

Data#3 delivers record interim profit and increases dividend by 29% to 18 cps

Outstanding revenue growth in Software Licensing underpins expected improvement in performance for the full year

BRISBANE, Australia – 22 February 2008 - Data#3 Limited [ASX:DTL] today declared a record interim profit with the announcement of results for the half year ending December 2007. Following an increase of 22% in the after tax earnings for the first half over the previous corresponding period, the Board of Directors of Data#3 Limited declared a fully franked interim dividend of 18.0 cents per share to be paid on 28 March 2008.

"We are delighted to continue the run of 'best ever' performances we have delivered over the past five years. The interim dividend of 18.0 cents per share is an 29% increase on the previous corresponding period and, in a market where the balance between skills and costs remains delicate, and in which customers are increasingly looking to get more for their ICT investment, we are well placed to exceed the performance of the previous year," commented Richard Anderson, Chairman of Data#3.

Financial Highlights

	1H 2006/07 \$'000	1H 2007/08 \$'000	% Change
Revenue by area of specialisation:			
Software Licensing Solutions	\$49,817	\$62,371	+25%
Infrastructure Solutions	\$68,039	\$73,575	+8%
People Solutions	\$17,639	\$20,779	+18%
Other revenue	\$273	\$583	
Total Revenue	\$135,768	\$157,308	+16%
EBITDA	\$4,356	\$5,054	+16%
NPBT	\$4,328	\$5,314	+23%
NPAT	\$3,037	\$3,713	+22%
Earnings per share	19.46 cents	23.92 cents	+23%
Dividend per share	14.0 cents	18.0 cents	+29%

Commentary on Performance

For the company overall:

- Total revenue grew by 16% to \$157.3 million
- The overall gross margin essentially remained unchanged, a particularly pleasing outcome considering the strong increase in the lower margin software licensing and recruitment areas
- Staff and operating expenses as a percentage of gross margin contribution remained unchanged from the previous corresponding period, again a pleasing outcome given the continuing tight labour market
- Interest bearing debt remained minimal
- Net profit after tax increased by 22% to \$3.7 million

- Basic earnings per share increased 23% to 23.92 cents; dividends per share increased 29% to 18.0 cents, representing a 75% payout

For our areas of specialisation:

- Software Licensing Solutions maintained market leadership to deliver revenue growth of 25% over the previous corresponding period to \$62.4M
- Infrastructure Solutions grew revenue 8% over the previous corresponding period to \$73.6M with strongest growth in enterprise infrastructure
- People Solutions grew revenue 18% over the previous corresponding period to \$17.6M.

“Our performance in this first half has once again been nothing short of excellent particularly in the light of the demand driven labour market and the consequent pressure on costs,” said Data#3’s Managing Director John Grant. “There is potential for the market to tighten in the second half as the global finance sector issues play out and our focus has been to recruit key management and sales professionals to increase our market coverage and share,” he said. “The strong first half underpins the outlook and we believe we remain well positioned to improve financial performance for the full year over the record 2007 result and to continue to deliver dividends near the top of the sector.”

About Data#3

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

Customers utilise Data#3’s expertise to deliver exceptional value in:

- Software licensing and software asset management solutions to optimise and manage the acquisition of productivity and security software in volume, predominantly for desktop and networking environments
- Infrastructure solutions to design, deploy and operate desktop, network and data centre hardware and software infrastructure as the foundation for productivity and corporate software applications
- People solutions providing contract and permanent recruitment and human capital performance management solutions.

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 that are located throughout Australia and Asia Pacific.

Data#3 reported revenues of \$285 million for the year ended 30 June 2007 and has over 400 employees. The company is headquartered in Brisbane, and has offices located in Sydney, Melbourne, Canberra, Townsville, Rockhampton, Gladstone and New Caledonia.

More information about Data#3 and its solution offerings is available at <http://www.data3.com.au>

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