

## **ASX RELEASE**

**28 June 2017**

### **Update on the Brisbane City Council LGS Contract**

TechnologyOne Ltd (ASX: TNE) provides the following update regarding its dispute with Brisbane City Council (BCC) in relation to the LGS Project Contract (Contract).

As disclosed in TechnologyOne's ASX statement of 3 May 2017, BCC issued TechnologyOne with a Notice to Show Cause on 2 May 2017 (May Notice to Show Cause).

TechnologyOne provided BCC with its detailed response to this notice on 29 May 2017. On 20 June 2017, BCC informed TechnologyOne that they would not be terminating the Contract on the basis of the May Notice to Show Cause.

On 30 May 2017, TechnologyOne issued BCC with a Notice to Show Cause for failure to pay invoices for Milestones 7 and 8, which is a material breach of the Contract. Payment of \$750,000 was received from BCC for these Milestones on 23 June 2017 which has remedied this breach.

On 26 June 2017, BCC issued TechnologyOne with a second Notice to Show Cause (June Notice to Show Cause). The June Notice to Show Cause covers many of the same issues in the May Notice to Show Cause that BCC did not act upon. This Notice also ignores TechnologyOne's bona fide requests for extensions of time under the Contract due to BCC's conduct.

TechnologyOne will again vigorously defend its position in its response to this notice.

TechnologyOne has recommended expedited arbitration to resolve issues. BCC has not accepted expedited arbitration which would allow these issues to be resolved and the project put back on track.

TechnologyOne Executive Chairman, Adrian Di Marco said:

"Our attempts to resolve this dispute and reach a pragmatic and mutually beneficial arrangement with BCC continue. However, BCC appears to be committed to resolution by way of legal proceedings rather than commercial negotiation.

"As a legal tactic, BCC is now insisting that TechnologyOne configure a system for BCC strictly in accordance with the 2015 Contract that does not meet BCC's current business requirements. BCC's business processes have changed since 2015. In October 2016, BCC provided updated business process requirements that expanded the scope of the project. BCC have refused to issue a contract amendment and TechnologyOne is being asked to now configure a system for BCC that does not reflect BCC's current business processes.

"This demonstrates that BCC is no longer genuinely committed to working with TechnologyOne to deliver this project. BCC is engineering a situation where TechnologyOne is unable to perform against the contract.

"Given these facts, attempted termination of the contract by BCC continues to be the most probable outcome."

TechnologyOne remains confident of its legal and commercial position under the Contract.

**- ENDS -**

## About TechnologyOne

TechnologyOne (ASX:TNE) is Australia's largest enterprise software company and one of Australia's top 200 ASX-listed companies, with offices across six countries. We create solutions that transform business and make life simple for our customers. We do this by providing powerful, deeply integrated enterprise software that is incredibly easy to use. Over 1,000 leading corporations, government departments and statutory authorities are powered by our software.

We participate in only eight key markets: government, local government, financial services, education, health and community services, asset intensive industries, project intensive industries and corporates. For these markets, we develop, market, sell, implement, support and run our preconfigured solutions, which reduce time, cost and risk for our customers.

For 30 years, we have been providing our customers enterprise software that evolves and adapts to new and emerging technologies, allowing them to focus on the business and not technology. Today, our software is available on the TechnologyOne Cloud and across smart mobile devices.

For further information, please visit: [TechnologyOneCorp.com](http://TechnologyOneCorp.com)