

Data#3

FY12 PERFORMANCE

24TH August 2012

DATA#3 LIMITED (DTL)

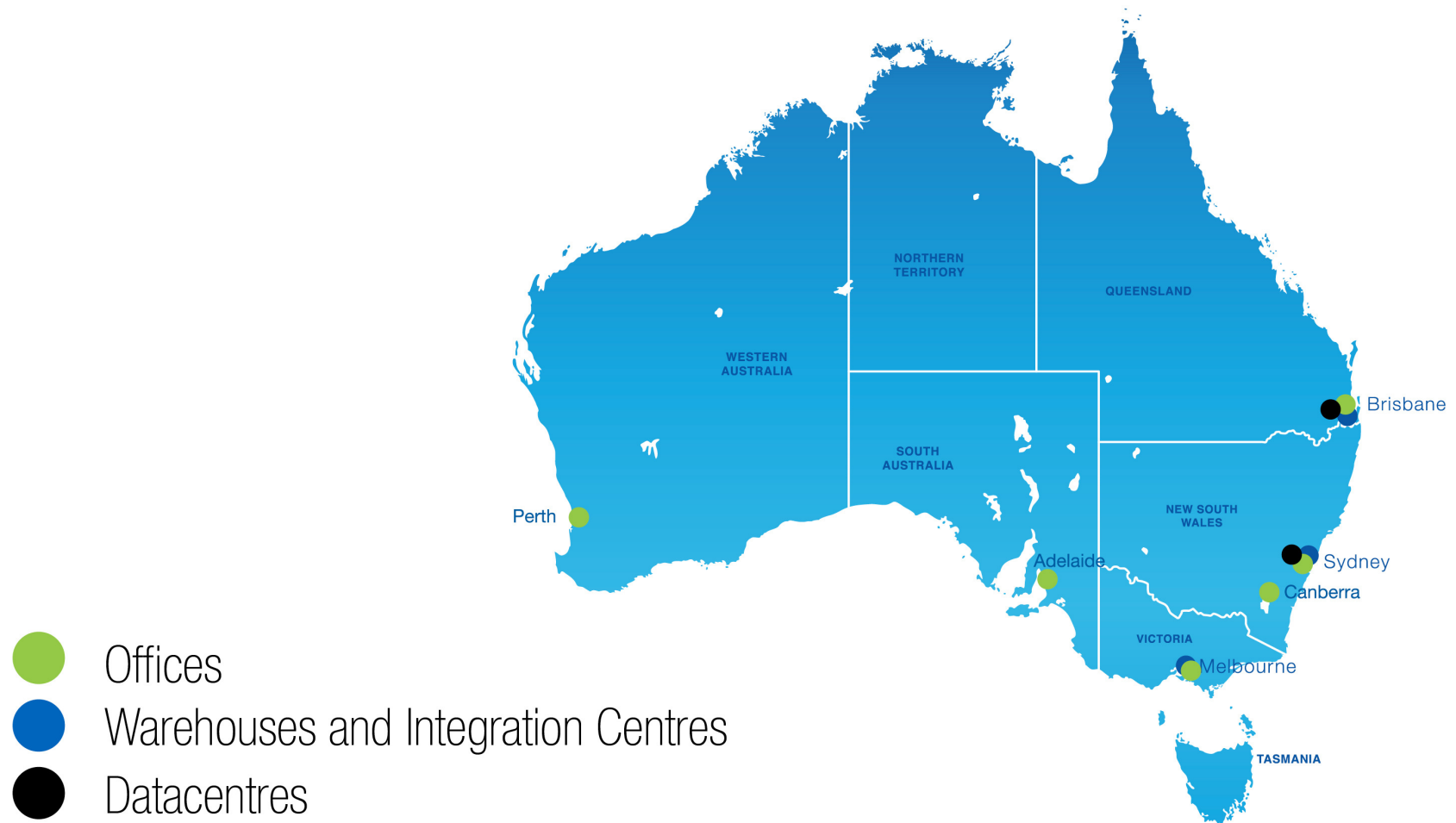
STRONG TOP LINE GROWTH IN A DIFFICULT MARKET

- Record revenue, up 16.3% to \$811M
 - Product revenue up 17.5% to \$689M
 - Services revenue up 9.7% to \$120M
 - Other revenue up 16.7% to \$2M
- Sales gross margin down 1.3% to 14.8% due to shift in sales mix
- Expenses up 12.5% reflecting higher people expenses and continuing business reinvestment to drive growth
- Net profit after tax down 8.8% to \$13.7M
- Earnings per share down 8.8% to 8.88 cents
- Strong cash flows and balance sheet with no material debt
- Final fully franked dividend of 3.55 cents
- Full year dividend of 7.0 cents - consistent with FY11 payout ratio of 79%

