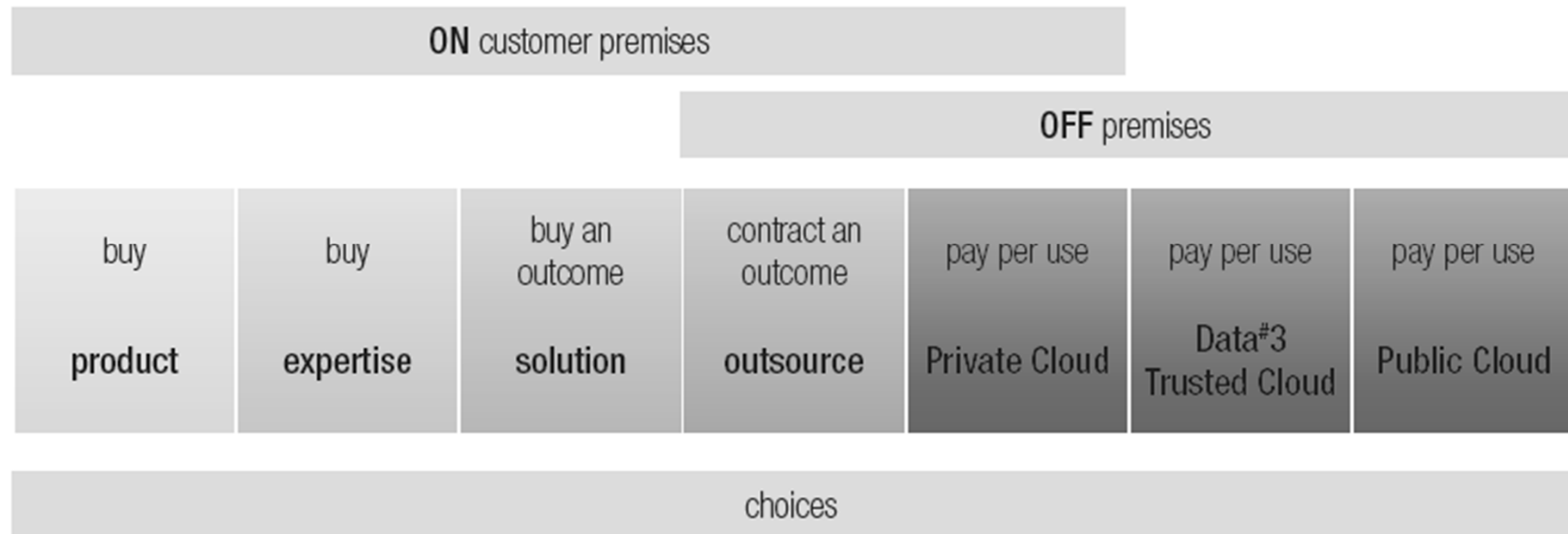
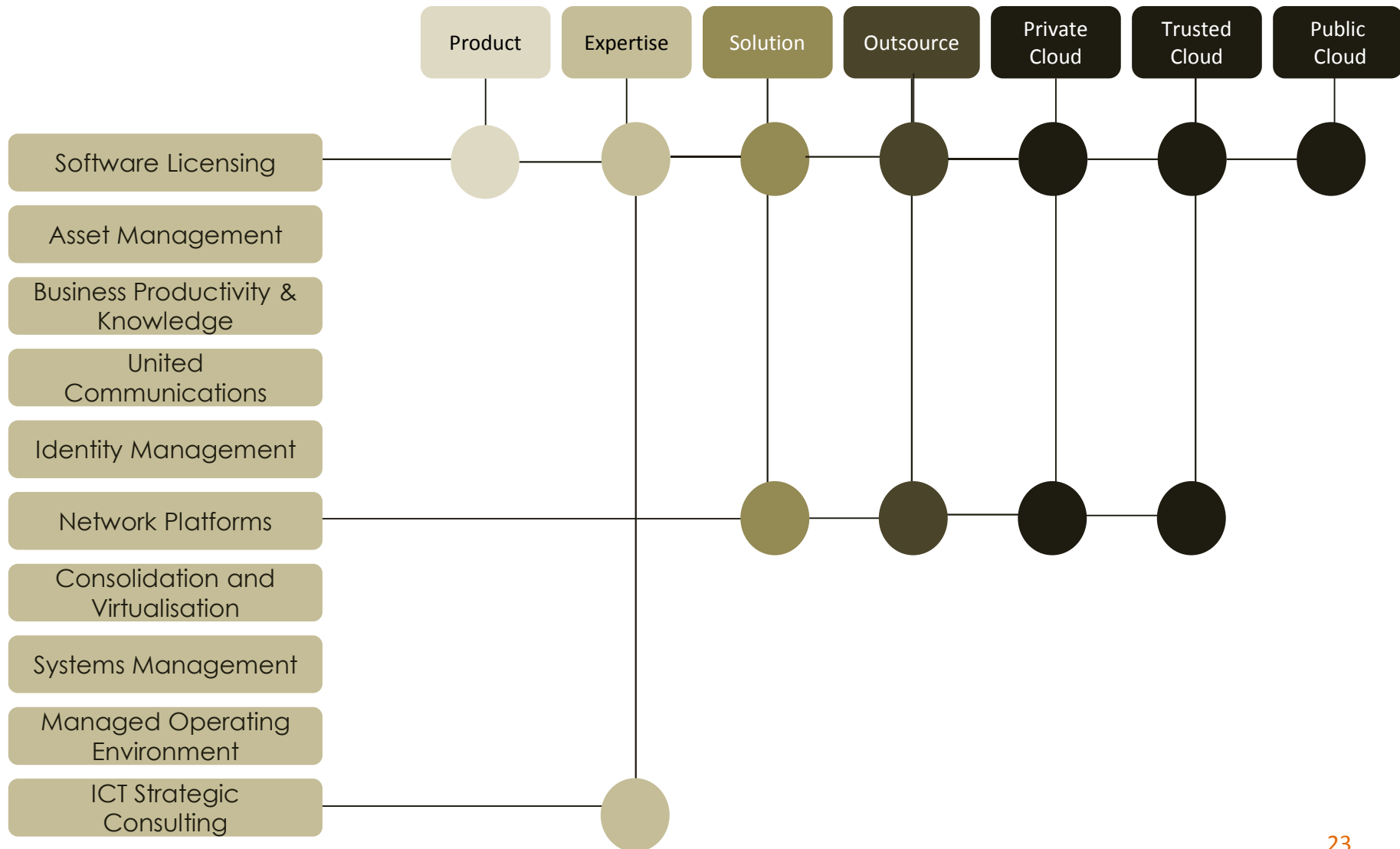


