

Hostworks Group Limited – ASX Code HWG

News Release: February 2005



Hostworks to Support SAP Globally for Codan

Global leader in remote area communication products, Codan Limited, will deploy the mySAP Enterprise Resource Planning (ERP) system to run its international operations using system infrastructure managed by critical application management specialist Hostworks Limited ("Hostworks").

From a competitive field including KAZ and EDS, Codan chose Hostworks to manage its global mySAP applications. Codan has customers in more than 150 countries.

mySAP is a powerful business management system that can present significant challenges to organisations deploying it. Hostworks won the three-and-a-half year contract with Codan based on its experience of managing Oracle, PeopleSoft and Epicor ERP applications, its proven ability to manage mission-critical applications and its delivery of 24X7 support.

Codan's Senior Manager, Enterprise Systems & Strategy, James Mattsson, said "outsourcing SAP infrastructure management would reduce the complexity of deploying mySAP. We should be able to leverage the size, scale and expertise of Hostworks. Outsourcing to a specialist provider like Hostworks gives us access to a much larger pool of technical resources, available on a 24X7 timeframe, than if we were to manage the system by ourselves. Hostworks provides us with the infrastructure and resources to handle the technical issues of implementing a large ERP system."

Codan selected mySAP to provide a robust and reliable infrastructure to help underpin its global growth. mySAP will replace disparate systems including JD Edwards, MFG Pro and legacy databases. About half Codan's 435 employees will use mySAP when it goes live in the second half of this year. The solution, located in a Hostworks data centres, will include full system management and support services for Codan's mySAP business suite, application and data. mySAP will use the Solaris 9 operating system and Oracle database, running on Sun hardware.

Mr. Mattsson said "Hostworks stood out due to its flexibility and willingness to consider different support and infrastructure models. Some other companies could only provide part of what we were after and then they would outsource other components to subcontractors. By contrast, Hostworks was a one-stop shop. It can provide hardware, operating systems and communications experience, the hosting environment and the ability to manage and support the SAP application environment including databases.

Hostworks has supported critical systems for large organisations such as ninemsn and American Express. Hostworks has the 24X7 Help/Support desk required by a global organisation like Codan. Its experience with critical application environments for significant customers gave us the confidence Hostworks knew how to do this."

Hostworks managing director Marty Gauvin said "supporting Codan to run SAP would build on the company's existing ERP experience. Increasingly companies are turning to Hostworks when they want the assurance that their critical business applications will run all the time.

About Hostworks: www.hostworks.com.au

Hostworks is the region's leading critical application managed service provider and is responsible for managing the availability, performance and running costs of its customers' critical business applications. Hostworks does this by selling specialist services designed to ensure IT operations excellence.

Hostworks delivers its services on tightly engineered, secure infrastructure which provides optimal performance and protects its customers' applications and data from security threats. Experience has demonstrated that organisations seek Hostworks services for the following key reasons;

- o Existing IT operations are struggling to meet required company service levels
- o The business has a desire to reduce cost whilst improving service levels
- o Customer acquisition is increasing faster than the internal IT division can support
- o The business has experienced a major disaster or outage.

Hostworks currently manages critical applications for organisations that depend on quality of service and high availability. These companies include American Express, Sony, Ticketek, AAMI, ninemsn, Compass Group and many others. A public company listed on the Australian Stock Exchange (ASX – HWG), Hostworks is an expanding organisation that has experienced strong annual growth and is currently the 25th fastest growing technology company in Australia.

Codan Limited (ASX: CDA), an Australian company formed in 1959, is an international leader in providing sophisticated remote-area communications products. With markets in more than 150 countries, the company exports more than 85 percent of the products it manufactures. Codan is a leader in high frequency (HF) radio, satellite communications and digital microwave radio technology with applications covering all forms of voice, email, fax and data communications.

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