

softchoice



Investor Presentation

March 2012

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In the interest of providing Softchoice shareholders and potential investors with information regarding the Company, including Management's assessment of the Company's future plans and operations, certain statements throughout this report are 'forward-looking statements' and represent the Company's internal projections, estimates or beliefs concerning, among other things, future operating results and various components thereof of the Company's future economic performance.

The projections, estimates and beliefs contained in such forward-looking statements necessarily involve known and unknown risks and uncertainties which cause the Company's actual performance and financial results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements.




We also use the terms "Imputed Revenue", "Total Imputed Revenue" and "EBITDA". These are non-GAAP measures. Please refer to our MD&A for an explanation of these terms.

- Leading N.A. provider of IT solutions and services:
 - Software, hardware, solution design and services
- 40+ sales offices & 4 regional call centers
- Key Trailing Twelve Month Financials (as of Q4-11)
 - Revenue: US\$1B (13% YOY)
 - Gross Profit: US\$189M (15% YOY, 19% margin)
 - EBITDA: US\$50M (21% YOY, 5% of rev)
 - Cash: US\$33M
 - Debt: none
 - Free Cash Flow: US\$1.70/shr (up 60% YOY)
- Market cap*: ~US\$260M

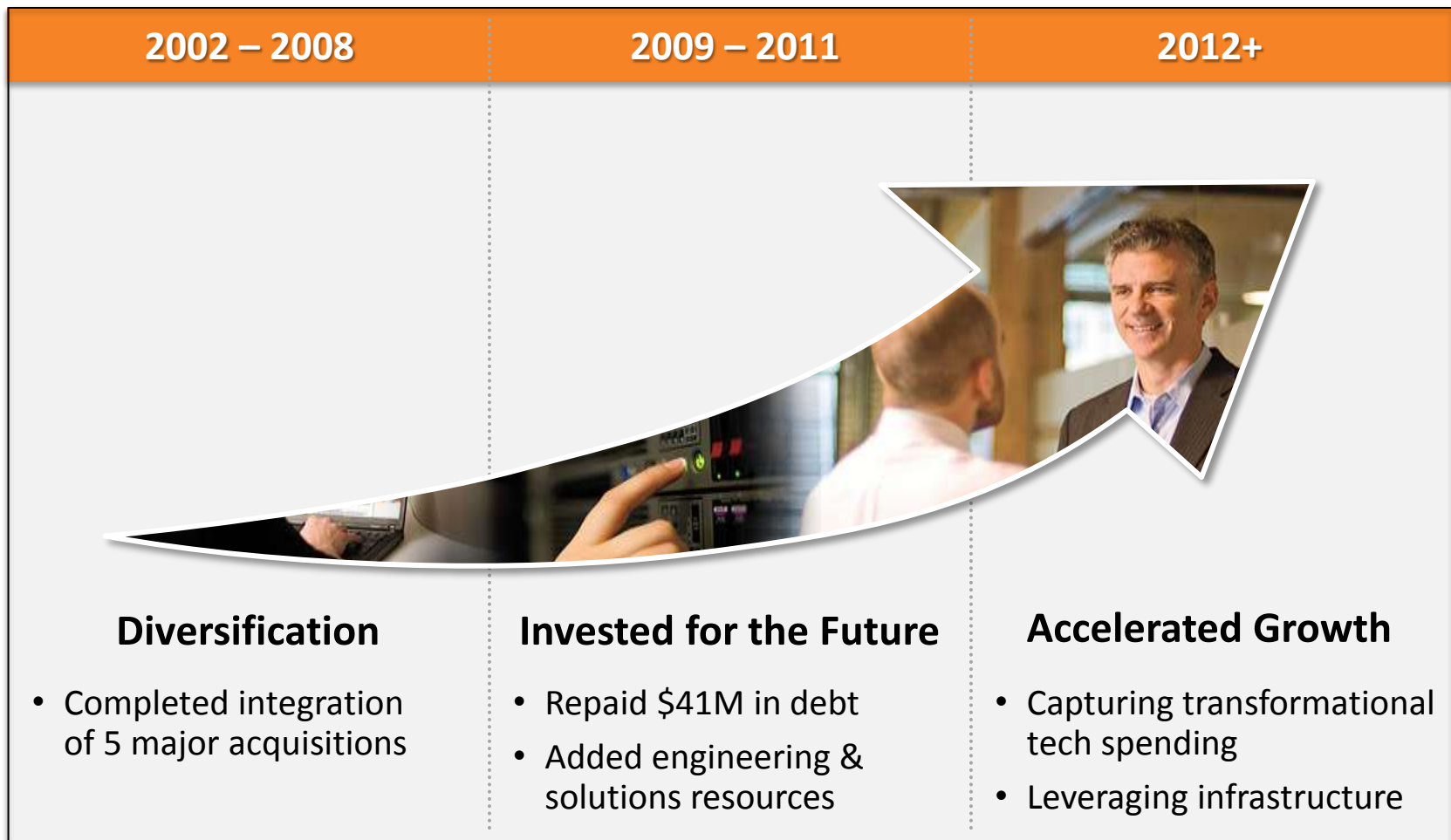


*As of Mar. 29, 2012

Partners Play a Key Role In the Distribution Channel

Percent of Revenues through the Channel (2010)	Microsoft® (2010)	
 95%	<p>1 of only 6 authorized LARs* across N. America</p>	<p>#1 in Canada #5 in US</p>
 93%		
 75%		

