



2015 RESULTS

INVESTOR PRESENTATION

**Transforming MLB into a growing solutions led business
with higher quality earnings**

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Vision and Strategy

- The Internet is **revolutionising** the way business is done.
- Everything MLB does **fuels our customers' success**.
- We are the designers, the engineers and the operators of the **smartest solutions**.
- Transforming MLB into a growing **solutions led business** with higher quality earnings.
- We are focussed on delivering strong free cash flows and enhancing **returns** to shareholders.

Four Key Priorities

We have a clear and consistent focus on four key priorities that underpin our strategy and shareholder value.

1. Integrating our acquisitions to generate operational, financial and cultural benefits throughout the organisation.
2. Arresting revenue decline in core SMB product categories and returning the SMB business to growth. Drive growth in core product offerings such as .AU domain names and deliver higher attachment rates with better customer lifecycle management.
3. Continued development of our SMB solutions business driven by “Do-It-For-Me” (DIFM) website solutions and social media marketing tools such as Tiger Pistol. Market is 4x larger than MLB's traditional domains and hosting market and exhibits stronger growth than traditional market.
4. Continued development of ES managed services and new capabilities to offer clients a complete suite of digital services. Managed services revenue continues to grow faster than the decline in traditional infrastructure revenues.

Results Summary

1. Pleasing **2015 results**: disciplined execution against a clear strategy is delivering;
 - statutory revenue up 21%, EBITDA up 29%, EBITDA margin up 100bp to 11%,
 - Underlying NPAT up 22% to \$10.7m and underlying EPS up 21% to 11.55c
2. FY15 **profit guidance achieved**: \$16.5m statutory EBITDA, \$22m underlying EBITDA;
3. Profitability of SMB business improving and **well positioned for organic growth in 2016**;
4. Successfully **integrating** acquired businesses Uber Global and Outware Systems - adding scale in the core SMB business and capability in Enterprise Services;
5. Cash generative business model: **strong free cash flow** of \$8.3m;
6. Good momentum going into 2016: Profit **guidance of \$26.3m - \$28.3m underlying EBITDA** (+24% based on middle of range versus 2015 actual)

FY15 Statutory Results – Overview

Year Ended 31 December 2015	2015	2014	↕ %	KEY NOTES
Revenue	\$150.3m	\$124.7m	21%	Organic growth from Enterprise Services and contribution from acquisitions.
NPAT	\$5.6m	\$0.5m	1,020%	Prior period NPAT impacted by once off impairment charge. See page 8 for underlying performance and 4E for detail.
EBITDA	\$16.5m*	\$12.8m	29%	Growth in Enterprise Services and the inclusion of acquisitions (ie Netregistry, Uber Global and Outware Systems).
EBITDA % Margin	11%	10%	10%	Strong margin improvement with increased scale and synergy savings.
EPS (cents)	6.04c	0.72c	738%	Prior period EPS impacted by once off impairment charge of \$8.6m (\$6m tax effected).

*Includes corporate costs of ~\$7.4m, the period-on-period increase of \$2.2m is a result of higher transaction costs, full period impact of CEO remuneration, and centralisation of some shared services functions.

Please note: Figures throughout this document may not be exact due to rounding and includes non-IFRS financial information that is relevant for users understanding the underlying performance.

FY15 Financials – Underlying EBITDA

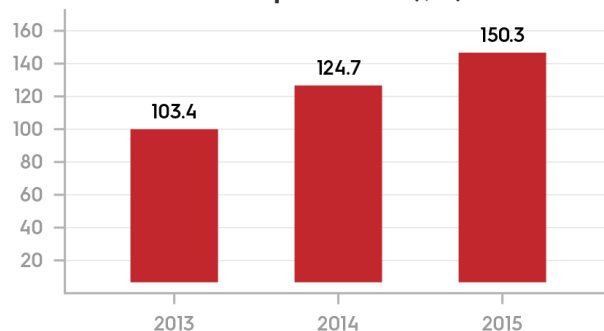
Year Ended 31 December 2015		NOTES
FY15 Statutory EBITDA	\$16.5m	Statutory EBITDA reported for FY15 (includes \$1.3m contribution from Uber Global and \$2.6m contribution from Outware Systems). H2 EBITDA up 56% on H1 after normalising for Uber Global and Outware.
Adjustments to calculate underlying EBITDA		
1. Transaction costs	\$2.0m	One off transaction costs incurred in 2015 for acquisitions
2. Synergy costs	\$1.5m	One off cost of delivering synergies in FY15
3. au.com provision	(\$1.1m)	Write back of NRG pre-acquisition provision
4. Additional Outware contribution	\$2.4m	Additional five months of EBITDA from Outware in FY15*
5. Additional Uber contribution	\$0.7m	Additional four months of EBITDA from Uber in FY15*
Underlying EBITDA FY15	\$22.0m	After reversing the impact of material one-off items and as if all acquisitions are owned for the full year of FY15

