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

Annual General Meeting Presentations of the Chairman and Chief Executive Officer

18 November 2014: In accordance with Listing Rule 3.13, the following presentations are to be delivered to the Annual General Meeting of Shareholders this morning by the Chairman and Chief Executive Officer of iiNet Limited.

Shareholders who cannot attend the Meeting will be able to listen to the business of the Meeting and watch the slide presentations in real time by following this link:
http://www.brrmedia.com/event/127441.

Regards,

Ben Jenkins
Company Secretary

– ENDS –

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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

CHAIRMAN'S ADDRESS TO THE MEETING

Ladies and gentlemen, I am honoured to address you for the seventh year as Chairman, with the past 12 months having delivered another year of record results underpinned by organic and inorganic growth. In addition the seamless change in leadership highlighted the strength of our current team.

iiNet, Australia's leading challenger in the telecommunications market, has once again delivered a record result over the past financial year.

Breaking through the billion dollar revenue mark

Revenue grew strongly in the 2014 financial year and surpassed the one billion dollar revenue milestone for the first time.

Revenue was up 7% to $1.01 billion. This growth was delivered through the addition of 40,000 net new broadband customers and Business revenue growing by 11%.

iiNet's ability to continue growing its customer base reflected the continued provision of excellent customer service with churn levels at industry leading lows, leading on product and service innovation, and investing in brand, particularly in the Eastern States.

In addition, we acquired Adam Internet on 30th August 2013 building scale in the key South Australian market and continued to successfully integrate acquisitions, driving further profitable growth.

Over the past year we have strengthened our position as the clear "Number 2" broadband DSL provider and the third largest provider of residential fixed broadband services in Australia. We now supply over 1.8 million broadband, telephony, mobile, Internet Protocol TV (IPTV) and other services to over 950,000 broadband subscribers.

Earnings growing faster than revenue

Reported net profit after tax was up 3% to $63 million and included costs of $3m after tax in relation to acquisitions and asset disposals. This increase was the result of continued organic growth, growing margins, the benefits of acquisition synergies flowing through, lower operating costs and the benefits of economies of scale.

Continued increase in dividends

Reflecting the company's continued growth in earnings, strong cash flows, robust balance sheet, and confidence in iiNet's future growth, your Board declared a total dividend for the 2014 financial year of 22.0 cents per share fully franked, up 16% on FY13's total dividend.

Our dividend policy has delivered growing returns to shareholders while maintaining the capacity and flexibility for major capital expenditure projects or merger and acquisition activity as attractive opportunities arise.

Combined with the appreciation in iiNet's share price, shareholders have received a total return of 43% per annum over the past five years.

Strategy of building scale through acquisitions driving growing margins and higher returns

The acquisition of Adam Internet in August 2013 represented the culmination of several years of active consolidation by iiNet. These acquisitions have driven substantial shareholder value through their successful integration and the efficiencies we have been able to generate.

We have now integrated the networks of TransACT and Internode, with the Adam integration nearing completion. We have also completed the upgrade of our VDSL network in the ACT to VDSL2, allowing us to offer improved speeds to our Canberra customers.

Our underlying return on equity is up to 19% in FY14 highlighting the returns being derived from our increased scale.

Acquisition of Adam Internet

We were pleased to announce the completion of the acquisition of Adam Internet on 30 August 2013 for $60 million. This acquisition increased iiNet's scale, cemented the company's competitive position in the South Australian market, and provided further revenue and synergy growth opportunities.

We have been delighted to welcome the Adam Internet staff to the iiNet family and look forward to jointly maximising the opportunity this acquisition presents over FY15 and beyond.

National Broadband Network (NBN)

We have continued leading the pack in our approach to the NBN and have gained over 40,000 NBN customers, with a 26% market share in new fibre estates and a 19% market share in areas with an existing internet connection. We have used our scale, network and technology capabilities to take advantage of the opportunities presented by the NBN and to continue to respond to customers' evolving needs with innovative service and product development. We were the first in the industry to get behind the NBN, and when added to our award winning customer service and technical expertise, we have more than lived up to the title of 'The NBN Experts'.