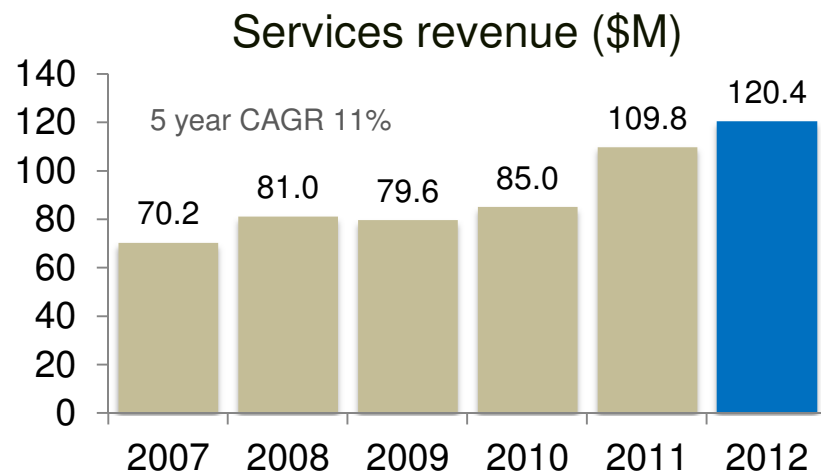
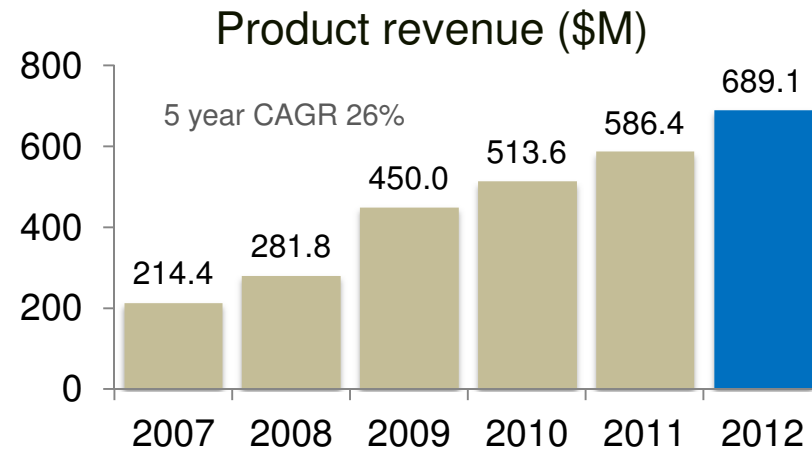
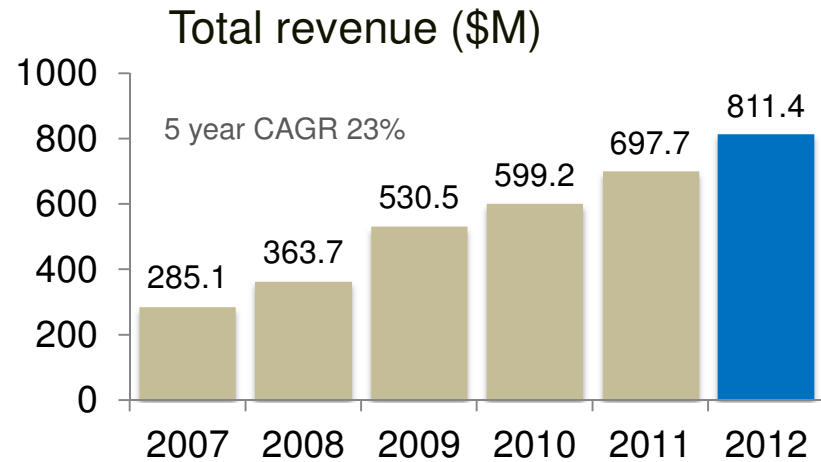
OUR BUSINESS



OUR NATIONAL FOOTPRINT



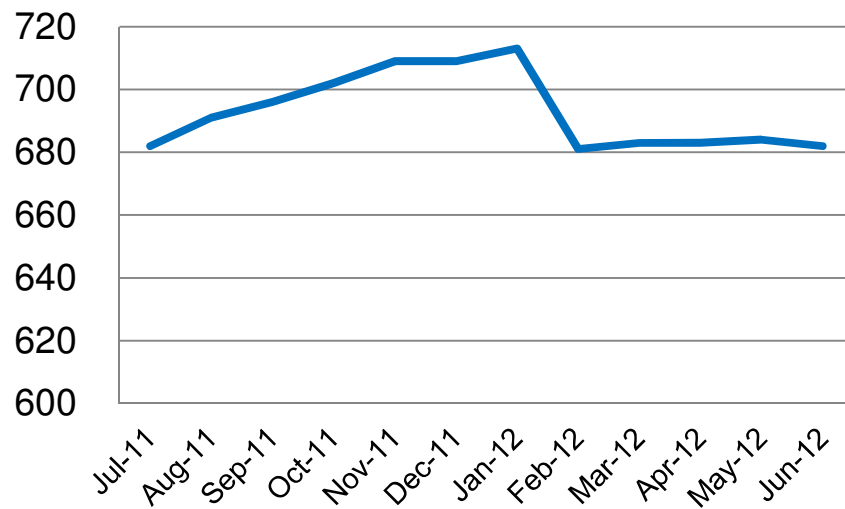
STRONG TOP LINE GROWTH



- Solid overall growth, well ahead of market
- Shift in sales mix towards software product
- Slow-down in project-related hardware and services

