MARKET ANNOUNCEMENT

UXC Acquires Keystone Management Solutions
Expands Cloud Capabilities in ServiceNow
Increases annuity SaaS business

UXC Limited is pleased to announce the acquisition of Keystone Management Solutions (Keystone), Australasia's largest reseller and services provider for ServiceNow.

ServiceNow is the leading global provider of cloud-based solutions that automate enterprise IT operations. The innovation that comes from the ServiceNow platform supports the ability to reach well beyond IT operations into the enterprise with a focus on transforming the organisation by automating and standardising business processes.

With a growth rate of 70% per annum, ServiceNow is amongst the fastest growing cloud-based organisations globally. Established on the market in 2005, ServiceNow currently has a market capitalization of $7.6 billion. ServiceNow was named in the Wall Street Journal "Next Big Thing" list for two consecutive years, and counts a high proportion of Fortune 500 companies as customers.

UXC announced its partnership with ServiceNow in August this year as part of the strategic direction to drive market leading positions in new growth initiatives, thereby increasing relevance to customers and increasing participation in high growth sectors of the IT market. The decision to have Keystone join UXC significantly enhances UXC's end-to-end Enterprise Service Management value proposition, quickly expands UXC's Cloud-based Solutions capabilities and increases UXC's subscription-based annuity revenue.

Keystone was founded in 2007 and was instrumental to ServiceNow being established in the Australasian marketplace. It has since grown to become the largest and leading ServiceNow Partner in the Asia Pacific region with over 130 successful ServiceNow implementations.

As a result of the Keystone acquisition, UXC will benefit from relationships with more than 120 ServiceNow Enterprise, Government and Education sector customers including the Queensland Government, RACV, Uniting Care Queensland, the University of Western Australia and many others.

Keystone CEO Dion Williams will report to UXC Managing Director Cris Nicolli. The business will be branded UXC Keystone, and will become the core component of the UXC Cloud strategy within the Applications division. Dion, together with fellow Directors Paul Heath and Neil McKinnon will stay with the company and continue to build on the outstanding growth and customer support achieved to date.

Mr Dion Williams stated "This is a great opportunity for our staff and our customers to leverage the capabilities and market reach of UXC to advance the growth of our partnership with ServiceNow. We see the track record of UXC in the Service Management market as very complimentary and know that together we can develop greater outcomes for our clients."

Mr Jimmy Fitzgerald, Vice President APJ, ServiceNow stated, "As more and more enterprise customers choose ServiceNow to transform IT by automating and managing IT service relationships across the enterprise, we are looking for partners that offer capabilities in support of such transformational programs, ensuring that our customers can realise their intended benefits. The combined capability and UXC's experience in ITSM solutions, IT strategy, consulting and managed services together with the strength and experience of Keystone places it in a unique market position to lead such transformations."

Mr Cris Nicolli, UXC Managing Director said, "The acquisition of Keystone and the partnership with ServiceNow is very much part of the UXC strategic direction and is an exciting and key growth opportunity for UXC. By providing innovative and industry leading solutions that deliver significant benefit to our Enterprise and Government customers, it will create stronger customer engagement and put UXC at the forefront of delivering value beyond IT. This will further enhance the already strong reputation and leadership within the IT Service Management market."

"At UXC we are seeking to find new growth opportunities while continuing to build deep capabilities and deliver outstanding customer centric solutions that can drive earnings growth. We see the high growth cloud-based IT Service Automation market, coupled with our strong ITSM experience in Australia and South East Asia, as ideal platforms to combine with Keystone. The expansion is also a compelling opportunity for a strong return on our investment and furthering our strategy of building our Cloud Services leadership."

The Keystone business model provides a strong reoccurring annuity base of business that is supportive of key clients and the UXC strategy of increasing annuity revenue over the next three years to over 30% of revenue.

Consideration will be between $24m and $28m depending on the achievement of certain performance and earnings targets through the end of FY15 and will be a mixture of cash and shares. The acquisition multiple is in line with prior deals and the transaction is expected to be immediately earnings accretive. The earnings profile and growth expectations of the business will make a positive contribution to earnings in the 2nd half of FY14.

For more information please contact:

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ABOUT UXC LIMITED

UXC Limited is an S&P/ASX 300 listed Australian business solutions company, and the largest Australian owned ICT consultancy firm. UXC services medium to large entities in the private and public sectors across Australia and New Zealand.

UXC provides a range of unique, unmatched and formidable ICT Solutions in Consulting, Business Applications and Infrastructure that support our customers to plan & design, implement & enhance, and operate & manage their ICT requirements.

UXC strives to create simplicity and meaning in a complex world through the power of people and technology, by being the leading Tier 1 Australian IT Services and Solutions Company, delivering value, innovation and responsive business outcomes with excellent people.

ABOUT KEYSTONE MANAGEMENT SOLUTIONS

Keystone is a leading provider of services and solutions based around ServiceNow, the industry leading provider of cloud-based solutions that automate enterprise IT operations.

Established in 2007, Keystone introduced ServiceNow into the Australasian marketplace and currently support over 120 ServiceNow customers across Australia, New Zealand and globally. Keystone is the largest partner for ServiceNow in the region and the only accredited ServiceNow training provider, and the only partner with a customer support team dedicated to supporting ServiceNow customers.

Keystone continues to innovate in the area of Service Management by identifying markets that could benefit from the disruptive nature of our solutions and other disruptive technologies that could deliver transformation in other areas for our customers.

Keystone strives be the partner of choice for organisations wanting to realise extraordinary outcomes in service management.