*LAR: Large Account Reseller



Well-positioned in changing marketplace

A differentiated business model


Delivering strong results

Going forward – powerful drivers




PRODUCTS*

Microsoft:	34%
Server, Storage, Networking:	30%
Client Computing:	33%
Services:	3%




VALUE-ADDED PROPOSITION

- Assessment-led
- Broad product offering
- Solution design
- Services
- Efficient fulfillment
- Asset management



CUSTOMERS / GEOGRAPHY*

SMB:	46%
Enterprise:	35%
Government:	19%
<hr/>	
US:	57%
Canada:	43%

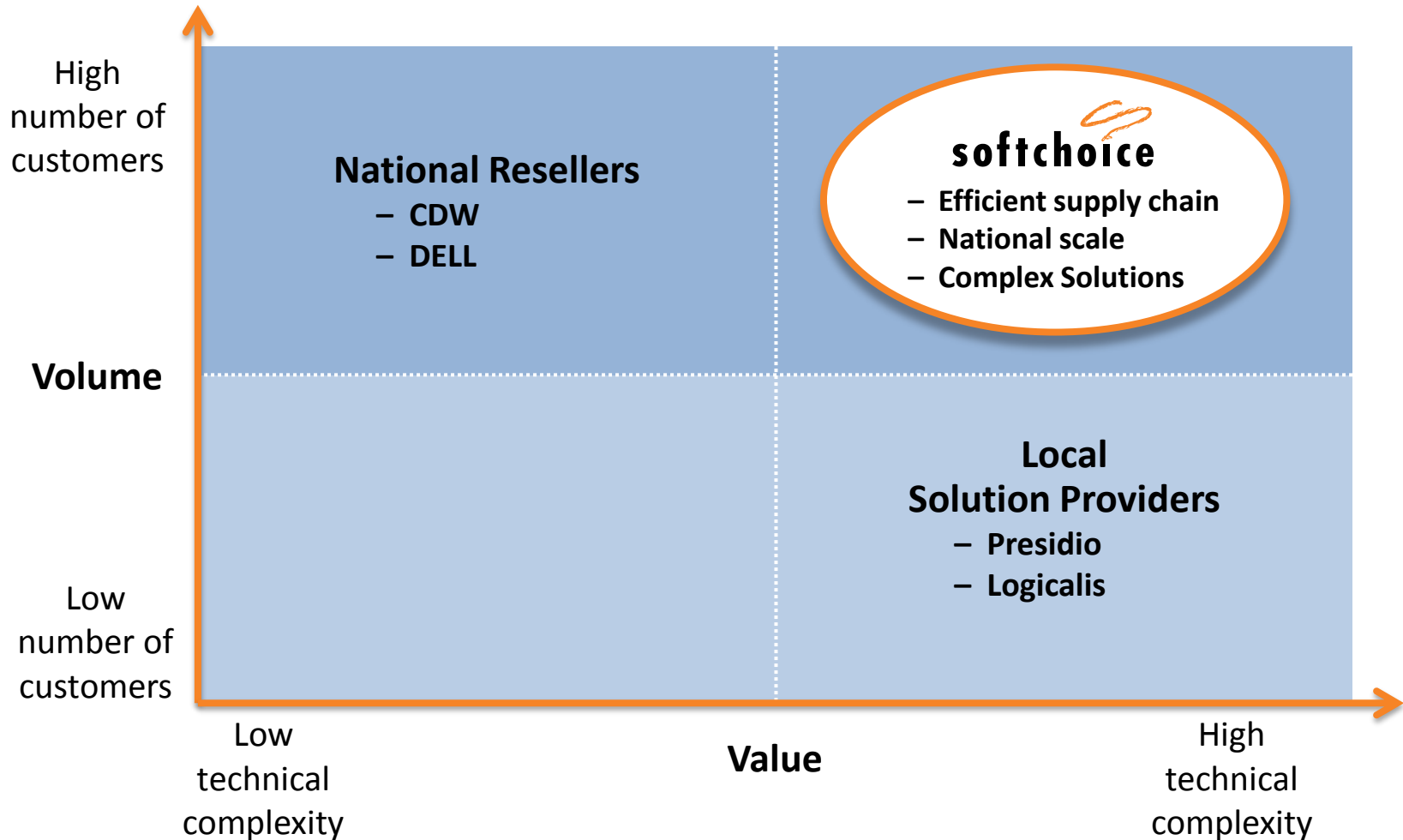


46 locations in N. America

Integrated CRM & ecommerce systems supporting all lines of business

*2011 % of reported revenue

Capabilities Provide Unique Positioning



Customer

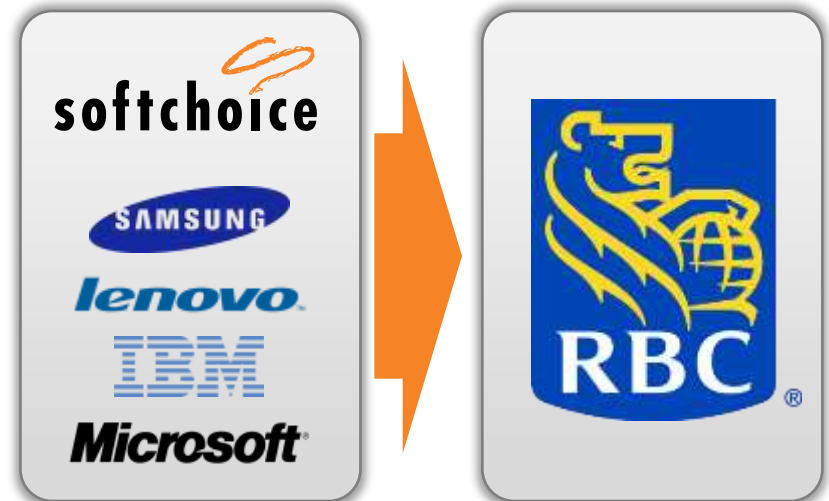
- RBC >\$725B assets, Top 10 bank in N. America

