



For Immediate Release

DATA Communications Management Corp. Provides Update on Previously Announced Fiscal 2017 Financial Guidance and Operational Initiatives

Brampton, Ontario – January 25, 2018 – DATA Communications Management Corp. (TSX: DCM) (“**DATA**” or the “**Company**”) confirms its financial guidance for the fiscal year ended December 31, 2017 and progress relating to several strategic and operational initiatives which it announced in the fourth quarter of fiscal 2017.

Update on 2017 Financial Guidance

In November 2017, DATA revised its financial guidance for fiscal 2017 to between \$15.5 million and \$16.5 million of full year non-IFRS adjusted EBITDA. The Company reports it achieved adjusted EBITDA in the mid-point of such guidance, subject to finalization of its 2017 fiscal year results and completion of its annual audit. DATA expects to report Adjusted EBITDA for the fourth quarter ended December 31, 2017 of approximately \$5.5 million.

Investors are cautioned actual results may differ materially from expectations as set forth above. The guidance provided above should be read in conjunction with, and is qualified by, the information set out under “Forward-looking Statements” and “Non-IFRS Measures” contained in this press release.

Update on Strategic and Operational Initiatives

DATA also announces the integration of its Multiple Pakfold operations into its Brampton, Ontario facility and the relocation of its Granby, Quebec warehousing operations into its Drummondville, Quebec facility have been completed as planned with little business disruption.

These moves, together with the labour force reductions announced in the middle of the fourth quarter of 2017 and ongoing efforts to drive efficiencies throughout the Company, are expected to result in annualized total savings of approximately \$5 million. DATA expects to realize the full quarter effect of many of these improvements in the first quarter of 2018.

The relocation of the operations of recently acquired BOLDER Graphics into DATA’s Calgary facility is advancing and will be completed by the end of February, 2018. DATA expects to realize significant synergies once this move is completed, including increased capacity utilization, work-balancing with other facilities, immediate rent and utilities savings and, longer-term, selling synergies.

In 2018, DATA will realize the full-year reporting effects of the 2017 acquisitions of BOLDER Graphics, Eclipse Colour & Imaging and Thistle Printing.

“We are pleased we achieved the guidance we provided in November 2017,” said Michael G. Sifton, CEO of DATA. “We are seeing improvements in our traditional business communications market due to the successful onboarding of new customers and specific sales initiatives and we expect the benefits from the operational initiatives and acquisitions we completed in 2017 to contribute to margin improvements in fiscal 2018,” he added.

About DATA Communications Management Corp.

DATA is a leading provider of business communication solutions, bringing value and collaboration to marketing and operation teams across North America. 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 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 will adversely affect DATA’s financial results; the risk that DATA may not be successful in reducing the size of its legacy print business, realizing the benefits expected from restructuring and business reorganization initiatives, reducing costs, reducing and repaying its long-term debt, and growing its digital and communications businesses; the risk that DATA may not be successful in managing its organic growth; DATA’s ability to invest in, develop and successfully market new digital and marketing communications businesses 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 acquisitions by DATA; the failure to realize the expected benefits from acquisitions and risks associated with the integration of acquired businesses; 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-IFRS 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 restructuring expenses, one-time business reorganization costs, and acquisition costs.

In addition to net income (loss), DATA uses non-IFRS measures including Adjusted net income (loss), Adjusted net income (loss) per share, EBITDA and Adjusted EBITDA to provide investors with supplemental measures of DATA's operating performance and thus highlight trends in its core business that may not otherwise be apparent when relying solely on IFRS financial measures. DATA also believes that securities analysts, investors, rating agencies and other interested parties frequently use non-IFRS measures in the evaluation of issuers. DATA's management also uses non-IFRS measures to facilitate operating performance comparisons from period to period, prepare annual operating budgets and assess its ability to meet future debt service, capital expenditure and working capital requirements. Adjusted net income (loss), Adjusted net income (loss) per share, EBITDA and Adjusted EBITDA are not earnings measures recognized by IFRS, and do not have any standardized meanings prescribed by IFRS. Adjusted net income (loss), Adjusted net income (loss) per share, 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).