*as if all acquisitions owned since 1 Jan 15 – ie additional EBITDA contributions up to completion not already included in Statutory EBITDA. Included to assist investors to estimate full year profit.

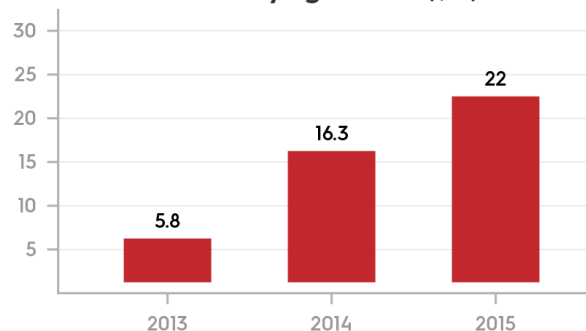
Please note: Figures on this page reflect managements best estimate and have not been audited. They may not be exact due to rounding and include non-IFRS financial information that is relevant for users understanding the underlying performance.

FY15 Financials – Financial Track Record

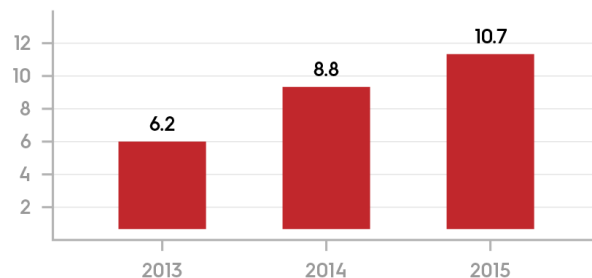
Group Revenue (\$m)



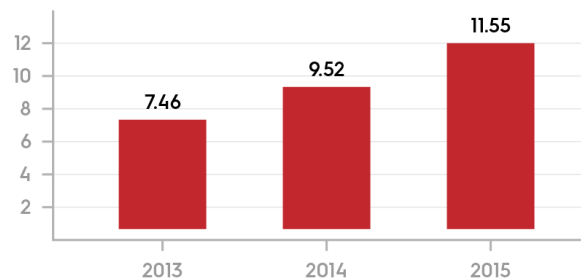
Underlying EBITDA (\$m)



Underlying NPAT (\$m)



Underlying EPS (cents)



*Underlying figures have excluded transaction costs, synergy costs, 2015 warranty provision write back, 2015 unwinding of discount on other financial liabilities, 2014 impairment charge, and includes the full year impact of acquisitions made during the respective years and profit after tax attributable to non-controlling interest in Outware.

FY15 Financials – Dividend and guidance

Dividend

- Following the sound result in 2015 the Board has declared a final dividend of \$0.04 (80% franked)

Guidance – 2016 Financial Year

- Statutory EBITDA is expected to be in the range of \$23m to \$25m
- **Underlying EBITDA** is expected to be in the range of **\$26.3m to \$28.3m**
- Underlying EPS* is expected to be in the range of \$0.14 and \$0.15 per share
- The dividend for 2016 will be determined by reference to a payout ratio in the range of 55% to 75%**

* underlying EPS is undiluted

** calculated off statutory NPAT

Sensitivities

- Competitive pressures in our core SMB domains and hosting business persist but we are competing effectively;
- Opportunity to accelerate revenue synergies with Outware Systems acquisition;
- Growing proportion of professional services revenue in the ES P&L makes forecasting harder – should expect some “lumpiness”;
- SMB growth sensitive to volume of solutions sales (supply side fragmented with no dominant competitors); and
- Foreign exchange exposure – natural hedge.