Softchoice role

- Solutions for all PCs, printers, monitors, company-wide
 - over 3,000 locations
 - ship >30,000 units annually

Advantages we bring

- N. America-wide, highly efficient supply chain
- Excellent service
- Local presence in all key markets



Key Drivers

- Windows 7
- Cloud
- Mobility
- Virtualized Data Center



**Accelerating
IT Investment
Cycle**

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A Differentiated Business Model



Our Culture

- Grow talent from within
- Developmental programs spanning entry-level to senior management positions
- Career paths from the call center to field sales and sales and marketing leadership



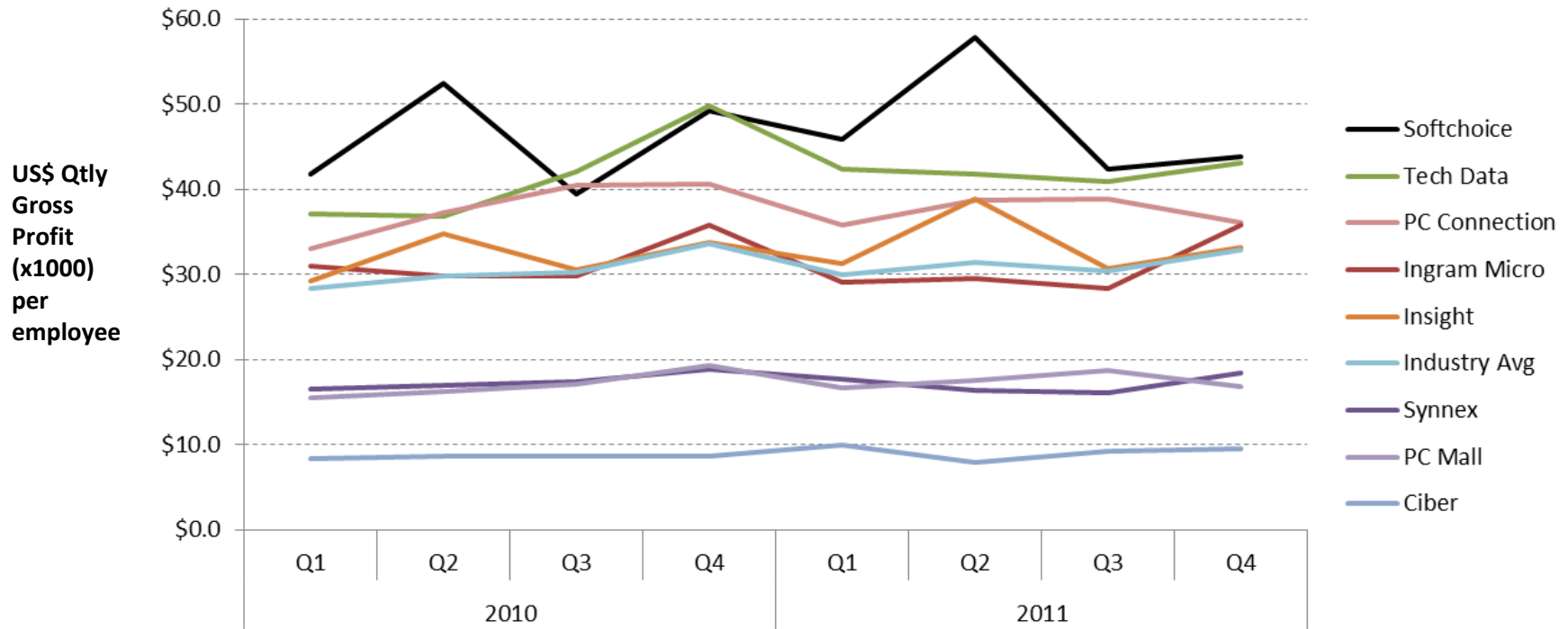
Results

- High employee retention
- High productivity
- High customer satisfaction



87% of employees say they are proud to work at Softchoice

Our Difference: Engaged, highly motivated employees



➤ Engaged, highly motivated employees driving highest productivity

Source: S&P Capital IQ and Softchoice Estimates

1. Assessment-led Approach – Drives Scale



Discovery



Data Collection



Analysis



Recommendation