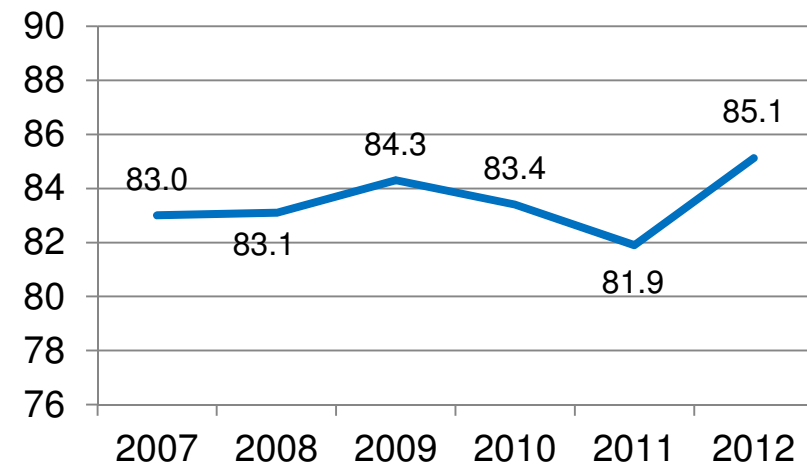
COSTS ADJUSTED IN 2H

Permanent + casual staff
headcount trend



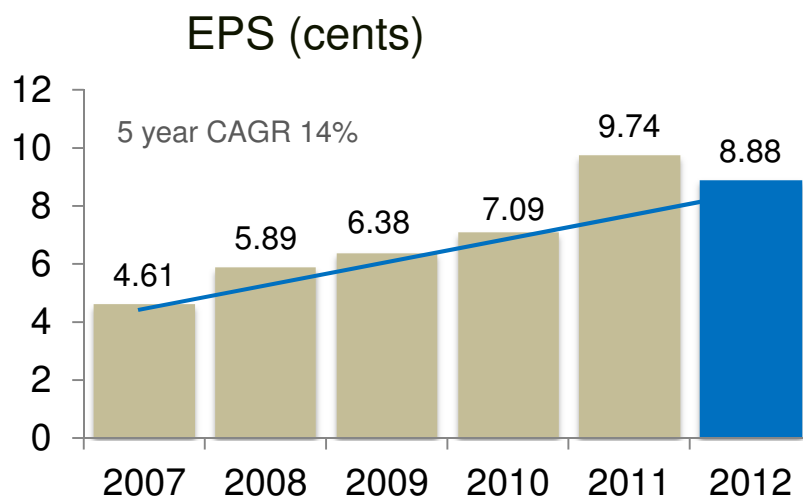
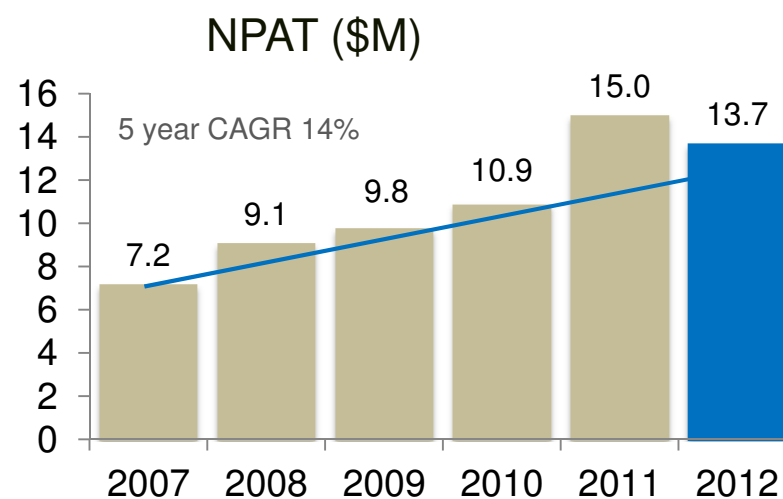
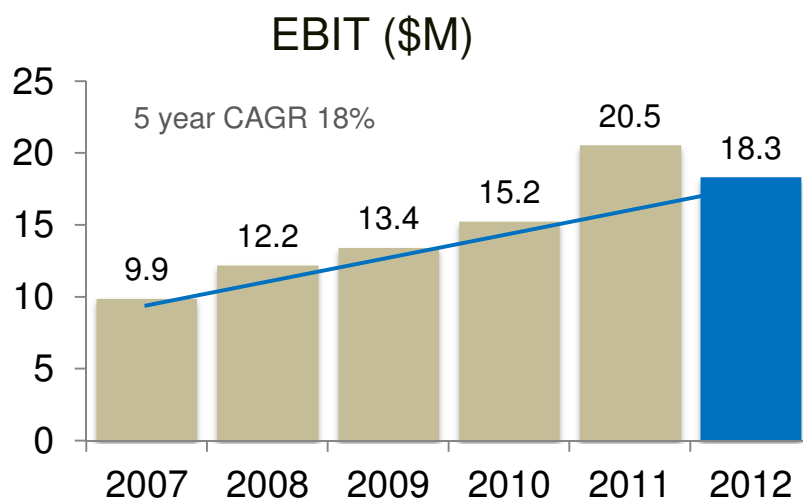
- Headcount increase in 1H in anticipation of active market
- Headcount reduction in Q3
- Enter FY13 at lower cost base

Internal cost ratio (%)



