

Address of the Chairman at the Annual General Meeting



ASX Release

Sydney, 27 November 2015: rhipe Limited (ASX: RHP)

ADDRESS OF THE CHAIRMAN AT THE ANNUAL GENERAL MEETING

Rhipe Limited (ASX:RHP) will hold its Annual General Meeting today at 10.00am at the Edwin Flack Room, Sofitel Sydney Wentworth, 61-101 Phillip Street, Sydney NSW 2000. Please find attached a copy of the Chairman's address (and accompanying slide presentation).

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rhipe Limited (ASX:RHP)

Annual General Meeting

Chairman's Address

SYDNEY, 27 November 2015: rhipe Limited (ASX:RHP)

CHAIRMAN'S ADDRESS

Good morning and welcome to the rhipe Limited Annual General Meeting. I am joined here by a number of the directors and executives including Dominic O'Hanlon, Chief Executive Officer, Dawn Edmonds, Co-Founder and Chief Operating Officer, Ravi Samuel, Chief Financial Officer. Unfortunately Mike Everett and Laurie Sellers, both Non-Executive Directors send their apologies today.

The 2015 financial year marked some significant achievements for rhipe as a public company listed on the ASX. 2015 will also be remembered as the year rhipe exceeded \$100m in annualized recurring revenue and achieved significant operational milestones, delivering another solid growth year.

I am pleased to report that in the 2015 year, rhipe delivered on its growth objectives with a clear vision to expand its "Cloud First & Channel First" strategy. It also expanding its core offering from Private Cloud to also participate in Public Cloud with Microsoft and IBM Softlayer.

Importantly, rhipe's growth has continued into Q1 of the 2016 financial year. Dominic will expand on certain key achievements the Company has made in Q1. These include:

- Q1 on track to confirm RHP's outlook statements made for 2016:
 - Revenue Growth of +40%; and
 - Gross Margin in the range of 14-16%.
- Q1 Launch Microsoft Two Tier Cloud Solutions Provider Program in 5 countries as at this date:
 - More than 11,500 Microsoft Office 365 seats sold on a monthly subscription basis to date;
 - More than 400 Partners signed up to rhipe's CSP program;
 - More than 38% of the new CSP partners are new customers for rhipe; and
 - Australia launched in July 15. Singapore, Malaysia and Thailand launched in Oct 2015.
- Progressing launch of IBM Softlayer to be ready for Q3 partner on-boarding.
- The rhipe Solutions business has had a better start in Q1 with some solid new customer wins in Australia and the USA.
- Strong partner growth for the Microsoft SPLA program across all countries and in particular South East Asian markets.

On a foundation created 11 years ago as the first Company in Australia to aggregate cloud subscription programs to service providers for Microsoft, the business has accelerated growth in revenues by adding new vendor programs and new regions.

With credit to the executive team, the business has maintained consistent +40% revenue percentage gains from an ever increasing revenue base and this year was no exception with total revenues up +46% which includes the annuity licensing subscription revenue streams up by +41%.

The strength of the company's relationships with many global vendors has again been endorsed through new contracts to sell public cloud licensing programs for Microsoft, VMWare and, more recently, IBM Softlayer. Without the investment this year in the executive team, the staff and the company's resources these would not have been possible.

The board is extremely pleased with the management team and feels confident in its ability to continue to forge ahead in the exciting cloud licensing environment across the Asia Pacific Region.

We would like to thank our Vendor Partners for their continued support of rhipe and helping us to meet our mutual growth objectives. In particular Rhipe maintains strong relationships with Microsoft, VMWare, Citrix, Veeam, RedHat, McAfee, Trend Micro, Zimbra, LiveTiles and more recently Skykick and IBM Softlayer.

In line with expectations, the Company increased its operating revenue for the year to 30 June 2015 from \$74.5 million to \$108.8 million, or 46% growth (+45% pcp). Service Provider customers reached more than 1,600 at 30 June 2015, up from 1,300+ same time last year. The business is well funded with \$12.4m of cash and cash equivalents at year end.

Again, I would like to thank the executive team and the Board of Directors for their substantial efforts in growing the business in 2015 and thank all our shareholders for their continued support.

I will now hand over to Dominic O'Hanlon for the CEO Address then we will return to the formal part of the AGM's various resolutions as set out in the Notice of Meeting.

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