Proprietary Assessment Capabilities

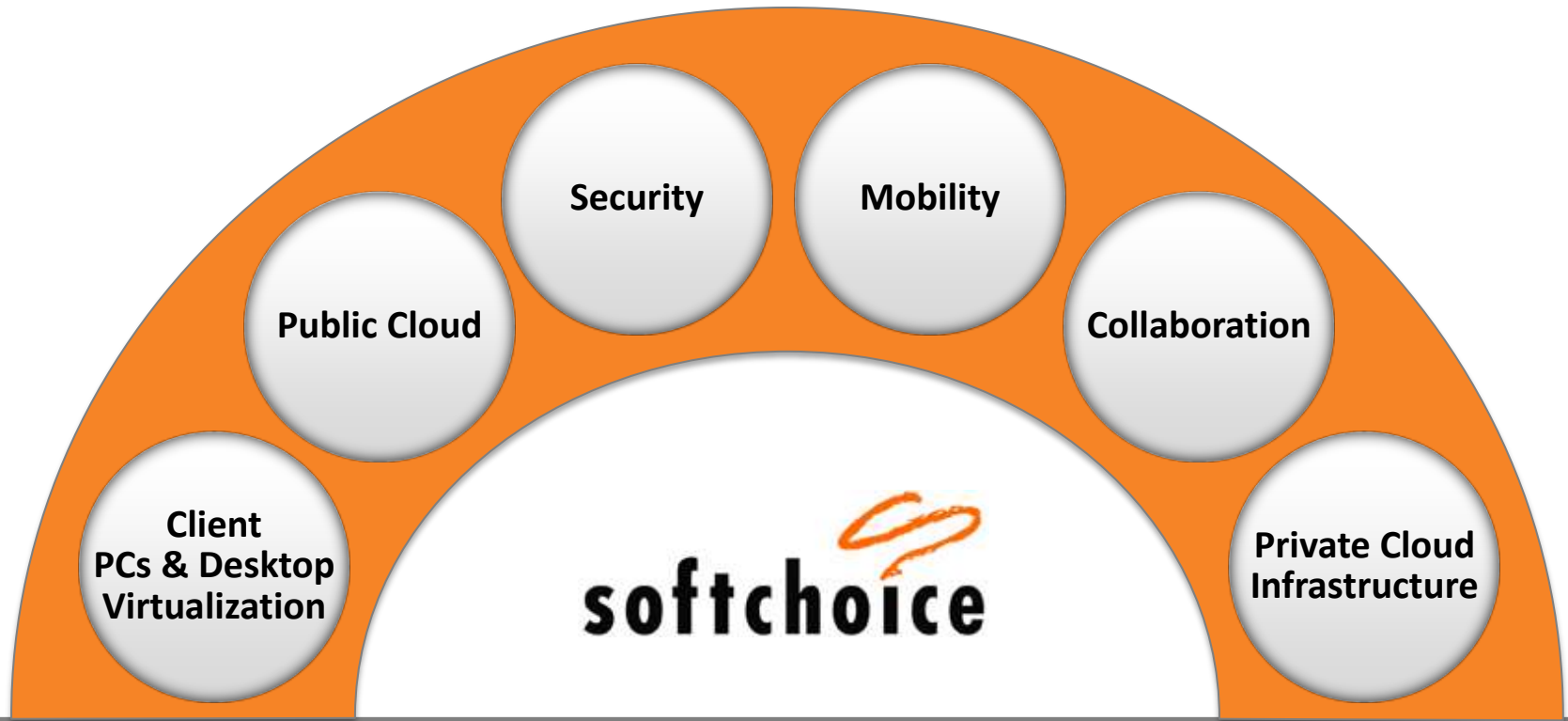
- Networking
- Storage
- Server Workload
- Desktop Virtualization
- Security
- Software Licensing
- Systems Lifecycle
- Cloud Readiness



Solutions Focus

- Server & Storage Virtualization
- Mobility
- Back up & Recovery
- Private Cloud
- Desktop Virtualization
- Unified Communications & Collaboration

3. Broad and Complex Solutions Offering



Microsoft

EMC²
where information lives[®]



vmware

4. Leverage Low Cost, Efficient Infrastructure



Leverage through Efficiency

- Exceptional cash flow
- Low working capital
- Highly Scalable model
- Single CRM platform
- Virtual supply Integration with suppliers
- Rich customer intelligence

Why We Win

- Our sales model
 - Outbound and ISAM dual coverage
- People relationships
 - Service culture / sales model
- Expertise – enterprise architecture group resources
 - Data center / private cloud solutions
- Excellence in service
 - Customer satisfaction
- Partner relations
 - Top-tier vendor relations / authorizations
- Bricks and mortar presence
 - 46 locations, 'live' support