While the NBN is still small in the context of iiNet's total subscriber base, this will continue grow as the roll-out progresses and expands the market size available to iiNet.

Regulatory update

On 11 July 2013 the ACCC commenced a combined public inquiry into making final access determinations for a number of fixed line services and the wholesale ADSL service. Due to the number and complexity of the pricing issues, the ACCC is undertaking extensive consultation with iiNet and the industry during its inquiry. It is expected that this will take most of this financial year. iiNet will continue to lobby strongly for a better pricing structure that will deliver true competition and better services for Australian broadband customers.

Change in Managing Director & CEO

On 20 March 2014 Michael Malone resigned from his role as Managing Director and CEO of iiNet, having founded the business in his parents' garage 21 years ago. Michael is widely recognised as a visionary by Australia's telecommunications industry. On behalf of the Board, management, staff, shareholders and customers, I would like to thank Michael for his dedicated service and commitment to excellence over 21 years.

Following Michael's departure, and having undertaken an extensive global search process, I was pleased to announce on 14 July 2014 that David Buckingham, previously Chief Financial Officer, was appointed to the role of CEO. Having worked with iiNet over the past seven years and led the many successful acquisitions and integrations undertaken, David is uniquely placed to lead iiNet through its next growth phase. His appointment reflects the strength of the company's senior management team. I and the Board congratulate David on his appointment.

iiNet's growth is a testament to our dedicated team

Our financial and operational results, in addition to industry leading customer service levels, rest on the shoulders of the talented and dedicated staff employed by iiNet across three countries. Their professionalism assures us that iiNet is well placed to continue building on our successes in FY15.

On behalf of the Board, I would like to thank iiNet's entire team for all their brilliant work and dedication over FY14 that saw the company deliver another record year.

I would also like to thank my fellow Directors for their contribution to the company's direction and success over the last twelve months.

Most importantly, I would like to thank you, our shareholders, for your ongoing support. We are of proud of our achievements over FY14. We believe we have the right strategy and team in place to drive continued growth over FY15 and beyond.

Presentation by David Buckingham, CEO

AGM – 18 November 2014

FY14 another 12 months of strong growth

Strategic focus

An exciting growth period ahead

FY14 – growth across all key metrics

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Continued strong organic growth

- +40k broadband net adds to 950k customers
- Record high NPS and low churn rate
- Business revenue up 11% and now 20% of total revenue
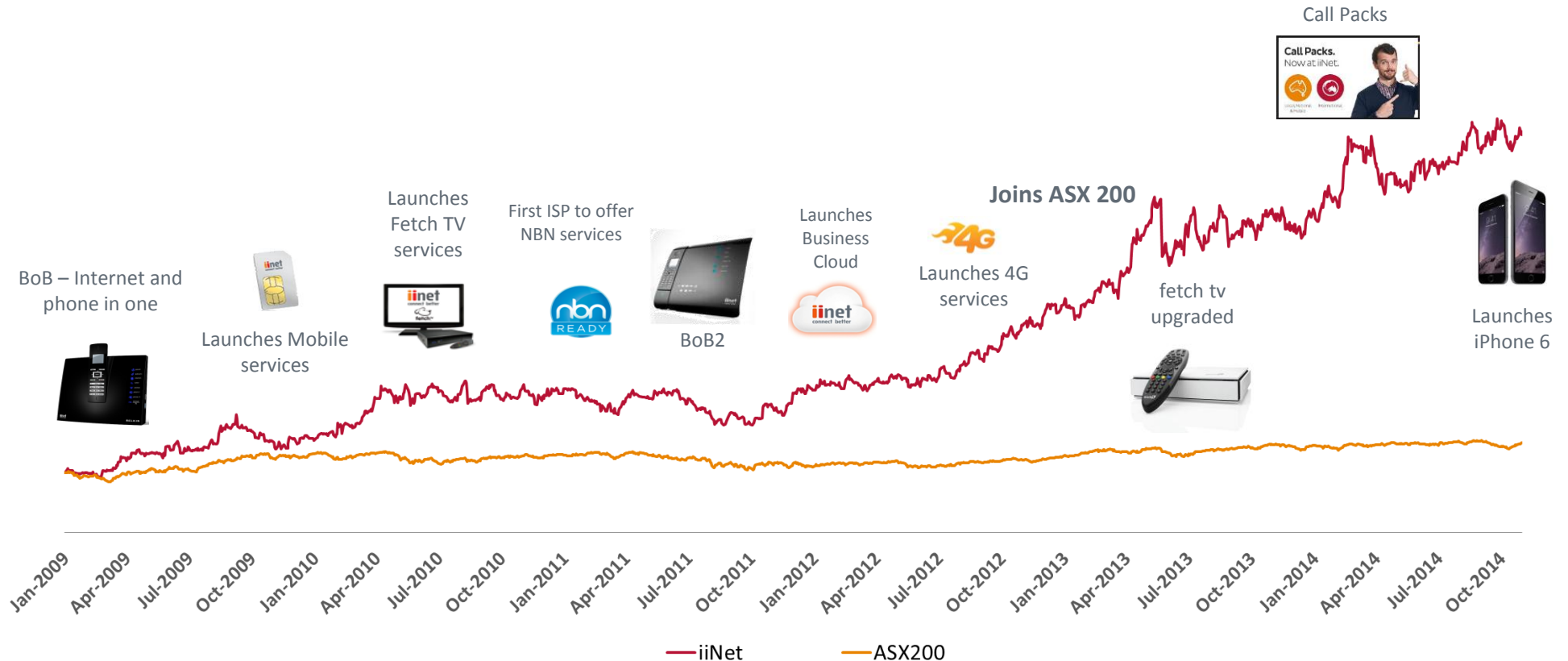
Acquisitions performing ahead of expectations

