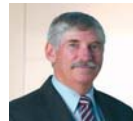




## Board of Directors

Robert Stewart	Chairman, Non-Executive Director
Theo Hnarakis	Managing Director & CEO
Simon Jones	Non-Executive Director
Tom Kiing	Non-Executive Director
Professor Iain Morrison	Non-Executive Director
Lucy Turnbull	Non-Executive Director
Andrew Walsh	Non-Executive Director



## Auditors

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## Agenda

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- Chairman's Address
- CEO's Address
- Q&A
- Formal Business
- Q&A
- Tea & Coffee



## Strong Financial Performance Continues



Year ended 31 December (A\$)	FY 08*	FY 07	↕%
Revenue	\$186.2m	\$154.4m	↑ 21%
EBIT	\$23.7m	\$20.1m	↑ 18%
NPAT	\$16.2m	\$13.9m	↑ 17%
Basic EPS	20.87¢	18.15¢	↑ 15%
Operating Cash	\$26.4m	\$24.6m	↑ 8%
Final Dividend (Fully franked)	8.0¢	7.0¢	↑ 14%
Deferred Gross Margin	\$28.5m	\$21.8m	↑ 31%

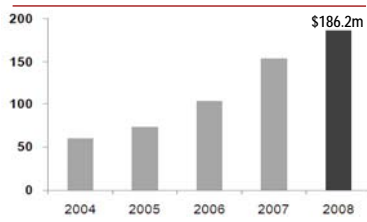
\* FY 08 figures include VeriSign DBMS contribution, integration & financing costs from 1 May & contribution from Advantate joint venture

Page 7

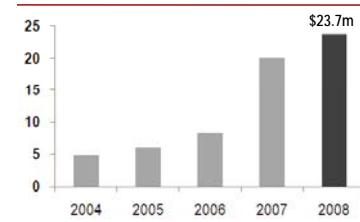
## Financial Performance



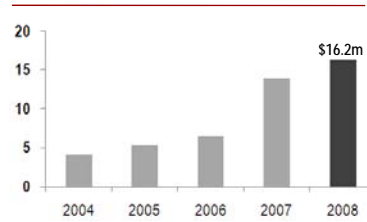
Revenue (\$m)



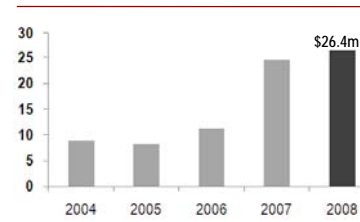
EBIT(\$m)



NPAT(\$m)



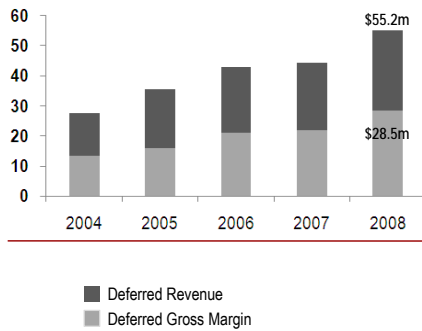
Operating Cash (\$m)



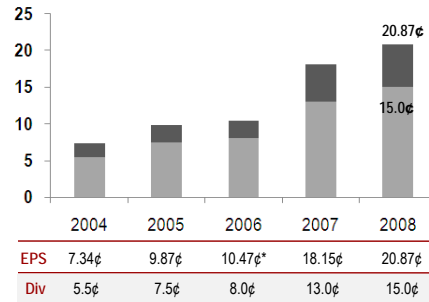
Page 8

## Financial Performance

Deferred Gross Margin (\$m)



Basic EPS & Dividend (¢)



\* 2006 EPS excludes gain on sale of Neulevel

## 2008 Overview

- Continuing to evolve our business
  - Into a successful global IT services company
  - Broaden revenue base to insulate against the economic slowdown
  - Position to accelerate growth as market stability returns
- Focus on annuity products and bundling services to meet customers' needs & grow ARPU
- Final quarter 2008 – evidence of slowdown in all divisions

## **2008 Overview (cont'd)**



- ☑ Names Under Management (NUM) grew 8% to 5.9m\*
  - ☑ Industry growth also slowing – 16% in 2008 vs 28% in 2007
  
- ☑ Strong AUD/USD exchange rate for most of the year impacted results
  - ☑ More than \$800k negative impact on EBIT year on year across the Group
  