FY15 Financials – Cash Movement

Year Ended 31 December 2015	2015	2014	↕ %	KEY NOTES
EBITDA	\$16.5m	\$12.8m	29%	
Working Capital	(\$0.4m)	(\$1.9m)		Timing issue with a large payment from one customer
Net Tax (Paid)/Refunded	(\$2.0m)	\$4.8m		Tax paid has returned to normal levels
Capex	(\$5.8m)	(\$6.3m)	(8%)	Current year Capex driven by system improvements and integration costs.
Free Cash Flow	\$8.3m	\$9.4m		
Financing (inc net interest)	\$24.4m	(\$46.1m)		Cash inflow due to borrowings of \$30.0m, offset by outflow from dividends \$4.9m.
Investing (ex Capex)	(\$38.4m)	(\$25.7m)	(49%)	Cash outflow from acquisition of Uber Global and Outware Systems
Net cash movement	(\$5.7m)	(\$62.4m)		
Closing net cash	\$12.4m	\$18.1m	(32%)	

FY15 Financials – Cash Movement (continued)

Year Ended 31 December 2015	2015	2014
FINANCING (inc net interest)		
Return of capital	-	(\$45.2m)
Dividend paid	(\$4.9m)	(\$1.1m)
Proceeds from borrowings	\$30.0m	-
Other	(\$0.7m)	\$0.2m
Total Financing (inc net interest)	\$24.4m	(\$46.1m)
INVESTING (ex Capex)		
Acquisition of Uber Global (2015), Outware Systems (2015) & Netregistry (2014)	(\$38.2m)	(\$39.7m)
Proceeds from sale of DBS	-	\$15.3m
Other	(\$0.2m)	(\$1.3m)
Total investing (ex Capex)	(\$38.4m)	(\$25.7m)

Operational Highlights

Enterprise Services (ES)

- **Transition** from a dedicated hosting business to a managed digital solutions business **essentially complete**
- Successful **execution of one of the largest Office 365 migrations in the world**, migrating over 650,000 mailboxes from a legacy mail system to O365 for Queensland Education.
- Implemented first phases of **Cloud Factory Data Centre Migration Service for PWC**, ongoing phases in H1 2016;
- Achieved **AWS Managed Services Competency** and retained **AWS Premier Partner** certification;
- Implemented new Service Management system integrated with key customers service management systems to deliver **continuous change continuous deployment solutions** for customers;

Small to Medium Business (SMB)

- Solutions **revenues growing** strongly;
 - 2400+ new SMB customer websites went live in 2015 and DIFM sales holding comfortably above 300 units per month
 - 250+ social media customers on boarded
- Returned core domestic wholesale business to **growth after three years of decline**;
- **Consolidated Manila service centres** into one purpose built facility;
- Launched **Webcentral acquisition brand for solutions** into the SMB market place.

