

Data#3 announces acquisition of Business Aspect Group

Key points:

- Data#3 has acquired business and technology consulting firm, Business Aspect Group
- The transaction continues the strategic expansion of Data#3's services capability
- Data#3 will pay \$6 million in cash on completion and, subject to a rise and fall earn-out over 2 years, up to a maximum of another \$3 million in cash and \$3 million in shares in DTL
- The transaction is immediately earnings accretive

BRISBANE, Thursday 4 September 2014: Australian business technology solutions leader Data#3 Limited (ASX: DTL) today announced it has acquired 100% of the shares in business and technology consulting firm, Business Aspect Group Pty Ltd and its subsidiary companies (Business Aspect). Formed in 2005 and with over 70 consultants providing consulting services to clients around Australia, Business Aspect generated almost \$14 million in revenue and \$1.3 million in earnings before tax, depreciation and amortisation (EBTDA) in FY14.

DTL will pay \$6 million in cash on completion of the transaction and, subject to achievement of EBTDA hurdles in the FY15 year of \$1.6 million and in FY16 of \$1.9 million, DTL will issue \$2 million in shares in DTL at the end of the 2016 financial year priced at the 7 day VWAP prior to the date of this announcement. Any shortfall in actual results against these EBTDA hurdles will reduce the number of shares to be issued. For performance exceeding these EBTDA hurdles, DTL will additionally pay up to a maximum of \$3 million in cash (75%) and issue \$1 million in shares (25%) at the 7 day VWAP following DTL's financial results announcement for FY16. The cash component will be funded from available cash and debt facilities.

The transaction is immediately earnings accretive for DTL.

Business Aspect provides consulting services in Strategy, Risk & Continuity, Architecture, and Planning & Execution to its clients' business and technology stakeholders. These are delivered across a broad range of industry sectors including banking and financial services, education and training, energy, utilities, mining, government, retail and consumer services, health and community care, information technology, manufacturing and construction.

Operating as an autonomous business within Data#3, Business Aspect will retain the ability to deliver independent and objective advice, but as part of Data#3, it will be able to deliver end-to-end outcomes from strategy to technology implementation and management where it makes sense for its clients. Business Aspect's partners will continue to manage the firm in conjunction with their senior personnel.

Commenting on the acquisition, Data#3 Managing Director, Mr John Grant, said "We are delighted to have the continuing partners and personnel of Business Aspect become part of Data#3. Two years ago we saw our customers needing help planning and managing their transition to a Hybrid IT and 'apps' centric environment and we set our sights on building our own consulting business to do so. With the skills and expertise Business Aspect brings, we are launching Data#3 in scale into a more strategic market position where providing both independent consulting services and an integrated value proposition for our customers from strategy to implementation to management, on premises, outsourced and in the cloud, becomes a reality."

Not only does the Business Aspect team bring significant additional expertise and capacity, but, having worked together over the last few years and now working together through this transaction, we've been delighted to see a strong cultural alignment between our two businesses and a shared vision that fuses business insight and technology in a way that can significantly benefit a client's bottom line," he said.

"Business Aspect will operate as an autonomous business within Data#3, but we have agreed to relocate its Queensland operation into a dedicated area in Data#3's head office and its personnel outside Queensland will work from Data#3's interstate offices. We expect opportunities to emerge across both businesses very quickly," he concluded.

Business Aspect Managing Partner, Dave Lennon commented "Since formation in 2005 we have made significant headway in developing our business but we saw the next stage of growth best facilitated by leveraging the market position and influence of a bigger organisation. Having made that decision, we commenced a process early in 2014 to find such an organisation. It's ironic but we are delighted that the process identified Data#3, a company we have worked with before, as the best fit for what we see as a very significant opportunity for our people and our clients."

We will have the autonomy we need to continue to operate as we have done prior to this transaction, providing industry leading and independent consulting services to our clients to facilitate better business and technology outcomes, but now we can answer a question we are being increasingly asked regarding the delivery of end-to-end outcomes. We see this offering very significant value to many of our clients," he said.

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About Data#3

Data#3 Limited (ASX: DTL) is one of Australia's leading business technology solutions companies servicing customers across a wide range of industries throughout Australia and the Asia Pacific.

The company was established in 1977 and listed on the ASX in 1997.

Working with customer's business and technology teams, Data#3 addresses the Hybrid IT environment from on-premise to outsourced to cloud, through its software, infrastructure, managed and application solutions. These solutions leverage market-leading technologies from global vendors and Data#3's knowledge, expertise and experience to accelerate the achievement of customer business objectives:

- Software Solutions: for software licensing and deployment; asset management; and business productivity
- Infrastructure Solutions: for hardware lifecycle management; maintenance; and data centre, network and desktop infrastructure
- Managed Solutions: for staffing; outsourcing; essential support; 'as a service'; cloud brokerage; and consulting
- Application Solutions: for enterprise productivity applications and Wi-Fi business analytics.

Data#3 reported revenues of \$833 million in the 2014 financial year, and has over 1,000 employees and contractors. The company is headquartered in Brisbane and operates from 12 locations across Australia.

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

About Business Aspect

Business Aspect assists clients with the execution of their business strategy through either large scale business transformation or through addressing smaller challenges in specific areas of the business. It focuses on the business first, and then addresses technology needs as an enabler of required business outcomes. It has skills, experience and expertise in business and technology strategy, architecture, risk, control, planning, design and governance. In delivering services, it address all layers of the business, including people, organisational change, process change, information management, information and communications technology (ICT) applications and technology infrastructure.

Business Aspect's ability to extend from business focused domains into architecture and complex program management builds a bond of trust with clients and fosters more effective relationships. Business Aspect serves as the interpreter between ICT and the demands of individual business units, translating business needs into ICT outcomes.

More information about Business Aspect and its solution offerings is available at <http://www.businessaspect.com.au>