- ☑ Advantate JV established, sales team in place and beginning to build
  
- ☑ Acquisition of VeriSign DBMS
  - Phase 1 integration completed - met all key targets & deliverables
  - Client transition going well

*\* Includes 325,000 names under management gained through DBMS acquisition*

Page 11

## **2008 – Investments for Growth**



- ☑ Focus on process improvement & managing cost base
  
- ☑ Increased sales capability across the world
  
- ☑ Investments in training
  - Sales, management, leadership and specialised technical training
  
- ☑ Revitalised IWS transformation program to consolidate systems to support long-term growth
  - Tam Vu, former CIO/Business Transformation Director of Seek, leading this program

Page 12

## 2008 – Investments for Growth (cont'd)



- ☑ Continued Investment in infrastructure virtualisation capabilities
  - Investment in VMware Enterprise Server Virtualisation
  - 40% of servers have been virtualised – 16:1 consolidation ratio, 25:1 density improvement
  - 100% of shared storage has been virtualised – enabling three times the storage to be managed by the same team
  - Developing cloud based infrastructure offerings in conjunction with VMware (vCloud)
  
- ☑ Other investments to support scalability & create efficiencies
  - New storage infrastructure \$3.4m
  - Enterprise-grade data centre backup solution \$1m
  - Data centre expansions – Australia & US
  - Enhanced anti-spam & anti-virus capabilities
  - New software systems to improve productivity across the Group
  - Launch of new Project Management web portal, timesheet system and resource management tools

Page 13

## Capex & Treasury



- Capex in 2008 up 55% to \$10.0m
  - \$6.8m – customer installations
  - \$2.1m – other internal capex
  - \$1.1m – DBMS capital investments
  
- Forecast capex of \$14m in 2009
  - \$8m relates to dedicated customer installations
  
- Continued strong cash reserves
  - Closing cash position of \$28.4m
  
- With DBMS acquisition, external debt balance of \$79.6m as at 31 Dec 08
  - Up from \$57.1m at 30 June 2008 due to changes in the AUD/USD exchange rate, which also positively impact the value of the assets gained
  - Debt facility will be serviced by USD revenues & earnings which will move in line with the US dollar exchange rate
  - Interest cover >17 times
  - Effective interest rate in 2008 was 3.95%

Page 14

# 2008 Divisional Performance

## Divisional Performance – including Advantate & DBMS

Year ended 31 December (A\$)	FY 08	FY 07	↕%
<b>Revenue</b>	<b>\$186.2m</b>	<b>\$154.4m</b>	<b>21%</b>
Business & Consumer	\$42.7m	\$41.3m	3%
Partner Solutions (Reseller)	\$61.4m	\$60.4m	2%
Corporate & Government	\$26.0m	\$23.3m	12%
Digital Brand Services (incl DBMS)	\$44.9m	\$17.1m	162%
For The Record	\$8.9m	\$10.6m	-16%
Interest and Other Revenue	\$2.3m	\$1.7m	35%
<b>EBIT</b>	<b>\$23.7m</b>	<b>\$20.1m</b>	<b>18%</b>
Business & Consumer	\$11.8m	\$11.2m	6%
Partner Solutions (Reseller)	\$7.4m	\$7.8m	-5%
Corporate & Government	\$3.2m	\$2.8m	16%
Digital Brand Services (incl DBMS)	\$4.3m	\$0.9m	396%
For The Record	\$0.5m	\$0.7m	-28%
Advantate Contribution	-\$0.7m	N/a	N/a
Corporate Overhead	-\$2.9m	-\$3.3m	-12%

*NB Figures may not total exactly due to rounding*



## Business & Consumer

### Results

	FY 08	FY 07	Change
Revenue	\$42.7m	\$41.3m	3%
Contribution Margin	\$11.8m	\$11.2m	6%
Average Revenue Per User	\$329	\$303	9%

- eBusiness Centre Sales up 14% to \$18.3m
- Strong growth in SEO, web design & ccTLD products
- Launched WebAsia, AliBaba, monthly SEO products
- Rolled out SaaS products to Domainz brand
- Stabilisation of billing and infrastructure systems provides platform for continued growth

