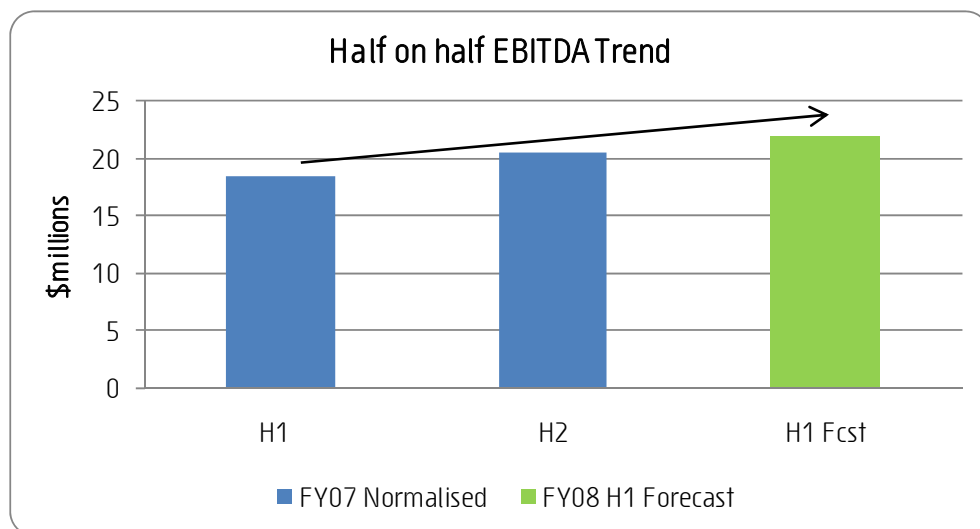




# AGM Presentation

November 2007



## Half on half trends (normalised)

EBITDA	Dec 06 to Dec 07		21%
EBITDA	Jun 07 to Dec 07		9%
NPAT*	Dec 06 to Dec 07		65%
NPAT	Jun 07 to Dec 07		16%

\* Excludes profit on sale of ihug

## Reported earnings

	FY07 H1	FY07 H2	Total
EBITDA	\$13.9	\$25.2	\$39.1
LSS settlement attributable to H1	\$4.6	(\$4.6)	\$0.0
Normalised EBITDA	\$18.5	\$20.6	\$39.1

## Positive earnings trend due to:

- Increased on-net customers
- Lower network costs
- Efficiencies from virtualising the call centres
- Re-pricing unprofitable plans
- Net cash position – improves NPAT

## iiNet is growing its business by:

- Investing in its brand;
- Providing innovative products;
- Expanding into the SOHO/SME market;
- Providing awesome customer service; and
- Looking for acquisition opportunities where we can leverage our core business.

## The “Protect the Core” strategy has dramatically improved earnings through:

- Investing in infrastructure which substantially improves customer contribution;
- Improving customer service; and
- Reducing overheads.

## Second half earnings initiatives include:

- New retail and business products
- Improved international bandwidth rates
- Continued rollout of dark fibre

# The iiNet Story



1993

The birth of iiNet, the age of Dial Up



2002

iiNet brings flat rate broadband to the market



2004

The iinetwork is born, rollout of iiNet DSL broadband infrastructure (DSLAM)  
Launch of iiphone, full telephony service

2005

iiNet becomes Australia's 3<sup>rd</sup> largest ISP  
Launch of ADSL2+, iiNet brings high speed broadband/ADSL speeds to Australia  
iiNet launches Australia's first large scale Voice over Internet Protocol (VoIP) service



2007

iiNet rolls out dark fibre to 200+ exchanges nationally  
iiNet announces record profit

