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ASX Announcement

Melbourne IT Ltd (ASX: MLB)

3 May 2017

Melbourne IT Successfully Completes Institutional Entitlement Offer

- **Institutional Entitlement Offer successfully completed, raising approximately A$19 million**
- **Strong support from existing institutional investors, with a 98% take up by eligible institutional shareholders under the Institutional Entitlement Offer**
- **Existing eligible retail securityholders will have the opportunity to subscribe for 1 New Share for every 7 ordinary shares held at the Record Date at $2.10 per New Share**
- **Retail Entitlement Offer opens on Monday, 8 May 2017**

Melbourne IT Limited (ASX: MLB) (**MLB** or **Melbourne IT**) is pleased to announce the successful completion of the institutional component of its fully underwritten 1 for 7 pro rata accelerated non-renounceable entitlement offer (**Institutional Entitlement Offer**) of new shares in MLB (**New Shares**).

On 1 May 2017, Melbourne IT announced a fully underwritten equity raising of approximately A$30.7 million, to partly fund the proposed acquisition of 100% of WME Group for approximately $39 million. The Institutional Entitlement Offer was conducted between 1 May 2017 and 2 May 2017 at an offer price of A$2.10 per New Share and raised approximately $19 million, attracting strong demand from eligible institutional shareholders who took up approximately 98% of their entitlements.

New Shares issued under the Institutional Offer will rank equally with ordinary shares of MLB on issue and are expected to be issued on 11 May 2017. Trading will commence on a normal settlement basis on the Australian Securities Exchange on the same day.

Martin Mercer, CEO of Melbourne IT, said "We are thrilled by the overwhelmingly positive response to Monday's announcement of the proposed acquisition of WME Group. The combination of our SMB solutions business and the WME Group clearly positions Melbourne IT as market leader in online marketing solutions for small and medium sized businesses, one of the fastest-growing segments of the technology industry. This is a really important acquisition for our business that will fundamentally change the growth profile in our SMB business."

Retail Entitlement Offer

Eligible retail shareholders will shortly be invited to participate in the retail component of the 1 for 7 pro rata accelerated entitlement offer (**Retail Entitlement Offer**), under which New Shares will be offered at $2.10 (being the same offer price as the Institutional Entitlement Offer). The Retail Entitlement Offer will open on 8 May 2017 and closes at 5.00pm (AEST) on 18 May 2017. Only those retail shareholders with registered addresses in Australia and New Zealand (**Eligible Retail Shareholders**) who hold shares on the record date of 3 May 7:00PM (AEST) (**Record Date**) will be eligible to participate in the Retail Entitlement Offer.

Eligible Retail Shareholders wishing to participate in the Retail Entitlement Offer should carefully read the retail offer booklet and accompanying personalised entitlement and acceptance form, which are expected to be despatched by Melbourne IT on 8 May 2017. Copies of the retail offer booklet will also be available on Melbourne IT's ASX announcements platform. Melbourne IT reserves the right to allot and issue any shortfall shares at its discretion. Institutional investors may also apply for shares available under any retail shortfall. Melbourne IT will also provide details of a shareholder information line which will be established in connection with the Retail Entitlement Offer on 8 May 2017.

The Institutional Entitlement Offer and Retail Entitlement Offer are fully underwritten by Bell Potter Securities Limited and Wilsons Corporate Finance Limited.

Indicative timetable

An indicative timetable for the Institutional Entitlement Offer and Retail Entitlement Offer is attached to this announcement. MLB shares are expected to resume trading on the ASX from market open today on an "ex-entitlement' basis.

