

8 February 2007

Matthew Foy  
Adviser, Issuers (Perth)

By e-mail: [matthew.foy@asx.com.au](mailto:matthew.foy@asx.com.au)

### Response to price query

In response to the price queries made of iiNet Limited (ASX: IIN) by ASX today, the Company provides the following.

1. The Company is not aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company.
2. Please see response above.
3. The Company received a favourable determination from the ACCC on 22 December with regards to LSS pricing and on 1 February 2007 confirmed that the lower pricing would apply from 22 December 2006. As previously advised to the ASX this decision has a material impact on iiNet's cost base.

The Company also notified the ASX that it will be releasing its half year results on 19 February 2007.

On 1 February 2007, Telecom New Zealand confirmed that it intended to acquire PowerTel, which holds an 18.3% stake in iiNet.

In the past 24 hours, the media has speculated that Telecom New Zealand was also considering an acquisition of Amcom Telecommunications, which is a 20% shareholder of iiNet. Amcom has provided an update to the market stating among other things, that it "will make a further announcement if and when any proposed transaction is sufficiently definite to warrant disclosure".

The Company suggests that any recent movement in the Company's share price may be the result of speculation surrounding the above announcements and the possibility of further consolidation in the sector.

4. The Company confirms that it is in compliance with the listing rules, and in particular, LR 3.1.

Yours sincerely,



**Stephen Fewster**  
Company Secretary