Well-positioned in changing marketplace

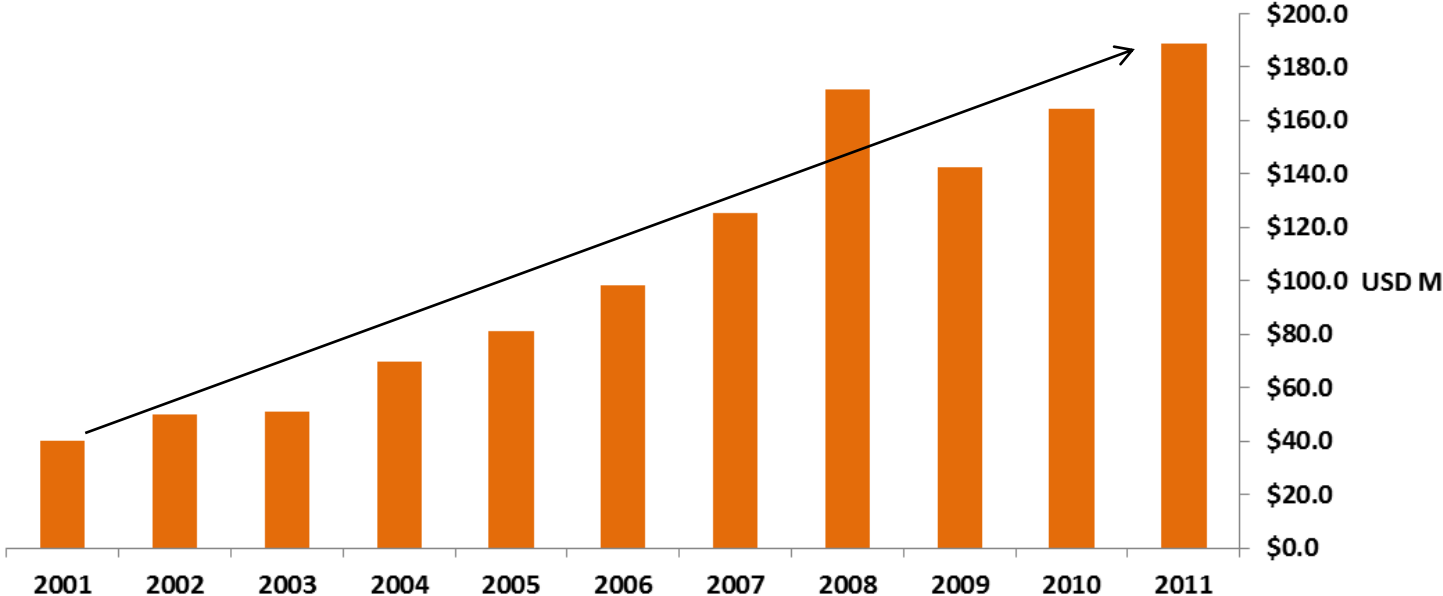
A differentiated business model

Delivering strong results

Going forward – powerful drivers



**Pro Forma Gross Profit
CAGR for last 10 Years =
16.7%**

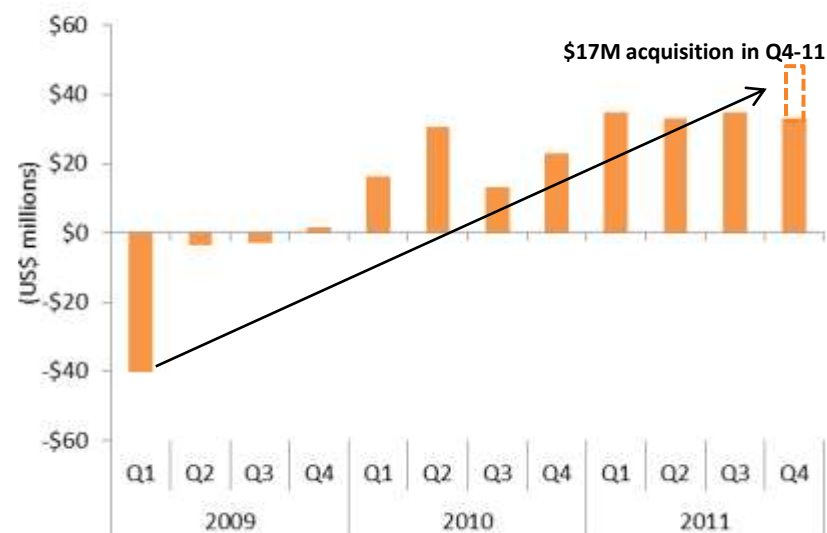


Attractive Financial Characteristics of Our Business Model

Stable Trailing 12 month Gross Margin %



Positive Net Cash Trajectory



Strong Financial Position to Support Growth

Debt to capital ratio

no debt

EBITDA to interest

no debt

Cash balance

\$33.0M

