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For Immediate Release

***DATA Group Ltd. to Redeem \$33.5 million of its 6.00% Convertible Unsecured Subordinated Debentures and Issue Common Shares to Satisfy Redemption Price; Provides Update on Capital Structure Review, including Senior Credit Facility Refinancing Proposals***

**Brampton, Ontario – November 12, 2015** – DATA Group Ltd. (TSX: DGI) (“DATA Group” or the “Company”) today announced that it will redeem \$33.5 million aggregate principal amount of its \$44.7 million outstanding 6.00% convertible unsecured subordinated debentures (the “Debentures”) as of December 23, 2015 (the “Redemption Date”) upon payment of a redemption amount of \$1,000 for each \$1,000 principal amount of Debentures (the “Redemption Price”) plus accrued and unpaid interest thereon up to but excluding the Redemption Date. The Company has elected to satisfy its obligation to pay the Redemption Price by issuing and delivering to holders of Debentures redeemed common shares of DATA Group (the “Shares”) in lieu of cash. The redemption of the Debentures will be completed in accordance with the terms of the amended and restated trust indenture dated as of January 1, 2012 (the “Trust Indenture”) between DATA Group and Computershare Trust Company of Canada (the “Debenture Trustee”), which governs the Debentures, and does not require the consent of Debenture holders.

Over the past several months, DATA Group has conducted a comprehensive review of its capital structure in order to improve its financial flexibility and better position the Company for long-term growth. In particular, the Company has reviewed: potential means to refinance secured indebtedness outstanding under its senior credit facility, which matures in August 2016; a broad number of alternatives in regards to re-financing, amending and/or extending the terms of the Debentures, which mature in June 2017; potential means of securing new equity investment; and other strategies to enhance value for shareholders, Debenture holders and the Company’s other stakeholders.

The Company engaged TD Securities Inc. as its exclusive financial advisor to assist in the evaluation of various strategic alternatives. As a result of this process, the board of directors of the Company (the “Board”) has determined to redeem 75% of the outstanding Debentures and to satisfy the Redemption Price through the issuance and delivery of Shares to Debenture holders.

The Board has determined that the Debentures remain a significant obstacle to refinancing the Company’s senior credit facility indebtedness and to securing additional growth capital required for the Company’s long-term sustainability.

“The Board has considered a range of reasonably available alternatives to refinance and recapitalize the Company’s business, and assessed the merits and impact each would have on the viability of the business and the Company’s stakeholders,” said Michael Blair, Chairman of the Board.

In connection with its capital structure review, DATA Group has reviewed a number of proposals to refinance its senior credit facility which matures in August 2016, and is now in advanced discussions with potential arm’s length lenders regarding proposed financing arrangements which would provide sufficient funding to refinance the Company’s current senior credit facility indebtedness.

While the Company remains confident in its ability to refinance its senior indebtedness, the current proposals are subject to final commitments, final due diligence, finalization of inter-creditor agreements and other customary closing conditions. There is no assurance that any such proposal will result in any transaction being entered into or consummated with the new lenders or the Company’s existing senior indebtedness being fully retired.

The Company believes that redeeming 75% of the total principal amount of the Debentures and satisfying the Redemption Price through the issuance of Shares has a number of benefits, including:

- Elimination of a significant obstacle to refinancing the current senior credit facility indebtedness and securing additional growth capital;
- In the absence of completing the redemption, the Company believes that its ability to refinance its existing senior indebtedness on commercially acceptable terms or at all is unlikely. Failure to refinance the Company’s senior indebtedness would create a significant risk of insolvency at or prior to maturity of the senior credit facility;
- Reduction of approximately 37.5% of the Company’s outstanding total debt, which will result in significantly reduced financial leverage and improved book value of shareholders’ equity;
- Reduction of annual cash interest expense by \$2.0 million per year will enhance the Company’s free cash flow and provide additional liquidity for working capital and growth opportunities;
- Additional financial flexibility to enable the Company’s management to continue its focus on improving profitability, and to pursue new growth initiatives; and
- Increased customer, supplier and investor confidence in the Company’s long term viability.

The Debentures to be redeemed will be selected by the Debenture Trustee on a pro rata basis to the nearest multiple of \$1,000 in accordance with the principal amount of the Debentures registered in the name of the Debenture holders or in such other manner as the Debenture Trustee deems equitable, subject to the approval of Toronto Stock Exchange (“TSX”), as required from time to time. No Debenture will be redeemed in part unless the principal amount redeemed is \$1,000 or a multiple thereof.

The number of Shares to be issued and delivered to holders of Debentures to be redeemed will be determined by dividing the Redemption Price by 95% of the volume-weighted average trading price of the Company’s common shares on the TSX for the 20 consecutive trading days ending on December 16, 2015 (the “Current Market Price”).

Based on the current trading price of the Company's common shares, DATA Group will be required to issue a large number of Shares, which will significantly dilute existing shareholders' interests in DATA Group and is likely to have an adverse effect on the trading price of the Company's common shares. Debentures in an aggregate principal amount of \$44.7 million are currently outstanding of which 75%, or approximately \$33.5 million aggregate principal amount, will be redeemed. Any accrued and unpaid interest on the Debentures redeemed will be paid in cash on the Redemption Date, less applicable withholding taxes, if any.

The Shares will be freely tradable in Canada and will not be subject to any resale restrictions under applicable Canadian securities legislation or the rules of the TSX, except in the case of restrictions on trading where there is an undisclosed change, or a distribution by, a control person. The Company will not issue fractional Shares on redemption but instead will satisfy any fractional interest by a payment equal to the cash equivalent of such fractional interest on the basis of the Current Market Price, less applicable withholding taxes, if any. The issuance of the Shares is subject to receipt of all necessary regulatory approvals, including the approval of TSX.

The terms of the Debentures are described in greater detail in DATA Group's Annual Information Form for the year ended December 31, 2014, which is available on SEDAR at [www.sedar.com](http://www.sedar.com).

This news release shall not constitute an offer to sell, a solicitation to buy or an offer to purchase or sell any securities. The redemption of the Debentures is being made only pursuant to the related notice of redemption.

### **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 1,435 employees working from 26 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 and 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.