Investor Enquiries

For further information, please contact:

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Media Enquiries

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Timetable

Event	Date
Commencement of trading halt Institutional Entitlement Offer opens	1 May 2017
Institutional Entitlement Offer closes	2 May 2017
Institutional shortfall bookbuild	2 May 2017
Existing shares resume trading on an ex-entitlement basis	3 May 2017
Record Date for Entitlement Offer (7.00pm AEST)	3 May 2017
Retail Entitlement Offer opens	8 May 2017
Dispatch of Retail Offer Booklet	8 May 2017
Institutional Entitlement Offer Settlement	10 May 2017
Issue and quotation of New Shares issued under the Institutional Entitlement Offer	11 May 2017
Retail Entitlement Offer closes (5.00pm AEST)	18 May 2017
Announce results of Retail Entitlement Offer and retail shortfall bookbuild	23 May 2017
Settlement of Retail Entitlement Offer	24 May 2017
Issue of New Shares under the Retail Entitlement Offer	25 May 2017
New Shares under the Retail Entitlement Offer commence trading on ASX	26 May 2017

The above timetable is indicative only and subject to change without notice. All references to time are to Australian Eastern Standard Time. The commencement of quotation of New Shares is subject to confirmation from ASX. Subject to the requirements of the Corporations Act, the ASX Listing Rules and any other applicable laws, MLB reserves the right to amend this timetable at any time, including extending the Retail Entitlement Offer period or accepting late applications, either generally or in particular cases, without notice.

About Melbourne IT

Melbourne IT is a publicly listed company with offices in Melbourne, Sydney, and Brisbane. Our purpose is to "fuel our customers' success through the smart use of technology". We aspire to be Australia's most impactful digital technology partner. 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 operates two businesses marketed under 7 brands.

The SMB of Melbourne IT provides Australian small and medium businesses with online marketing solutions. It has over 450,000 direct customers, provides services to over 700,000 Australian businesses, and generates revenue over $90M. The SMB business operates under five brands: Melbourne IT, WebCentral, Netregistry, TPP brands and Domainz.

The Enterprise Services Business (ES) of Melbourne IT is the leading end-to-end provider of digital solutions for the corporate and government market with revenues over $70M. ES have expertise in customer-focused design, software engineering, data analysis and management of flexible digital solutions across foundational technologies: Mobile, Data and Analytics, Cloud and Security. 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.

Visit: www.melbourneit.com.au

Important Information

Important Notices

This announcement is not a financial product or investment advice, a recommendation to acquire shares or financial, accounting, legal or tax advice. The information in this announcement does not contain all the information necessary to fully evaluate an investment. It should be read in conjunction with the other materials lodged with ASX in relation to the Institutional Entitlement Offer, Retail Entitlement Offer and the acquisition of WME Group (including the investor presentation and the key risks set out therein), and MLB's other periodic and continuous disclosure announcements. This announcement has been prepared without taking into account the objectives, financial or tax situation or needs of individuals. Before making an investment decision, prospective investors should consider the information in this announcement and in the investor presentation in relation to the Proposed Acquisition and Entitlement Offer having regard to their own objectives, financial and tax situation and needs, and should seek legal, tax and other professional advice. MLB is not licensed to provide financial product advice in respect of an investment in shares.

This announcement does not constitute an offer, invitation or recommendation to subscribe for or purchase any securities and neither this announcement nor anything contained in it shall form the basis of any contract or commitment. In particular, this announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to any person acting for the account or benefit of a person in the United States, or in any other jurisdiction in which such an offer would be unlawful. New Shares to be offered and sold in the Entitlement Offer have not been, and will not be, registered under the U.S. Securities Act of 1933 (the "Securities Act"), or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, within the United States or to any person acting for the account or benefit of a person in the United States, unless the securities have been registered under the Securities Act or an exemption from the registration requirements of the Securities Act and applicable U.S. state securities laws is available.

Forward-looking statements

Certain statements in this ASX announcement may contain forward-looking statements including indications of, and guidance on, future earnings, financial position and performance. Such forward-looking statements, opinions, and estimates provided in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about the market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements, opinions and estimates are not guarantees of future performance and involve unknown risks, uncertainties and other factors, many of which are beyond control of MLB and which may cause actual results to differ materially from those statements. Neither MLB, nor any of its directors, employees, advisers or agents assume any obligation to update such information. Forward looking statements, including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. This announcement contains statements are subject to certain risks and uncertainties, particularly those risks or uncertainties inherent to the industries in which MLB operates.