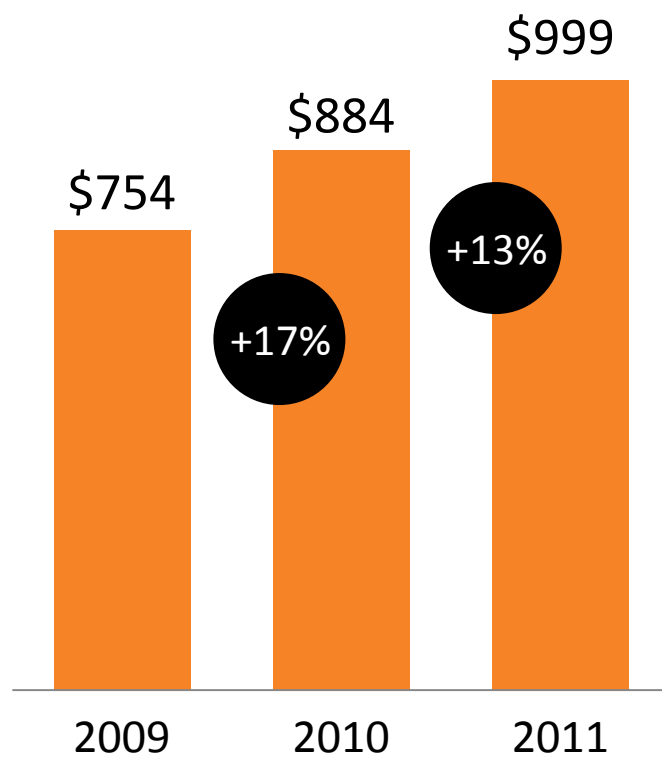
Unused credit facility

\$111M

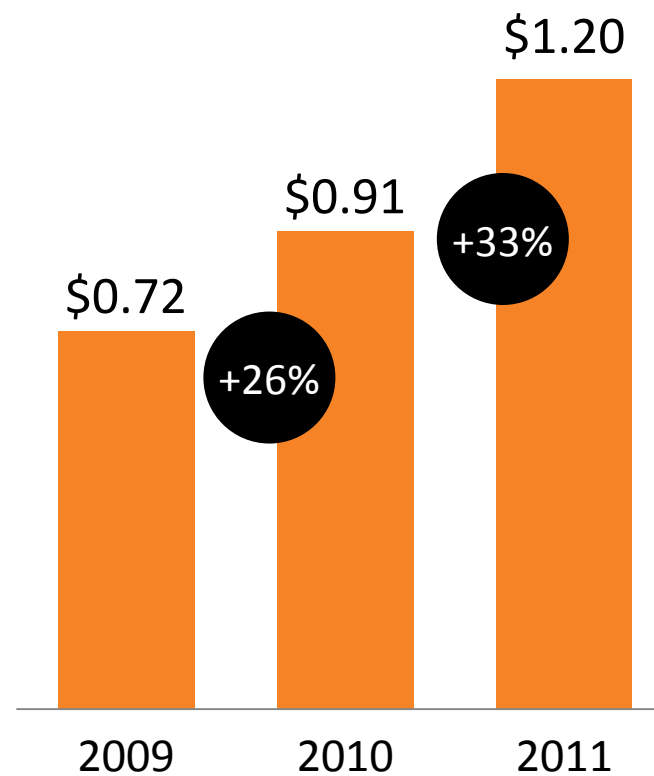
(As of Q4, 2011)



Revenue (\$USM)



EPS* (\$US)



Note: *Adjusted for foreign exchange

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Delivering strong results

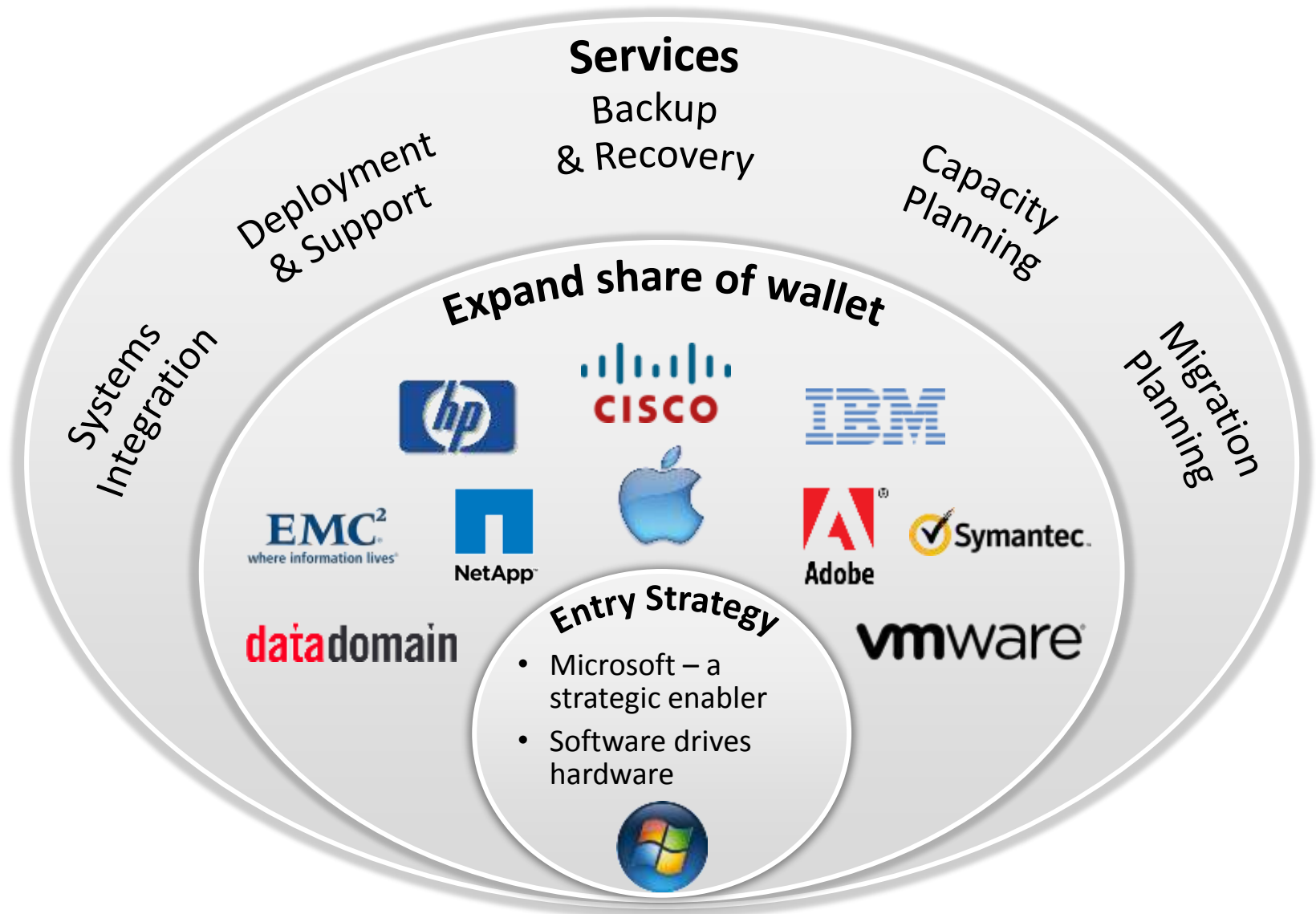
Going forward – powerful drivers



- 1** Leverage Microsoft relationship to expand share of wallet
- 2** Build strategic engagements
- 3** Capitalize on the cloud opportunity
- 4** Continue strategic acquisitions