2000

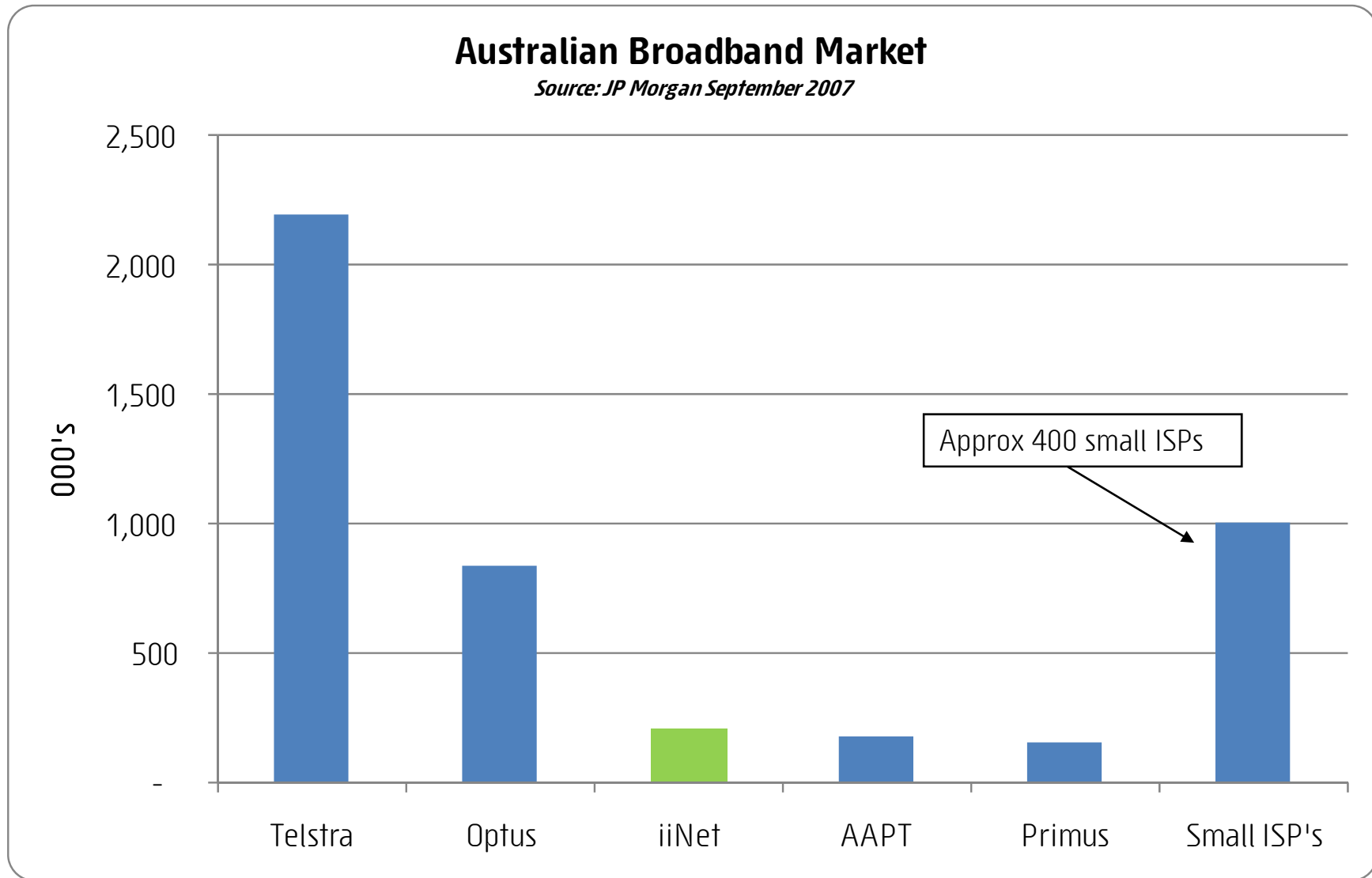
Launch of broadband



2003

iiNet goes national and expands into NZ





# Our Markets – NEO's



## Mac Users



# Our Markets – SOHO/SME





We didn't wait around for an ADSL 2+ network, we created our own: the iinetnetwork.



62 exchanges  
93% coverage



96 exchanges  
92% coverage



58 exchanges  
77% coverage



43 exchanges  
80% coverage

Metropolitan coverage

iiNet has continuously led the way for Internet access in Australia, from flat rate broadband to ADSL2+, from VoIP to Naked DSL.



## Core Business

- Broadband
- Dial up
- Voice
- VoIP

## Add-ons

- Domains & Hosting
- Wholesale
- Hardware sales



Natural progression utilising the latest in communications technology

Simplifies products, broadband and phone calls all in one package

Eliminates the need to pay for something you don't use

"The old fixed line telephone in the house, once as necessary as electricity, is now a relic of the past. Customers are embracing mobile, VoIP and online communications"

Launched on 15<sup>th</sup> November and to date we have had over 650 sales which is well ahead of expectations



# The Naked Offering

Naked DSL	Cost	Monthly Quota (GB)
Home 1	\$49.95	2 peak / 2 off peak
Home 2	\$59.95	3 peak / 6 off peak
Home3	\$69.95	10 peak / 20 off peak
Home4	\$79.95	15 peak / 30 off peak
Home5	\$89.95	30 peak / 60 off peak
Home6	\$119.95	65 peak / 65 off peak

Call type	Cost	Per
Local	0	
National	0	
International	From 5 cents	minute
Mobiles	29 cents	minute

iiNet's Naked DSL will provide huge savings not only by eliminating monthly line rental but also by including free local and national calls on iiTalk.