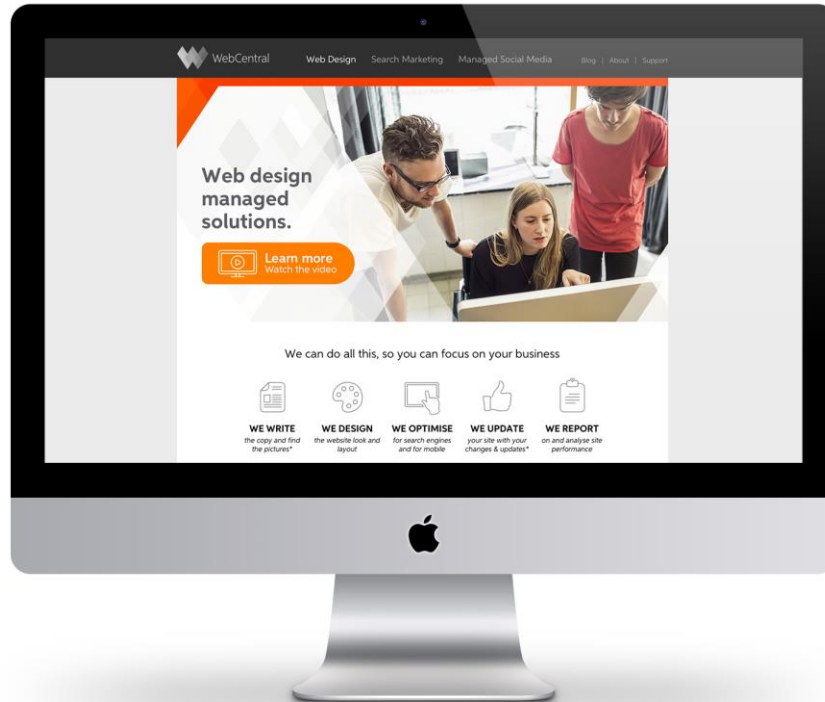
Operational Highlights – Integration

- The integration of MLB, Netregistry and Uber Global was **forecast to deliver \$10M of annualized synergy savings** by the close of 2017 (\$5M in 2015, \$2.5M in 2016, and \$2.5M in 2017);
- Annualised synergy savings of \$6.0M at YE 2015 (**\$1M ahead of target**);
- Synergy costs in 2015 were \$1.5M and expected to increase in 2016; and
- Incremental synergy savings of ~ \$2.5M pa expected in 2016 (**bringing forward \$1M from 2017 into 2016**).

STRATEGIC PRIORITY	PROGRESS REPORT	NEXT STEPS
QUICK WINS	Quick wins are complete, focus is now on customer migration.	Completed
REVENUE SYNERGIES	Focused on aligning acquired customers with brand strategy to increase customer value.	Dedicated business stream established to increase customer lifetime value.
CUSTOMER MIGRATION	Thirty five thousand customers were migrated during 2015 with another five thousand customers migrated in January 2016.	Bulk of the migration to be completed by end of 2016.
TECHNICAL CONSOLIDATION	Have commenced consolidation of Uber Global infrastructure into MLB footprint.	Further platform consolidation will be completed in 2016 allowing the business to potentially outsource significant infrastructure assets.
BACK OFFICE CONSOLIDATION	Consolidated reporting completed.	Payroll and shared services for Uber Global to be consolidated by March 2016.

Segment Review and Growth Drivers

– SMB



Segment Review and Growth Drivers

– SMB

Year Ended 31 December 2015	2015	2014	↕ %	KEY NOTES
Revenue	\$109.2m	\$96.3m	13%	Positive impact from acquisitions and solutions partially offset by decline in legacy domains and hosting revenue
Gross Margin	\$58.6m	\$53.5m	10%	Positive impact from acquisitions of Netregistry, Uber Global and synergy savings. Growing proportion of lower margin solutions revenues will continue to dilute % margin.
Opex	\$42.3m	\$39.9m	6%	Additional costs from acquisitions partially offset by integration savings and tight cost management across the business.
EBITDA**	\$16.3m	\$13.6m	20%	
EBITDA % Margin	15%	14%		Profitability of SMB business continues to improve.

** Includes non-IFRS financial information that is relevant for users understanding the underlying performance of the business.

Segment Review and Growth Drivers – SMB (ex Uber)

Year Ended 31 December 2015	2015	2014 [^]	↕ %	KEY NOTES
Revenue	\$100.8m	\$105.0m	(4%)	Decline in legacy domains and hosting revenue. 2014 includes an additional 3 months of Netregistry revenue (\$8.7m) to enable true YoY comparison.
Gross Margin	\$54.6m	\$58.4m	(7%)	Decline in legacy domains and hosting revenue. Growing proportion of lower margin solutions revenues will continue to dilute % margin.
Opex	\$38.8m	\$43.5m	(11%)	Positive impact from integration savings and tight cost management across the business.
EBITDA**	\$15.8m	\$14.9m	6%	
EBITDA % Margin	16%	14%		Underlying profitability improving.

** Includes non-IFRS financial information that is relevant for users understanding the underlying performance of the business.

[^] 2014 includes an additional 3 months of Netregistry Pty Ltd results as the acquisition completed on 1 April 2014.

