



MARKET ANNOUNCEMENT

UXC Acquires North American Businesses of Tectura Corporation

North American strategy takes shape with the expansion of Canadian and USA Businesses

UXC Limited is pleased to announce that UXC Eclipse, a wholly owned subsidiary, has finalised an agreement for the acquisition of certain North American assets and businesses of Tectura Corporation for consideration of US\$21 million. The acquiring entities will be wholly owned subsidiaries of UXC Eclipse in the USA and Canada.

UXC has previously articulated its strategy to build a stronger presence in the North American market for Microsoft Dynamics, given the higher rate of growth available in that market, and the strong position held by UXC Eclipse in Microsoft Dynamics in Australasia. After three years of organically developing the UXC Microsoft Dynamics business to support North American clients and with the 2012 acquisition of Cole Systems USA, the building blocks are now in place to deliver an advanced growth platform for UXC Eclipse USA. The purchase of Tectura's North American Microsoft Dynamics business will enable UXC to fast track these growth ambitions by integrating the acquisition into the existing North American businesses of UXC Eclipse.

Tectura, like UXC Eclipse, is an established global Microsoft Dynamics Enterprise Resource Planning (ERP) and Customer Relationship Management (CRM) partner, and the UXC Eclipse acquisition of the North American business is well supported by Microsoft. Tectura specialises in implementing and supporting Dynamics NAV, Dynamics GP and Dynamics AX for a broad range of medium to large companies. With an additional 180 staff from Tectura in the USA and Canada, this will bring the UXC Eclipse North American footprint to over 260 people, a customer base over 1,400 and annual revenue will increase by some \$48 million per annum to be in excess of \$70 million.

Mr Cris Nicolli, UXC Managing Director said, "At UXC we seek to build deep capabilities, deliver outstanding customer centric solutions and to continue to improve our market share and drive earnings growth. We see the high growth US Microsoft Dynamics market, coupled with our strong industry experience in Australia and North America, specifically with Microsoft Dynamics, as ideal platforms to combine with Tectura USA, a highly respected Dynamics integrator. The expansion is also a compelling opportunity for a strong return on our investment and furthering our strategy of building our ERP leadership."

"There are strong marketing, process and industry vertical synergies that will support our growth aspirations that together, with the strong financial position of UXC, will allow increased scale of opportunity to be pursued."

"The expansion of our business across North America will also provide increased opportunity for UXC Eclipse to further penetrate that market with our own IP solution, Daxeam, which is



aimed at the Enterprise Asset Management market. It will also provide opportunity for us to expand new Microsoft Dynamics IP offerings.”

“UXC Eclipse is a Gold Partner for Microsoft Dynamics ERP and CRM and the leading Microsoft Dynamics partner in Australasia. This expansion of our North American operations will further improve our position to be the second largest Microsoft Dynamics partner globally,” Nicolli continued.

Mr Bradley Stroop, CEO of UXC Eclipse Group, will drive the integration of Tectura with Mr David Weiner, CEO of UXC Eclipse USA. Nicolli added, “There is a real sense of excitement and anticipation within UXC Eclipse and Tectura as to what can be achieved in the US and Canadian market given the access to the global skills, infrastructure and financial support of UXC in this high growth market.”

The acquisition is important in that it contributes to delivery of two key components of our strategic growth plan by way of the strong level of annuity business, being over 33% of revenue and delivers earnings that will augment our organic business. 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 second half of FY14.

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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 UXC ECLIPSE

UXC Eclipse is a leading provider of intelligent business solutions to the enterprise and mid-market.



Established in 1991, UXC Eclipse's success has been built by providing the highest levels of service and offering a choice of solutions from leading software vendors. UXC Eclipse also delivers industry-specific (vertical) solutions on the Microsoft platform to meet ERP and CRM requirements.

UXC Eclipse's service offerings include applications business consulting & project management, applications development, corporate performance management and business process management. With a team of over 588 people across 17 international offices (Australia, New Zealand, Fiji, Canada and the United States), UXC Eclipse is committed to supporting over 2,600 customers.