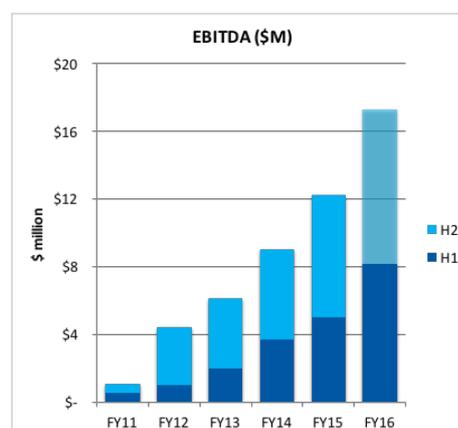


## MNF Group - rapid growth continues EBITDA up 64% & NPAT up 29%

The Board of global voice specialist MNF Group (MNF) are very pleased to report another strong performance for the six months ended 31 December 2015. Earnings before interest, tax, depreciation and amortisation (EBITDA) increased by 64% to \$8.2 million, with net profit after tax (NPAT) increasing by 29% to \$4.0 million, compared with the same period a year earlier. Revenue for the half increased 177% to \$84.0 million.

The company's solid performance for the half included:

Result	H1-FY15	H1-FY16	Change
Revenue	\$30.3m	\$84.0m	Up 177%
EBITDA	\$5.0m	\$8.2m	Up 64%
NPAT	\$3.1m	\$4.0m	Up 29%
Dividend	2.5cps	3.5cps	Up 40%
EPS	4.98cps	6.01cps	Up 21%



The result produces a robust first half balance sheet with \$10.9 million in cash and a reduction in the TNZI acquisition debt to \$15.0 million, resulting in a net debt of \$4.1 million. It should be noted that we have maintained our original \$27.0 million facility, providing ready funds of approximately \$12.0 million, for acquisitions or for compelling organic growth opportunities.

The large increases in revenue and net profit for the period versus the prior corresponding period are attributable to a combination of strong organic growth in the business, and a full half-year period contribution from the TNZI global wholesale business.

### TNZI Post-Acquisition Update

Much focus has been dedicated to the TNZI acquisition in the first six months of FY16. With the expansion of the UK Point of Presence (PoP) finalised, the TNZI network capacity and reach has been extended considerably in that region. New customer acquisition and provisioning is proceeding strongly as a direct result of our added capacity. Preparation is now well underway for deployment of a new PoP in Hong Kong with commissioning expected in May 2016. The opportunities in that region are numerous.

The MNF Group's USA based operating subsidiary (TNZI USA LLC) was granted its carrier license by the US FCC in December 2015, and as such the US portion of the TNZI acquisition is expected to be completed shortly. The company expects to commence upgrades of the USA PoP very soon.

**Business Outlook and Guidance:**

Historically MNF Group enjoys stronger performance in the 2<sup>nd</sup> half of the financial year when compared with the 1<sup>st</sup> half, and we expect this trend to continue, albeit slightly more balanced due to the addition of the TNZI business which enjoys more even monthly revenues.

The directors are of the opinion that the business is currently on track to meet our previously stated forecast EBITDA of \$17.3 million and NPAT of \$8.4 million for the full year ending 30 June 2016.

With a discerning and conservative approach, the Board of MNF Group will continue to actively search for further acquisition opportunities; whilst we remain totally committed to driving growth and performance within the business.

The MNF Group remains very confident that the company will achieve strong organic growth in the coming year and well into the future.

There will be a teleconference and results presentation held on Wednesday 17<sup>th</sup> February at 8:30am AEDT. For details please check <http://mnfgroup.limited/investors> A recorded version of this presentation will be made available for later viewing at the same web address.

ENDS

## **About MNF Group Limited**

MNF Group Limited, (ASX: MNF) is an integrated telecommunications software and network provider, specialising in IP voice communications. MNF Group was founded in 2004 and listed on the ASX in 2006, it has 66.9 million shares on issue and has operated profitably since 2009 paying dividends to its shareholders every six months since September 2010.

The Group operates a global IP voice network carrying over 6 billion voice minutes per annum, with Points of Presence (POPs) in Los Angeles, New York, Hong Kong, Singapore, London, Frankfurt, Sydney and Auckland. Domestically, the Group operates the largest, fully interconnected IP Voice network in Australia.

MNF Group has a reputation for quality, value and innovation, being the recipient of numerous awards including the Forbes Asia's 200 Best Under a Billion (2014 & 2015), Deloitte Technology Fast 50 (2008, 2009, 2010, 2012, 2013, 2014) and CeBIT Outstanding Project Award (2013).

MNF Group companies includes retail brands MyNetFone, Connexus, CallStream, PennyTel and The Buzz; and wholesale brands TNZI, Symbio Networks and iBoss.

For further information about MNF Group Limited please visit: <http://mnfgroup.limited/>