MELBOURNE IT

2007 Annual General Meeting

Robert Stewart
Chairman

Theo Hnarakis
CEO & Managing Director

Board of Directors

'Trusted for Online Success'
MELBOURNE IT

Robert Stewart
Chairman, Non-Executive Director

Dr Mark Toner
Deputy Chairman, Non-Executive Director

Theo Hnarakis
Managing Director

Professor Iain Morrison
Non-Executive Director

Sean Howard
Non-Executive Director

Simon Jones
Non-Executive Director

Tom Kiing
Non-Executive Director

Lucy Turnbull
Non-Executive Director

Auditors

ERNST & YOUNG

Agenda

'Trusted for Online Success'
MELBOURNE IT

- Chairman's Address
- CEO's Address
- Q&A
- Formal Business
- Q&A
- Morning tea

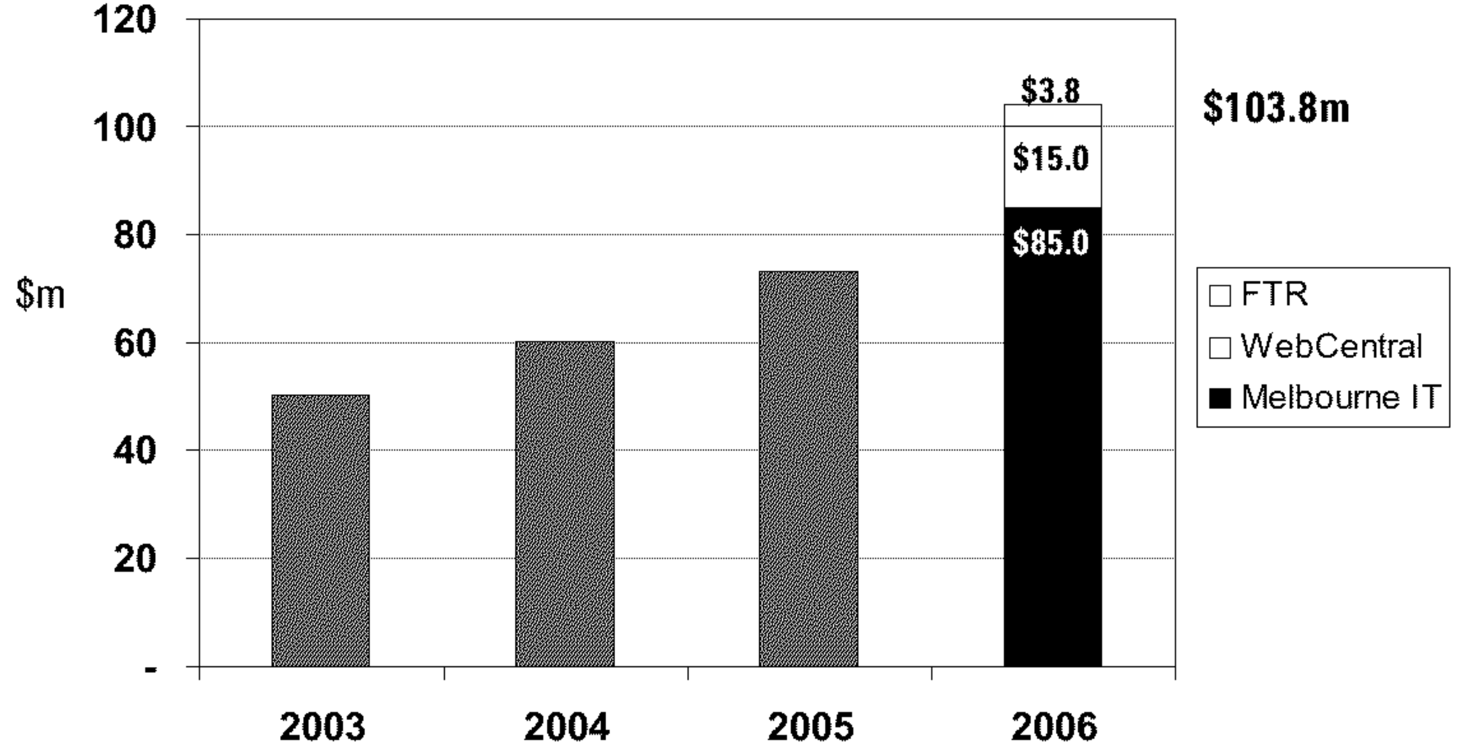
Chairman's Address

Robert Stewart

Financial Performance 2006

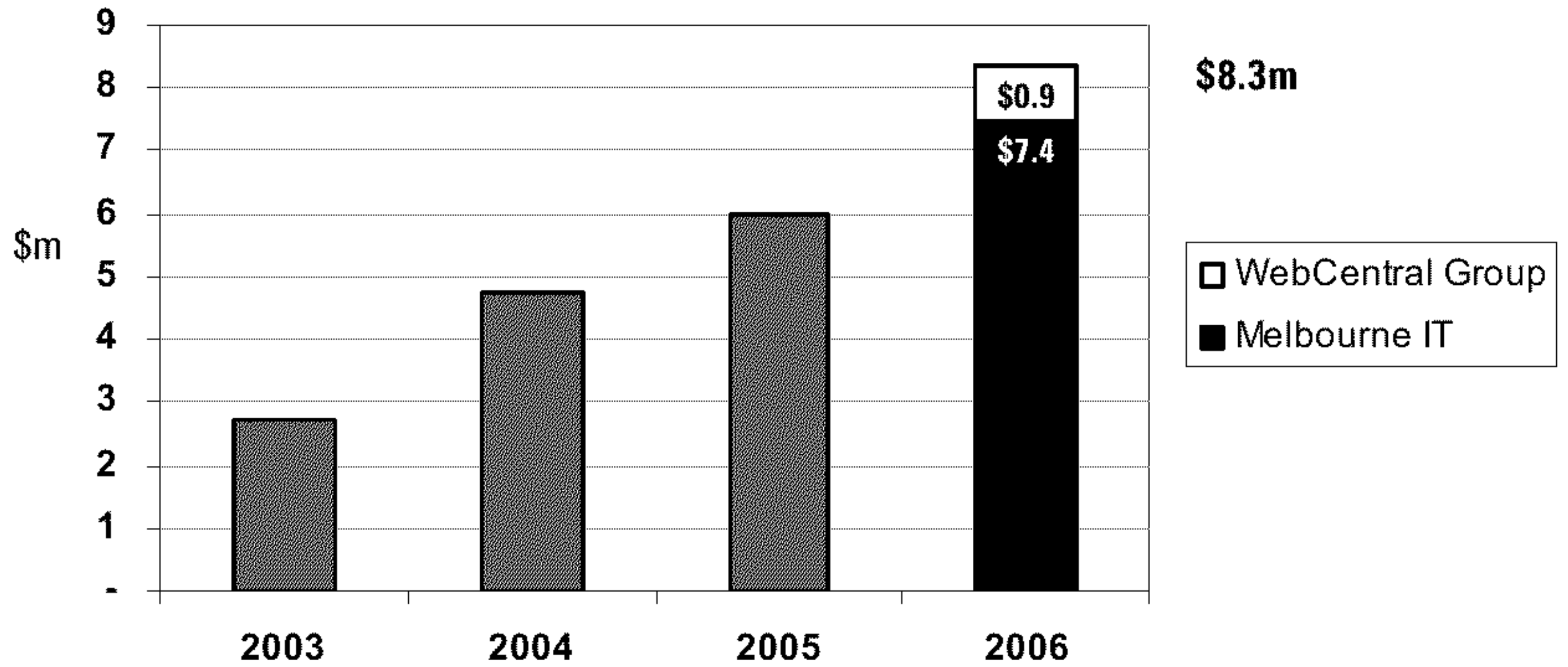
Revenue

'Trusted for Online Success' MELBOURNE IT



- Continued strong revenue growth
- Revenue up 42% on 2005

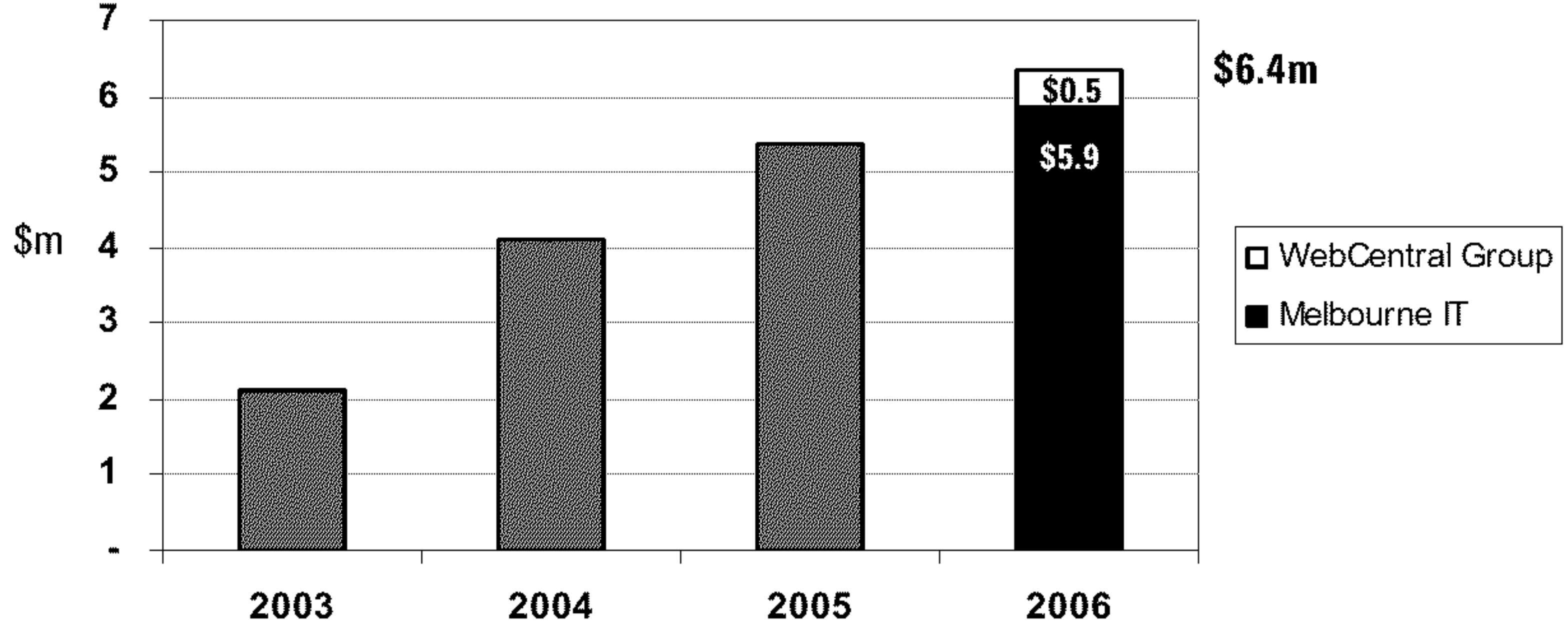
EBIT



- EBIT up 39% on 2005

NPAT (excl Neulevel)

'Trusted for Online Success' MELBOURNE IT

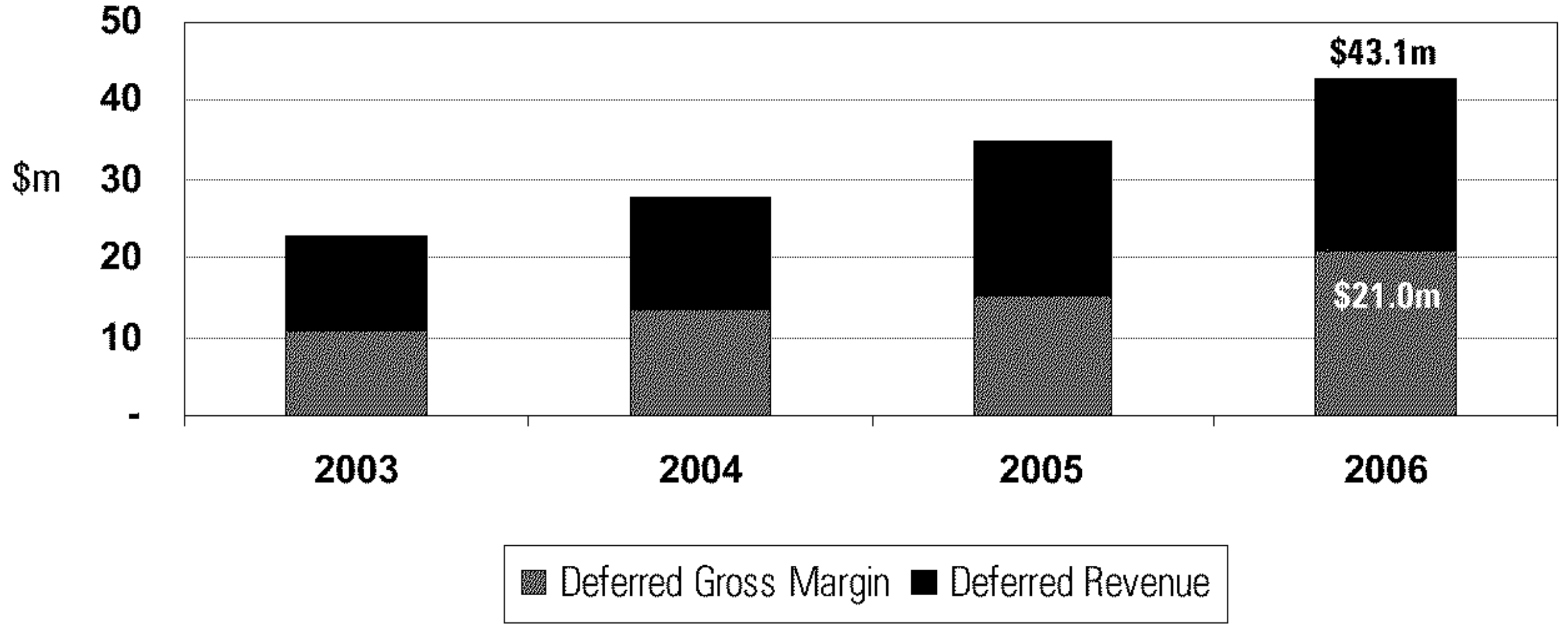


EPS	4.18¢	7.34¢	9.87¢	10.47¢

- 2006 Melbourne IT NPAT excludes $4.5m profit on the sale of Neulevel in 1H06
- 2005 Melbourne IT NPAT includes $350k Swedish tax credit received in 2H05

