



3Q HOLDINGS COMPLETES ACQUISITION OF INTERNATIONAL MERCHANDISING SOLUTION

- **3Q Holdings Limited (ASX: TQH) has completed the purchase of the Island Pacific business, from Island Pacific, Inc. which is primarily based in the United States of America, for \$US16m**
- **The purchase price has been funded by \$US13 million in bank debt and US\$3 million of vendor finance**
- **Island Pacific revenues generated for the half year ended September 2007 was \$US6,1Million, with EBITDA of US\$2.5 Million and US\$3.6 Million occurring through maintenance contracts (Based on unaudited figures for the 6 month period ended September 2007)**
- **The acquisition gives 3Q a foothold in the UK and expands its presence in the U.S.A.**
- **The Island Pacific business' client base includes leading international retailers with a number of Fortune 500 companies**

- **In addition to the US\$800,000 in Net Tangible Assets to be delivered under the Asset Purchase Agreement at closing, cash and tangible assets acquired at closing totaled not less than US\$4.2 million**

Commenting on the transaction, TQH Executive Chairman Shaun Rosen said

“The purchase of Island Pacific is a significant milestone in 3Q Holdings’ short history. We welcome the Island Pacific team to the 3Q family of companies and anticipate many synergies between the existing 3Q businesses and Island Pacific. Ultimately the beneficiaries of this acquisition will be all our stakeholders that will see a stronger 3Q able to deliver best in breed products to existing and new clients. We are delighted at the further expansion of our US operations and particularly excited by the expansion into the UK. My Board and I look forward to Island Pacific’s contribution to what should be a year of exciting growth for 3Q”

Any questions relating to this announcement should be directed to TQH’s Chief Financial Officer, Alan Treisman, on 02 9389 3555.