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For Immediate Release

**DATA GROUP ANNOUNCES CANCELLATION OF RIGHTS OFFERING AND UPDATED OUTLOOK**

**Brampton, Ontario – May 25, 2015** - DATA Group Ltd. (TSX: DGI) (“DATA Group” or the “Company”) announced today that the previously announced rights offering (the “Rights Offering”) to the holders of common shares (“Common Shares”) of the Company has been cancelled and will not proceed. The standby commitment from, and potential private placement of Common Shares to, Michael Sifton in connection with the Rights Offering will similarly not proceed.

The Company’s decision to cancel the Rights Offering was taken as part of its ongoing review of DATA Group’s capital structure, the Company’s results of operations and the recent decline in the price of the Company’s Common Shares. In connection with that review, the Company is considering a range of alternatives intended to improve DATA Group’s financial flexibility and its capital structure in order to better position the Company for long-term growth. Initiatives relating to strengthening the Company’s balance sheet may include re-financing or redeeming the Company’s outstanding 6.00 % convertible unsecured subordinated debentures, re-financing the Company’s bank borrowings and equity issuances. No decision with respect to any such alternative has been taken by the Company. DATA Group believes that its existing cash resources and projected cash flows from operations will be sufficient to fund its currently projected operating requirements and that it will continue to remain compliant with its covenants and other obligations under its credit facilities.

The Company also announced that management has revised its financial targets for 2015 in light of its year to date and projected results of operations for the remainder of 2015. The Company is withdrawing its outlook regarding 2015 net income and return on shareholders’ equity. The Company’s targeted revenues for 2015 are largely consistent with its 2014 consolidated revenues. Targeted debt reduction remains consistent at approximately \$10 million.

“As the Company continues its capital structure review, we feel that it is important to focus on alternatives that will position the Company for long-term growth and our Board and senior management team remain committed to that process”, said Michael Sifton, President and Chief Executive Officer of DATA Group.

**About DATA Group Ltd.**

DATA Group Ltd. is a managed business communications services company specializing in customized document management and marketing solutions. DATA Group develops, manufactures, markets and supports integrated web and print-based communications, information management and direct marketing products and services that help its customers reduce costs, increase revenues, maintain brand consistency and simplify their business processes. DATA Group’s expertise and resources enable it to address any document requirement of its customers, from a simple mail-out to an enterprise-wide document management or direct marketing initiative. We have approximately 1,585 employees working from 34 locations across Canada and the United States to accomplish this.

Additional information relating to DATA Group Ltd. is available on [www.datagroup.ca](http://www.datagroup.ca), and in the disclosure documents filed by DATA Group Ltd. 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 Group, 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 Group’s current views regarding future events and operating performance, are based on information currently available to DATA Group, 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 Group 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 Group made or took into account in the preparation of these forward-looking statements include the risk that DATA Group may not be successful reducing the size of its legacy print business, reducing costs, reducing or refinancing its long-term debt and growing its digital communications business; the risk that DATA Group may not be successful in managing its organic growth; DATA Group’s ability to invest in, develop and successfully market new products and services; competition from competitors supplying similar products and services; DATA Group’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 Group’s businesses; risks associated with acquisitions by DATA Group; increases in the costs of paper and other raw materials used by DATA Group; and DATA Group’s ability to maintain relationships with its customers. Additional factors are discussed elsewhere in this press release and under the heading “Risks and Uncertainties” in DATA Group’s management’s discussion and analysis, as well as those factors set out in DATA Group’s other publicly available disclosure documents, as filed by DATA Group 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 Group does not intend and does not assume any obligation to update these forward-looking statements.