## Multiline VoIP

- The benefits of VoIP for business across multiple users and locations

## Virtual Private Networks

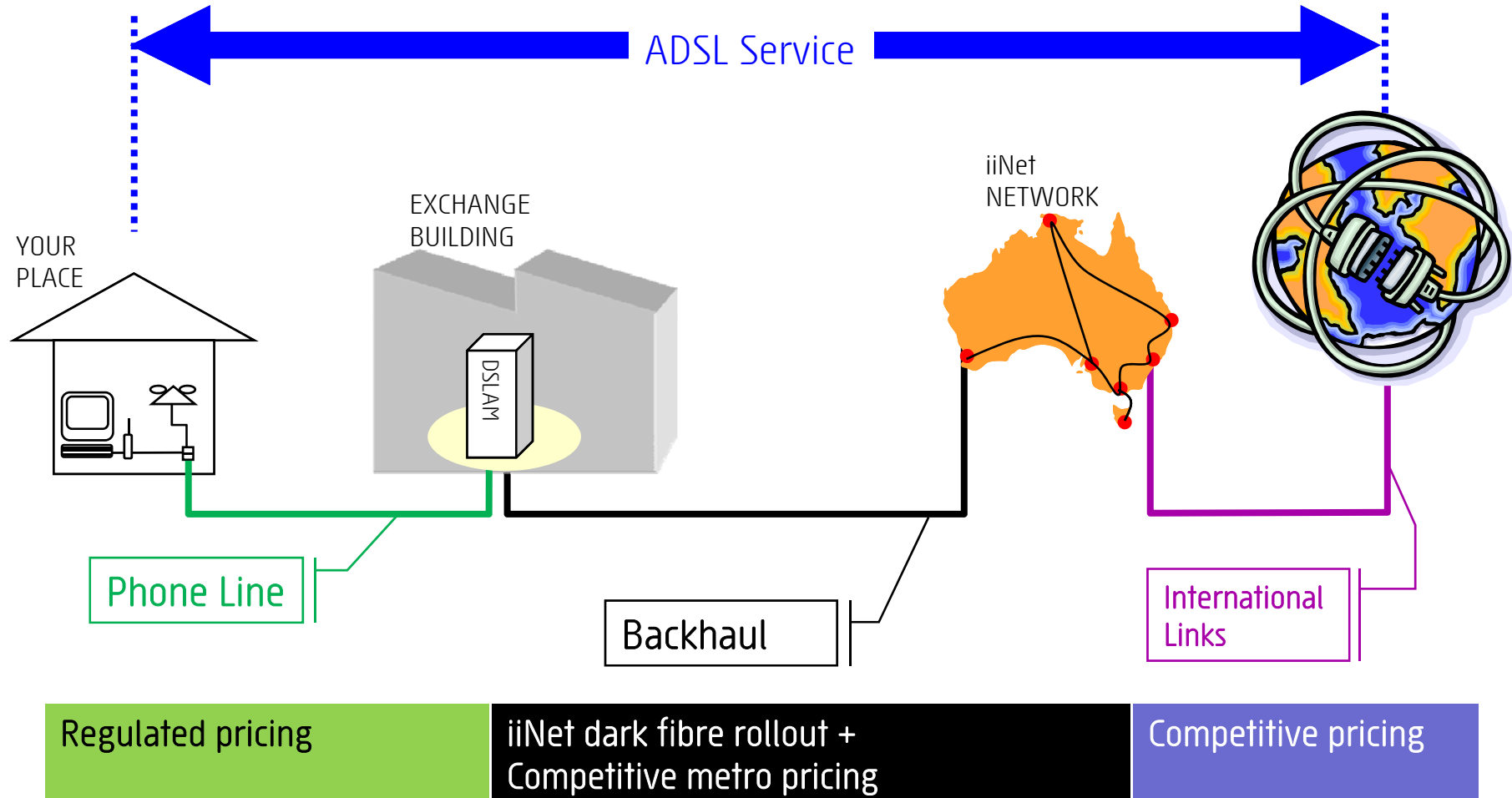
- Secure and easy way for SME's to share information between users that has traditionally only been available to large business

