



Integral buys Axon to create largest privately-owned local ICT Company

Integral Technology Group has acquired 100 percent of Axon Computer Systems.

Integral's Executive Chairman, David Sutherland, says Integral and Axon will be merged to create New Zealand's largest privately-owned ICT services company with revenues approaching \$150 million and around 360 staff.

"Both companies have achieved impressive growth thus far, but we felt the path to the next phase would have been slower if we each continued on our own. Together, we have the scale and the breadth and depth of capabilities to be much more effective as a business and in meeting the needs of our customers," Sutherland says.

Sutherland says the customers he has spoken to about the acquisition have been extremely positive.

"Customers of both companies see the benefits from combining Axon's unique pedigree in infrastructure managed services with Integral's enterprise infrastructure strengths and integrated software solutions. The merged company will offer improved services and solutions reaching from the desktop to the data centre.

"Both companies have invested in private cloud-based Software-as-a-Service offerings. Focusing this investment into a combined offering will create a more compelling cloud proposition for customers."

Sutherland says the management team of the new company will include key Axon and Integral staff. Axon CEO Scott Green will assume an advisory role to the board for a period of time. Integral's Managing Director Ray Noonan will become Managing Director of the new company and Integral Sales and Marketing Director Catherine Blinkhorn will take up the role of Director of Customer Engagement.

As Executive Chairman of the new company, Sutherland says he will take an active role in the transition, collaborating with customers and staff to work through and communicate the changes.

He says the name and brand of the new company is still under consideration and a decision is yet to be made.

Axon's CEO Scott Green says the acquisition represents a good outcome for all of Axon's stakeholders.

"Four and a half years ago I took on the CEO role at Axon with a brief from Axon's majority owner Matt Kenealy to grow the enterprise value of the company and to realise strong returns for the shareholders. That mission is now accomplished.

"Axon enters this transaction on the back of significant successful strategic investments, strong brand recognition, excellent customer acquisition, satisfaction and retention, a strong 2009 financial result and a very positive outlook for 2010.

"I'm delighted that a New Zealand company has acquired Axon. The combined business is a major force in the IT industry in New Zealand, but importantly continues to offer public and private sector organisations a "local choice" provider that is committed to the success of New Zealand business and the broader economy.

"I am confident that Axon's strong 'customer first' culture will continue to grow under the new ownership, and I'm sure that the whole Axon team will work with Integral management and staff to make the merger a success," Green said.

Ends.

Released by Sayle Noble & Associates on behalf of Integral and Axon. For more information please contact Tony Noble on 021 477 007 or email noble@noble.co.nz

For more information on Axon go to www.axon.co.nz
For more information on Integral to www.integralgroup.co.nz

Key tasks performed by the Axon board up to the sale to Integral Technology Group.

Brian Steele was an Independent Director of the Company during the period from 2006 -2010. During that time the Board was able to:

- Transition from owner to new senior management team;
- Focus on managed services to underpin the business with annuity revenue;
- Member of Remuneration committee, advisor to the audit committee;
- Introduction of Share option scheme for management;
- Growth of the Company in terms of EBITDA and Enterprise value of over 100%;
- Achieved clean and successful exit to industry player