1. Leveraging Microsoft Relationship



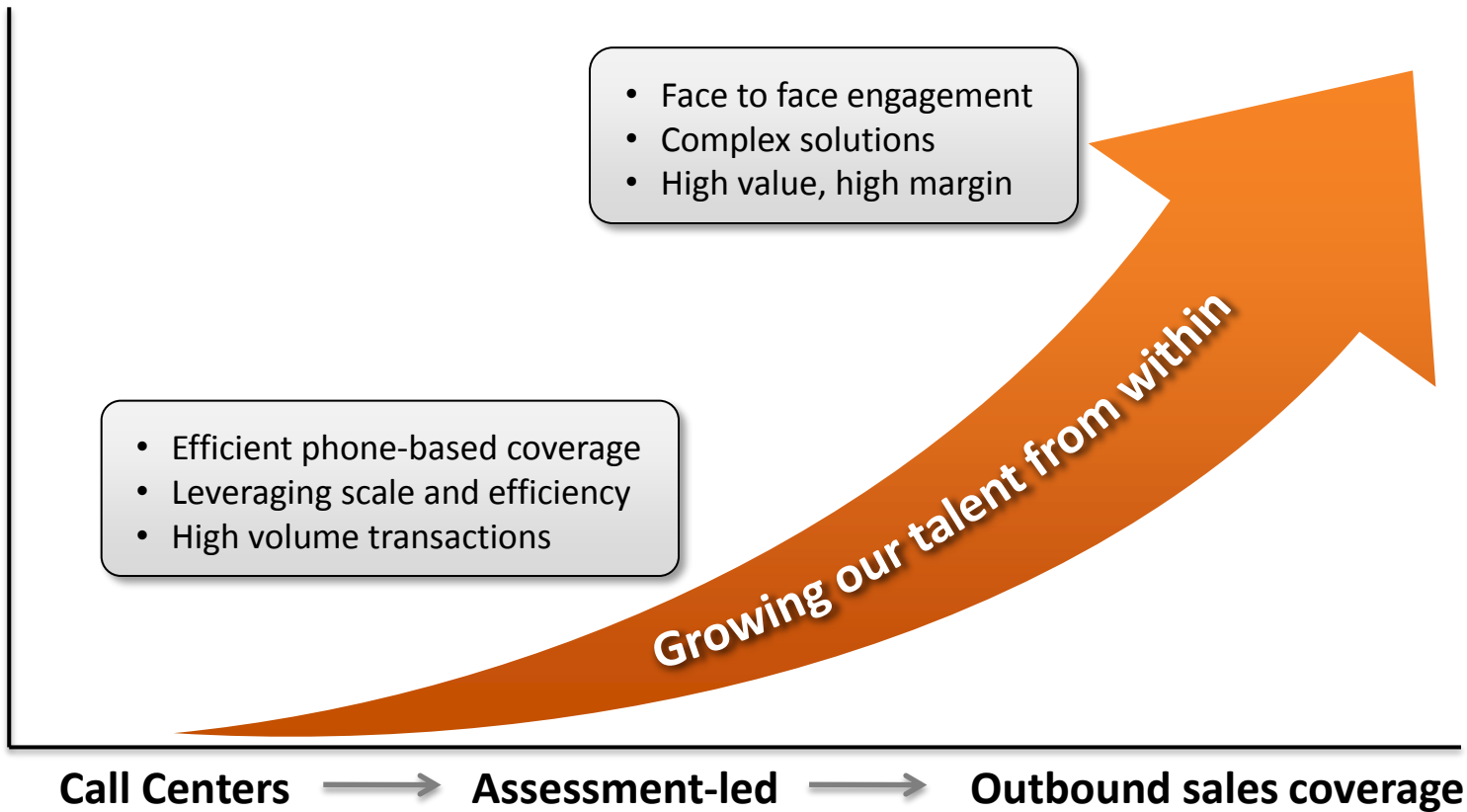
2. Leverage Our People – Build Strategic Engagements

Sales Rep
Productivity

\$



\$



15,000 customers → huge opportunities

Cloud Computing a Key Opportunity

Solutions to Enable Cloud Computing

- Assessment Services
- Solution Design
- Professional Services
- Infrastructure
- License rationalization
- SaaS

Private Cloud Computing



Public Cloud Computing



New growth opportunities

Record of Successful Acquisitions

	Expand Customer Base	Diversify Solution Set
Optimus Solutions (2008)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Software Plus (2007)	<input checked="" type="checkbox"/>	
NexInnovations (2007)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
3-Soft Software (2005)	<input checked="" type="checkbox"/>	
Beyond.com Government Systems Group (2002)	<input checked="" type="checkbox"/>	