- Efficiency gains and ongoing simplification
- Acquisition of 60% stake in Tech2 Group

Strong financial performance

- Revenue up 7% to pass $1bn revenue milestone
- EBITDA up 3% to $192m
- NPAT up 3% to $63m
- Total dividend up 16% to 22cps fully franked
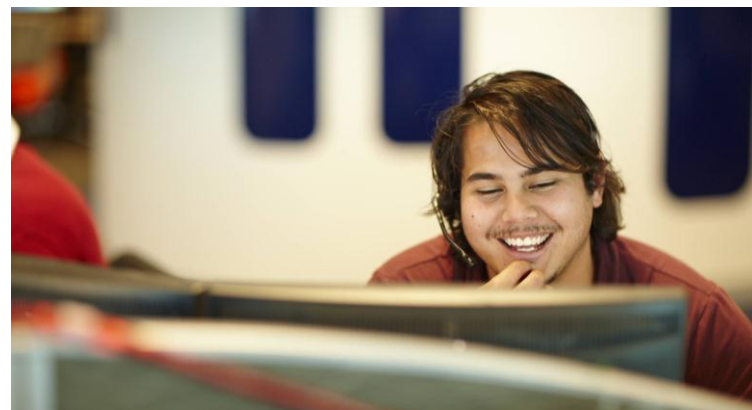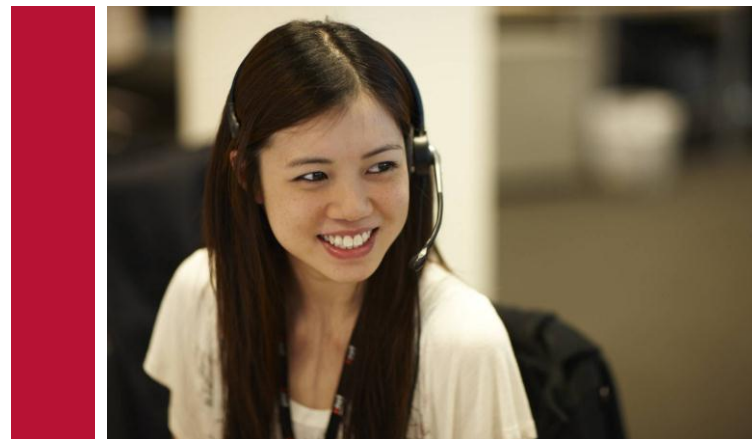
Delivering continued growth in shareholder returns

