



## For Immediate Release

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### **DATA Communications Management Corp. Announces Closing of Previously Announced Acquisitions of Eclipse Colour & Imaging Corp. and Thistle Printing Limited and Increased Credit Facilities**

**Brampton, Ontario** - February 22, 2017 - DATA Communications Management Corp. (TSX: DCM) (“DATA” or the “Company”) announced today that it has closed the previously announced acquisitions of Eclipse Colour & Imaging Corp. (“Eclipse”) and Thistle Printing Limited (“Thistle”). DATA also announced that it has increased the total available commitment under its senior revolving credit facility with a Canadian chartered bank by \$10 million to up to \$35 million and completed an amendment to its term facility with the Integrated Private Debt (“IPD”) division of Integrated Asset Management Corp. (TSX:IAM) which provides DATA with a total borrowing base of up to \$72 million from \$50 million.

#### *Acquisition of Eclipse Colour & Imaging Corp.*

Eclipse is a leading Canadian large-format and point-of-purchase printing and packaging company, with approximately 100 employees operating in an 80,000 square foot facility located in Burlington, Ontario. The acquisition of Eclipse adds significantly expanded wide format, large format, and grand format printing capabilities to DATA’s portfolio of products and services, with Eclipse having a product mix focused on in-store print, outdoor, transit, display, packaging, kitting and fulfilment capabilities. With the completion of this transaction, DATA intends to relocate its current wide format capabilities from its Ambassador Road, Mississauga, Ontario facility to Calgary, Alberta. The combined wide format printing, distribution and fulfilment capabilities of Eclipse and DATA provide a unique national offering in the market to better serve the combined businesses’ customer base.

#### *Acquisition of Thistle Printing Limited*

Thistle is a full service commercial printing company with approximately 65 employees operating in a 42,000 square foot facility located in Toronto, Ontario. The acquisition of Thistle provides DATA with a full service commercial print facility in Eastern Canada and enables DATA to expand its margins by insourcing commercial printing capabilities, which it has historically outsourced to local tier two suppliers. This acquisition adds expertise in commercial printing, design, prepress and bindery services to DATA’s portfolio, and complements DATA’s current capabilities in direct mail, fulfilment and data management.

#### *Acquisition Funding and Overview*

DATA acquired substantially all of the assets of Eclipse for a net purchase price of approximately \$9.2 million, which was satisfied as to approximately: \$3.5 million paid in cash on closing; \$1.3 million

through the issuance of 634,263 common shares of DATA; and \$4.6 million in the form of a non-interest bearing vendor take back note, which is payable in two equal instalments on the first and second anniversaries of today's closing of the Eclipse transaction. The purchase price is subject to certain post-closing adjustments relating to working capital.

DATA acquired the common shares of Thistle for a net purchase price of approximately \$6.1 million, which has been satisfied as to approximately: \$1.1 million paid in cash on closing; \$1.5 million through the issuance of 644,445 common shares of DATA; and \$3.6 million in the form of a non-interest bearing vendor take back note, payable over a 24 month period in equal monthly payments. The purchase price is subject to certain post-closing adjustments relating to working capital.

In aggregate, a total of 1,278,708 common shares of DATA have been issued to the vendors of Eclipse and Thistle and, as a result, after having completed both transactions, the number of DATA's issued and outstanding common shares has increased from 11,975,053 to 13,253,761.

#### *Increase in Senior Credit Facilities and Amendment to Existing Terms*

In connection with the acquisitions of Eclipse and Thistle, DATA has entered into an amended senior revolving credit facility with a Canadian chartered bank, including an increase in the total available commitment under that facility from up to \$25 million to up to \$35 million and the extension of the term of this facility by one year to March 31, 2020 from March 11, 2019. The revolving credit facility includes a sub-facility comprised of a term loan component of up to \$7 million, an increase from the original sub-facility term loan component of \$5 million. The term loan component will amortize in equal monthly payments over the new term of the revolver but those payments will not reduce the amount available under the revolving facility.

DATA has also entered into an amended term loan agreement with Integrated Private Debt Fund IV LP ("IPD IV"), by its general partner, Integrated Private Debt Fund GP Inc. ("IPD GP"), which, among other things, provides that senior funded debt of DATA may not exceed \$72 million, an increase from \$50 million in the original IPD IV term facility dated March 10, 2016. Integrated Private Debt Fund III LP is a senior secured lender to Thistle.