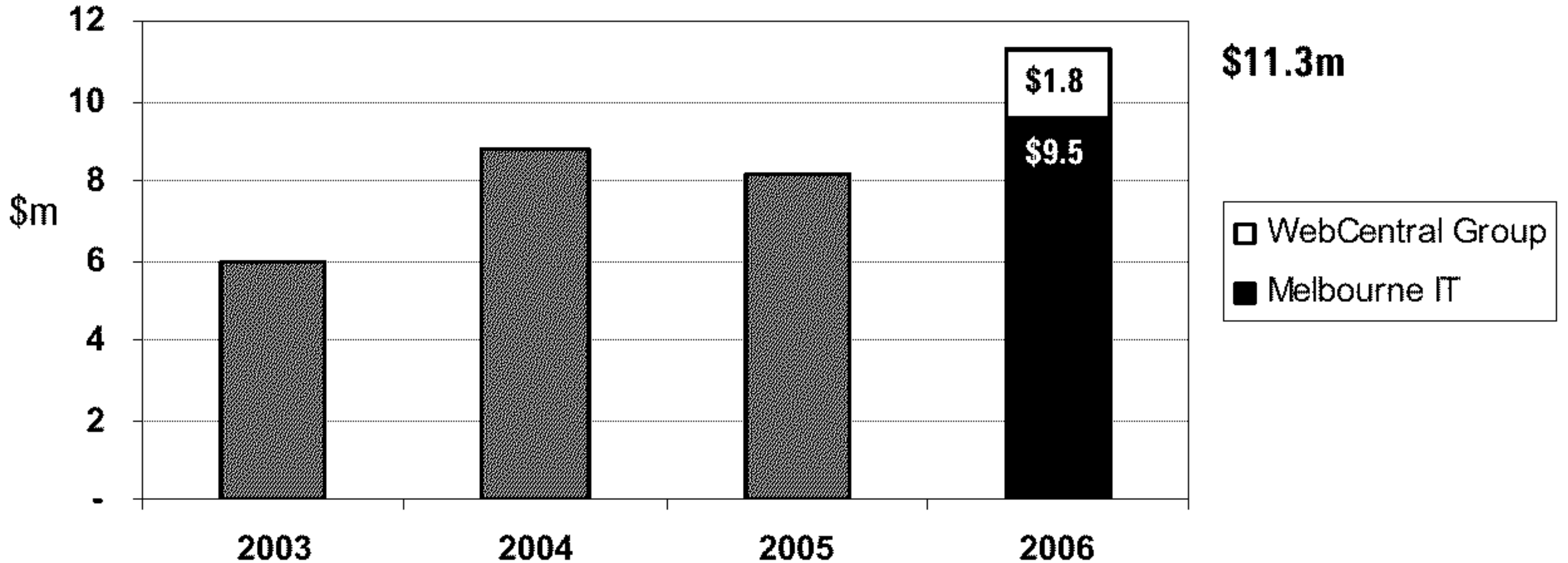
Deferred Gross Margin

'Trusted for Online Success'
MELBOURNE IT



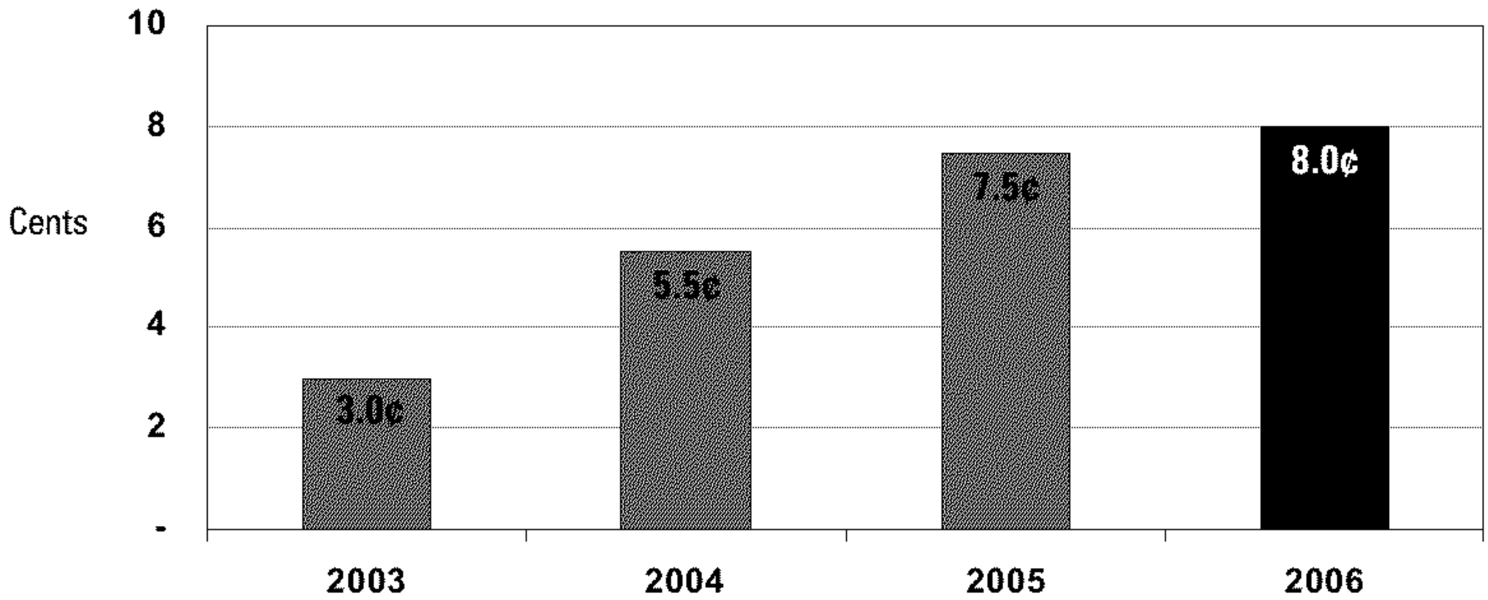
- Deferred Revenue up 23% on 2005
- Deferred Gross Margin up 38% on 2005
- 59% of 2006 Deferred Revenue to be recognised in 2007

Operating Cash



- Continued strong cash generation
- Operating cash up 38% on 2005

Dividends



	2003	2004	2005	2006
Dividend Payout Ratio	72%	75%	76%	96%*

- Fully franked final dividend of 4.5 cents
- Total 2006 dividends 8.0 cents

* 2006 Dividend Payout Ratio was 96% as WCG shareholders received interim and final dividends post-acquisition

Divisional Performance 2006

Business & Consumer (B&C)

'Trusted for Online Success' MELBOURNE IT

	2006	2005	Change
Revenue	$25.6m	$24.4m	5%
Contribution Margin	$5.1m	$4.0m	29%
Transactions per Month	22,731	18,415	23%
Total Customers	243,224	234,398	4%

- Focus on bundling has created higher margin per customer and additional contribution margin for Business & Consumer
- 2006 focus on monetising current customers through increased up-selling has delivered results
- 2005 revenue excludes $0.7m one-off revenue related to Geographic Names

Reseller

'Trusted for Online Success' MELBOURNE IT

	2006	2005	Change
Revenue	$43.9m	$36.3m	21%
Contribution Margin	$4.1m	$2.8m	45%
Names Under Management	4.1m	3.3m	24%

- Strong growth in revenue and contribution margin, notwithstanding higher Australian dollar exchange rate throughout most of 2006

Corporate Brand Services (CBS)

'Trusted for Online Success'
MELBOURNE IT

	2006	2005	Change
Revenue	$14.1m	$10.9m	29%
Contribution Margin	$0.95m	$0.98m	-3%
Names Under Management	106,250	67,741	57%

- Strong revenue growth
- 30,000 names migrated in 2006
- Profitability impacted by large number of client names requiring migration which stretched resources and systems
- Systems enhancements in 2nd half have significantly improved the rate of migration, which is up 150%

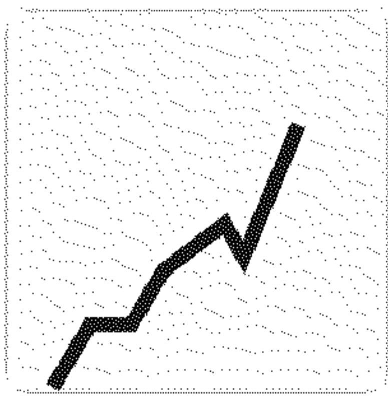
	Sep- Dec 2006
Revenue	$15.0m
Shared Hosting	$5.4m
Managed Hosting	$4.9m
Wholesale	$4.0m
Major Contract	$0.7m
Contribution Margin	$0.5m

For The Record (FTR)

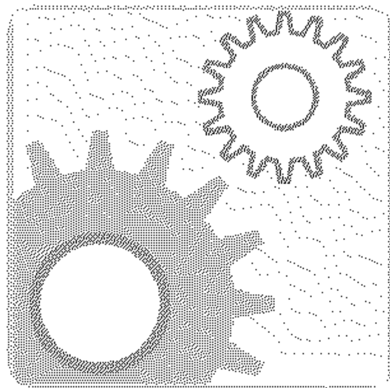
	Sep – Dec 2006
Revenue	$3.8m
Contribution Margin	$0.4m

