

## **\$6 Million export deal for innovative Aussie company**

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One of Australia's leading software developers Auto-IT Pty Ltd has secured a US\$6M deal to supply its proprietary retail dealer management software systems to businesses in North America.

In December, 2007, John Deere Information Systems (JDIS), a supplier of software to John Deere dealers in North America, exercised an option to purchase the source code for Auto-IT's EQUIP™ software, effectively becoming a fully-fledged reseller in the United States and Canada.

JDIS had entered into a distribution agreement in 2003 with Auto-IT that gave it the right to become the sole distributor for the product for its dealers in North America and Canada.

The US\$6M deal now means JDIS owns the source code in North America in its own right but only for the agricultural and construction industry. Auto-IT retains the right to sell its software systems into non-agricultural, forestry and construction dealerships in North America, as well as to all markets internationally.

Auto-IT was selected by JDIS, a subsidiary of Deere & Company, a global agricultural equipment supplier, from a pool of 20 software manufacturers in six different countries.

The deal now positions Auto-IT Pty Ltd as the number two player in Australia and New Zealand for supplying systems into the retail automotive dealer market and the number one supplier of agricultural and construction dealer systems. Currently Auto-IT supplies systems to 70 percent of the John Deere market in Australia and NZ.

In welcoming the deal, Auto-IT Pty Ltd's chief executive officer Ken Fife says the development is a significant step towards growing its international business.

"Although consisting of only 70 people we are a strong and profitable business and are making our presence felt on the world stage. John Deere is already supporting our efforts to sell to its dealers in other international locations."

"This deal therefore gives us an opportunity to not only further strengthen our position in Australia, but to gain an even greater foothold in international markets potentially worth in excess of A\$1.5B.

"Currently, the business has a presence in Australia, Brunei, Malaysia, New Zealand, Singapore, Fiji and South Africa but we are planning for even more rapid growth – at least two new countries each year," says Mr Fife.

Auto-IT's product range consists of two key products called UNITS™ and EQUIP™, which are Windows-based 'new generation' software, and PMDS a long-serving Linux-based software system, all specifically tailored for the automotive, trucking, agricultural and construction equipment industries.

John Deere users will receive two upgrades per year via seamless data transfer.

Product development and enhancements will be a joint effort between Auto-IT and JDIS, effectively ensuring that the Australian John Deere market is given streamlined access to subsequent software versions.

John Deere Australia's Dealer Development Coordinator, Jamie Chua-Taylor also predicts a bright outlook.

"This is definitely a win-win situation for both companies and their respective clients."

“Australian John Deere dealers can now enjoy the benefits that come from a partnership that delivers a technologically superior product, which is not only tailored to suit their needs but also seamlessly integrated into their business.

“Simply put, they now have a robust and user-friendly system to manage their business well into the future,” says Ms Chua-Taylor.

Auto-IT Pty Ltd will take part in the annual Australian Dealers Association National Dealer Convention, a major industry event being held on the Gold Coast from 28 to 31 August 2008.

**Ends**