- ▶ 3 market leading brands
- ▶ 350,000+ customers
- ▶ 40,000+ transactions/mth



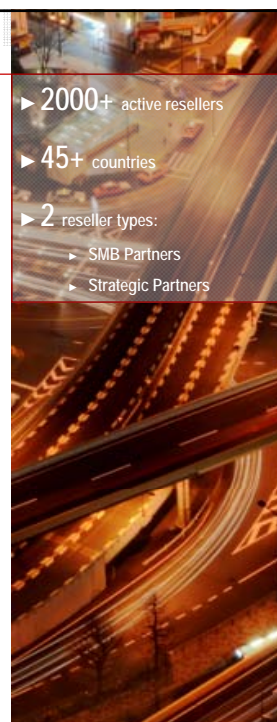
## Partner Solutions (formerly Reseller)

### Results

	FY 08	FY 07	Change
Revenue	\$61.4m	\$60.4m	2%
Contribution Margin	\$7.4m	\$7.8m	-5%
Names Under Management	4.9m	4.8m	1%

- Low growth in NUM due to slowdown & challenges facing large resellers
  - NUM up 3% in H108 to 5.0m; but down -2% in H2 08 to 4.9m
  - Global domain name growth slowed from 28% in 2007 to 16% in 2008
  - Renewal rates consistent at more than 70%
- Re-signed major telco partner to 24 month contract
- Recruited 239 new SMB resellers in 2008
- Continued growth in SaaS products via resellers – up 40% to \$1.5m
  - Marketing push by major Australian reseller for Managed Exchange

- ▶ 2000+ active resellers
- ▶ 45+ countries
- ▶ 2 reseller types:
  - ▶ SMB Partners
  - ▶ Strategic Partners



## Corporate & Government

### Results

	FY 08	FY 07	Change
Revenue	\$26.0m	\$23.3m	12%
Contribution Margin	\$3.2m	\$2.8m	16%
New Contracts Signed	183	131	40%
Average Contract Value	\$127k	\$103k	23%

- Signed 183 contracts during the year
- Strategic partnerships with key Systems Integrators & consulting firms
- New offerings – SiteSafe Disaster Recovery & Voyager Migration Services
- Service issues resulted in higher than usual customer churn & SLA rebates, although significant improvements achieved by end 2008

- ▶ 900+ clients
- ▶ 1,300 servers
- ▶ 75+TB data transfer/mth



## Digital Brand Services

From H1 09 DBMS and CBS results will not be reported separately.

### Results

	FY 08*	FY 07*	Change
Revenue CBS	\$20.9m	\$17.1m	22%
Revenue DBMS	\$24.0m	N/a	N/a
Total Revenue DBS	\$44.9m	\$17.1m	162%
Consulting Revenue	\$35.2m	\$9.2m	283%
Contribution Margin CBS	\$2.7m	\$0.9m	214%
Contribution Margin DBMS	\$1.6m	N/a	N/a
Total Contribution Margin DBS	\$4.3m	\$0.9m	396%
Digital Brands Under Mgt	508,449	157,732	222%
Total Clients	3,102	527	489%

- 110+ new clients signed in 2008 including Austar, Nissan Australia, Thiess & RACQ
- Launched new products - Critical and Corporate DNS
- Acquired upgraded services following DBMS acquisition
  - Anti-phishing services
  - Domain management portal
- Value-added services for CBS up 75% vs 2007 for DNS, monitoring, recovery & web traffic analytics

\* FY 08 figures include contributions from DBMS acquisition; \* FY 07 includes IDR acquisition

- ▶ 3,100+ clients
- ▶ 99%+ client retention
- ▶ 90%+ client satisfaction



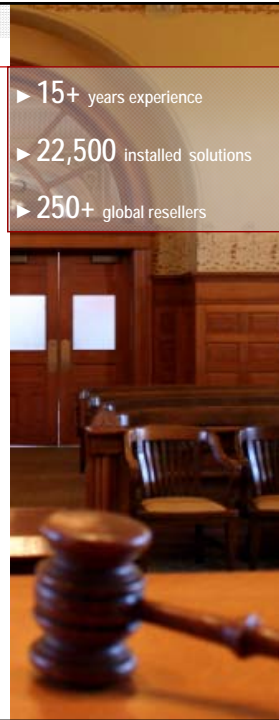
## ForTheRecord

### Results

	FY 08	FY 07	Change
Revenue	\$8.9m	\$10.6m	-16%
Contribution Margin	\$0.5m	\$0.7m	-28%
Recording Solutions Sold	2,785	3,244	-14%