Driving Sustainable Growth

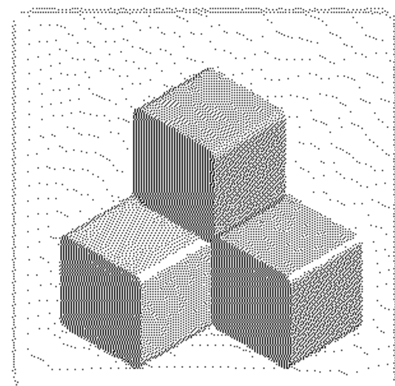
4 Tier Strategy



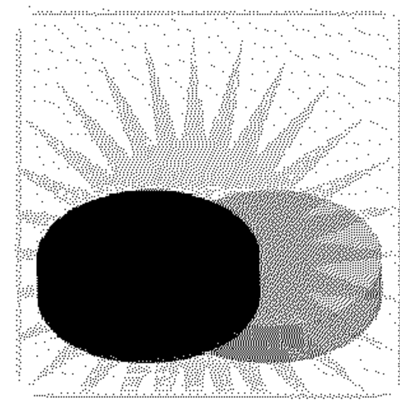
Profit Performance



Re-engineering the business



Investment for the future and sustainable growth



Mergers & Acquisitions

Successful Integration of WebCentral Group

'Trusted for Online Success' MELBOURNE IT

- **Formal 100 day integration completed in December 2006**
  - Consolidated operating plan
  - No key customer churn
  - Additional 70,000 small and medium business customer accounts
  - 240 staff have joined the combined group
- **Process and system integration**
  - New divisional structure
  - Increased sales focus Business & Consumer WebCentral Brand
  - Consolidated general ledger
  - Daily reporting on WebCentral sales
- **Performance-based culture created**
  - The number of WebCentral staff with an 'at risk' component of remuneration has more than doubled

M&A Outlook

- We will continue to seek to acquire complementary businesses
  - Corporate brand management opportunities in Europe and USA
  - Dedicated and shared hosting services
- M&A drivers for 2007
  - Market consolidation
  - Critical mass/scale
  - New market opportunities
  - Leverage customer base by adding new products and services
- Our balance sheet is strong

Corporate Governance

'Trusted for Online Success' MELBOURNE IT

- Framework of ethical business practices
- Ongoing review at Board level of company's activities
- Local and international compliance
- Recognise and manage risk
- Awareness of IFRS and Accounting Standards in our markets

In Summary

- 2006 was another year of outstanding growth
- All divisions outperformed expectations
- Melbourne IT is a stronger and more scalable global company following the acquisition of WebCentral Group
- Further M&A to accelerate growth in key markets

Chairman's Address

Robert Stewart

CEO's Address

Theo Hnarakis

MELBOURNE IT

Introduction

- 2006 was a transformational year for Melbourne IT
- With the integration of the WebCentral businesses, we have significantly boosted our scale, strength and capability
- 2007 represents the dawn of a new era for our company
- We are well positioned to take advantage of emerging opportunities to drive growth
- We have begun 2007 strongly and as a unified company

Integrated Organisation

Pre-acquisition MIT

- Business & Consumer (Direct)
- Reseller
- Corporate Brand Services

Pre-acquisition WCG

- WebCentral
- FTR

Combined MIT Group

- Business & Consumer
- Reseller
- Corporate Brand Services
- Corporate & Government
- FTR

Corporate Structure

'Trusted for Online Success'
MELBOURNE IT

OUR CUSTOMERS INTERACT WITH THESE DIVISIONS

Business & Consumer	Corporate Brand Services	Corporate & Government	For The Record	Reseller
- Sales - Marketing - Acct Mgt	- Sales - Marketing - Acct Mgt	- Sales - Marketing - Acct Mgt - Service Deliv.	- Sales - Marketing - Acct Mgt	- Sales - Marketing - Acct Mgt

THESE OPERATIONAL UNITS PROVIDE SUPPORT & SERVICES TO THE DIVISIONS

- Corporate
- Customer Service
- Development
- Finance, Risk & Legal
- HR
- Production & Infrastructure
- Products & Innovation

Our Culture

'Trusted for Online Success' MELBOURNE IT

- Our corporate culture unites us
- Our Values & Behaviours guide us and are a key factor in sustainability

VALUES	BEHAVIOURS
Integrity	Deliver Results
Excellence	Optimise Processes
Collaboration	Provide Leadership
Innovation	Develop People
Commercial Discipline	

- We recognise and reward staff who perform
- Leadership group have goals aligned to growth, profit, developing our people & creating shareholder wealth

Our Vision

"To create a successful and dynamic global company that is a leader in provisioning IT services via the internet to small and medium business customers through to corporate & government clients"

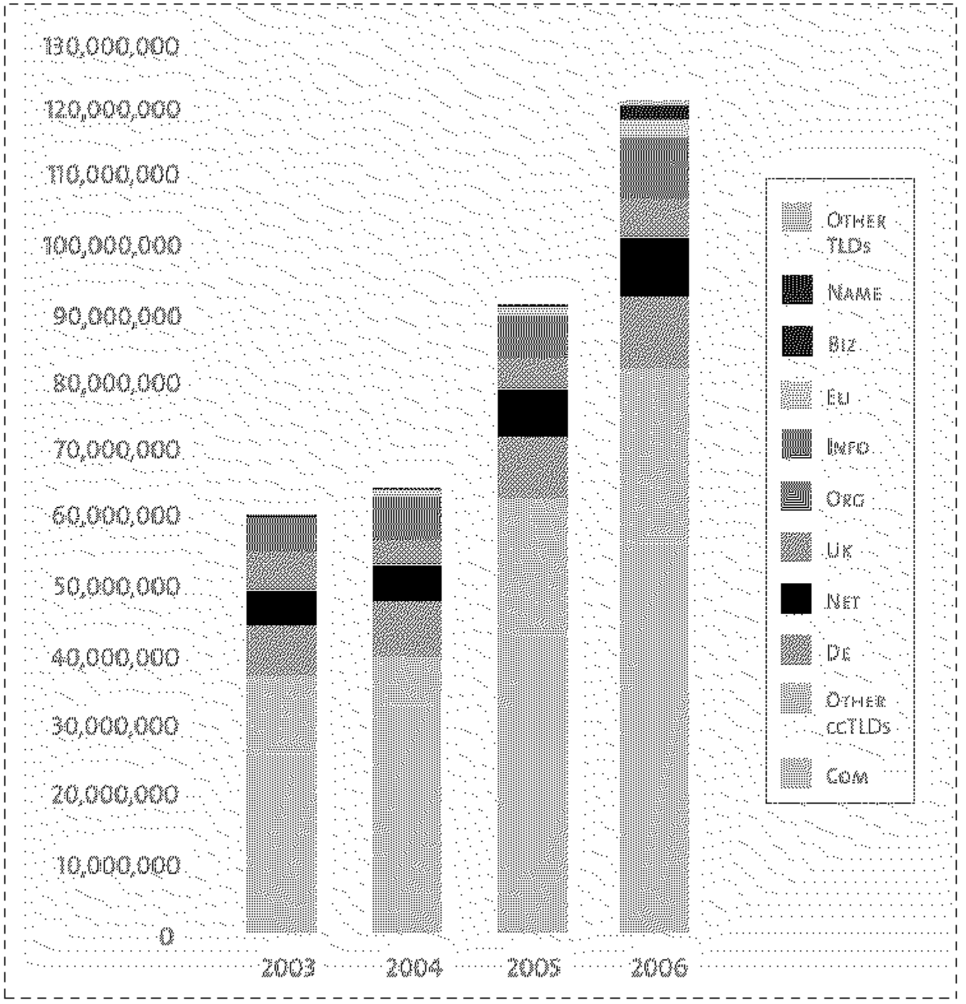
Industry Outlook

Strong Domain Name Growth

'Trusted for Online Success' MELBOURNE IT

- Continuing strong global growth in domain name market
- Over the past 3 years:
  - The .com domain space has grown by more than 30% pa
  - Melbourne IT's share of this market has remained steady at 5.6%
  - The number of registrars has grown from 150 to 800