Dividend up 144% in period from FY10 to FY14 (9 cps to 22 cps fully franked)

Strong performance across key financial metrics

Revenue ($m)

+7%

FY10	FY11	FY12	FY13	FY14
474	699	831	941	1,006

EBITDA ($m)

+3%

FY10	FY11	FY12	FY13	FY14
77	98	145	187	192

NPAT ($m)

+3%

FY10	FY11	FY12	FY13	FY14
34.6	33.4	37.1	60.9	63.0
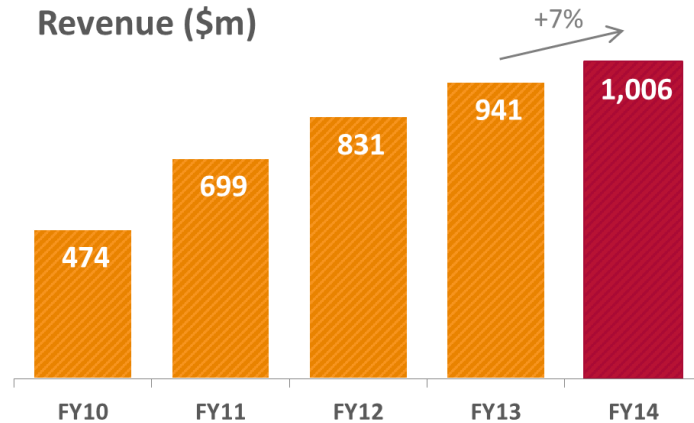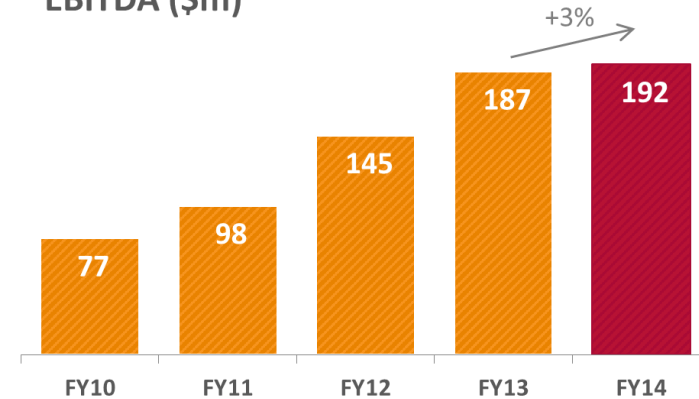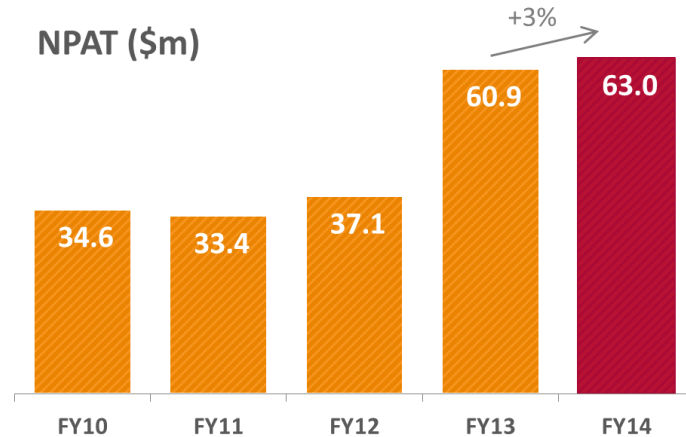
- Passed through $1bn revenue milestone delivered through mix of organic and inorganic revenue growth

- EBITDA and NPAT included $4m and $3m respectively of costs in relation to acquisitions and asset disposals

- NPAT increased 19% to $66m excluding these costs on an underlying basis

Strong performance across key financial metrics

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Earnings per Share (cps)

