

Data#3 corrects media report on its Federal Government software licensing agreement

BRISBANE, Monday 7 November 2011: Data#3 Limited [ASX: DTL], a national information and communications technology (ICT) company, today clarified a media report which, it believed, could have misled shareholders in the company.

It had been correctly reported that its current Microsoft Large Account Reseller contract with The Australian Government Information Management Office (AGIMO), while running through until October 2012, has been put to market by AGIMO. It was also correctly reported that there had been no falling out between Data#3, AGIMO or any agencies and that Data#3 would be bidding for the renewal. Finally, it was also correctly reported that if Data#3 failed in the renewal "it would not be a major blow to the bottom line as it was a high-revenue, low-profit deal".

However it was incorrectly reported that the contract "had doubled the licensing division's revenue to \$292.8 million in the year it was finalised and continued to be a major share of earnings".

Correcting this report, Data#3's Chief Financial Officer Brem Hill said "we reported in our full year shareholder briefings for 2008/09 that the Federal Government contract generated revenues of \$81 million in that financial year of a total software licensing revenue of \$298.2 million, that is, approximately 27%. Further we explained that, while the contract was significant in revenue terms and presented ongoing opportunity within both Federal Government and other jurisdictions, sales margin was extremely low and not material to the division's bottom line."

Managing Director John Grant also advised that the work Data#3 has done with AGIMO and other Federal Government agencies covered by the contract was best practice in software licensing and had been recognised as such by both the customers and Microsoft. "We will have had a four year relationship with the Federal Government by the time this latest extension is completed next year. In this time we've overcome substantial complexity both across government agencies and within Microsoft and delivered substantial value both in licensing and asset management," he said. "We welcome the opportunity to bid for renewal of the contract and build on the value we have already delivered to the government."

About Data#3

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

Data#3 provides market leading expertise in:

- 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 \$697 million in the 2010/11 financial year and has approximately 1,000 permanent and contracted employees. 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>

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For additional information:

John Grant
Managing Director, Data#3 Limited
Tel: 1300 23 28 23
Mob: 0411 429 930
Email: john_grant@data3.com.au

Brem Hill
Chief Financial Officer & Company Secretary, Data#3 Limited
Tel: 1300 23 28 23
Mob: 0411 887 182
Email: brem_hill@data3.com.au