ASX Release

The Manager
Company Announcements Office
Australian Stock Exchange
Level 40, Central Park
152 – 158 St Georges Terrace
Perth WA 6000

Dear Sir/Madam,

Acquisition of a Majority Interest in Tech2 Group

5 September 2014: iiNet Limited (ASX: IIN) is pleased to announce that is has acquired a 60% interest in The Tech2 Group Pty Ltd (Tech2 Group) to partner with Tech2 Group's founder, Glen Powys.

Tech2 Group provides professional technology services and solutions to residential and business customers across Australia, including communications build services, remote and on-site technical support and installation services. The 650 staff and contractors at Tech2 Group provide technology service and support through their well known brands:

- **tech2**home connects and sets up on-site home entertainment solutions and provide PC and tablet over the phone tech support services across Australia, offered through their national retail partnership
- **tech2**business provides national field and call centre based technology solutions for businesses across Australia
- **gizmo** provides over the phone tech support including set up, networking, repairs and cloud solutions to both home users and small and medium businesses
- Tech2 Group also provides telecoms infrastructure build, connection and installation services for the NBN and other telecommunication providers.

The investment in Tech2Group provides a complementary focus on customer service, a new sales channel, quickly expands our ability to provide nationwide IT support and provides a ready-built home installation capability, particularly in the area of NBN services.

Glen Powys, Managing Director, said he and his team are excited about the partnership, with the two groups being logical partners. "Securing iiNet as a supportive shareholder represents a unique opportunity to accelerate our growth plans," Mr Powys said. "We believe the transaction provides added benefits to Tech2 Group's customers and staff as we draw on iiNet's experience, scale and support."

iiNet's Chief Executive Officer, David Buckingham, said Tech2 Group represented a unique opportunity to partner with a business with a strong focus on market-leading customer service, as well as providing a new sales channel and capability set.

"The partnership with Tech2 Group will allow us to both extend our brand and provide a more comprehensive service to our customers, particularly through the delivery of NBN" Mr. Buckingham said. "Importantly, there is a strong cultural alignment between iiNet and Tech2 Group on the approach to customer service and focus on NPS."

iiNet is advised by Azure Capital Limited with legal advice being provided by K&L Gates.

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For further information please contact:

David Buckingham	Ben Jenkins
Chief Executive Officer	Company Secretary
E: davidb@staff.iinet.net.au	E: bjenkins@staff.iinet.net.au
P: +61 8 9213 1358	P: +61 8 6263 3801

About iiNet

iiNet is Australia's second largest DSL Internet Service Provider and the leading challenger in the telecommunications market. Publicly listed on the ASX 200, this billion-dollar company has been recognised as a global leader in customer service, winning the Large Business award at the 2013 International Service Excellence Awards. We employ more than 2500 inquisitive staff across three countries – 80 per cent of whom are employed to directly service over 950,000 customers. We maintain our own broadband network and support over 1.7 million broadband, telephony and Internet Protocol TV (IPTV) services nationwide.

We're committed to making it simple for all Australians to connect across both our own network and on the NBN. Our vision is to lead the market with services that harness the potential of the Internet and then differentiate with award-winning customer service.

A full list of current awards can be viewed at iiNet Awards
http://www.iinet.net.au/about/awards.html