+3%

FY10	FY11	FY12	FY13	FY14
22.8	22.0	23.9	37.8	39.1
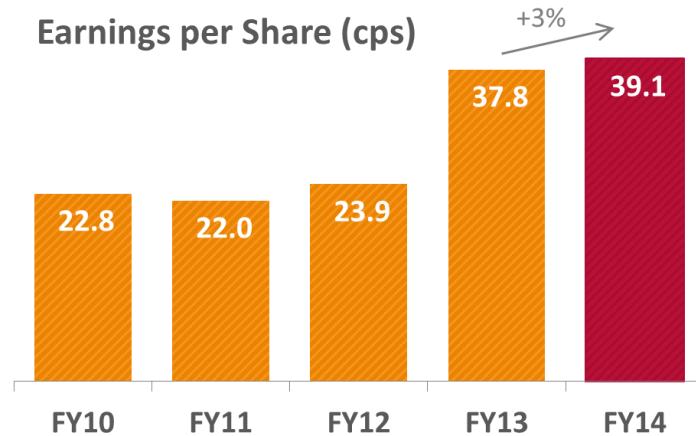
Dividends (cents per share)

+16%

FY10	FY11	FY12	FY13	FY14
9	12	14	19	22

Return on Equity (%) *

+7%

FY10	FY11	FY12	FY13	FY14
16.3%	16.7%	16.5%	18.1%	19.4%
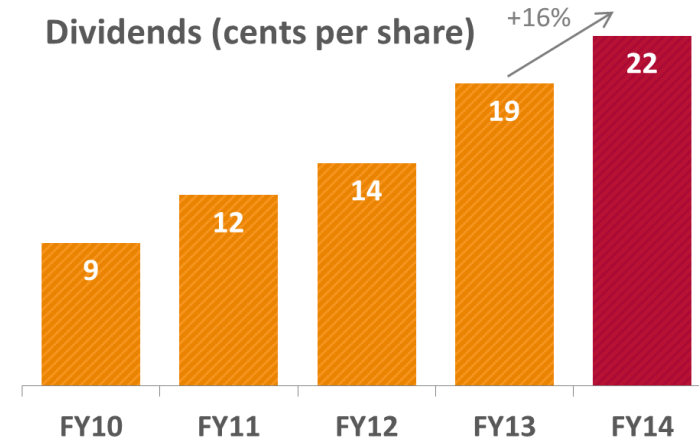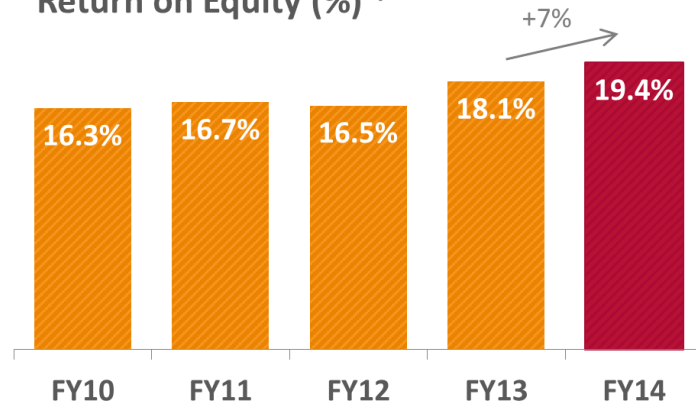
- Final FY14 dividend declared of 13cps fully franked
- Full year dividend up 16% to 22cps fully franked
- Underlying ROE increased above 19%

* ROE excludes $3m post tax costs in relation to acquisitions and asset disposals

Approaching 1m broadband customers

950k customers buying 2.3 products each

Broadband customers

- NBN & Fibre 65k
- Off-net 266k
- On-net 619k

Bundled services

- IPTV 36k
- Mobile 156k
- VoIP 231k
- Fixed Phone 453k
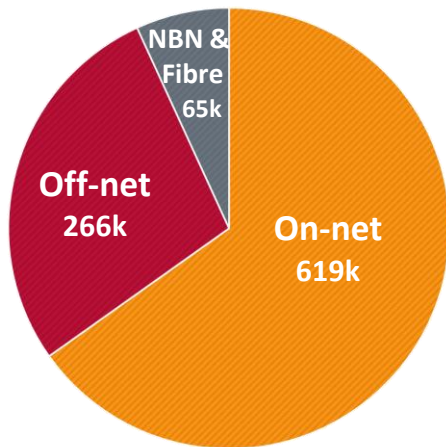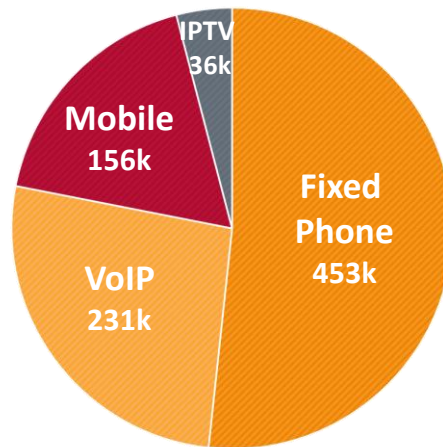
Return to organic broadband growth

