technologyone
business software solutions

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ASX RELEASE

TechnologyOne Licence Fees Grow in Excess of 70%

TechnologyOne has today announced growth in Initial Licence Fees to new customers of $6.9 million, up 182% on the prior year under the new AIFRS* standards, and up 70% on the prior year under the prior AGAAP** standards.

The Initial Licence Fees growth is an exceptionally strong result underpinned by substantial new customer contract wins in the highly competitive tier one market and reinforces the strength of TechnologyOne's vertical industry focus and aggressive R&D investment program.

The company also announced half year profit before tax of $7.2 million, an increase of 52% compared with the previous corresponding period under AIFRS (please review the separate Investor Update for a more detailed analysis of the results).

Key achievements during this period included:

- More than 90 TechnologyOne customers committed to migrate to TechnologyOne Financials Connected Intelligence (Ci) Release, the company's new generation technology platform.
- A total of 35 new contracts were signed with high profile customers such as the Government of Papua New Guinea and the Ministry of Justice in New Zealand.
- Further growth in the local government sector with five new contracts signed, including the appointment of TechnologyOne as preferred supplier to the WA Local Government Association resulting in three new customers in that region.
- Five major deals in the utilities sector, including NT Airports, Queensland Airports and the Wannon Region Water Authority.
- Seven new clients in the financial services sector, including Adelaide Bank, La Trobe Home Loans and NLC.

Chairman Adrian Di Marco said TechnologyOne is securing new tier one business because large customers recognise the business benefits delivered by its integrated product suite and business model.

"TechnologyOne is well established in the mid-tier market with more than 500 customers benefiting from our integrated solutions. However, we are now beginning to gain momentum over our more established competitors in the tier one market," he said.

"It is clear that large organisations which have previously only sourced applications from the traditional tier one suppliers like Oracle and SAP, now realise the significant return on investment that TechnologyOne's new generation Connected Intelligence (Ci) series delivers.

"It is a unique time in the history of enterprise applications, which I believe will provide TechnologyOne significant growth opportunities in the next few years. The recent spate of large acquisitions by companies such as Microsoft and Oracle has left both vendors with the considerable task of rationalising their product range," Mr Di Marco said.

"We are well positioned to capitalise on new business opportunities which may emerge as their customers become disillusioned and alienated by our competitors' rationalisation strategies.

"Our new generation Connected Intelligence (Ci) series provides us with a strong market leadership position, and a very clear alternative for organisations looking to future proof their investment.

"TechnologyOne is providing a new generation solution suite today, as well as a clear long term technology strategy and future direction.

"Of the more than 90 TechnologyOne customers who have now committed to the Ci release, more than 30 are now live.

"Every time we walk into a demonstration, our prospective customers are amazed by the depth of functionality and usability of the product that we have already delivered.

"They are seeing through our competitors' sales pitch, and realising that while other vendors talk about the next revolution in enterprise applications, TechnologyOne is already delivering this today and is significantly enhancing the way our customers run their business.

"Looking forward, I am confident the significant financial benefits from our investment in R&D over the last few years will accelerate over the next 24 months as we continue to increase our penetration in our existing markets, and establish our presence in new international markets such as the United Kingdom."

**Australian International Financial Reporting Standards (AIFRS) are the current Australian accounting standards.*
*** Australian Generally Accepted Accounting Principles (AGAAP) are the previous Australian accounting standards.*

Please see the TechnologyOne's Investor Update for a more detailed analysis of results.

About Technology One Limited
Technology One Limited ("TechnologyOne") has been providing comprehensive and deeply integrated enterprise business software solutions for over 20 years. The company's unique value proposition, The Power of One, is that it develops, markets, sells, implements and supports its own world class, fully integrated software solutions including financial management, human resource and payroll, supply chain management, business intelligence, property and rating, student management, and work and asset management. The company's new generation Connected Intelligence (Ci) solution suite is based on leading edge, state of the art technology and backed up by a substantial research and development program to ensure it continues to provide its clients with a significant competitive advantage and long term security.

Key Facts

- TechnologyOne has been continually profitable since 1992, returning compound annual growth of 31% Net Profit After Tax, and 28% Revenue
- TechnologyOne is a major Australian Publicly Listed Company
- The company has 12 offices, and a presence in seven countries

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