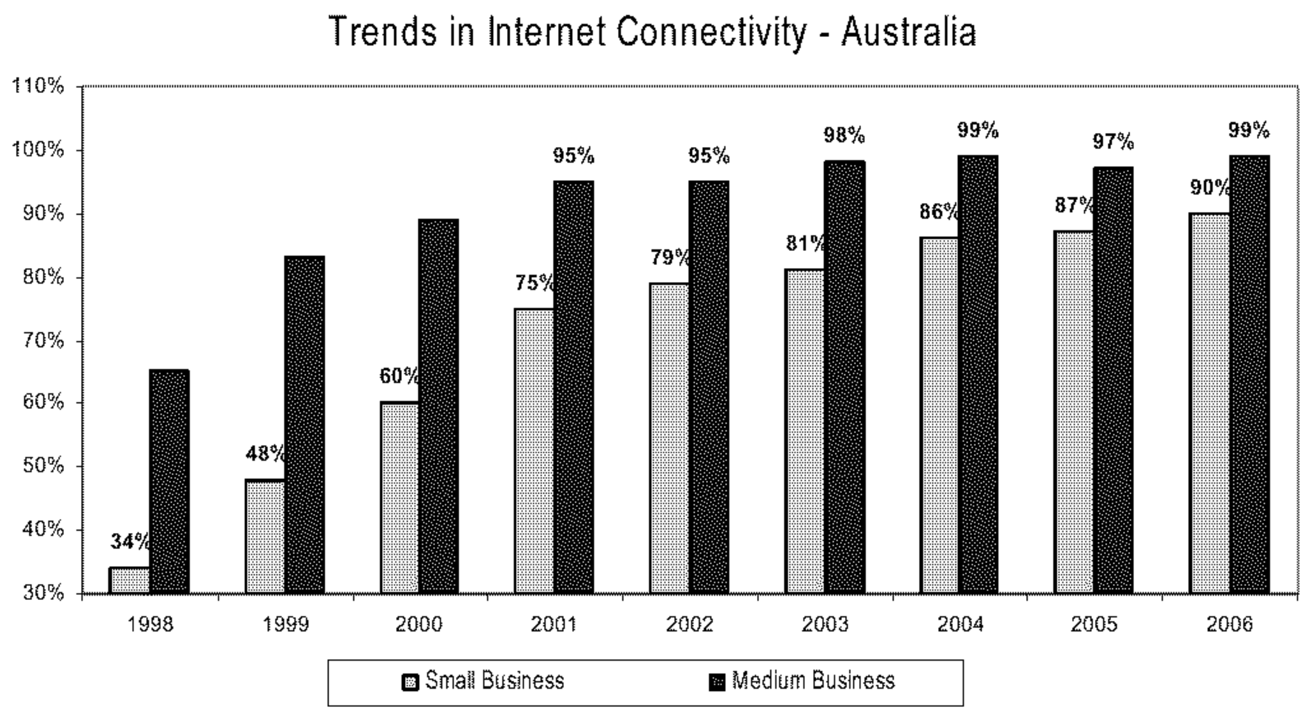
Total Domain Name Registrations



Source: The Verisign Domain Report – March 2007

SMB Internet Take-Up Continues to Grow

'Trusted for Online Success'
MELBOURNE IT

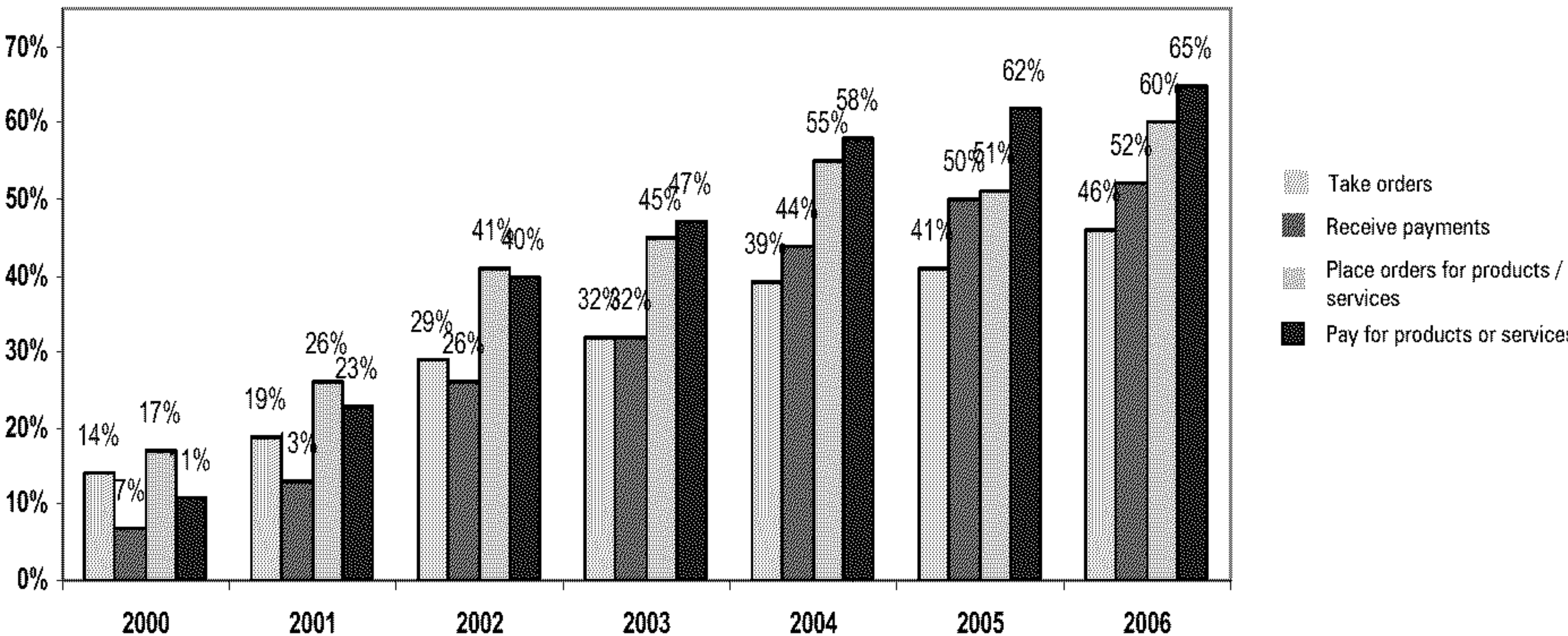


- Internet connectivity in medium businesses is almost at 100%
- Small business uptake continues to grow, 90% in 2006

Source: 2006 Sensis E-Business Report

SMB E-commerce Adoption is Growing

'Trusted for Online Success'
MELBOURNE IT



- More than 50% of Australian SMEs are receiving payments online
- SME online business presence is increasing in sophistication

Source: 2006 Sensis E-Business Report

Online Advertising is Booming

- In 2006, online advertising in Australia grew 61% to $1billion[1]
  - Search Engine & Online Directories
    - Up 81% to $399m
- Within 3 years, search marketing is predicted to be the largest online advertising sector[2]
  - Estimated worth: $1billion

Sources: 1. 2006 Online Advertising Expenditure Report, Audit Bureau of Verification Services; 2. "Big Boys new online rivers of gold," *The Australian*, 17 April 07

Adoption of Software as a Service is Growing

- SaaS applications market in Asia Pacific is expected to grow at CAGR 84% between 2005 and 2008[1]
- Two out of three business worldwide are either buying or considering buying software via a subscription model[2]
  - Not only small and medium businesses
  - 55% of respondents had revenue >US$100m