SMB Long Term Strategy

SOLUTIONS SEGMENT

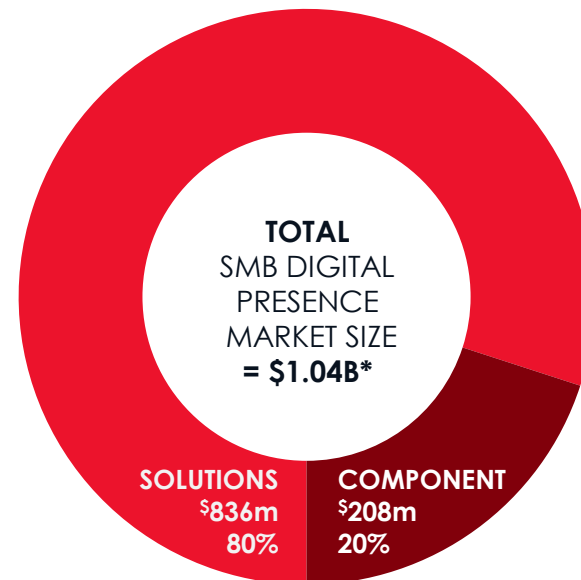
- Customers prepared to pay for solutions that meet a need or solve a problem
- Local support and Do-It-For-Me proposition
- Highly fragmented market with no major competitor in Australia
- Average ARPU \$100-\$400pm

80%

COMPONENT SEGMENT

- Domains, web hosting, and email are key components for SMBs but account for only 20% of the market by value
- MIT No. 1 in the Australian market but highly competitive with large competitors driving commoditisation
- Average ARPU \$5-\$50pm

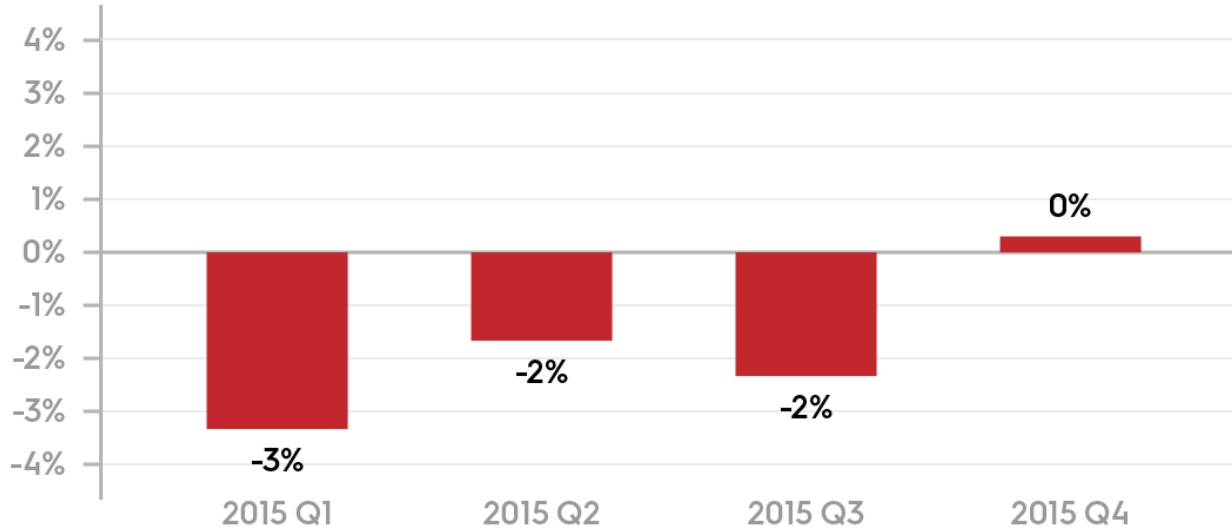
20%



* MIT analysis. Market size 2014

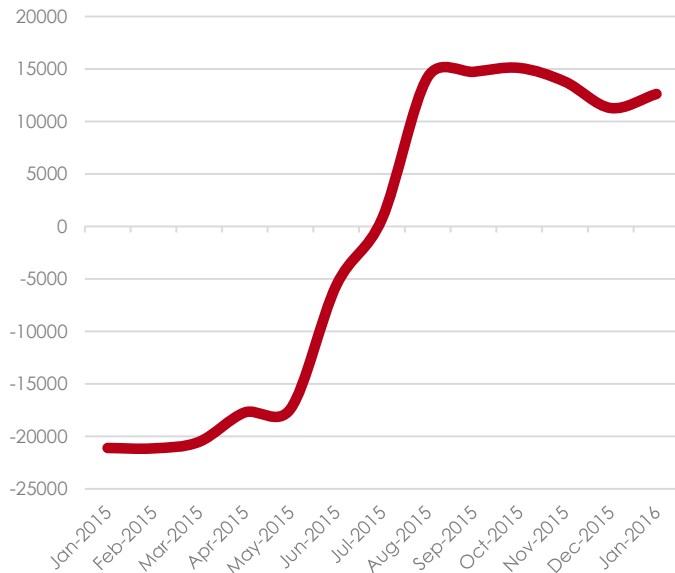
Topline growth in SMB Direct is within reach

