



## ASX Announcement

3Q Holdings Limited  
ABN 42 089 058 293

### On-market Buy-back – up to 16,182,654 TQH Shares

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- 3Q Holdings to implement an on-market buy-back of its issued shares (ASX:TQH)
    - Up to 16,182,654 shares to be purchased, from 7 May 2012
    - 10% of the smallest number of issued shares outstanding in the last 12 months
  - The Company will initially offer 5c/share (under the current market price)
    - A Director and Shareholder (Clive Klugman) may sell shares into buy-back at 5c
    - Those shares will not be offered to the market for at least two trading days after the buy-back opens, to ensure all other shareholders have the chance to be bought back at 5c (although the Board does not anticipate that many shareholders would be inclined to participate at values lower than current market price)
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**23 April 2012:** The Board of 3Q Holdings Limited (ASX: TQH) today announced its intention to implement an on-market buy-back of up to 16,182,654 shares of its currently issued share capital (representing 10% of the smallest number of issued shares outstanding in the last 12 months).

The Board believes the current share price reflects a substantial discount to the intrinsic value of the Company.

Implementing a buy-back arrangement gives the Company the flexibility to pursue the most beneficial capital management options available to it. However, the Company will also continue to investigate options for acquisition, where those options allow it to expand its customer base and earnings potential at an appropriate cost.

The Company proposes to instruct its broker to take a position in the market only where that position maximises the benefit of the buy-back to the Company. The maximum number of shares that may be bought under the terms of the buy-back is 16,182,654 shares, but the Board advises shareholders that there can be no certainty that the Company will acquire (or seek to acquire) any shares under this buy-back arrangement.

The Company anticipates commencing the buy-back on 7 May 2012.

#### **Sale of a Director's shares**

Clive Klugman is a Director of the Company, as well as a substantial shareholder (through Eastfall Pty Limited, a company which he controls). Clive currently has a relevant interest in 30.4% of the Company's issued shares. Clive has indicated to the Board that for personal reasons (unrelated to the performance of the Company), he is considering instructing his broker to sell a line of his shares (up to 16,182,654 shares) into the on-market buy-back at 5c/share.

The Board believes that it is clearly in the best interests of all shareholders for the Company to acquire these shares, decreasing the total number of shares outstanding, and increasing earnings per share.

Hence the Company will initially enter the market at a price of 5c, to acquire Clive's shares or those of any other shareholder willing to sell at this price (which is around 25% lower than the most recently traded price of TQH shares).

To ensure that no other shareholder is prevented from participating in the buy-back because of the volume of Clive's shares, Clive has agreed that he will not enter the market until at least two trading days after the buy-back offer opens – allowing all other shareholders to sell shares into the buy-back at 5c if desired.

If the Company buys back the full 16,182,654 shares at 5c/share, the cost to the Company of the buy-back of those shares will be \$809,132.70, funded from existing cash reserves. If no shareholders participate in the buy-back other than Clive Klugman, Clive's relevant interest in the Company would reduce to 22.7%.

The Board confirms that it does not recommend that any shareholder sell their shares into the buy-back at 5c, as it believes that price is less than the intrinsic value of the Company. However, as each shareholder's personal circumstances are different, the opportunity will be there for shareholders to participate if desired. The Board advises shareholders that there can be no certainty that Clive or any other shareholder will sell (or seek to sell) any shares under this buy-back arrangement.

The Board also notes that, if the Company buys back the full 16,182,654 shares, the proportionate interests of the two other major shareholders (Shaun Rosen and Davy Rosen, who together control 38% of the Company's issued shares) will increase to 43%.

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### **About 3Q Holdings**

*3Q Holdings Limited (ASX: TQH) has been listed on the ASX in its current form since 28 December 2005. It originally acquired 100% of QQQ Systems, a software company that provides software applications to the retail industry in Australia and New Zealand – with both point of sale (POS) and head office solutions into a wide range of retail clients operating in the fashion, electronics, furniture, general merchandise and discount variety industries.*

*In March 2006 the company acquired the San Diego based Applied Retail Solutions business (ARS). ARS has been providing software and services to mid-sized and large retailers in the United States since 1987. Its core product "OnePointe" provides a Post to Host solution in market segments such as apparel, footwear, entertainment, discount and variety, giving TQH an excellent entry into the US retail software and services market.*

*New Zealand based AdvanceRetail Technology was acquired by TQH in March 2007, and is a leading retail solutions provider with offices in Auckland, Sydney and Brisbane and representation in Malaysia, China and Singapore – giving it a high quality customer base in Australia, New Zealand and Asia. The company has a range of strategic alliances through which the Company takes its products and services to market, including industry leaders that include SAP, Microsoft and IBM.*

*In December 2007 the company acquired Island Pacific, which provides access to market leading retail merchandising, store operations, CRM, and multi-channel software solutions internationally. With offices in the United States and the United Kingdom, TQH not only has better access to those markets, but has the advantage of a springboard into the broader European markets. Island Pacific was founded in 1978 and has developed a reputation for delivering high-quality, high-reliability software to the retail industry. The company is headquartered in Irvine, California.*