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DATA Communications Management Corp. Announces Strategic Acquisitions of Eclipse Colour & Imaging Corp. and Thistle Printing Limited and Increase to its Credit Facilities

Brampton, Ontario - January 31, 2017 - DATA Communications Management Corp. (TSX: DCM) ("DATA" or the "Company") announced today that it has entered into separate agreements to acquire Eclipse Colour & Imaging Corp. ("Eclipse") and Thistle Printing Limited ("Thistle"). In connection with these acquisitions, DATA also announced that it has arranged an increase in the total available commitment under its senior revolving credit facility with a Canadian chartered bank by \$10 million to up to \$35 million and 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. Upon 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 will provide a unique national offering in the market to better serve the combined company's customer base.

Eclipse generated approximately \$21.3 million in revenues (unaudited) for the fiscal year ended November 30, 2016, and, over the past three years, has experienced average revenue growth rates of approximately 10% per year, together with consistently strong levels of gross margins and adjusted EBITDA margins.

"Ralph Misale (COO) and Grant Malcolm (CFO), the two principals of Eclipse, have built a tremendous business since they acquired Eclipse in 2010 by way of a management buyout," said Michael G. Sifton, CEO of DATA. "We are excited to have Ralph, Grant and the entire Eclipse team join DATA," he continued. "Eclipse is a leading player in the large and wide format print market, and we believe that this acquisition will position us well in a growing market. It is consistent with our strategic objective to expand our capabilities to better serve our customers," stated Mr. Sifton.

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 will provide DATA with a full service commercial print facility in Eastern Canada and enable 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.

Thistle generated approximately \$16.4 million in revenues (audited) for the fiscal year ended October 31, 2016, and has a long history of profitability with strong gross and adjusted EBITDA net margins.

"Thistle's capabilities are highly complementary to our own", said Mr. Sifton. "While we have the leading commercial print capabilities in Western Canada located in our Calgary, Alberta centre of excellence, DATA has not had meaningful commercial print capabilities in Eastern Canada, historically relying on third party production partners," he continued. "We believe that the acquisition of Thistle will enable our sales force to capitalize on having a dedicated Eastern production facility, close to the important downtown Toronto market, and we expect to be able to enhance our margins that we would otherwise have had to share with outsourced providers," he stated.

Acquisition Funding and Overview

DATA will acquire substantially all of the assets of Eclipse for a net purchase price of approximately \$8.8 million, which will be satisfied as to approximately: \$2.9 million payable 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 will be payable in two equal instalments on each of the first and second anniversaries of closing of the Eclipse transaction. The purchase price will be subject to certain closing adjustments relating to working capital.

The acquisition of Eclipse will be completed pursuant to an asset purchase agreement dated January 31, 2017 (the "APA") between DATA, Eclipse, Ralph Misale and Grant Malcom. The APA contains customary representations, warranties, covenants and other terms and conditions.

DATA will acquire the common shares of Thistle for a net purchase price of approximately \$6.1 million, which will be satisfied as to approximately: \$1.1 million payable in cash on closing; \$1.5 million through the issuance of 644,445 common shares of DATA; and \$3.5 million in the form of a non-interest bearing vendor take back note, to be payable over a 24 month period in equal monthly payments. The purchase price will be subject to certain closing adjustments relating to working capital.

The acquisition of Thistle will be completed pursuant to a share purchase agreement dated January 31, 2017 (the "SPA") between DATA, Capri Media Inc., Jive.com and VRG Investment Corporation. The SPA contains customary representations, warranties, covenants and other terms and conditions.

In connection with the two acquisitions, DATA will assume a total of approximately \$8.0 million in outstanding long term indebtedness, including capital lease obligations, and intends to draw

approximately \$7.8 million under its revolving credit facility on closing to refinance certain indebtedness of the two companies and for related transaction expenses.

DATA has secured lock-up agreements with the vendors of each company, pursuant to which the vendors have agreed not to sell the DATA common shares issued pursuant to the sale transactions for a period of twelve months from the closing of the relevant transaction. In aggregate, a total of 1,278,708 common shares of DATA will be issued to the vendors of Thistle and Eclipse, and, as a result, after having completed both transactions, the number of DATA's issued and outstanding common shares will increase from 11,975,053 to 13,253,761 common shares outstanding. The issuance of common shares of DATA in connection with the Eclipse and Thistle acquisitions is subject to the approval of the Toronto Stock Exchange.