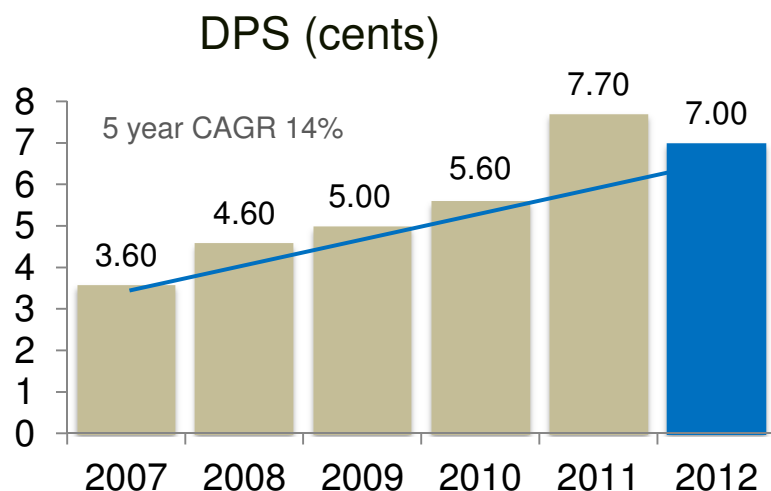
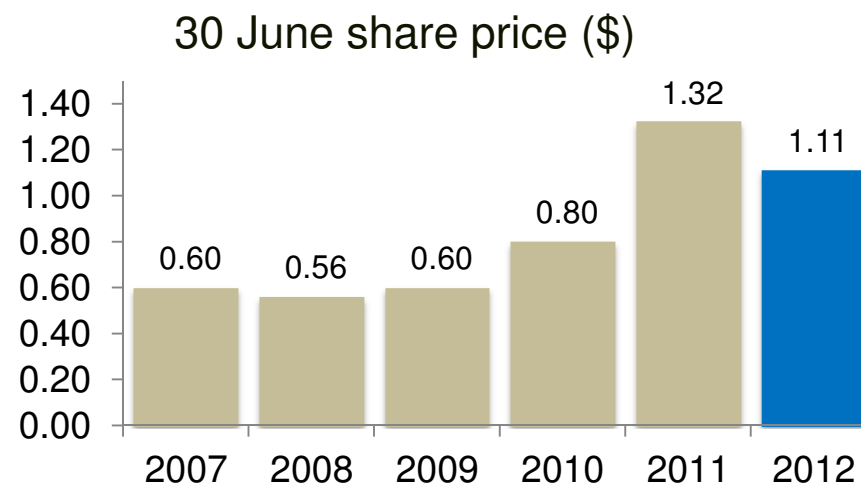
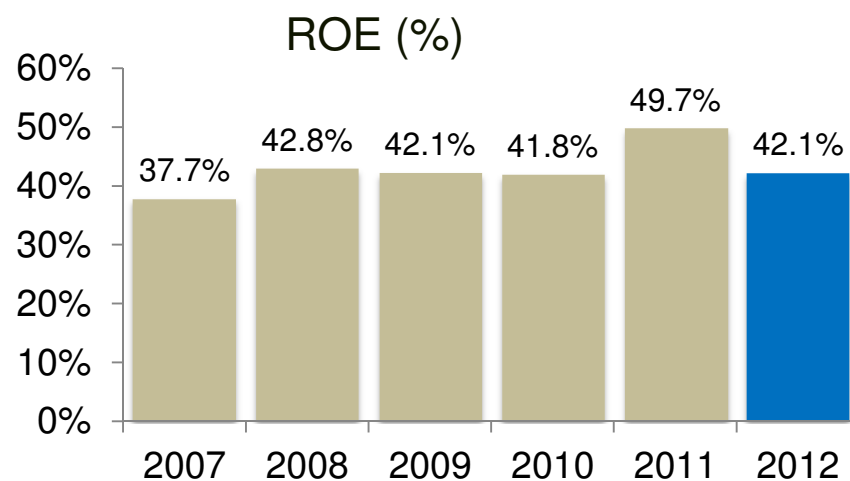
- Internal cost ratio [internal staff & operating costs as % of gross profit] increased on pcg
- People costs up 14%
- Operating costs down 2%

