



25 August 2014

The Manager
Company Announcements
Australian Securities Exchange
Level 5, 20 Bridge Street
SYDNEY NSW 2000

By E-Lodgement

Dear Sirs

ASX Code: RHP

Unaudited results FY2014
Newlease Revenue Growth of +45% and EBITDA Growth of +127%

The directors of Rhype Limited, the parent company of NewLease Pty Ltd have released Rhype's unaudited results to the market today as part of an Investor Briefing presentation lodged with the ASX. The summary of the Investor Briefing regarding the highlights and financial results is as follows:

For the financial year ended 30 June 2014 ("FY14"), the consolidated entity's operating revenue was **\$74.5M** which represents a +45% increase over revenues for the previous corresponding period. Earnings Before Interest, Tax and Amortisation ("EBITDA") for NewLease was **\$1.98M** representing a +127% increase over the previous period. Earnings Before Interest and Tax ("EBIT") for NewLease for the 12 months, after adding back operating expenditure in relation to SE Asia expansion growth, was **\$3.4M** representing a +114% increase over FY13. The SE Asian expansion costs consist of new office openings and personnel recruitment in regions associated with new respective Microsoft licensing programs.

EBITDA for the consolidated entity, taking into account share based payment expenses for options issued and other non-recurring expenses relating to the listed entity for the non consolidated period of 3 months for the year was \$1.5M.

Certain key achievements for NewLease during FY2014 include:

- Continued substantial revenue growth building on achievements of previous years;
- Compound Annual Growth Rate (CAGR) of +47% over the past 5 years;
- New offices and commencing operations in three new countries (Philippines, Malaysia and Indonesia) in addition to the other existing SE Asian offices in Singapore and Thailand;
- Selection by Microsoft as the world-first Cloud LSP (Licensing Solutions Provider) in addition to NewLease's existing Microsoft SPLA (Services Provider Licensing Agreement) relationship;
- The addition of three new strategic vendor programs (McAfee, Datacore, Zimbra)
- The addition of +400 new service provider customers with attaching monthly subscription revenues for software usage;
- Investment of over \$1.5M in expansion of infrastructure and personnel to support these new growth initiatives, and
- Cash flow positive self-funded with no debt.

A summary of the company's results are as follows and set out in detail in the accompanying Investor Briefing presentation.



Summary of results FY 2014*

| | FY12 NewLease Audited (\$000s) | FY13 NewLease Audited (\$000s) | FY14 –12 months NewLease Unaudited (\$000s) | % change | FY14 - 3 months Rhype Consolidated ⁽¹⁾ Unaudited (\$000s) |
|--|--------------------------------------|--------------------------------------|---|----------|--|
| Operating Revenue | 37,822 | 51,514 | 74,548 | + 45% | 74,548 |
| Gross Margin | 6,320 | 8,318 | 11,991 | +44% | 11,991 |
| EBITDA | 902 | 882 | 1,998 | +127% | 1,468 |
| EBIT (pre expansion costs) | | 833 | 1,900 | +128% | 1,370 |
| EBIT (after add back of expansion costs) | | 1,593 | 3,407 | +114% | 2,877 |
| Capex expenditure | | | | | 357 |
| Cash at bank | | | | | 4,457 |
| No. of new partners | 600+ | 900+ | 1300+ | +44% | |

1. Rhype consolidated comprises Rhype's results from 10 April 2014 to 30 June 2014 and 12 months of NewLease. Rhype has contributed an EBIT loss of \$530,000, which includes \$310,000 share based payments expense for options issued and \$83,000 non recurring other costs.

*Full Year Audited Accounts will be lodged with ASX shortly.

Outlook for 2015

The outlook for cloud software sales continues to be optimistic. IDC predicts that worldwide cloud software sales will reach \$75 billion by 2017. IDC Asia/Pacific Cloud Maturity Model survey in 2013 found 39.4% of enterprise is yet to have a clear cloud strategy and only 6.7% believe they have an optimized strategy with countries across Asia measuring at differing maturity rates.

NewLease expects further growth behind the Microsoft stated strategy of "Mobile first, Cloud first". Microsoft continues to invest heavily into its cloud software license offerings.

NewLease is well-positioned to take advantage of further market growth having increased its service provider channel by over 400+ in the past twelve months to more than 1300+ customers.

The recent expansion into new territories and new programs is still in the very early stages of maturity and the company anticipates growth in these areas as well as continued growth in its foundation Australia and New Zealand businesses.

As the great majority of NewLease's revenue comes from monthly software subscriptions based on usage, revenue from FY2014 will likely remain in place for FY2015 with new sales leading to incremental revenue achievement.

About NewLease

Established in 2003, NewLease sells subscription based licensing programs for key software vendors including Microsoft, Citrix, Datacore, McAfee, Red Hat, Trend Micro, Veeam and VMware. With offices in Melbourne, Sydney, Auckland, Singapore, Bangkok, Manila, Kuala Lumpur and Jakarta; NewLease is wholly owned by Rhype Limited (ASX: RHP).

For further information contact Mike Hill, Executive Chairman on 0421 056 691.