- Focus on building sales pipeline & re-energising strategic relationships
- Growth of annuity business - sold 1,319 upgrade solutions in 2008, over 500% growth
- Key digital recording customers signed in 2008:
  - Hong Kong Courts (annuity support business)
  - Courts of British Columbia, Canada
  - Courts of Abu Dhabi
  - Republic of Ireland
- Developed custom web-based solution for Australian Federal Parliament

- ▶ 15+ years experience
- ▶ 22,500 installed solutions
- ▶ 250+ global resellers



## Board Changes & Appreciation

- Simon Jones to succeed Rob Stewart as Chairman towards end of 2009
- In appreciation:
  - Andrew Field, COO & CFO, has resigned after 10 years of highly valued service to take up a new position in a different industry
  - Melbourne IT Board members for their valuable insight & counsel in guiding the company
  - Theo Hnarakis, our CEO, & his executive team for their dedication & tenacity in remaining focused on the fundamentals in a challenging year
  - Melbourne IT's staff worldwide for their commitment, ingenuity & hard work
  - Melbourne IT's shareholders for their continued support



## **Introduction**

- Melbourne IT is a resilient company
- Melbourne IT is an innovative company
- Melbourne IT is focused on long term sustainable growth
- Achieved a strong result in 2008 despite market constraints
  - DBMS acquisition
  - Advantate joint venture
  - Expanded our data centre facilities
  - Evolved our green strategy

## Agenda

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- Strategy Health Check
- Industry Update
- 2009 Outlook
- Innovation is the “Wild Card”



## Strategy Health Check

## Strategy Success



- We have clear evidence that we are progressing towards our goal of being a leading global IT services company
  - 60% of revenue is from IT services
  - 90% of revenue is annuity-based
  - ARPU is increasing across our business:
    - B&C – ARPU up 9% in 2008 to \$329
    - C&G – average contract value up 23% in 2008 to \$127k
    - DBS – expanded service range post DBMS to drive contract growth
    - FTR – has started selling annuity services for the first time

Page 27

## Our Strategy



### STRATEGY

To be a global leader in the provision of internet-based IT services via a customer centric culture.

STRATEGIC GOALS

- 1 Services Portfolio
- 2 Shared Services & Delivery
- 3 People & Culture
- 4 Financial Ambition

Page 28

## Four Strategic Goals

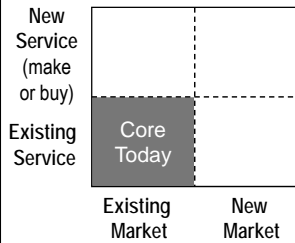
1

### Services Portfolio

2009

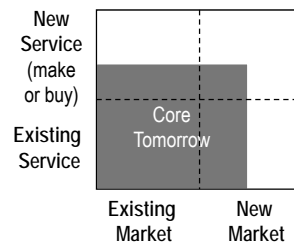
How do we get there?

2011



*Global leader in internet services by customer value and customer number*

- ✓ Online tools for SMBs
- ✓ Critical hosting for corporate & government clients
- ✓ Digital brand management & protection for corporate clients
- ✓ Digital recording services for organisations



Page 29

## Four Strategic Goals

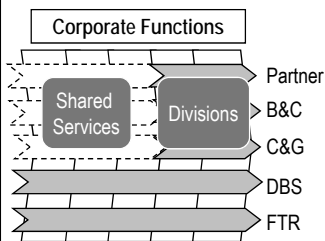
2

### Shared Services & Delivery

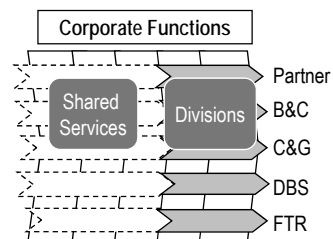
2009

How do we get there?

2011



- ✓ Adapt Systems
- ✓ Build Capabilities
- ✓ Customer Centric Service
- ✓ Segmentation
- ✓ IWS 2.0
- ✓ Service Delivery
- ✓ Customer Experience



Page 30

## Four Strategic Goals

3

### People & Culture

2009

How do we get there?

