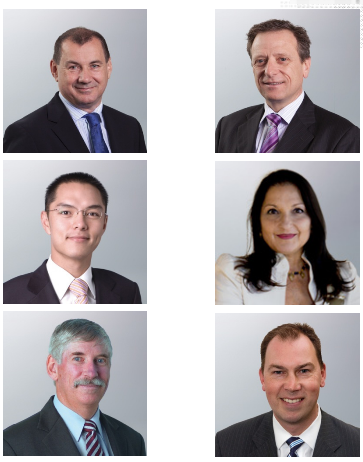
Annual General Meeting

Melbourne, Australia

21 May 2013

Board of Directors

- Simon Jones, Chairman
- Theo Hnarakis, CEO & MD
- Tom Kiing, Non-Executive Director
- Naseema Sparks, Non-Executive Director
- Rob Stewart, Non-Executive Director
- Andrew Walsh, Non-Executive Director
- And Ashe-lee Jegathesan, General Counsel & Company Secretary



Auditors

ERNST & YOUNG

Agenda

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

Chairman's Address

Simon Jones

2012 Overview

Year ended 31 December (A$)	FY 12	FY 11	⇕%
Revenue	$170.6m	$179.8m	-5%
EBIT (Pre-Impairment)*	$17.0m	$18.9m	-10%
EBIT (Post-Impairment)	$15.0m	$18.9m	-21%
NPAT (Pre-Impairment)*	$13.4m	$13.5m	-1%
NPAT (Post-Impairment)	$11.4m	$13.5m	-16%
Basic EPS (Post-Impairment)	13.96¢	16.77¢	-17%
Operating Cash	$21.1m	$19.1m	11%
Final Dividend (FY12 40% Franked, FY11 Fully franked)	7.0¢	8.0¢	-13%
Deferred Gross Margin	$27.7m	$29.1m	-5%

**Non-IFRS, unaudited accounting measure*

NB Figures may not total exactly due to rounding

Divisional Performance

Year ended 31 December (A$)	FY 12	FY 11	⇕%
Revenue	**$170.6m**	**$179.8m**	**-5%**
Digital Brand Services	$55.2m	$55.3m	0%
SMB Solutions	$82.2m	$89.4m	-8%
Enterprise Services	$26.1m	$26.8m	-3%
For The Record	$6.9m	$7.8m	-12%
Interest and Other Income	$0.3m	$0.4m	-25%
EBIT	**$15.0m**	**$18.9m**	**-21%**
Digital Brand Services	$9.5m	$9.0m	6%
SMB Solutions	$12.8m	$15.4m	-17%
Enterprise Services	$2.3m	$1.7m	35%
For The Record	$0.1m	$1.2m	-92%
Corporate Overhead	-$5.5m	-$5.4m	2%
Transformation Costs	-$2.2m**	-$3.0m**	-27%
FTR Impairment	-$2.0m	N/A	N/A