The acquisitions of Eclipse and Thistle are expected to close on February 22, 2017 and are subject to customary closing conditions.

"We believe that these transactions will position DATA to grow revenue within our Retail and Financial Services client bases. Both businesses will provide enhanced product offerings to our sales team, enabling us to target opportunities with our clients where we've been somewhat limited to date," said Mr. Sifton.

"Collectively, DATA will become the leading national supplier of commercial print and large format production, with facilities in Eastern and Western Canada. Accompanied by DATA's established national warehousing, distribution and fulfilment capabilities, DATA is uniquely positioned to simultaneously execute national marketing campaigns for our customers in a timely and cost effective manner," added Mr. Sifton.

Independent Committee and Board Approvals

The acquisition of Eclipse has been unanimously approved by the board of directors (the "Board") of DATA.

Companies controlled by Gregory J. Cochrane and J. R. Kingsley Ward, the President of DATA and the Chair of the Board, respectively, control Capri Media Group Inc. ("Capri"). Capri is the sole shareholder of Thistle. The Board established a special committee (the "Independent Committee") comprised of three independent members of the Board, William Albino, James J. Murray and Derek J. Watchorn, to supervise the negotiation of the terms of the Thistle acquisition and make a recommendation to the Board as to approval of the transaction.

The Independent Committee retained Cormark Securities Inc. ("Cormark") to provide it with an opinion as to the fairness, from a financial point of view, to the holders of DATA's common shares of the consideration to be paid to Capri pursuant to the Thistle acquisition. Cormark has advised the Independent Committee that Cormark is independent of DATA, Thistle and Capri and their respective associates and affiliates. Cormark's fee for providing its fairness opinion is not contingent on the completion of the Thistle acquisition.

Cormark has delivered to the Independent Committee a written opinion to the effect that, as of January 31, 2017 and based upon and subject to the various assumptions made, procedures followed, matters considered and limitations on the review undertaken as set forth therein, the consideration to be paid

to Capri for the shares of Thistle pursuant to the Thistle transaction is fair, from a financial point of view, to DATA's common shareholders.

After careful consideration of the terms of the proposed acquisition of Thistle and the associated opportunities, risks and uncertainties, and consultation with Cormark and the Independent Committee's legal advisors, the Independent Committee unanimously determined that the acquisition of Thistle is in the best interests of DATA and resolved to recommend that the Board approve the Thistle acquisition.

The Thistle acquisition has been unanimously approved by the Board (other than Mr. Ward, who did not participate in the Board's consideration of the transaction) following the recommendation of the Independent Committee.

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, 2021 from March 11, 2020. 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 such reductions 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. At closing, an amendment to that agreement will be entered into pursuant to which DATA will become a co-borrower with Thistle and pursuant to which the covenants will be amended to match those of DATA under its credit agreement with IPD IV and reported on a consolidated basis.

The increased availability under the senior revolving credit facility will be used in part, together with the additional availability under the sub-facility term loan, to finance the up-front cash components of the acquisitions and related transaction expenses, and to provide DATA with additional flexibility to continue to pursue its strategic growth objectives.

In addition, on closing, DATA will enter 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 payments relating to 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, 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.

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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 occurrence of any event, change or other circumstance that could give rise to the termination of the Eclipse or Thistle purchase agreements; the risk that any of the closing conditions to either proposed transaction may not be satisfied in a timely manner; risks related to disruption of management time from ongoing business operations due to the proposed transactions; the failure to realize the expected benefits from either transaction and risks associated with the integration of either Eclipse or 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 closing, 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). 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.

NON-GAAP MEASURES

This press release includes certain non-GAAP measures as supplementary information. Except as otherwise noted, when used in this press release, EBITDA means earnings before interest and finance costs, taxes, depreciation and amortization and adjusted EBITDA means EBITDA adjusted for the impact of certain non-cash items and certain items of note on a pre-tax basis. EBITDA and Adjusted EBITDA are unlikely to be comparable to similar measures presented by other issuers.

Investors are cautioned that EBITDA and Adjusted EBITDA should not be construed as alternatives to net income (loss) determined in accordance with IFRS as an indicator of DATA's performance. For a reconciliation of net income (loss) to EBITDA and a reconciliation of net income (loss) to Adjusted EBITDA, refer to DATA's other publicly available disclosure documents, as filed by DATA on SEDAR (www.sedar.com).