EARNINGS AHEAD OF LONG TERM TREND



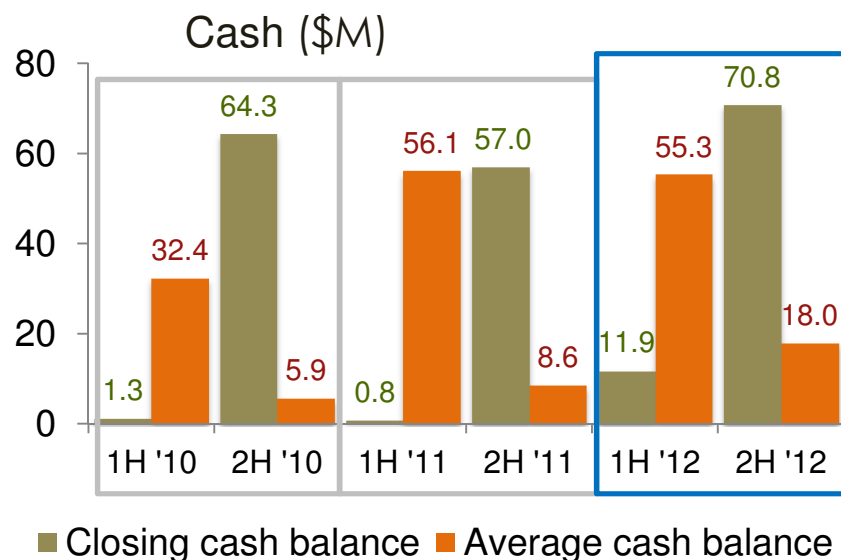
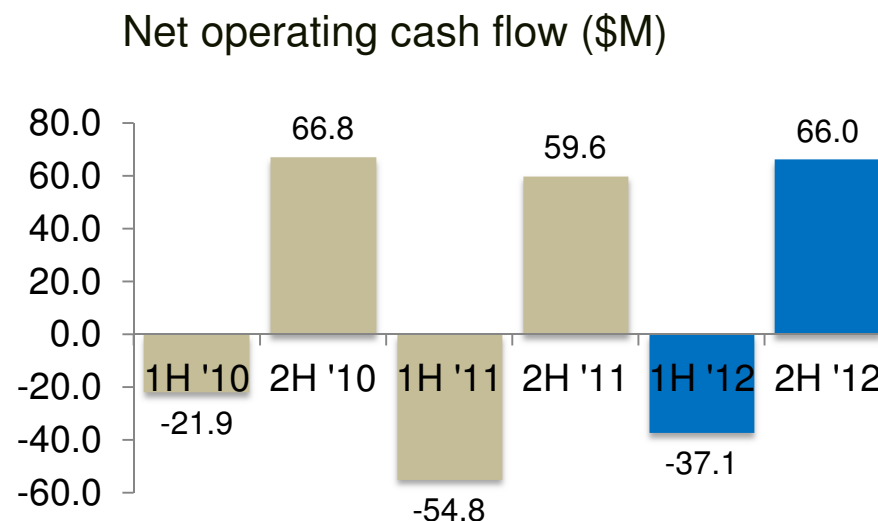
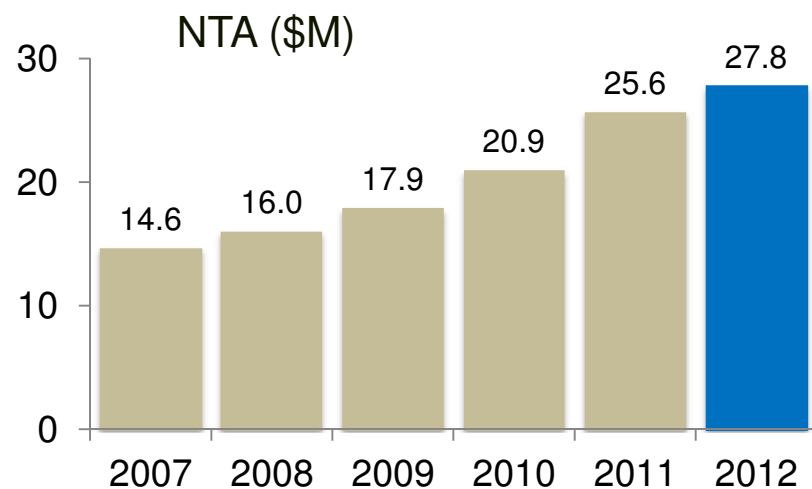
- Earnings ahead of long run trend but down on exceptionally high FY11
- 5 year profit compound annual growth rate (CAGR) of 14%

SHAREHOLDER RETURNS



- Sector leading ROE
- Share price has recovered in second half
- Dividend payout ratio of 79%, consistent with FY11 payout

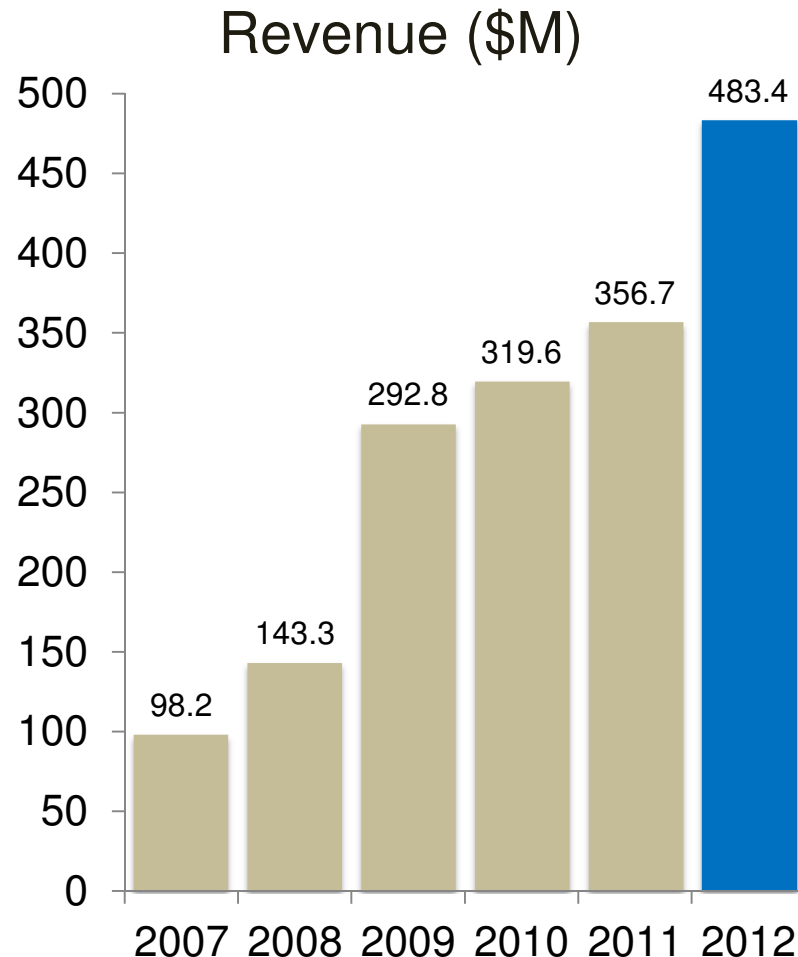
STRONG BALANCE SHEET AND CASH FLOW



- Strong balance sheet with no material debt
- NTA up 8.5%
- Cash flow 'seasonality' in line with trend with full year average cash balance of \$36.7M, up from \$32.5M