NB Figures may not total exactly due to rounding

***EBIT impact only, excludes capitalised costs*

A History of Growth

1999
ASX Listing

2002
Deregulation of .au

2006
WebCentral Acquisition

2010
Systems Transformation Project Begins

2013
Melbourne IT DBS Sold for $152.5m

2013+
A New Era of Growth

Melbourne IT Founded 1996

Dot com bust 2000

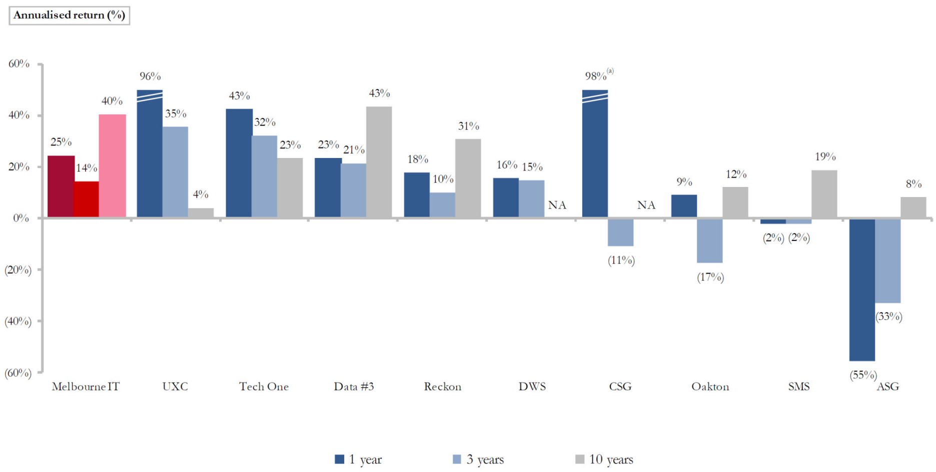
Cogent Acquisition 2004

VeriSign DBMS Acquisition 2008

New gTLD Program Opens 2011

Revenue	$44m	$104m	$180m
EBIT	$1.5m	$8.3m	$18.9m
Employees	100	500	700

TSR and the Technology Sector



Strategic Review

Unlocking Value

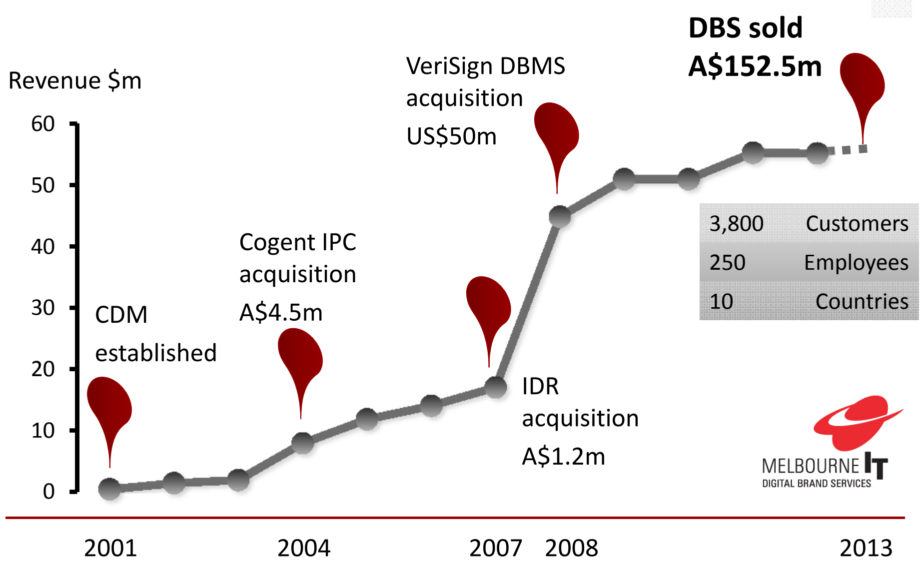
Shareholder Benefit

Creating Focus

Divestment of Digital Brand Services

- Digital Brand Services (DBS) sold to CSC in an all-cash transaction of A$152.5 million which closed 12 March 2013
- 10% of purchase price will be held in escrow for 15 months
- Net proceeds expected to be circa A$135-140 million (after transaction costs and depending on tax treatment)
- Cash retained after debt repayment circa $100m

Building Value – Digital Brand Services



Compelling Shareholder Value

- DBS FY2012: $55.2m revenue, $9.5m EBIT
- Melbourne IT market cap $160m @ 11 March 2013 – DBS only 32% of Melbourne IT 2012 revenue and 38% of 2012 EBIT contribution
- $152.5m transaction value represents
  - 2.8x DBS 2012 revenue
  - 13.5x DBS 2012 EBITDA
  - 16.1x DBS 2012 EBIT
  - Estimated 23x DBS 2012 P/E

2012	Revenue	EBIT Contribution
DBS	$55.2m	$9.5m
SMB	$82.2m	$12.8m
ES	$26.1m	$2.3m
FTR	$6.9m	$0.1m

Strategic Review

Unlocking Value

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Capital Management

- Strategic review continues
- The Board continues to evaluate a range of capital management options including special dividends, capital returns, M&A and share buybacks
  - Aim is to optimise return for shareholders

Capital Management

Board has resolved two immediate Capital Management decisions

- Outstanding debt of US$35 million has been retired
- Shareholders will receive a special dividend of 25¢ per share, partially franked (75%)
  - Shareholder record date 31 July 2013
  - Special dividend payable 22 August 2013

Strategic Review

Unlocking Value

Shareholder Benefit

Creating Focus

In appreciation

- Thanks to my Board colleagues for their valuable advice and support
- Thanks to all the staff of Melbourne IT for their efforts
- Thanks to CEO and Managing Director, Theo Hnarakis, and the Melbourne IT executive team
- Thanks to our shareholders for your continued support of Melbourne IT

CEO's Address

Theo Hnarakis

DBS: A Proud Achievement

From Concept to Global Business
- 2001: A whiteboard concept
- 2013: $55m revenue
3,800 customers
250 staff

Brand Protection Leadership
- Shut down 9,800+ phishing sites / year
- 99% UDRP success rate – world leader

New gTLD Leadership
- Recognised global thought leader
- World-leading 146 .brand applications

Strategic Review

Unlocking Value

Shareholder Benefit

Creating Focus

Repositioning the Business

- Reviewing our structure
- Reducing our overheads
- Greater focus on go-to-market sales and marketing strategies
- Competitiveness must match global heavyweights

Leaner, focused Melbourne IT

Web Services

- SMB Solutions
- Enterprise Services
- Domains
- Web Hosting
- eCommerce
- Online Performance

Digital Recording

- ForTheRecord

Seizing the Opportunity – SMB Solutions

- Refocusing the business on enhancing the customer experience
  - Improved, easy-to-navigate websites
  - Investments in customer service
  - Bolstering leadership team to deliver improved outcomes
- 2013 targeted product investments
  - WebCentral hosting product upgrade
  - New Melbourne IT WordPress hosting
- New gTLD launches in H2 to drive new opportunities for SMBs and boost revenue
- Actively engaged with potential new large partners to establish profitable new relationships
- Increasing shift to cloud infrastructure

