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Company Announcements Officer
Australian Securities Exchange Limited
Exchange Centre, 20 Bridge Street
SYDNEY NSW 2000

BY ELECTRONIC LODGEMENT
TECHNOLOGY ONE LIMITED RESPONDS TO BRISBANE CITY COUNCIL PRESS RELEASE

Attached is the media statement Technology One Limited has lodged in response to the Brisbane City Council (BCC) press release, "LM orders Review of IT systems replacement program contract".

Once released by the ASX a copy will be made available on the Company's website at www.technologyonecorp.com/shareholders.

Yours faithfully

Gareth Pye
Company Secretary

Introduction

TechnologyOne has issued this statement in response to questions from journalists pertaining to the press release today by BCC, "LM orders Review of IT systems replacement program contract"

The delays referred to in the BCC press release are due to the following factors:

- Council decision to take our new generation product
- Substantial Increase in scope

Council decision to take our new generation product

TechnologyOne is the dominant software supplier to Local government in Australia, with an unblemished track record and proven software solutions in over 300 Councils.

BCC selected our new generation product because of the substantial benefits it would provide BCC. Our new generation product is based on our existing product, but is built to support the digital economy using mobile devices and the cloud, which would support BCC initiatives in to the future.

It was agreed that BCC would be development partners of TechnologyOne with the award of the tender, but as the project progressed it became clear that BCC struggled with this strategy. At the request of BCC the decision was made that TechnologyOne would complete the build of the new product before the project implementation proper continued. This change in strategy has introduced delays to the project.

Furthermore, the Council has requested substantially more functionality in our new generation product than was originally tendered. This additional software functionality has been provided by TechnologyOne at no additional cost to BCC.

The software build has now been completed, tested, demonstrated and handed over to the BCC for the next stage of the project, which is to configure the software to meet their business processes.

BCC staff at the recent demonstration responded positively to the new software, as have other TechnologyOne clients.

Substantial increase in scope

TechnologyOne found Council existing business processes were not well defined when the project commenced, and so BCC took the opportunity to document them clearly while the software build was completed. This review has led to substantially more business processes being identified (500+,

1

approximately 100% more business processes) than was originally contracted. As such the scope has increased substantially and that has also impacted the project timeline. We have submitted detail documentation to the Council on the 9th Jan identifying each of these additional business processes.

Additional $60m quoted in the press release

It is important to note that though there have been delays to the project, to date TechnologyOne has not charged any additional costs to BCC. TechnologyOne has remained within the contracted amount. It is also important to note that the additional $60m referred to in the press release does not include any additional costs from TechnologyOne at this time. TechnologyOne has previously voiced concern about the significant size of the team from BCC, because of the cost and effectiveness of such a large team.

Confusion

There appears to be confusion and misunderstanding within the Council on the history and status of this project. As such TechnologyOne welcomes the independent review.

AfterWord

TechnologyOne remains committed to the successful completion of this project at BCC.

- 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 29 years, we have been providing our customers enterprise software that evolves and adapts to new and emerging technologies, allowing them to focus on their 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