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Trading update

BRISBANE, Friday 15 December 2017: Australian business technology solutions leader Data#3 Limited (ASX: DTL) provides the following update in relation to trading in the first half of the 2018 financial year (FY18).

The company expects the first half profit to be substantially lower than the prior year's record first half result. The second half performance, however, is expected to be strong and the company's full year expectation remains to achieve its overall financial goal for FY18, being to improve on FY17's best ever profit result.

As reported at the AGM on 9 November 2017, many projects and transactions remained to be concluded, with potential for delay to some projects, and Business Aspect's profit performance has been below par. The company also confirmed that it is decommissioning the Data#3 Cloud and helping its customers transition into either public or private clouds.

Last year Data#3 produced an exceptionally strong first half performance, boosted particularly by two substantial projects, resulting in a 34% increase in first half profit. This is not expected to be matched in the current period.

Supplier delivery constraints in November and December have delayed a number of projects. Further, a number of customer delays have seen sizeable transactions slip into the second half. Both of these factors have flow on effects on supplier rebate entitlements which can only be finally determined after period end. These timing delays will see profit realisation shift into the second half, which will support delivery of the overall financial goal for FY18.

We expect to provide a further trading update in late January in accordance with usual practice.

ENDS

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About Data#3

Data#3 Limited (ASX: DTL) is a leading Australian IT services and solutions provider, focused on helping its customers solve complex business challenges using innovative technology solutions.

Built on a foundation of 40 years' experience, combined with world-leading vendor technologies, Data#3 delivers an integrated array of solutions spanning cloud, mobility, security, data & analytics and IT lifecycle management. These technology solutions are delivered by combining Data#3's services across consulting, project services and managed services.

Listed on the ASX in 1997, Data#3 reported revenues of \$1.1 billion in the 2017 financial year and has more than 1,100 employees. Headquartered in Brisbane, it has facilities across 12 locations in Australia and Fiji.

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