SMB DIRECT YoY QUARTERLY GROWTH

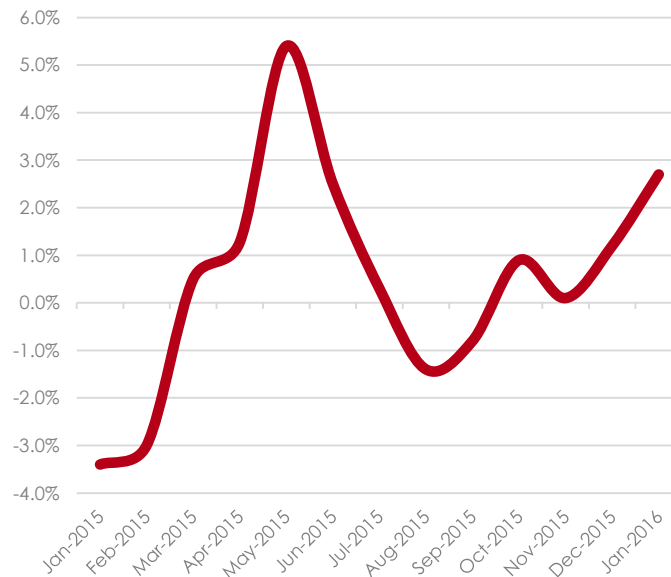


Improvement in the core contributing to revenue growth

GROWTH IN .AU NAMES UNDER MANAGEMENT (VS PCP)



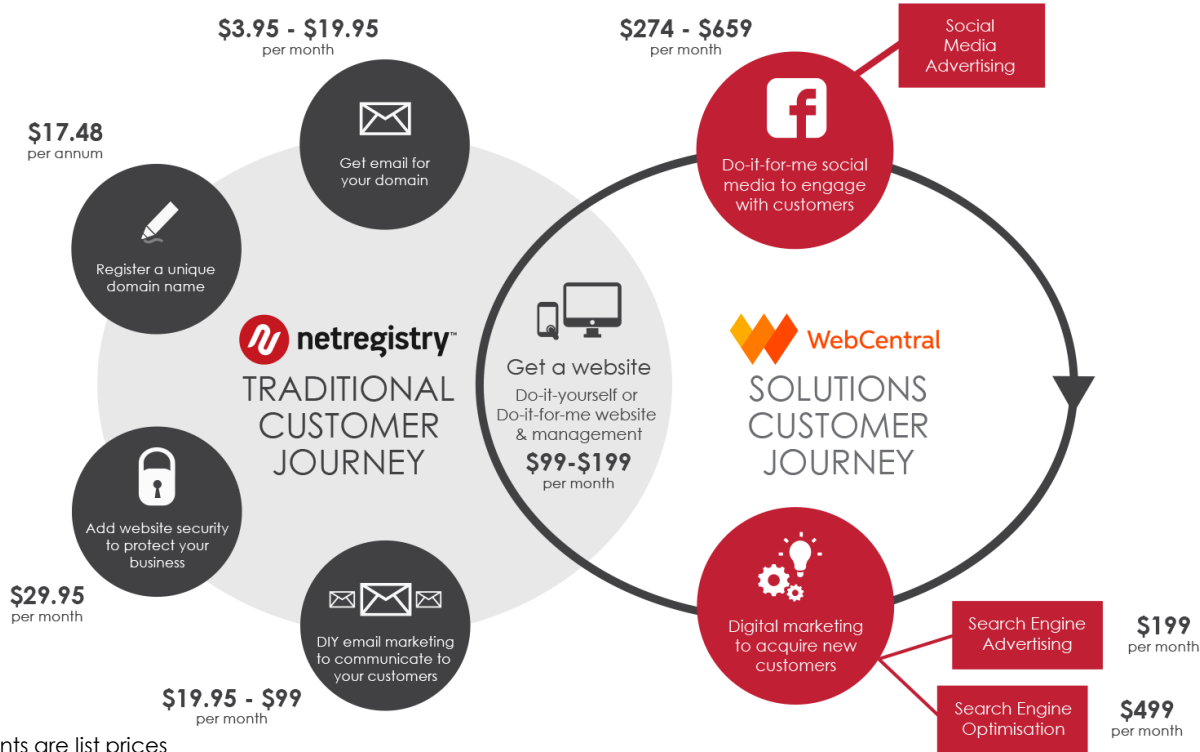
CHANGING SHARE OF NEW .AU NAMES (VS PCP)



