

## ASX Announcement

### Melbourne IT (ASX: MLB)

#### MELBOURNE IT: RELEASE OF FULL YEAR 2015 FINANCIAL RESULTS SOUND STRATEGY DELIVERS STRONG PERFORMANCE

**MELBOURNE, Australia – 24 February 2016** – Melbourne IT (ASX: MLB) is pleased to announce its results for the year ending 31 December 2015, reporting strong increases in statutory revenue, EBITDA, and net profit after tax.

#### 2015 Financial Results

Year ended 31 December 2015 (A\$)	FY15	FY14	↕%
<b>Revenue</b>	<b>\$150.3m</b>	<b>\$124.7m</b>	<b>21%</b>
<b>EBITDA</b>	<b>\$16.5m</b>	<b>\$12.8m</b>	<b>29%</b>
<b>NPAT</b>	<b>\$5.6m</b>	<b>\$0.5m</b>	<b>1 020%</b>
<b>Final Dividend</b>	<b>\$0.04</b>	<b>\$0.04</b>	

*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 Melbourne IT has achieved guidance on both a statutory and underlying basis. “We are particularly pleased that our underlying EBITDA of \$22m came in at the top end of our guidance range. This represents 35% YoY growth which was mirrored by growth in underlying EPS of 21%”, said Mr Mercer.

In light of the sound financial performance, the Board of Melbourne IT has declared a final dividend of \$0.04 (80% franked).

#### 2016 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 has delivered annualized synergy savings of \$6m as at the end of FY15, \$1m ahead of our original forecast. In 2016 we are increasing our investment in integration with a view to bringing forward \$1m of annualized synergy savings from 2017 into 2016 – taking our expected annualized savings by the end of 2016 to \$8.5m”.

“Our efforts to arrest the decline in our core SMB business of domains and hosting are bearing fruit with our total number of the core .au domain names under management continuing 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 digital solutions business is well entrenched now and continues to gain momentum.

“Similarly, our developing SMB solutions business is showing growing 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 EBITDA for 2016 in the range of \$23m - \$25m, with underlying EBITDA in the range of \$26.3m - \$28.3m. Underlying undiluted EPS is expected to be in the range of \$0.14 to \$0.15 per share.

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

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Chief Executive Officer  
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**ENDS.**

#### **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 “Fuel our customers’ success through the smart use of technology”. By 2020 we aim to have fuelled the success of over one million businesses. Our customers will love us, our people will be our most passionate advocates, and our investors will be rewarded.

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 domains and hosting business with revenues of approximately \$110m and 210 staff. The SMB business operates under the Melbourne IT, WebCentral, Netregistry brands and TPP brands.

The Enterprise Services Business (ES) is Australia’s leading cloud enabled software and services business with revenues of approximately \$40m and 200 staff. ES is based in Sydney, Melbourne and Brisbane and has a blue chip customer base. It operates under two brands, Melbourne IT and Outware Systems.

Visit: [www.melbourneit.com.au](http://www.melbourneit.com.au)