OPERATIONAL PERFORMANCE

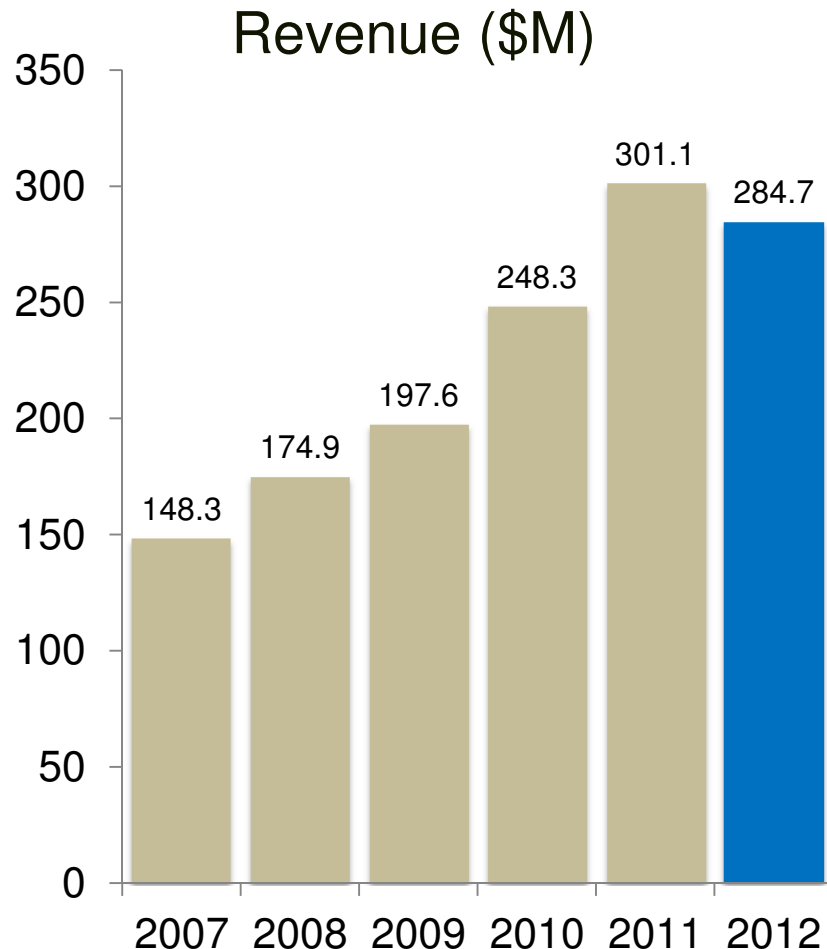
SOFTWARE LICENSING TRACK RECORD OF STRONG GROWTH



- Revenue up 35.5% to \$483.4M
- 5 year CAGR of 37%
- 17th year of consecutive growth
- On Microsoft's worldwide partner engagement board
- Secured renewal of Federal Government contract
- Strong market acceptance of new business productivity practice

