

**For immediate release  
18 August 2004**

**Domainz announces Interim Results: revenue NZ\$1.389m (AU\$1.27m) –  
after tax profit NZ\$205,000 (AU\$188,000)**

Domainz, NZ based domain name company and online web solutions provider, today announced a profit of NZ\$205,000 (A\$188,000) for the half ended 30 June 2004. Acquired by Melbourne IT in late 2003, Domainz has performed strongly as a result of the successful diversification of its product offering which now covers a suite of New Zealand, Australian and international domain spaces.

“The expanded offer of hosting and email services together with Corporate Domain Management has helped grow the Domainz business in the first half of 2004,” said Theo Hnarakis, Managing Director of Melbourne IT.

Domainz has seen a steady improvement in renewals and registrations. Hosting and email services accounted for 6.5% of total revenue. Mr Hnarakis said the introduction of cost efficiencies and the delivery of a high level of customer service were crucial to the achievement of the positive interim results.

Domainz introduced a number of key initiatives in the six months to 30 June 2004 including:

- Offering corporate domain management services to large NZ enterprises.
- Becoming an ICANN-accredited registrar offering registration of .com, .net, .org, .biz and .info for the local market.
- Introducing multi-year .nz registrations.
- Providing access to other leading country-coded domain names eg .au.

The Domainz achievement was also supported by the broader positive company results. Melbourne IT (*ASX:MLB*), today reported that for the half year ended 30 June 2004:

- the Company's Profit after Tax was up 83% to AUD \$1.68m;
- revenue increased by 20% to AUD \$29.16m;
- operating cash was up 86% to AUD \$5.05m;
- EBIT was up 57% to AUD \$1.94m; and
- the Board has doubled the interim dividend to 2c per share



"The broader financial results are a reflection of the success of our global strategy including the acquisition and integration of quality businesses such as Domainz." said Mr Hnarakis.

**Overview - Melbourne IT Half Year Results – Half Year on Half Year\***

	<b>30 June 2003</b> \$ millions	<b>30 June 2004</b> \$ millions	<b>% Increase</b>
<b>Revenue</b>	24.29m	29.16m	20%
<b>EBIT</b>	1.23m	1.94m	57%
<b>Op Cash</b>	2.71m	5.05m	86%
<b>Profit After Tax</b>	0.92m	1.68m	83%
<b>Interim dividend</b>	1c fully franked	2c fully franked	100%

\* Currency: AUD

Melbourne IT's core business saw a significant jump in the number of domain names under management in its first half, from 2.3m on 31 December 2003 to 2.42m on 30 June 2004 (an increase of 5.2%). Both the international and Australian domain name markets continued to grow strongly in the half, up 9.5% (GTLD) and 13% (AU) respectively to 30 June 2004. Melbourne IT's emphasis continues to be on profitable growth in market share.

Looking to the rest of the financial year, Melbourne IT expects to sustain its strong performance. "The markets in which we operate continue to show healthy growth, and our products and services continue to attract strong demand. We expect our revenue for the year to exceed \$60 million, which will be 20% up on 2003, and, with a focus on driving process optimisation and cost efficiencies, we anticipate profit will keep growing," Mr Hnarakis said.

Mr Rob Stewart, Chairman of Melbourne IT, was also positive about Melbourne IT's outlook.

"Given the successful track record of recent times, we believe that MLB should now be viewed as a growth stock with a dependable yield - an attractive combination for investors," Mr Stewart said. He reaffirmed the Company's commitment to delivering shareholder value.

**About Melbourne IT**

Melbourne IT is a world leader in the supply of domain name registration and other online solutions with a strong commitment to the delivery of high value internet services and web-based solutions to organisations of all sizes across the globe. MLB was listed on the Australian Stock Exchange in 1999 and has offices across the world.

**For further information**

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