2011

Customer perception

"Melbourne IT's staff are helpful and provide me with advice & support for the services I use in my business online."

*"Think global, service local"  
Evolving the culture by  
investing in talent management  
and staff development for all  
areas of Melbourne IT*

Customer perception

"Melbourne IT's staff are knowledgeable and provide me with expert, timely advice that helps me to maximise the effectiveness of my online business strategies."

Page 31

## Four Strategic Goals

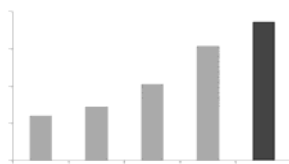
4

### Financial Ambition

2009

How do we get there?

2011



*Six consecutive years of  
double-digit growth*

- ✓ Organic growth within current divisions
- ✓ Stringent focus on costs and efficiencies
- ✓ Commitment to innovation & customer experience



*Achieve sustainable long  
term double-digit growth*

Page 32



## Market Positioning

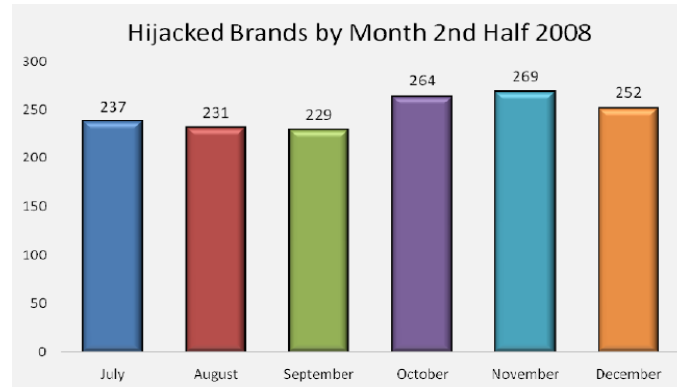


- We also continue to build our standing in our key global markets
  - #1 Digital brand management company globally
  - #1 Domain name company in Australia & New Zealand
  - #1 Hosting company in Australia
  - #1 Digital recording company for courtrooms worldwide
  - Top 5 Global domain registrar
  - Top 10 Global hosting company



Industry Update

## Cyber Crime Continues to Grow



*Anti-Phishing Working Group, 17 March 2009*

- Legitimate companies are affected by growth in brand hijacking & cyber crime
- 47% increase in brand hijacking 2008 to 2,690 in total

Page 35

## Opportunities from New gTLDs

- ICANN's proposed changes to the regulations governing generic top level domains will make '.brand' a reality
  - Marketing benefits
  - Security benefits
  - Registry services opportunities
- Client survey in December 2008 :
  - 25% are positive about this change
  - 14% are keen to get a branded domain name
  - 70% do not believe a brand name gTLD will reduce the need for other domain types
  - 50% believe a brand name gTLD will offer protection against typo and cybersquatting

**.brand**  
**.city**  
**.name**

Page 36

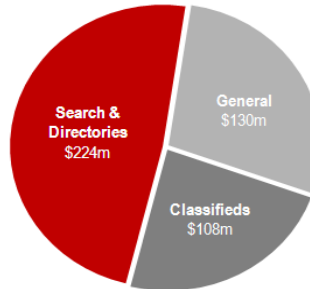
## Online Ads & Search Engine Marketing



"Online advertising in Australia surpassed \$1.7billion for the 2008 calendar year, representing 27% year-on-year growth.."

*IAB Australia, Feb 2009*

**IAB Category Share**  
Online Advertising – Q4 2008



"Customers are going to search engines even more now because they are looking for better deals."

*eMarketer, Feb 2009*

Page 37

## E-commerce Growth



- 71% of SMBs now pay for services online, up 4% on 2007
- 67% of SMBs order products online, up 8% on 2007
- Higher penetration of e-commerce usage with medium businesses

Buying over the Internet		Trends – Small Business										
		2000	2001	2002	2003	2004	2005	2006	2007	2008		
Connected to internet		60%	75%	79%	81%	86%	87%	90%	92%	93%		
Look for information on products or services		46%	51%	64%	67%	75%	76%	82%	78%	82%		
Place orders for products or services		17%	26%	41%	45%	55%	51%	60%	58%	66%		
Pay for products or services		11%	23%	40%	47%	58%	62%	65%	66%	70%		