- 2H12: (20k)
- 1H13: (2k)
- 2H13: 4k
- 1H14: 16k
- 2H14: 24k
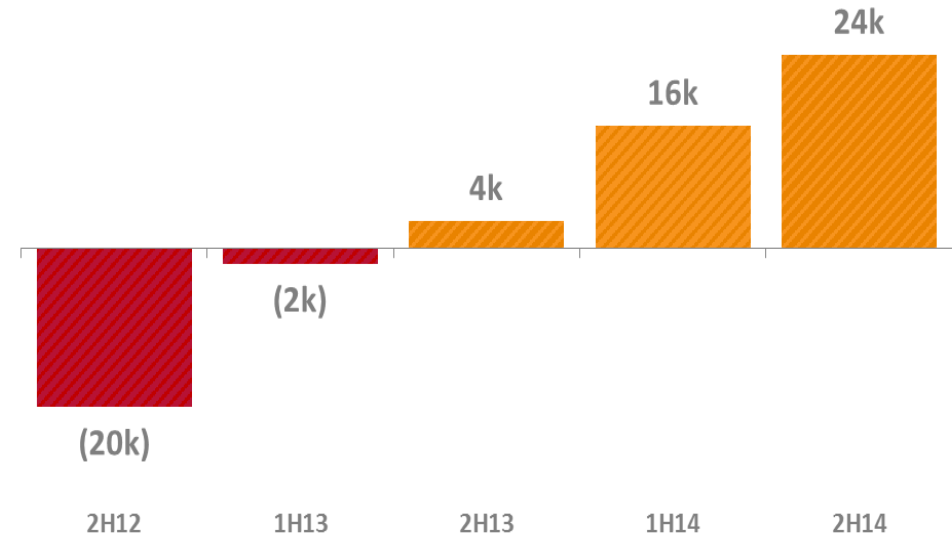
FY14 another 12 months of strong growth

Strategic focus

An exciting growth period ahead

Well positioned for further growth

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Maximise

- Customer service excellence – continue to lower churn

- Effective marketing and brand awareness to drive organic growth – lead on NBN

- Complete integrations – simplification and efficiency

Extend

- Grow business market share and revenue

- Continue to grow mobile and other products

- Capture the full potential of our brand

Expand

- Home installation and technical support (Tech2 group acquisition)

- New connected services into the home

- New technologies and revenue streams

Foundation of strong financials and highly engaged employees

FY14 another 12 months of strong growth

Strategic focus

An exciting growth period ahead

Service and marketing driving organic growth

Net promoter score continues to grow

	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14
NPS	58	57	58	61	62	63
Broadband Churn	1.2%	1.3%	1.3%	1.2%	1.1%	1.0%
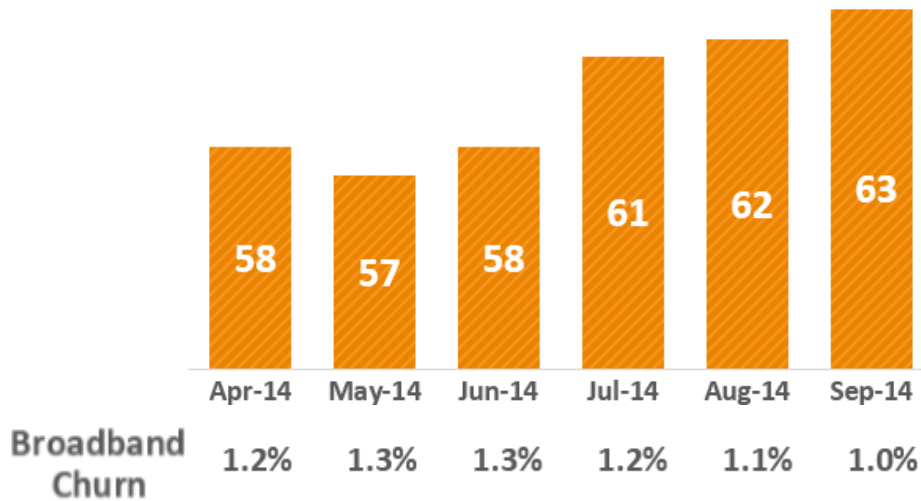
Targeting **65%** NPS

