

Australian Stock Exchange Company Announcements Platform 17 December 2012

UXC Limited ABN 65 067 682 928

## MARKET ANNOUNCEMENT

## UXC Announces Acquisition of Cole Systems Associates, Inc. Expands North American Business in the USA

UXC Limited is pleased to announce that its wholly owned subsidiary, UXC Eclipse Intelligent Solutions (USA) Inc. (part of the UXC Eclipse group) has finalised the completion of the acquisition of the shares of Cole Systems Associates, Inc. (Cole Systems).

The acquisition builds an advanced growth platform for UXC after having established a strong organic multimillion dollar business in North America focused on Microsoft Dynamics AX solutions for the resources sector.

With a dominant position in the Australia / New Zealand market, and with our strength in Dynamics AX capabilities, the potential to build on the North American platform in the US market presents a significant opportunity to grow our UXC Eclipse business. Dynamics AX has been growing at over 50% per annum in what is now a sizeable and rapidly growing market. Cole Systems is one of Microsoft's oldest and most respected Dynamics Enterprise Resource Planning (ERP) and Customer Relationship Management (CRM) partners in the USA, and its acquisition by UXC Eclipse is supported by Microsoft. Cole Systems specialises in implementing ERP, especially Dynamics AX, for a broad range of medium to large companies. With over 30 full time employees based in New York, Cole Systems has grown to achieve strong earnings on annual revenues of approximately USD\$10m. This will bring the UXC Eclipse North American footprint to over 65 people with annual revenue in excess of \$20m.

Mr Cris Nicolli, UXC Managing Director said "At UXC we seek to build deep capabilities and deliver outstanding customer centric solutions and to continue to improve our market share and drive earnings growth. We see the high growth US market, coupled with our strong industry experience in Australia and Canada, as ideal platforms to combine with Cole Systems, a highly respected Dynamics AX integrator, and 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 which together with the strong financial position of UXC will allow increased scale of opportunity to be pursued."

"The positioning of our business on the US east coast will also provide increased opportunity for UXC Eclipse to further penetrate the US market with our own IP solution, DAXeam, which is aimed at the Enterprise Asset Management market."

"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 as one of the largest Microsoft Dynamics AX partners globally" Mr Nicolli continued.



Mr Brad Stroop, CEO of UXC Eclipse will drive the integration of Coles Systems with both Mr David Weiner, President, and Mr Ivan Cole, CTO, who will continue with their existing roles at Cole Systems, now reporting to Mr Stroop. Both Mr Weiner and Mr Cole are committed to the ongoing growth of the combined business and to a long term involvement in the business.

Mr Nicolli said "There is a real sense of excitement and anticipation within UXC Eclipse and Coles Systems 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."

Consideration will be paid in cash with some consideration being deferred pending the achievement of specific earnings targets over specified periods. The earnings profile and growth expectations of the business together with the quality of earnings will make a positive contribution to earnings in the  $2^{nd}$  half of FY13.

For more information please contact:

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Managing Director Finance Director / Company Secretary

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## ABOUT UXC LIMITED

UXC Limited is an ASX 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 ICT Solutions in Consulting, Business Applications and Infrastructure that support our customers to design, implement & enhance, and operate & manage their ICT requirements.

UXC strives to be the leading Australasian 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 mid-market.

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

Our service offerings include applications business consulting & project management, applications development, corporate performance management and business process management.

With a team of over 400 people, we are committed to supporting over 1200 customers.