Base = Small businesses

SOURCE: Sensis® e-Business Report Sweeney Research - 2008

Buying over the Internet		Trends – Medium Business										
		2000	2001	2002	2003	2004	2005	2006	2007	2008		
Connected to internet		89%	95%	94%	98%	99%	97%	99%	99%	98%		
Look for information on products or services		65%	79%	82%	91%	94%	92%	93%	93%	96%		
Place orders for products or services		28%	49%	61%	64%	74%	72%	75%	72%	82%		
Pay for products or services		17%	39%	55%	66%	73%	72%	80%	77%	81%		

Base = Medium businesses

SOURCE: Sensis® e-Business Report Sweeney Research - 2008

*Sensis e-Business Report, July 2008*

Page 38

## Software as a Service Growth



“Predicting growth of 20% in SMB customers’ use of SaaS in 2009, from 66% in early 2009 to 86% by the end of the year “

*2009 Microsoft SMB Insight Report, 25 March 2009*

“We expect sales of SaaS to grow at a rate of 40% to 42% this year.”

*Michael Fauscette, IDC group vice president for software business solutions, 25 March 2009*

“SMBs in Australia are poised to invest \$66 million on SaaS in 2009, up from 2008 by 11%.”

*Access Markets, April 2009*

Page 39

## Faster Broadband Speeds



- Drive uptake in internet services for businesses & consumers
- Create opportunities for new internet services
  - e.g. MediaPoint digital media management offering

“48% of regional businesses have a web site, compared to 65% of metropolitan businesses.”

*Sensis e-Business Report, July 2008*

Page 40



## **2009 First Half**

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- Slowdown in Q4 2008
- Early 2009 continuing the tough trading environment
- Difficult trading conditions persist
- Global IT spend to be static in 2009 *IDC, Nov 2008*
  - SMBs are cutting spending to weather the economic conditions
  - Enterprises are cutting IT spending, deferring decisions & postponing new investments
- Global slowdown in domain name registrations
  - VeriSign reported only 9% growth year-on-year in .com and .net names in Q1 2009
  - In Q1 2008, year-on-year growth was 26%

## 2009 First Half

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- Melbourne IT's NUM has fallen by 1.6% to 5.77m as at end April 2009
  - Reseller partners struggling in market conditions
  - Consolidation of domain portfolios by DBS clients
  - Higher number of cancellations and expirations of domain names
  - TLDs down but ccTLD registrations continue to grow
  
- Competitors offering unsustainably low prices for domains and hosting – depressing margins

## 2009 First Half

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- Integration costs for DBMS higher than expected
  
- Invested \$500k in IWS transformation project scoping and blueprint
  
- Investing to improve reliability of our existing systems and infrastructure
  
- Advantate has also been impacted by tough trading conditions
  - Expect to achieve break even position by year end
  - Loss of \$500k across 2009

## Outlook

- Expect H1 09 revenue to show modest growth over H1 08
- Expect H1 09 EBIT to be down on H1 08
- Expect to achieve modest growth in revenue and EBIT in FY 09 and outperform FY 08
- Foreign exchange environment will benefit us financially in H2 09
- 2<sup>nd</sup> half significant reduction in integration costs for DBMS
- DBMS integration completion allowing staff to focus on revenue generation in 2<sup>nd</sup> half
- Lower operational costs due to strict fiscal management

Innovation is the “Wild Card”



## New Services

### Digital Brand Mgt

- gTLD consulting and registry services
  - Signed registry MoU with VeriSign
- Strategist 2.0 streamlined portfolio management
- DNS assurance
- Critical and Corporate DNS
- Web traffic analytics
- Dual vendor strategy

### Critical Hosting

- MediaPoint digital media management
- SiteSafe Disaster Recovery
- Voyager Migration Services
- Cloud computing services

### Software as a Service

- Microsoft Office SharePoint Server (MOSS)
- Corporate Exchange 2007 outsourced email
- Managed PC Backup