Sources: 1. Springboard Research, The Software as a Service market in Asia Pacific, 2005-2008; 2. InformationWeek Research, 2007

Online Brand Infringements are Growing

- In 2006, there was a 25% increase in cybersquatting complaints registered with the UN copyright agency
  - 1,823 complaints in 2006
  - Financial, technology, pharmaceutical, fashion and entertainment industries were most affected
- More than 1,400 online brands were hijacked

Sources: World Intellectual Property Organization (WIPO)

Opportunities for Melbourne IT

- Melbourne IT is perfectly positioned to take advantage of the business opportunities created by these trends
- We have what it takes to drive continuing growth:
  - People
  - Technical expertise
  - Products
  - Systems and
  - Customer service excellence
  - Established and recognised brand

Our Scale

'Trusted for Online Success'
MELBOURNE IT

- **Each day** as a global business we:
  - Manage more than **5 million** domain names
  - Take care of more than **300,000** customer accounts
  - Deliver more than **3 million** emails
  - Filter more than **1.5 million** spam messages
  - Manage more than **1,500** servers
  - Answer more than **2,500** customer calls
  - Employ almost **500** people
  - Operate **14** offices
  - Provide **24 x 7** phone and online support
  - Generate **$160,000** in export income for Australia (total of $63m in 2006)

Our Experience

- Through our Corporate & Government division we provide email and internet service to the entire Queensland public school system:
  - More than 1,350 schools
  - More than 550,000 students

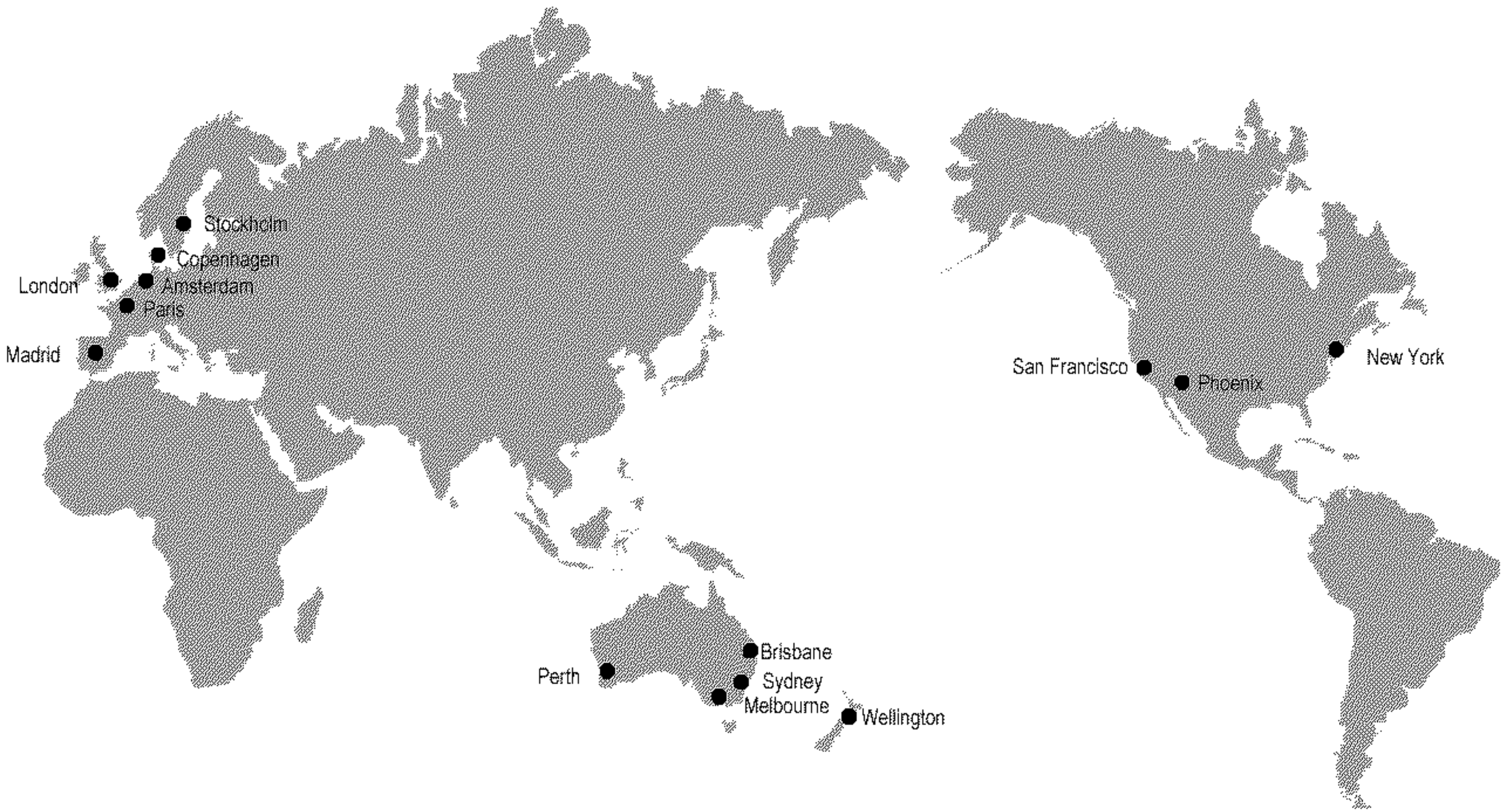
- Through our Corporate Brand Services division, we provide brand management and protection services to many of the world's leading brands:

Volvo Car Corporation | AB Electrolux | LEGO Group | Inter IKEA Systems BV | Toyota Australia

Global Business

'Trusted for Online Success' MELBOURNE IT

- Global business, with a strong presence in Australia
  - 14 offices
  - Almost 500 staff



Divisional Outlook

Business & Consumer (B&C)

Business & Consumer (B&C) Positioning

'Trusted for Online Success' MELBOURNE IT

- Helps small and medium businesses achieve success on the internet
- 300,000 customer accounts
- Products can be split into two categories:

1. Products to assist our customers to market their business online, e.g.:
   - Domain names
   - Web sites
   - Email marketing
   - Search engine marketing
2. 'One stop shop' for managed IT services, e.g.:
   - Premium email
   - Customer Relationship Management (CRM)
   - E-commerce

B&C Competitive Advantage

'Trusted for Online Success' MELBOURNE IT

- Breadth of products and expertise
- Range of brands
- Consultative selling approach
  - We listen to our customers and recommend solutions
  - Builds customer loyalty
- High levels of customer service
- Our aim is to replicate this model in new geographies and brands to accelerate growth

MELBOURNE IT D@MAINZ a Melbourne IT company WebCentral a MELBOURNE IT COMPANY register free

B&C 2007 Outlook

- 72% of customers who buy a new .com.au domain name also buy hosting, compared with 46% in 2006
- 54% growth in web site design products compared to 2006
- 80%+ of our Search Engine Marketing customers are ranked on the 1st page of Google after 6 months
- More than 5,000 customers are now using our Software as a Service products:
  - 13% growth in Managed Exchange since the start of the year to almost 18,000 mailboxes
  - More than 70 customers signed up to our new Managed SharePoint product in its first month
- Expect double-digit growth in revenue and profit in 2007

Reseller

Reseller Positioning

- 5th largest registrar in the world
- Strategic alliances with global online solution providers
  - Range of online products & solutions
  - White label services they, in turn, resell

Reseller Competitive Advantage

- Strength of relationships with existing key resellers:

Microsoft YAHOO! VERIO An NTT Communications Company iinet connect better AAPT

- Proven domain name and shared hosting systems
- Range of resellers:
  - Multinationals and telcos
  - Small & medium businesses – web developers and technology advisers
- Breadth of products and expertise
  - Domain names
  - Web hosting
  - Web site design
  - Software as a Service (SaaS)