through service innovation and continuous improvement cycle

Improved sales and marketing execution

Free yourself from phone line rental forever.

Click here for more information

Call Packs.
Now at iiNet.

Local, National & Mobile   International

Sign with iiNet and get a hundred Buckenaras.
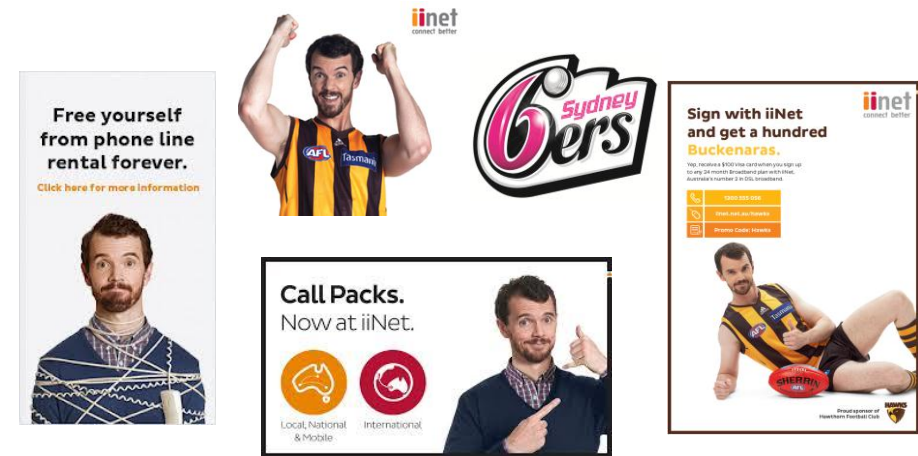
+40% increase in broadband sales

Products per customer now at **2.3**

Awesome execution, clarity of message

NBN will accelerate and shift to metro in 2015

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NBN coverage today[1]

Total FTTP premises passed 568k

NT 17k
QLD 118k
WA 55k
SA 21k
NSW 159k
ACT 33k
VIC 127k
TAS 38k
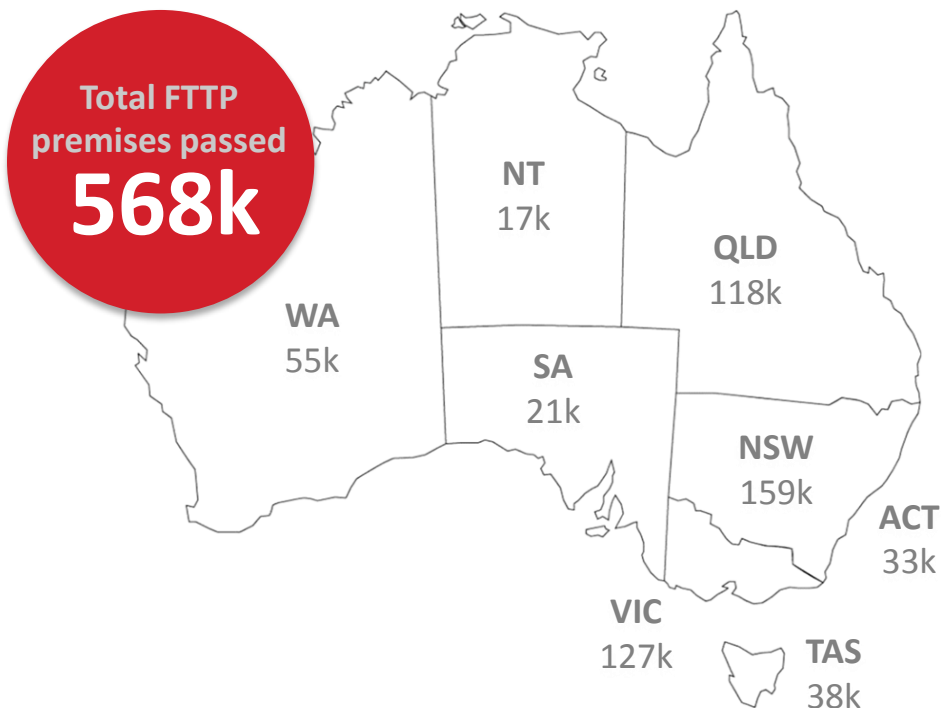
Further opportunity in new technologies