The increased availability under the senior revolving credit facility has been used, together with the additional availability under the sub-facility term loan, to refinance certain indebtedness of Eclipse and Thistle and to finance the up-front cash components of the acquisitions together with related transaction expenses, and will provide DATA with additional flexibility to continue to pursue its strategic growth objectives. In connection with these two acquisitions, DATA's indebtedness has increased by approximately \$16.3 million, including assumed indebtedness of Eclipse and Thistle.

In addition, DATA has entered into an amended inter-creditor agreement between a Canadian chartered bank, Integrated Private Debt Fund IV LP, Integrated Private Debt Fund III LP and the parties to the vendor take back notes issued in connection with the acquisitions of Eclipse and Thistle.

#### **About DATA Communications Management Corp.**

At DATA, we are experts at planning and driving business communications. We help marketers and agencies unify and execute communications campaigns across multiple channels, and we help

operations teams streamline and automate document and communications management processes. Our core capabilities include direct marketing, print services, labels and asset tracking, event tickets and gift cards, logistics and fulfilment, content and workflow management, data management and analytics, and regulatory communications. We serve clients in key vertical markets such as financial services, retail, healthcare, lottery and gaming, not-for-profit, and energy. We are strategically located across Canada to support clients on a national basis, and serve the U.S. market through our facilities in Chicago, Illinois.

Additional information relating to DATA Communications Management Corp. is available on [www.datacm.com](http://www.datacm.com), and in the disclosure documents filed by DATA Communications Management Corp. on the System for Electronic Document Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com).

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**FORWARD-LOOKING STATEMENTS**

Certain statements in this press release constitute “forward-looking” statements that involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, objectives or achievements of DATA, or industry results, to be materially different from any future results, performance, objectives or achievements expressed or implied by such forward-looking statements. When used in this press release, words such as “may”, “would”, “could”, “will”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “plan”, and other similar expressions are intended to identify forward-looking statements. These statements reflect DATA’s current views regarding future events and operating performance, are based on information currently available to DATA, and speak only as of the date of this press release. These forward-looking statements involve a number of risks, uncertainties and assumptions and should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such performance or results will be achieved. Many factors could cause the actual results, performance, objectives or achievements of DATA to be materially different from any future results, performance, objectives or achievements that may be expressed or implied by such forward-looking statements. The principal factors, assumptions and risks that DATA made or took into account in the preparation of these forward-looking statements include: the failure to realize the expected benefits from either the Eclipse or Thistle transaction, risks associated with the integration of either Eclipse or Thistle and with additional indebtedness assumed in connection with the acquisitions of Eclipse and Thistle; the limited growth in the traditional printing industry and the potential for further declines in sales of DATA’s printed business documents relative to historical sales levels for those products; the risk that changes in the mix of products and services sold by DATA which are related to reduced demand for its printed products will adversely affect DATA’s financial results; the risk that DATA may not be successful in reducing the size of its legacy print business, reducing costs, reducing its long-term debt, repaying or refinancing its outstanding 6.00% convertible unsecured subordinated debentures, and growing its digital communications business; the risk that DATA may not be successful in managing its organic growth, or

implementing its restructuring activities within expected timeframes and related cost estimates; DATA's ability to invest in, develop and successfully market new digital and other products and services; competition from competitors supplying similar products and services, some of whom have greater economic resources than DATA and are well-established suppliers; DATA's ability to grow its sales or even maintain historical levels of its sales of printed business documents; the impact of economic conditions on DATA's businesses; risks associated with the management of and successful integration of acquisitions by DATA; increases in the costs of paper and other raw materials used by DATA; and DATA's ability to maintain relationships with its customers. Additional factors are discussed elsewhere in this press release and under the headings "Risk Factors" and "Risks and Uncertainties" in DATA's management's discussion and analysis and in DATA's other publicly available disclosure documents, as filed by DATA on SEDAR ([www.sedar.com](http://www.sedar.com)). Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described in this press release as intended, planned, anticipated, believed, estimated or expected. Unless required by applicable securities law, DATA does not intend and does not assume any obligation to update these forward-looking statements.