

ASX Announcement

1 September 2016

Melbourne IT Limited
(ASX: MLB)



Melbourne IT Ltd
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Completion of 2nd Tranche Acquisition of Additional Shareholding in Outware Systems Pty Ltd

Melbourne IT (**ASX: MLB**) is pleased to advise that the exercise of the First Option to acquire an additional 24.9% shareholding in Outware Systems Pty Ltd ("Outware") completed on 31 August 2016.

The \$10.6 million consideration for the second tranche acquisition, based on the financial performance of Outware over its financial year ended 30 June 2016, has been funded from the company's bank facility with the ANZ Bank. Melbourne IT now holds 75.1% of the shares in Outware.

Under the binding agreement entered into by Melbourne IT on 10 June 2015, further put and call options are in place to acquire up to 100% of Outware over the next year. The actual consideration for tranche 3 depends on the financial performance of Outware over its next financial year ending on 30 June 2017.

As stated in the 2016 Half Year Financial Results announcement on 30 August 2016, Melbourne IT reaffirms its guidance for the 2016 statutory EBITDA in the range of \$26m - \$28m, with underlying EBITDA in the range of \$28m - \$30m, and underlying undiluted EPS to be in the range of \$0.14 to \$0.15 per share.

For any enquiries, contact:

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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 "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 650 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 300 staff. The SMB business operates under the Melbourne IT, WebCentral, Netregistry and TPP brands.

The Enterprise Services Business (ES) is Australia's leading cloud enabled software and services business with revenues of approximately \$40m and 350 staff. ES is based in Sydney, Melbourne and Brisbane and has a blue chip customer base. It operates under three brands, Melbourne IT, InfoReady and Outware Systems.

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