

ASX Announcement

Melbourne IT Ltd (ASX: MLB)

23 May 2017

Successful Completion of A\$30.7 million Entitlement Offer

Melbourne IT Limited (ASX: MLB) (**MLB** or **Melbourne IT**) is pleased to announce the successful completion of the final component of its fully underwritten 1 for 7 pro rata accelerated non-renounceable entitlement offer (**Entitlement Offer**) of new shares in MLB (**New Shares**), as announced to the market on 1 May 2017.

The retail component of the Entitlement Offer (**Retail Entitlement Offer**) closed at 5.00pm on Thursday, 18 May 2017, raising approximately A\$11.4 million at the offer price of A\$2.10 per New Share (**Offer Price**). Together with the institutional component of the Entitlement Offer (**Institutional Entitlement Offer**), the total amount raised under the Entitlement Offer is approximately \$30.7 million.

The Entitlement Offer was strongly supported by retail shareholders, with the take-up rate for entitlements by eligible retail shareholders at approximately 61%. In aggregate, eligible retail shareholders subscribed for approximately 3.3 million New Shares under the Retail Entitlement Offer.

Final allocations to eligible shareholders will be subject to reconciliation and an audit process that is currently being completed by Melbourne IT's registry.

The approximately 2.1 million New Shares not taken up under the Retail Entitlement Offer will be allocated to the underwriters and various sub-underwriters of the Retail Entitlement Offer, in accordance with the terms of the underwriting agreement.

New Shares to be issued under the Retail Entitlement Offer are expected to be issued on Thursday, 25 May 2017 and commence trading on a normal settlement basis on Friday, 26 May 2017. Holding statements will be despatched on Friday, 26 May 2017. Applications for New Shares that were received from institutional shareholders as part of the Institutional Entitlement Offer were issued on Thursday, 11 May 2017.

Martin Mercer, CEO of Melbourne IT, said “Our SMB division has changed considerably over recent years, and the acquisition of WME Group cements our place as a market leader in online marketing solutions for small and medium businesses, one of the fastest-growing segments of the technology industry”.

“We are delighted with the support shown by our shareholders in this capital raising and excited by the positive response we have received from analysts, shareholders and the market at the tangible evidence of our transformation’s success, and the growing realisation that the Melbourne IT of today is not the same as the Melbourne IT of old,” he added.

Investor Enquiries

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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 Wholesale 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.