Diagram: *Technology Consumption Model*

A complete solution for customers



FY12 outlook



Environment

Macro environment



End user technology
NBN
Need for productivity
Need for efficiency



Global economy
Potential flow on to
Australia

Micro environment



New technologies
Large market
Support from partners
Market coverage
Customers looking for
Trusted partner



Early in investment
cycle
Higher costs

Investing for growth

- More people to increase capacity & capability – up 18% on FY11
- Infrastructure to support operations – up 14% on FY11
 - Supply chain to lower costs in volume areas
 - New and refurbished premises to provide market differentiation and enhance people satisfaction and mobility
 - ‘Trusted Cloud’ infrastructure to provide options for customers
 - Internal systems to drive productivity and ease of use

Anticipate slowing growth in line with market for Software Licensing

- Expect to hold margins
- Microsoft reseller program restructuring over 3 years
 - Anticipate little impact on gross margin
 - Possible cash flow impact through change in billing cycles
 - New players may compete for people and customers
- Investing to lower costs and improve customer access
 - Efficiency gains through supplier automation
 - Improved customer access via new customer portal
- Investing in expanding offerings
 - Licensing in Data#3 trusted cloud and in public cloud
 - Growing asset management and workplace productivity services

Anticipate growth in changing product procurement market

- Expect to continue to gain market share
 - Traditional PC market flat
 - Solid growth in tablets in the enterprise
 - Margins expected to hold
 - Increasing opportunity in 'Desktop as a service'
- Winners & losers with consolidation in Government purchasing
 - Qld Govt contract comes to market
- Investing to create market differentiation, lower costs and improve customer access
 - Configuration and warehousing centres
 - New customer portal and supply chain automation

Anticipate strong growth in integration services

- Expect project opportunity to increase as customers invest in business enablement
- Expect partners to continue to require greater investment as part of certification
- Expect margins to hold
- Expanding strategic consulting practice
- Investing in Solution Centres for customer pilots
- Investing to deliver private cloud infrastructure offerings
- Tighter control over project risk and cost through new professional services system

Anticipate solid growth in managed services

- Expect outsourcing opportunity to increase as customers lower operating expense and deal with skill shortages
- Expect opportunity for maintenance contracts to grow with product sales volumes
- Seeing customers focus on user enablement and support and actively plan for hybrid cloud/on premises infrastructure
- Competitive market led by global partners
- Expect to hold margins
- Investing in sales capability, delivery systems and processes, and trusted cloud infrastructure

Anticipate solid growth in recruitment and contracting

- Expect strong overall market opportunity
- Expect margins in Qld Govt to decline in 2H with implementation of central purchasing model
- Expect growth in NSW and Victoria in commercial sector
- Expanding HR reselling and consulting offerings
- Investing further to deliver efficiency gains through automation

FY12 outlook summary

.....the company's financial objective for 2012 is to at least equal the performance of the previous year. This assumes stabilisation of the current global market conditions and means steady underlying growth given increased internal investment, particularly in new premises and systems

Data#3 is well positioned to grow

- Global uncertainty still to play out
- IT Services market has attractive underlying fundamentals
- Data#3 operates in large markets (\$22.5B in 2011)
- Data#3 has strong and interdependent relationships with global market leaders
- Data#3 has capacity and capability to compete and grow in all markets
- Data#3 is viewed as a preferred employer
- Data#3 has a strong financial position and track record

Q&A



Appendix 1 – Financial summary

	2011 (\$'000)	2010 (\$'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	+16.5%
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%
Total gross margin %	16.1%	15.0%	
EBITDA	\$21,189	\$16,262	+30%
EBIT	\$20,514	\$15,247	+34.5%
EBIT margin %	2.9%	2.5%	
NPBT	\$21,827	\$15,793	+38%
NPAT	\$14,999	\$10,914	+37%
Earnings per share	91.4 cents	70.9 cents	+37%
Dividend per share	77.0 cents	56.0 cents	+37.5%
Return on equity %	49.7%	41.8%	

Appendix 2 - Definitions

Cost Ratio:

Internal staff and operating costs as % of GM\$

Private Cloud:

Data#3 designed and built for exclusive customer use either on or off the customer's premises; may be either customer or Data#3 owned & operated

Data#3 Trusted Cloud:

Infrastructure as a service. Data#3 owned and managed in premium data centre facilities in Australia

Public Cloud:

Standard and packaged services made available to all; owned by the service provider

Desktop as a Service

Desktop infrastructure and applications owned, managed and supported by Data#3 exclusively for a customer

Technology Consumption Model:

Data#3's model showing the 7 ways in which customers consume technology

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