MEDIA RELEASE

Data#3 increases dividend to 11 cps

Record interim profit with outlook for another strong full year

Data#3
Solutions
Adding Value

BRISBANE, Monday 27th February 2006. Following an increase of 34% in first half after tax earnings over the previous corresponding period (based on the AIFRS-restated previous period NPAT) the Board of Directors of Data#3 Limited (ASX:DTL) today declared a fully franked interim dividend of 11.0 cents per share to be paid at the end of March.

Richard Anderson, Chairman of Data#3 commented: "The company's share price continues to improve, supported by a yield that remains one of the highest of ASX-listed IT companies."

Financial Highlights

	1H 2004 *(as originally reported)* **$'000**	**1H 2004** *(as restated for AIFRS)* **$'000**	**1H 2005** *(under AIFRS)* **$'000**	**% Change** *(2005 vs. 2004 restated)*
Total Revenue	$94,908	$94,677	$112,832	+19%
Product sales	$76,331	$76,331	$88,069	+15%
Services	$18,116	$18,116	$24,361	+34.5%
Other	$461	$230	$402	
Earnings before interest (net), tax, depreciation & amortisation	$2,888	$2,895	$3,657	+26%
NPBT	$2,685	$2,801	$3,825	+36.5%
NPAT	$1,802	$1,934	$2,598	+34%
Earnings per share	11.87 cents	12.73 cents	16.85 cents	+32%
Dividend per share	7.5 cents	7.5 cents	11.0 cents	+47%

Commentary on Performance

- Product revenue increased 15% due primarily to growth in the software licensing business
- Services revenue increased 34.5% due to increases in project-oriented ICT integration services, and strong growth in recruitment services
- The overall gross margin percentage remained essentially unchanged despite a strong increase in the relatively low margin software licensing business
- Total gross margin generated increased by approximately 18%
- Staff expenses as a percentage of gross margin contribution increased marginally over the previous corresponding period, but remained within plan
- Inventory holdings increased temporarily to maintain customer service levels during a period of vendor supply chain constraints
- Interest bearing debt remained minimal.

"In a relatively buoyant but competitive market, we reported another 'best ever' first half in line with guidance provided at the AGM," said Data#3's Managing Director, John Grant. "We have put in place a number of new managed services contracts with customers including Brazin Limited, Inco Australia for their operations in New Caledonia, and SparQ Solutions, the shared ICT services provider to Ergon and Energex. We also either extended or won a number of significant long-term ICT procurement agreements with customers including Brisbane City Council, Suncorp Insurance, Queensland Health and continued to introduce new customers or build on existing relationships through the Enterprise and Licensing businesses including Coca Cola Amatil, Transgrid, Country Energy, Australian Meat Holdings, Minter Ellison and Blake Dawson Waldron," he said.

"In a market where we appear well placed to significantly boost our scale and capability organically, we intend to continue to recruit strongly particularly outside Queensland. We believe this to be in the best interests of shareholders as we continue to build a stronger company. While it may create some pressure on profitability in the second half we anticipate another record full year result."

About Data#3

Since listing in 1997, Data#3 has evolved from a Queensland oriented Information and Communication Technology (ICT) Solutions Company to one of national significance. In its first year of listing, Data#3 revenues were $69 million and staff numbered 250. Last year revenues were $197 million and over 520 staff served customers from offices in Brisbane, Sydney, Melbourne, Canberra, Townsville, Rockhampton and Gladstone.

As an ICT Solutions Company, Data#3 seeks to deliver exceptional value to its customers by applying expertise in:

- Software that enhances productivity and information management,
- The design, implementation, management and support of reliable ICT infrastructure,
- Cost effective procurement of ICT hardware and software, and
- Sourcing people with the right ICT skills.

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 and are located throughout Australia and Asia Pacific.

For more information visit www.data3.com.au.

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