Reseller 2007 Outlook

- Domain names under management have grown by 7% since January 2007 to 4.4m
- Asia is a key emerging market and we are already recruiting alliance partners in this region, e.g. Yahoo! India
- Expanding product uptake in existing resellers
- Rising AUD/USD exchange rate is a key challenge
  - Many offshore alliances are agreed in USD contracts
  - Natural hedge and currency cover through our USD expenses
  - But each 1 cent rise in the AUD impacts profit negatively by $120k
- We expect Reseller to have flat revenue growth in 2007 because of the exchange rate
- We expect benefits from our scale and new product initiatives to contribute to a modest profit improvement

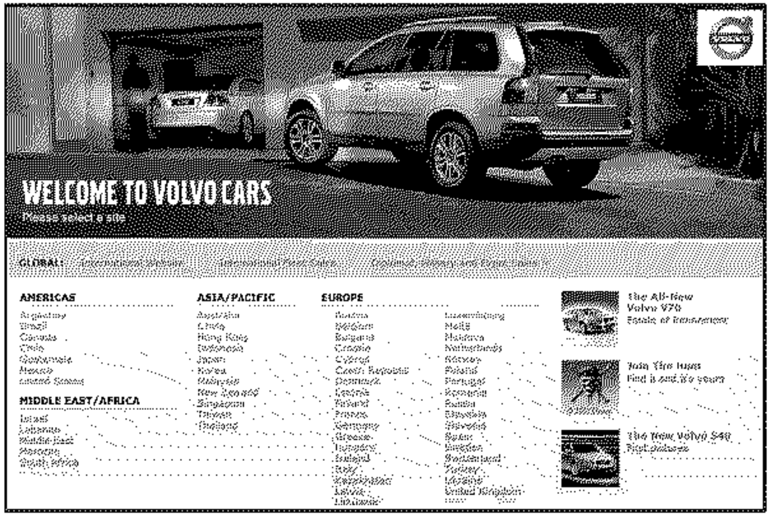
Corporate Brand Services (CBS)

Corporate Brand Services (CBS) Positioning

- 5th largest corporate domain management company in the world
- Provides corporate domain management and online brand management services to help clients to:
  - Minimise risk
  - Protect valuable intellectual property
- Focus on sales & high quality service to grow this business into the leading provider in the global market

CBS Competitive Advantage

- Systems and experience built up over 10 years in this market are critical to success
  - Complexity of managing, monitoring and protecting online brands is escalating
- Strong client relationships, quality advice have resulted in a customer retention rate of more than 99%



CBS 2007 Outlook

- In 2006, CBS signed up 119 new clients. So far in 2007, more than 30 new clients have been contracted, including:

Saab AB

Vodafone New Zealand

- We seek to acquire businesses in the corporate domain management market to drive growth & enhance our market position
  - In January 2007, we acquired UK-based IDR Management Services
- European expansion - launched new office in Copenhagen in May 2007
- For 2007, we expect CBS to deliver double-digit revenue growth but profit will remain flat as we are investing heavily in growth

Corporate & Government (C&G)

Corporate & Government (C&G) Positioning

'Trusted for Online Success' MELBOURNE IT

- Provides high value, outsourced infrastructure hosting services to large clients
  - Web hosting
  - Application hosting
  - High performance requirements
- Manage infrastructure to help clients minimise risk
- More than 800 clients

C&G Competitive Advantage

- Expertise and personalised support
- Superior range of services
  - 'On demand' infrastructure services
  - Rapid deployment
  - Service level agreements
  - Packaged or custom solutions
  - 24x7 support
- High quality data centre facilities
- Experience providing solutions to existing client base

C&G 2007 Outlook

'Trusted for Online Success' MELBOURNE IT

- In 2006, C&G signed up 140 new clients. So far in 2007, we have added 47 new clients, including:
  - Leading multimedia company C4, a member of the listed Photon Group
- Expanding our data centre facilities by establishing a presence in Sydney
- Increase in demand for high value custom solutions which can have a total contract value in excess of $400k
- In 2007, we expect C&G to deliver double-digit growth in revenue and profit
- Focus on attracting new clients in key verticals of Media, Finance, Telco and Government


Integrated Content Management
Courtrooms
Law Enforcement
Public Meetings
Patented Technology
Digital Audio and Video
For The Record (FTR)

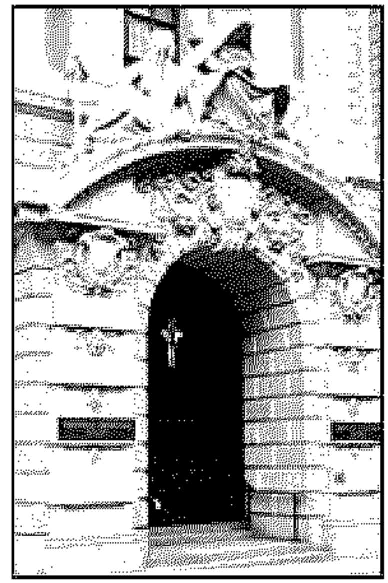
For The Record (FTR) Positioning

- Leading global provider of rich media content management solutions for courtrooms, hearing rooms and public meeting venues
- More than 16,500 installed systems worldwide

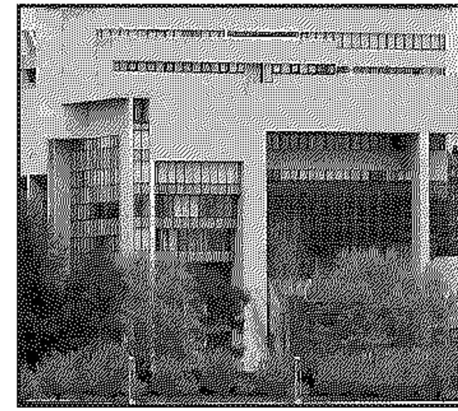
FTR Competitive Advantage

'Trusted for Online Success' MELBOURNE IT

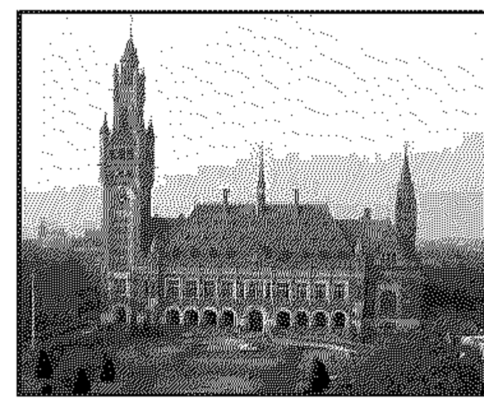
- More than 14 years experience
- Prestigious client base:
  - High Court of Australia
  - World Court, The Hague
  - The Old Bailey, London
  - Hong Kong Law Courts
- Patented technology
- Innovative product development



The Old Bailey, London



High Court of Australia



World Court, The Hague

FTR 2007 Outlook

'Trusted for Online Success' MELBOURNE IT

- We have indicated in the past that our ownership of FTR was under review
- Having examined the position closely over recent months, we believe that shareholders interests will be best met by integrating FTR into the Melbourne IT Group
- We will implement a range of initiatives to help FTR to realise its full potential in the future:
  - Restructure
  - Expansion into the law enforcement market
  - Geographic expansion into Japan and Europe

Group Outlook

Mergers & Acquisitions

'Trusted for Online Success'
MELBOURNE IT

- In January this year, we acquired UK-based based corporate brand management specialist, IDR Management Services
- We will continue to seek to acquire complementary businesses in:
  - Dedicated and shared hosting services in Australia and New Zealand
  - Corporate brand management opportunities in Europe and North America
- Our balance sheet is strong and we believe that opportunities exist for us to accelerate growth in our B&C, C&G and CBS divisions

IDR
MANAGEMENT SERVICES
a Melbourne IT company

2007 Outlook

'Trusted for Online Success' MELBOURNE IT

- We continue to invest in our business to ensure our sustainability
  - Our people
  - Our systems
  - Our brand
  - Our products and innovation
    - In 2006, we launched 20 new products, including:
      - New domain name types
      - Enhanced web site design products
      - Managed applications & Software as a Service
      - Corporate Exchange
      - Virtualisation services