### Digital Recording

- Spanish & Arabic language versions of FTR court recording

Page 47

## Strategic Partnerships are Critical

- Partnered with Fairfax Media to launch Advantate search marketing JV
- Only host in Australia to speak at VMware vSphere 4.0 virtualisation launch
  - First company in the world to use vSphere in a production environment
- Only host in APAC to participate in Microsoft Software + Services Incubator Program & Microsoft BizSpark program for start-ups
- Launched MiCloud partner program to assist our hosting customers to maximise their SaaS business outcomes
- Partnered with B2B e-commerce marketplace Alibaba.com to resell premium TrustPass service
- Partnered with leading digital video supplier to launch MediaPoint
- Providing domain and value-added services to key partners like Microsoft
- Partnering with Avnet to increase FTR penetration of Canadian court market
- Partnering with Synergon to access Latin American markets for new FTR Spanish products

Page 48



## Customer Experience

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- Expansion of eBusiness Centre capabilities to include face-to-face sales consultations, offering premium service and tailored advice
- Generation of new sales leads through offering 'after sales' advice via Customer Service teams 'Super Service' initiative
  - Opportunities continue to grow with leads in Q1 2009 up 80% on Q1 2008

## Client Wins

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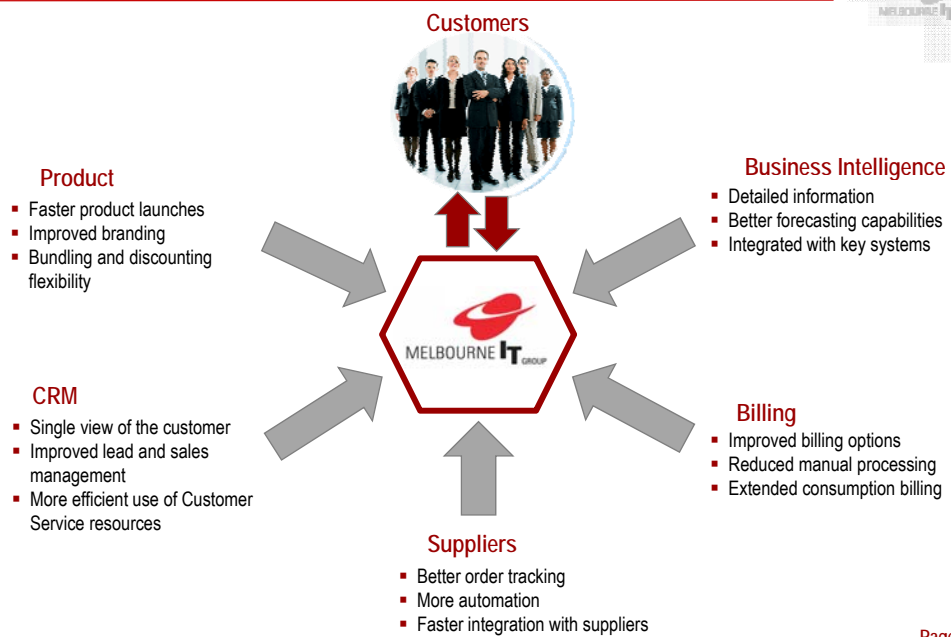
- TruEnergy
- Coca-Cola Amatil
- Australian Unity
- Napoleon Perdis Cosmetics
- Twitter, Inc
- Viocorp
- Target
- Colorado Court System
- Victorian Parliament
- Central Law Courts, Perth
- B&C customer segmentation advancements continue to deliver opportunities for ARPU growth

## Systems Enhancements



- IWS 2.0
  - Invested \$500k in scoping and blueprint for the next phase of IWS
  - Improve productivity
  - Automate processes
  - Improve customer experience

## Benefits of IWS 2.0



## **People & Culture**

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- Staff training & development initiatives
  - Sales training – Australia, Europe & US
  - Confident Managers' Program to develop the next generation of leaders
  - Online global induction system
  - Time management skills
  - Specialised technical and customer service training
  
- Launch of Careers web site
  
- Establishment of leadership teams in key offices to improve communication & reinforce corporate culture
  - Ashburn, Brisbane, London, Malmo, Melbourne, Mountain View, Stockholm, Sydney

Page 53

## **Continued Focus on Fundamentals**

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- Responsible and stringent approach to cost savings
  - Slowing staff recruitment
  - Renegotiation of supplier contracts
  - Recruiting our suppliers as new customers
  
- Diligent cash management
  - Proportion of foreign exchange exposure managed through caps and collars
  - >35% of debt is locked in at fixed LIBOR rate
  - Managing debtors to minimise bad debt exposure
  
- We are positioning Melbourne IT to drive our next growth phase as stability returns to the global economy.