SMB

Customer Journeys – the key to revenue growth and value creation

SMB



Solutions revenue growing strongly

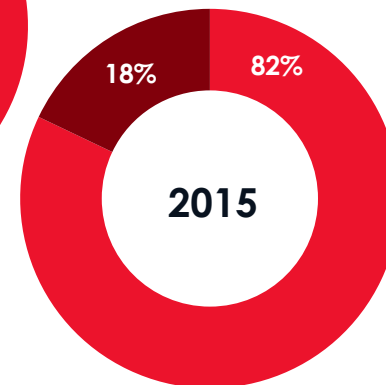
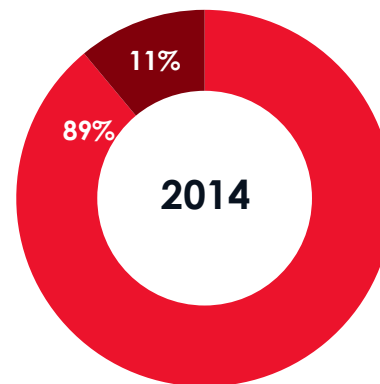
2015 SOLUTIONS REVENUE DIRECT*



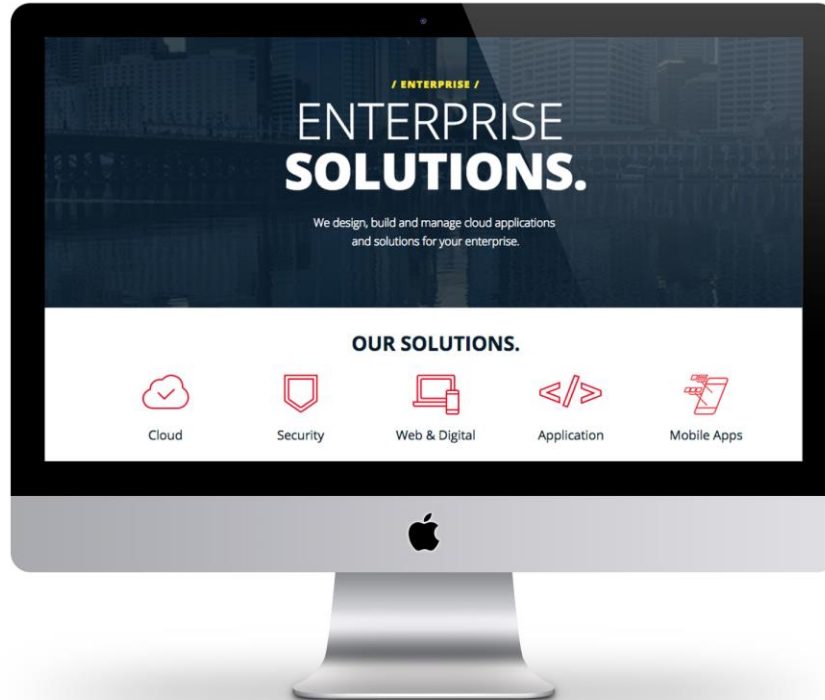
* 6 month rolling average

REVENUE SPLIT BY PRODUCTS

■ SOLUTIONS
■ COMPONENTS



Segment Review and Growth Drivers – Enterprise Services



ES

Segment Review and Growth Drivers – Enterprise Services

Year Ended 31 December 2015	2015	2014	↕ %	KEY NOTES
Revenue	\$40.7m	\$27.8m	46%	Contribution from acquisitions and continued strong growth in cloud solutions
Gross Margin	\$25.1m	\$17.7m	42%	Mix change (ie COGs substituting for Opex) will continue to dilute %GM.
Opex	\$17.5m	\$13.3m	32%	Costs from acquired business and investment to establish professional services practices in existing business
EBITDA**	\$7.6m	\$4.4m	73%	
EBITDA % Margin	19%	16%		Value of digital transformation solutions increases profitability of business

