

Data#3 expands service offering via proposed investment in WiFi analytics company

Key highlights:

- Data#3 has secured an option to invest in and over time acquire WiFi analytics company, Discovery Technology Pty Ltd
- Discovery has developed a suite of WiFi analytics software applications that provide customer analytics, location and communication solutions to WiFi network owners
- Consumer and enterprise WiFi markets are forecast to grow strongly following the current adoption of the next generation wireless standard [802.11ac]

BRISBANE, Friday 13 June 2014: Australian business technology solutions leader Data#3 Limited (ASX: DTL) is pleased to announce that it has secured an option to acquire a minority shareholding in WiFi analytics company Discovery Technology Pty Ltd (“Discovery”), with the ability to extend this investment into a controlling position by June 2015 and full ownership by June 2017.

Commenting on the proposed investment, Data#3 Managing Director, Mr John Grant, said “We are delighted to have secured an option to acquire a stake in the rapidly growing WiFi sector and to do it with a solution that’s built for the cloud and capitalises on demand for consumption based investment”.

“Industry analyst Gartner recently reported that, with almost 70% of adults in Australia now owning WiFi enabled mobile devices, 86% of them looking for local information on their device as they move about and 88% taking action as a result, the opportunities that are emerging to respond to these behaviours and to enhance their experiences through their WiFi connectivity have never been greater.

“This move aligns with two elements of our strategy - to be a leader in the cloud marketplace and a participant in the applications sector particularly where it influences our customers’ downstream investment in infrastructure and managed services,” he said.

Discovery’s co-founder and shareholder, Brendan Williams commented “Over the last two years we’ve made significant headway in developing and taking our WiFi analytics solution to market, but this is a new venture for us and having Data#3 as a strategic investor will strengthen the relationship we have with Cisco and provide us with the financial support, guidance and stewardship a typical “start-up” technology requires to deliver the outcomes we see are possible.”

Discovery has been delivering technology and software solutions and providing technical support to SMB, corporate and government clients since 1997. In 2013 the company launched an analytics, location and customer communication software product, the Discovery Connected Customer-xperience (“CCX”). CCX is software deployed over WiFi networks to enable WiFi network owners to create value and potentially monetise their WiFi network infrastructure through customer analytics and location aware monitoring and communication combined with delivery of numerous media and business applications.

The first CCX customers were commissioned in the second half of 2013 and Discovery has continued to develop and evolve the CCX platform to provide one portal for all forms of analytics, location and communication within a WiFi enabled environment. The CCX platform is today operational in numerous venues including shopping centres, retail premises, universities, gaming, outdoor locations and hospitality, and has the potential to further expand to any WiFi enabled site or space.

Data#3's relationship with Discovery commenced in mid-2013 as a reseller of the CCX solution. Data#3 will retain this reselling relationship on an arm's length basis and manage it separately from the investment to ensure the integrity of Discovery's relationship with other resellers of the solution.

Subject to finalisation of due diligence and approval to exercise the option by the Data#3 board, it is expected that completion will occur in July 2014. Data#3 intends to fund the investment anticipated to be in the range of \$2.5 million from surplus cashflow and will have the right to nominate one director to the board of Discovery. Full transaction details will be provided on completion.

ENDS

For further information contact:

John Grant Managing Director Tel: 1300 23 28 23 Mob: 0411 429 930 Email: john_grant@data3.com.au
--

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 and managed 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 datacentre, network and desktop infrastructure
- Managed Solutions: for staffing; outsourcing; essential support; 'as a service'; cloud brokerage; and consulting.

Data#3 reported revenues of \$771 million in FY13 and \$399 million in 1H FY14. The company has approximately 900 employees, 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>