A Record of Success:

- Average integration time < 1 year
- One set of systems to manage all lines of business
- Accretive to shareholders



- Services-focused VAR:

- Consulting
- Professional Services
- Application Integration
- Managed Services

- 130 employees

- 800+ customers

- \$74 million in revenues

- 50% of business derived from services

- Transaction to be accretive to earnings in 2012



- Substantially increases Softchoice's Professional Services bench
- Deepens expertise in networking & data center solutions:
 - Server virtualization
 - Enabling 'cloud-ready' infrastructure
- New Managed Services offering:
 - Recurring revenue stream
 - Platform for future cloud offerings
- Strengthens our value as a leading Microsoft provider
- Bolsters position as the leading IT provider in Canada



3- 5 Year Goal: EPS to Grow Faster Than Revenues

	LTM*		3-5 Year Goals
Revenue growth	13%	→	> market growth
Recurring revenue %	<30%	→	30% to 40%
Service revenue %	< 5%	→	> 20%
EBITDA margin %	5%	→	> 6%
EPS**	33%	→	> revenue growth

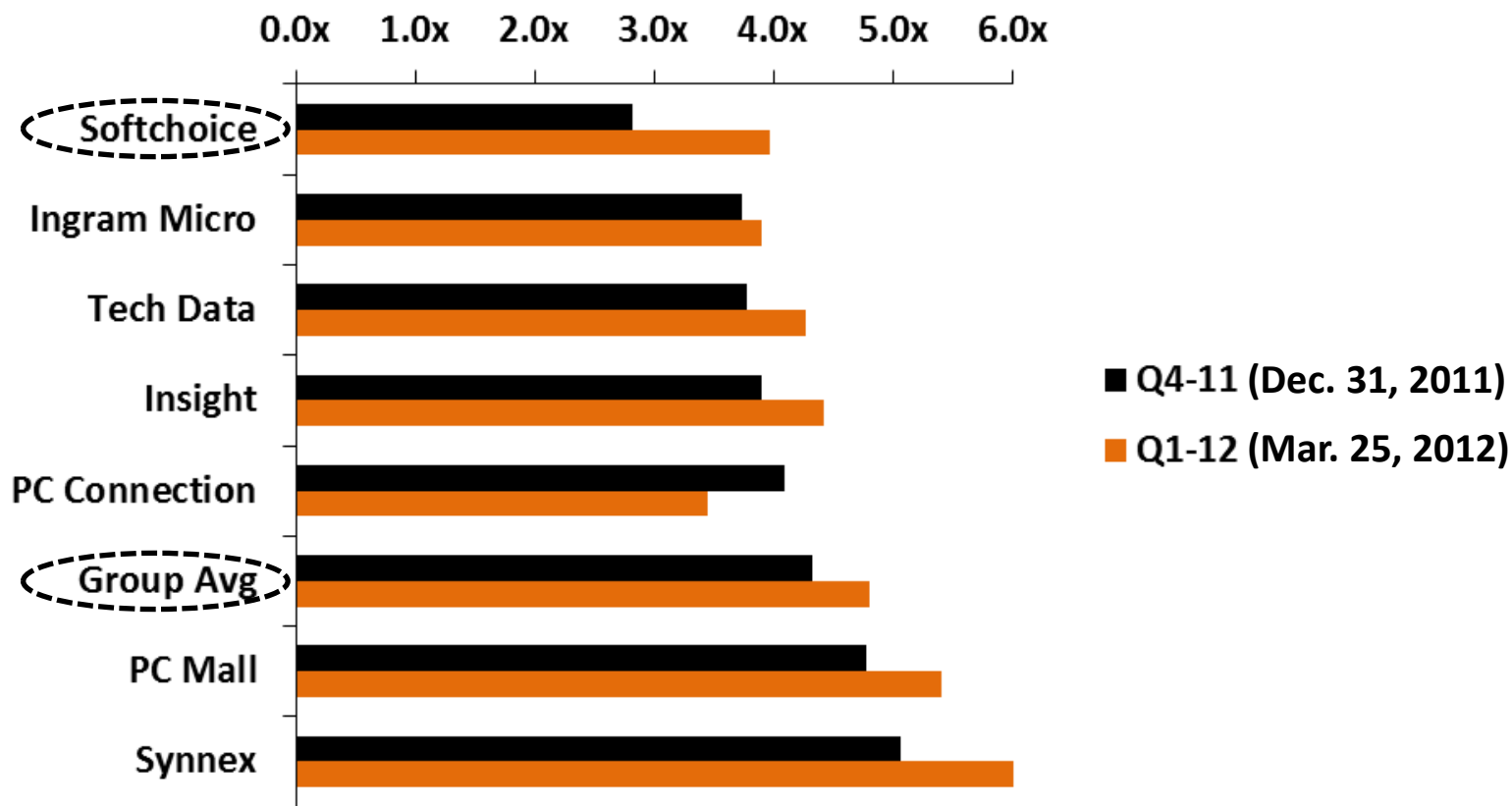
*Last-twelve-months as of Q4-11

**Adjusted EPS (excl. foreign exchange)



Relatively Low Valuation – Market Still Catching Up to Softchoice Positioning

Enterprise Value / EBITDA Multiples 2012E EBITDA*



*Source: Capital

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