** Includes non-IFRS financial information that is relevant for users understanding the underlying performance

ES

Segment Review and Growth Drivers – Enterprise Services (Ex Uber & Outware)

Year Ended 31 December 2015	2015	2014	↕ %	KEY NOTES
Revenue	\$29.6m	\$27.8m	6%	Continued strong growth in cloud solutions
Gross Margin	\$18.1m	\$17.7m	2%	Mix change (ie COGs substituting for Opex) will continue to dilute %GM
Opex	\$14.0m	\$13.3m	5%	Investment to establish professional services practices in existing business
EBITDA**	\$4.1m	\$4.4m	(7%)	2015 driven by investment in establishing professional services practices
EBITDA % Margin	14%	16%		

** Includes non-IFRS financial information that is relevant for users understanding the underlying performance

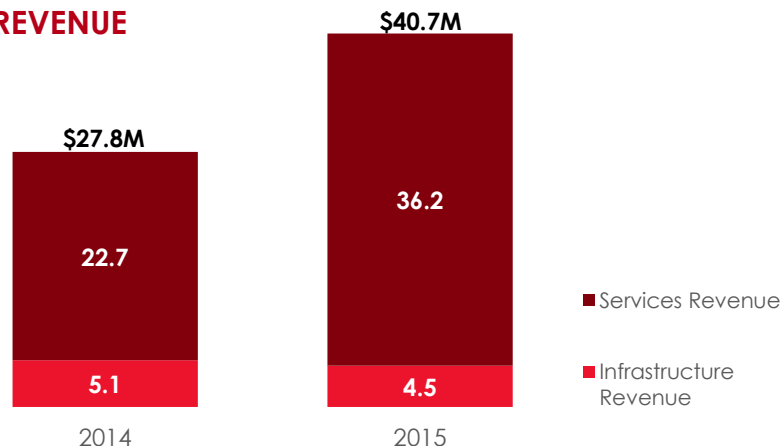
ES

Segment Review and Growth Drivers – Enterprise Services

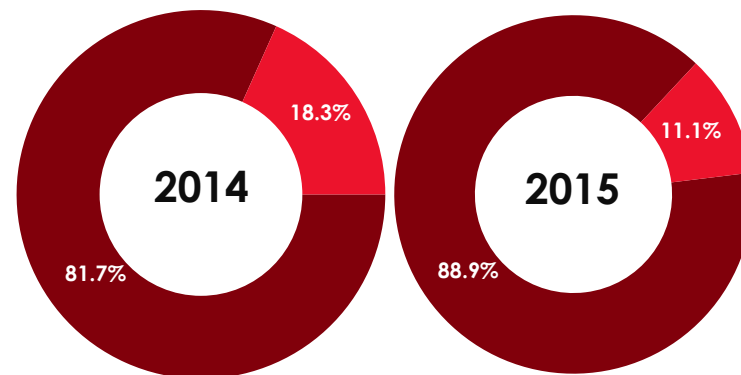
Enterprise Services continues to successfully execute on its cloud solutions strategy:

- Consistent execution building managed services and professional services revenues, now contributing 89% of total revenues up from 82% in 2014
- Expansion includes capabilities in cloud, mobile, security and application development professional services

REVENUE



SPLIT BY SERVICES



Enterprise Services Customer Examples



Conclusion

1. Encouraging 2015 results: disciplined execution against a clear strategy is delivering results
 - Underlying NPAT \$10.7m, up 22% versus pcp , underlying EPS 11.55c, up 21% versus pcp
2. FY15 Profit guidance achieved: \$16.5m EBITDA, \$22m underlying EBITDA. Platform for growth.
3. Clear growth drives: Profitability of SMB business improving, well positioned for organic growth in 2016, transforming into a growing Solutions business. ES growth with improving quality of earnings- Managed Services & Digital.
4. \$10m Integration savings being delivered ahead of time. Developing a track record.
5. Acquisitions performing well: Uber Global and Outware Systems – adding scale in the core SMB business and capability in Enterprise Services. Strategic and Accretive.
6. Cash generative business model with recurring revenue streams- strong free cash flow of \$8.3m;
7. Good momentum going into 2016: Profit guidance of \$26.3m - \$28.3m underlying EBITDA (+24% based on middle of range versus 2015)