Green Initiatives

'Trusted for Online Success'
MELBOURNE IT

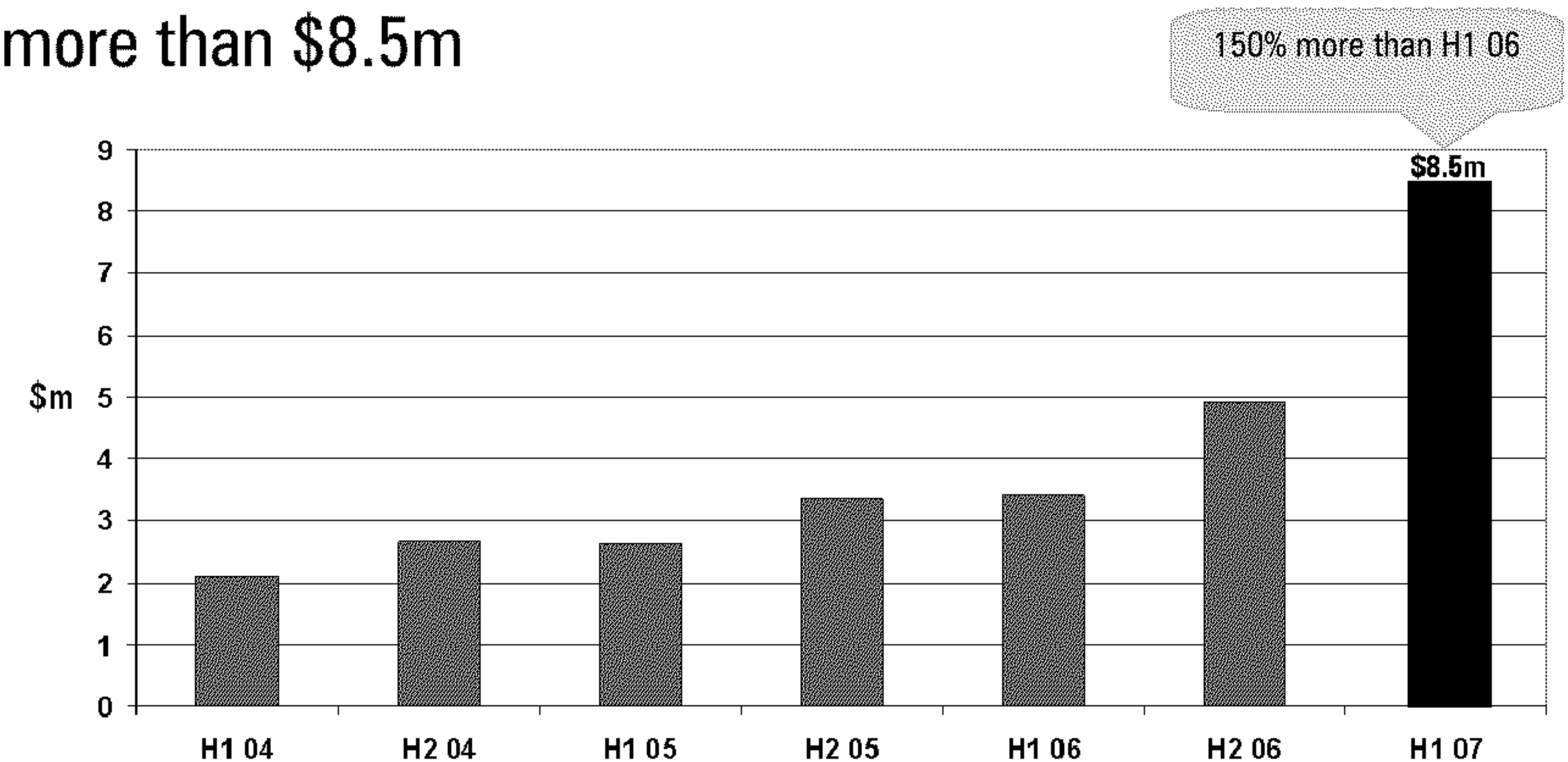
- We already help the environment as an aggregator of hosting services for our customers
  - Our data centres employ best practices in power management as well as the latest advances in energy-efficient technology
  - Our offices employ waste minimisation, recycling, responsible disposal and 'green' procurement practices

- Established a 'Green Working Group'
  to formulate a company-wide strategy

2007 Group Forecast

'Trusted for Online Success' MELBOURNE IT

- We have begun 2007 well
- For the first half of 2007, we expect to report EBIT of more than $8.5m



2007 Group Forecast

'Trusted for Online Success'
MELBOURNE IT

- We expect to outperform this result in the second half of 2007
- We expect to maintain our historic dividend payout ratio of 70%+ for the foreseeable future

In Conclusion

- 2007 will be our 5th year in a row of strong growth in revenue and profit
- Business conditions in our key markets are positive
- We are a provider of choice in a range of markets across the globe
- We have the expertise and products to help our customers to succeed online
- We will continue to invest in systems, innovation and people to ensure our future sustainability

CEO's Address

Theo Hnarakis

MELBOURNE IT

Business of the Meeting

Financial Statements and Report

'Trusted for Online Success'
MELBOURNE IT

- To receive and consider the Annual Report, Financial Statements and the reports of the Directors and the Auditor for the year ended 31 December 2006

- **Resolution 1 - Election & Re-election of Directors**
  a) Mr Sean Howard 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 Sean Howard, being eligible, now offers himself for election
  b) Ms Lucy Turnbull 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. Ms Lucy Turnbull, being eligible, now offers herself for election
  c) Mr Rob Stewart retires by rotation and, being eligible, offers himself for re-election
  d) Professor Iain Morrison retires by rotation and, being eligible, offers himself for re-election

- Resolution 2 - Adoption of Remuneration Report by ordinary resolution

- Philosophy
  - The performance of the company depends heavily 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
  - In accordance with best practice governance, the structure of Non-Executive Director and Executive remuneration is separate and distinct.

Executive and Senior Manager Remuneration

- **The Company rewards Executives and Senior Managers with a level and mix of remuneration commensurate with their position and responsibilities so as to:**
  1. Provide competitive rewards to attract high calibre Executives
  2. Link Executive rewards to shareholder value
  3. Have a significant portion of Executive remuneration "at risk", dependent upon meeting pre-determined performance benchmarks (KPIs)
  4. Establish appropriate, demanding performance hurdles for variable Executive remuneration

Executive and Senior Manager Remuneration

- Remuneration consists of the following key elements:
  - Fixed remuneration (salary)
  - Variable remuneration
    - Short-Term Incentive (STI) – based on performance against KPIs
    - Long-Term Incentive (LTI) – share options with a performance hurdle
      - Pre 21 April 2006 – EBIT performance hurdle
      - Post 21 April 2006 – EPS performance hurdle

General Staff Remuneration

- Remuneration consists of the following key elements:
  - Fixed remuneration (salary)
  - Variable remuneration
    - Long-term incentive (LTI) – options with no performance hurdle. The option exercise price is based on the share price at the date of issue of the options.

Non-Executive Director (NED) Remuneration

- **Objective**
  - The board sets aggregate remuneration at an appropriate level to attract and 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. An additional fee ($7,000 in 2006) 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)
  - NED fees are reviewed every two years

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 will purchase shares on-market with a value of at least 15% of their annual fees
- To compensate for loss of the LTI Option Plan, Directors' fees were increased in Jan 2007 as part of the bi-annual review
- For 2007, the NED base fee is $72,000 with an additional $10,000 for Board Committee Chairs
- The Board Chairman's fee is set at 2.3 x NED base fee.

Remuneration Report

- Questions?
- To adopt the Remuneration Report for the year ended 31 December 2006

MELBOURNE IT

2007
Annual General Meeting

Melbourne May 2007

Robert Stewart
Chairman

Theo Hnarakis
CEO & Managing Director