



MELBOURNE **IT**

ASX Announcement/Media Release

Melbourne IT (ASX: MLB)

MELBOURNE, Australia

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MELBOURNE IT: RELEASE OF FIRST HALF 2015 FINANCIAL RESULTS SOUND STRATEGY DELIVERS HEALTHY RESULTS WITH STRONG MARGIN IMPROVEMENT

Melbourne IT (ASX: MLB) is pleased to announce its results for the half year ending 30 June 2015, reporting strong increases in statutory revenue, EBITDA, and net profit after tax.

2015 Financial Results

Half year ended 30 June 2015 (A\$)	H1 FY15	H1 FY14	↕%
Revenue	\$69.2m	\$59.6m	16%
EBITDA	\$5.2m	\$3.6m	44%
NPAT	\$1.2m	(\$4.6m)	
Interim Dividend	\$0.01	\$0.01	

Figures throughout this document may not total exactly due to rounding and includes non-IFRS financial information that is relevant for users understanding of underlying performance

Melbourne IT CEO, Martin Mercer noted that the results were supported by the realisation of savings from the integration of Netregistry and the contribution from acquisitions. Mr Mercer reaffirmed that total synergies of \$7.5m (being fully realized during 2016FY) are anticipated from the integration of Melbourne IT and Netregistry and confirmed that a further \$2.5m in synergy savings from the integration of Uber Global was expected in 2017.

In light of the sound financial performance, the Board of Melbourne IT has declared an interim dividend of \$0.01 (80% franked).

2015 Outlook

“We are confident in our ability to drive growth and profitability at Melbourne IT,” Mr Mercer said. “We have a clear focus on the key drivers of shareholder returns and we are making good progress on all fronts. The integration of our recent acquisitions is on track to deliver annualized synergy savings of \$10m by 2017.



“Our efforts to arrest the decline in our core SMB business of domains and hosting are bearing fruit and our total number of the core .au domain names under management has started to grow following a long period of decline”.

“Possibly the most encouraging aspect of these results is the growth in our solutions revenues in both ES and SMB”, noted Mr Mercer. “The transformation of our Enterprise Services division from a dedicated hosting business to a managed cloud services business is well entrenched now and continues to gain momentum. Reflecting our confidence in the opportunity in this market, we recently extended our offering with the acquisition of Outware Systems, Australia’s leading developer of mobile applications for enterprise and government customers”.

“Similarly, our developing SMB solutions business is showing promising momentum, with sales of our core ‘Do-It-For-Me’ Web design product continuing to accelerate”.

Melbourne IT has advised that it expects to report statutory full year EBITDA in the range of \$16m - \$18m, with underlying EBITDA in the range of \$20.5m - \$22.5m. Underlying undiluted EPS is expected to be in the range of \$0.10 to \$0.11 per share.

The 2015 Half Year Results Presentation to shareholders is available at <http://www.melbourneit.info/investor-centre/>.

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About Melbourne IT

Melbourne IT Group is a publicly listed company with offices in Melbourne, Sydney, Brisbane, Wellington, Auckland and Canberra. Melbourne IT’s purpose is to “Enable Online Success” and its vision is to be the dominant brand in Australia and New Zealand for cloud and mobile solutions. Melbourne IT has approximately 450 staff and operates two businesses marketed under 6 brands.

The Small and Medium Business Division (SMB) is Australia’s largest domain and hosting business with revenues of approximately \$120m and 210 staff. The SMB business operates under the Melbourne IT, WebCentral and Netregistry brands and wholesale brand TPP.

The Enterprise Services Business (ES) is Australia’s leading cloud enabled software and services business with revenues of \$45m and 200 staff. ES is based in Sydney, Melbourne and Brisbane and has a blue chip customer base.

Visit: www.melbourneit.com.au