



31 March 2006

**3Q Holdings acquires a US based retails solutions business thus establishing a presence in the United States**

The Board of 3Q Holdings Limited (ASX: TQH) today announced the acquisition of the San Diego based Applied Retail Solutions business (ARS) by a wholly-owned subsidiary of TQH. ARS has been providing software and services to mid sized and large retailers in the United States since 1987. Its core product is “OnePointe” and this provides a Post to Host solution in market segments such as apparel, footwear, entertainment, discount and variety.

Until the acquisition, ARS was owned and operated by Island Pacific Inc., a US based company focused on retail merchandising, store operations, Customer Relationship Management and multi-channel software solutions.

The ARS product mix is synergistic with the existing product range available through TQH in Australia and the acquisition offers TQH an entry point into the large US retail market through a business with an established solution set, existing clients and an experienced management team.

Retailers that use ARS software include Lane Bryant, Lilly Pulitzer, Rack Room Shoes and Charming Shoppes.

The Chief Executive Officer of ARS is Davy Rosen who has been involved in the development and implementation of retail software systems since 1981.

Commenting on the transaction, TQH Chairman and CEO Shaun Rosen said, “We are excited about this acquisition and believe it will have a positive impact on the group and prove earnings accretive in the current financial year. The acquisition of ARS also provides TQH with an excellent entry into the US retail software and services market and we intend to build on ARS’s twenty year history of service in this market.”

The key terms of the transaction are as follows:-

- TQH has acquired certain assets of ARS (including all the principal technology used in the business, certain contracts, receivables and plant and equipment) for AUD\$300,000 in cash, payable over the next 3 months.
- The purchase is to be funded from working capital.
- The effective date of the transaction is 31 March 2006.

Any questions in relation to this announcement should be directed to Alan Treisman on (02) 9389 3555.