INFRASTRUCTURE SOLUTIONS

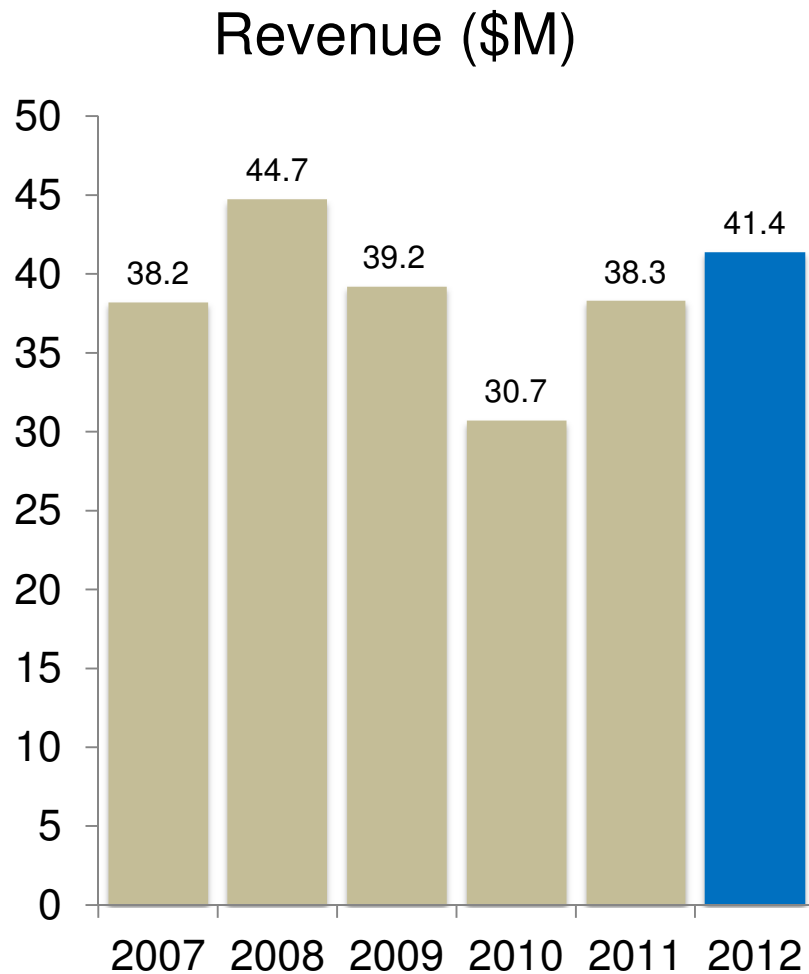
SLOW DOWN IN PROJECT REVENUES



- Total revenue down 5.5% to \$284.7M
 - Products down 9.9% to \$208.3M
 - Project services down 11.3% to \$30.7M
 - Managed services up 30.1% to \$45.7M
- 5 year CAGR of 14%
- Difficult market impacted product sales and project services
- Strong growth in managed services reflects increase in maintenance services

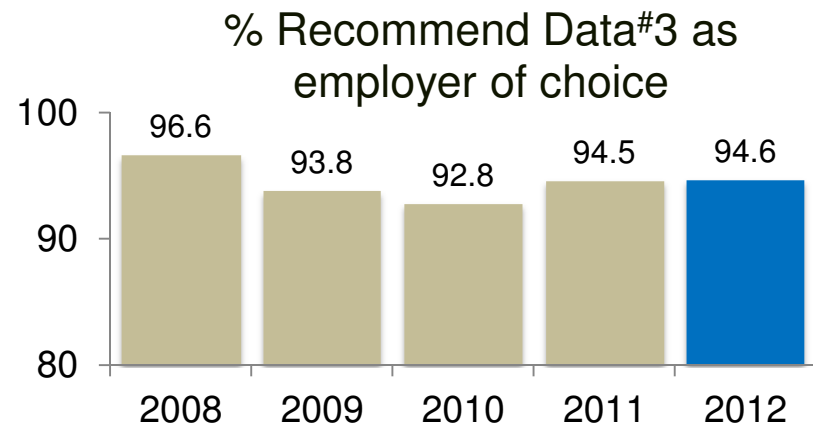
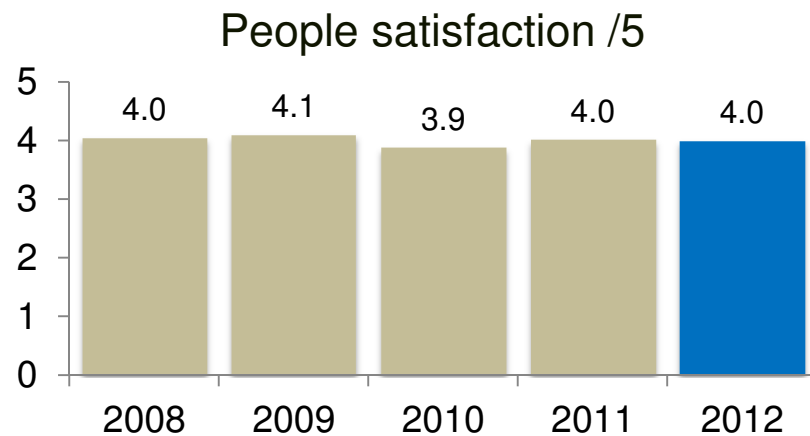
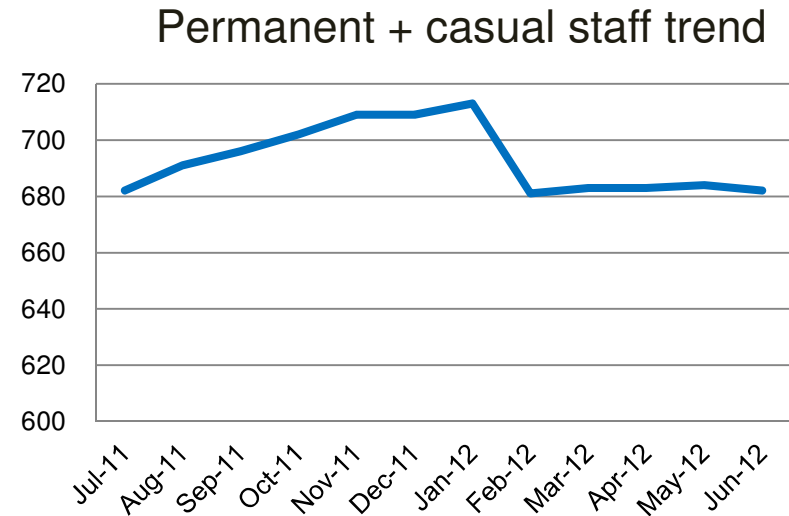
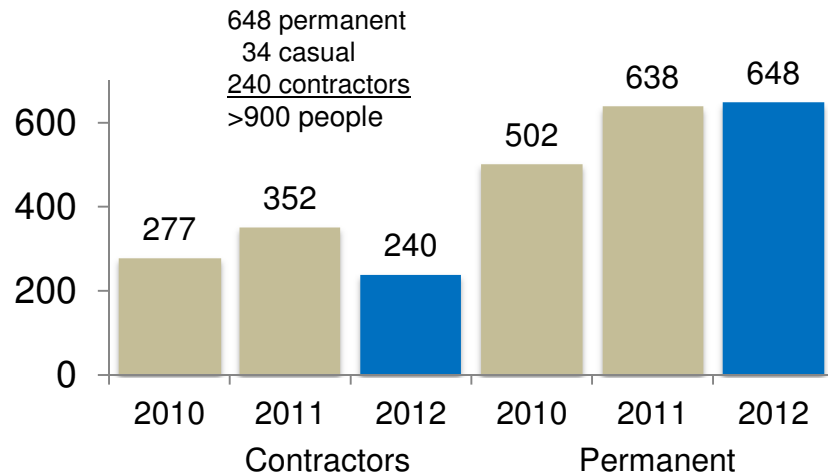
PEOPLE SOLUTIONS