Seizing the Opportunity – Enterprise Services

- Flexible, platform-agnostic strategy
  - Delivering successful business outcomes to customers across a wide range of industry leading, cloud-based platforms
- Partnerships with key online experience providers Amazon Web Services, Adobe, Sitecore and Akamai
- New offerings including Application Profiling specifically designed to target enterprise online pain points
- Quality certifications – ISO9001 and ISO27001 – for deeper government relationships
- More than 10 years experience in enterprise hosting for some of Australia's largest corporate and government clients

New gTLDs are Coming

22 gTLDs 290 ccTLDs	+	1,000+ new unique TLDs	
.com .org .net	.category:	.music .bank	.shop .rugby
	.place:	.nyc .london	.sydney .melbourne
.au .uk .nz .de	.brand:	.afl .nab	.google .bbc

The SMB new gTLD Oppportunity

Increased choice for new SMBs

Ability to get short, memorable, relevant domain names for marketing

Multiple domains to help boost search engine potential

Significant revenue opportunity for Melbourne IT

The SMB new gTLD Oppportunity

tomsflorist.com.au

tomsflorist.melbourne

tomsflorist.shop

tomsflorist.store

toms.florist

melbourne.florist

toms.flowers

melbourneflorist.wedding

weddingflowers.melbourne

florist.melbourne

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Transformation Program Nearing Completion

- Business systems to fully leverage value of customer base
- Single system for customer, product, billing and order management
- Significant cost savings via greater efficiency and retirement of legacy systems
- Improved service to customer and partners
- Integrated customer information for more targeted sales
- Improved billing for faster revenue realisation

Ingredients for Success

- Financial strength
- Compelling market opportunities for our core businesses
- Investment in products and support to improve competitiveness
- Transformation Project nearing completion
- Strong Management Team
- Ability to increase scale & capability via M&A

Methodical plan to create value

Plan & Implement

- Restructure for success as a focused entity
- Complete systems transformation
- Commence new strategy implementation

CY13

Reposition

- Conclude roll out of repositioning strategy
- New gTLDs
- Begin benefits realisation

CY14

Lead & Leverage Growth

- Build upon strategic repositioning
- Roll out new products
- More aggressive marketing and cross sell opportunities
- Leverage leading position in a growing market

CY15

Q&A

- Any Questions?

Business of the Meeting

Item 1: Financial Statements & Report

- To receive and consider the Annual Financial Report and the Reports of the Directors and Auditor for the financial year ended 31 December 2012

Item 2: Election of Directors

a) Mr Simon Jones retires by rotation in accordance with rule 9.3 of the Company's Constitution and, being eligible, offers himself for re-election

b) Mr Andrew Walsh retires by rotation in accordance with rule 9.3 of the Company's Constitution – *Item withdrawn.*

c) Mr Tom Kiing retires by rotation in accordance with rule 9.3 of the Company's Constitution and, being eligible, offers himself for re-election

Item 3: Adoption of Remuneration Report

- To adopt the Remuneration Report for the year ended 31 December 2012

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
  - In accordance with best practice corporate governance, the structure of Non-Executive Director and Executive remuneration is separate and distinct

Remuneration for Executives and Key Senior Employees

- 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

Remuneration for Executives and Key Senior Employees

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) – select group of key employees granted performance rights to acquire shares in the company, with an Earnings Per Share and a Total Shareholder Return vesting hurdle

General Staff Remuneration

Remuneration consists of two key elements:

- Fixed remuneration (salary)
- Variable remuneration for selected employees
  - Short-Term Incentive (STI) – based on performance against company, business unit and personal performance KPIs

Non-Executive Director 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). One of the NEDs is a substantial shareholder in the Company – Tom Kiing
  - NED fees are generally reviewed every two-three years (last review was 1 Jan 2011 and the Board has agreed the next review will be Dec 2013)

Non-Executive Director Remuneration

- NED Deferred Share Plan was suspended at end of 2009 due to Government legislation changes on the taxation of share plans
- NED received a 2.5% base fee increase in 2011; no increase in 2012 or 2013
- For 2012, the NED base fee is $76,875 with an additional $10,000 for Board Committee Chairs
- The Board Chairman's fee is set at 2.3 x NED base fee

Item 3: Adoption of Remuneration Report

- Questions?

- Resolution: To adopt the Remuneration Report for the year ended 31 December 2011

Item 4: Exclusion of Performance Rights from Listing Rule 7.1

- To approve the exclusion of performance rights and underlying shares issued under the Melbourne IT Performance Rights Plan from the 15% cap in Listing Rule 7.1 of the ASX Listing Rules

Item 5: Issue of Performance Rights to Managing Director & CEO

- To approve the issue of performance rights and underlying shares under the Melbourne IT Performance Rights Plan to the Managing Director & CEO

Questions

- Any final questions?

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