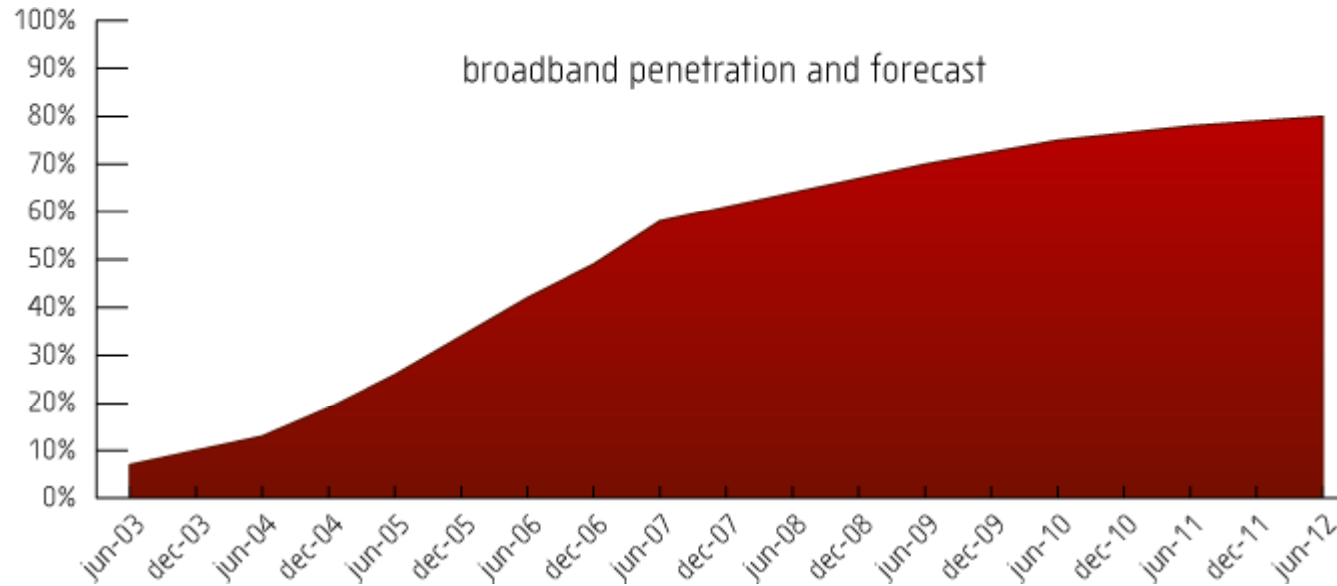


## Video Conferencing

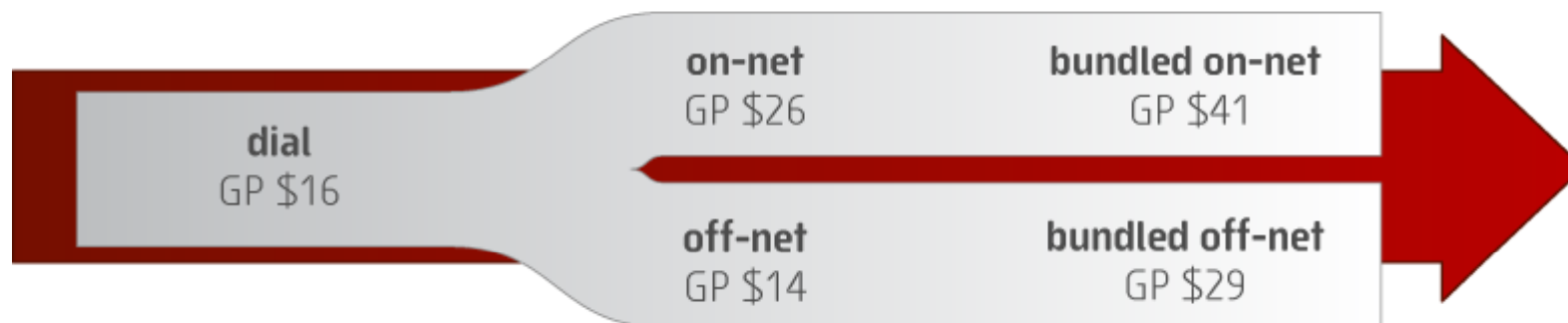
- Simple, cost effective video solution for small business which does not require expensive equipment

# Protect the Core





iiNet product trend



	Size	Number
Small	1 - 10,000	~400
Medium	10,001 - 100,000	23
Large	100,001+	9

- iiNet has made 31 acquisitions over 14 years
- iiNet made its last acquisition in Feb 2005
- During FY07 iiNet enhanced its internal processes
- Targeting businesses where we can leverage from our key network assets



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