GROWTH IN A DIFFICULT MARKET



- Revenue up 8.0% to \$41.4M
- 5 year CAGR of 2%
- Permanent placement revenues up 54%
- Contractor numbers down 32%
- Placement rate down 2%

PEOPLE SATISFACTION HELD IN DIFFICULT CIRCUMSTANCES



STRONG PARTNERSHIPS WITH GLOBAL VENDORS



Premier Business Partner



SIGNIFICANT CONVERSION OF 'UNDECIDED BIDS' IN Q4

	FY10	FY11	1H FY12	March 2012	FY12
Submitted bids	357	345	207	286	386
Decided bids	271	238	69	127	249
Won	126	119	42	72	121
% won	46%	50%	61%	57%	49%
Undecided			138	159	137
% undecided			67%	56%	36%

ALL STRATEGIC INITIATIVES ON TRACK

- **Solutions**
 - Strong acceptance of Strategic Consulting practice
 - Strong acceptance of Business Productivity practice
 - Trusted Cloud for Infrastructure as a Service built out and ready to market
 - New strategic supplier relationship with EMC²
- **Supply chain automation**
 - Back-end EDI and pricing complete
 - New quotation system and online portal under development

FY12 SUMMARY

- Strong revenue growth in a difficult market
- Earnings & dividends in line with long term trend
- Very strong performance from 3/5 businesses
- Decline in project revenues was not anticipated
- NSW market most challenging
- Investment delivering productivity gains
- All strategic initiatives on track

FY 2013

PLANNING ASSUMPTIONS

MARKETS

- Global economic conditions will remain volatile
- 2013 will be similar to 2012

PEOPLE

- Aggressive competition for the best people will continue

CUSTOMERS

- Strong references & platform for growth
- Increasingly consume technology 'as a service'

PLANNING ASSUMPTIONS

SOLUTIONS

- Our Solutions Framework and Technology Consumption Model provides differentiation
- Global vendors continue to use partners as their primary sales channel

TECHNOLOGIES

- Mobile including 'BYOD' (bring your own device)
- Cloud computing – software and infrastructure as a service (SaaS and IaaS)
- System & service management
- Collaboration

KEY IMPERATIVES FOR 2013

LICENSING SOLUTIONS

- Customers to extract more value from licensed software
- Accelerate growth in Services

PRODUCT SOLUTIONS

- Migrate product sales to online portal
- Renew Qld Government procurement contract

INTEGRATED SOLUTIONS

- Offset slow market for enterprise infrastructure investment by accelerating growth in Project Services (Microsoft / Cisco) and Consulting Services

KEY IMPERATIVES FOR 2013

MANAGED SERVICES

- Extend Trusted Cloud infrastructure and Service Desk
- Build out sales team for 'as a service' offerings
- Extend Maintenance offerings

PEOPLE SOLUTIONS

- Accelerate growth outside Queensland
- Minimise implications of Qld Government cuts

FY13 OUTLOOK SUMMARY

“We see the uncertain market conditions in FY12 continuing throughout FY13.

We are as well positioned as possible whatever the market.

We remain watchful for non-organic growth options.

Our financial objective for FY13 is to improve on the performance of FY12.”

Q & A

APPENDIX 1 – FINANCIAL SUMMARY

	FY12 \$'000	FY11 \$'000	% Change
Revenue by segment:			
Product	689,060	586,354	+17.5%
Services	120,427	109,804	+9.7%
Other revenue	1,903	1,630	
Total Revenue	811,390	697,788	+16.3%
Revenue by area of specialisation:			
Software Licensing	483,427	356,709	+35.5%
Infrastructure Solutions (project services, hardware product & managed services)	284,678	301,110	-5.5%
People Solutions	41,420	38,339	+8.0%
Total gross profit	119,957	111,745	+7.4%
Total gross margin %	14.8%	16.1%	
Total expenses	102,122	91,548	+11.6%
EBITDA	19,430	21,189	-8.3%
EBIT	18,302	20,514	-10.8%
EBIT margin %	2.3%	2.9%	
NPBT	19,738	21,827	-9.6%
NPAT	13,679	14,999	-8.8%
	FY12	FY11	% Change
Earnings per share	8.88 cents	9.74 cents	-8.8%
Dividend per share	7.00 cents	7.70 cents	-9.1%
Dividend payout ratio	79%	79%	
Return on equity %	42.1%	49.7%	

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