Page 54



## **Financial Statements and Report**



- To receive and consider the Financial Statements and the Reports of the Directors and Auditor for the financial year ended 31 Dec 2008

## **Resolution 1 - Re-election & Election of Directors**



- a) Ms Lucy Turnbull retires by rotation in accordance with rule 9.3 of the Company's Constitution and, being eligible, offers herself for re-election
- b) Professor Iain Morrison retires by rotation in accordance with rule 9.3 of the Company's Constitution and, being eligible, offers himself for re-election
- c) Mr Andrew Walsh was appointed by the Board as a Director of the Company in accordance with rule 9.9 to hold office until the next shareholder meeting. Mr Andrew Walsh, being eligible, now offers himself for election.

## **Resolution 2 - Adoption of Remuneration Report**



- To adopt the Remuneration Report for the year ended 31 December 2008

## **Remuneration Report**



- Philosophy
  - Company performance depends on the quality of its Directors, Executives and Staff
  - The company must therefore attract, motivate and retain highly skilled people
  - The Human Resources, Remuneration and Nomination Committee (HRRNC) is responsible for determining and reviewing remuneration for Directors, Executives and Staff
- Structure
  - The company's remuneration policy complies with the AICD guidelines for listed company executive remuneration published in February 2009
  - In accordance with best practice corporate governance, the structure of Non-Executive Director and Executive remuneration is separate and distinct

## Executive & Senior Manager Remuneration



- The objective is to reward Executives and Senior Managers with a level and mix of remuneration commensurate with their position and responsibilities to:
  - Provide competitive rewards to attract high calibre Executives
  - Link rewards to shareholder value
  - Have a significant portion of remuneration “at risk”, dependent upon meeting pre-determined financial and operational performance benchmarks (KPIs)
  - Establish appropriate, demanding performance hurdles for variable remuneration

Page 61

## Executive & Senior Manager Remuneration



Remuneration consists of two key elements:

- Fixed remuneration (salary)
- Variable remuneration
  - Short-Term Incentive (STI) – based on performance against company, business unit and personal performance KPIs
  - Long-Term Incentive (LTI) – share options with a performance hurdle
    - Pre 21 April 2006 – performance hurdle based on Earnings Before Interest and Tax (EBIT)
    - Post 21 April 2006 – performance hurdle based on Earnings per Share (EPS)

Page 62

## General Staff Remuneration



- Remuneration consists of two key elements:
  - Fixed remuneration (salary)
  - Variable remuneration
    - Short-Term Incentive (STI) – based on performance against company, business unit and personal performance KPIs
    - Long-term incentive (LTI) – The exercise price of the options is based on the share price at the date of issue of the options.

## Non-Executive Director (NED) Remuneration



- To align NED rewards with shareholder returns, prior to 2006 options were used as long-term incentives (LTIs), with a performance hurdle based on EBIT growth
- In 2006, no options were granted to directors as part of a transition to a new LTI scheme in 2007, which is a Deferred Share Plan.
  - Directors purchase shares on-market using at least 15% of their annual fees excluding those who are substantial shareholders
- To compensate for loss of the LTI Option Plan, Directors' fees were increased in Jan 2007 as part of the bi-annual review
- For 2009, the NED base fee is \$72,000 with an additional \$10,000 for Board Committee Chairs (unchanged from 2007)
- The Board Chairman's fee is set at 2.3 x NED base fee.



## Non-Executive Director (NED) Remuneration



- Objective
  - The board seeks to set aggregate remuneration at an appropriate level to attract & retain Directors of the highest calibre at an acceptable cost
  
- Structure
  - Each NED receives a fixed fee and sits on at least one Board committee
    - Audit & Risk Management Committee or
    - Human Resources Remuneration & Nomination Committee
  - An additional fee is paid for chairing a Board committee, in recognition of the additional time commitment and responsibility required
  - NEDs are encouraged to hold shares in the Company (purchased by them on market). Two of the NEDs are substantial shareholders in the company – Tom Kiing and Lucy Turnbull
  - NED fees are generally reviewed every two years (last review was 1 Jan 2007)

Page 65

## Resolution 2 - Adoption of Remuneration Report



- Questions?
  
- Resolution: To adopt the Remuneration Report for the year ended 31 December 2008

Page 66



Questions?