Fixed line technology	Passed now[1]	Passed by 2020[2]
FTTP	568k	3.1m
HFC	-	3.3m
FTTN	-	3.6m
FTTB	-	1.4m

- Historically weighted towards regional (>60%)
- Rapidly shifting to more competitive metro areas
- Regional and HFC homes are competitively under-served -> biggest growth opportunities
- Fixed line estimated to pass 890k premises[2] in FY15

NBN marketing insights and initiatives

NBN ready for service areas

19% connect within 90 days

- *'Need'* better connection – currently experience speed or reliability issues
- *'Want'* the latest technology – early adopters

81% wait to connect

- *'Lack of need'* – apathy as customers may not see the benefit of moving compared to the time and effort required
- *'Confusion and uncertainty'* - unsure of the process or who to turn to
- *'Unable'* to connect – waiting for a connection
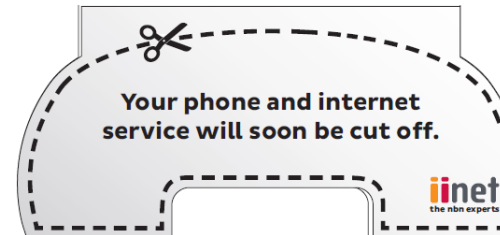
Latest additions to our mobile offers

Stand alone mobile launches
2nd December 2014

ii**OnlineStore**
powered by ii**net**

Extending mobility and our brand

AdelaideFreeWiFi
Internode | Government of South Australia | Adelaide City Council

Digital Canberra

VicGovFree
Melbourne-Ballarat-Bendigo

Give your customers free Wi-Fi, on us.
iinet business
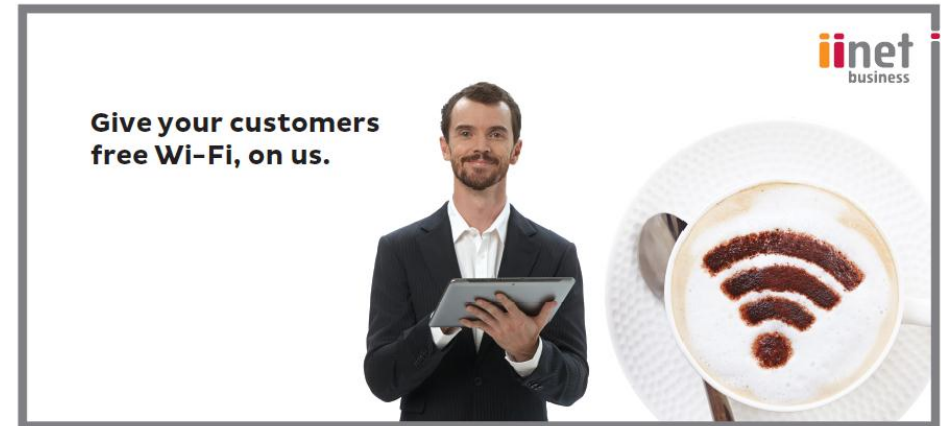
Small business Wi-Fi solution coming soon

Continued growth in Business

Business revenue ($m)

+11%

37	57	120	183	204
FY10	FY11	FY12	FY13	FY14
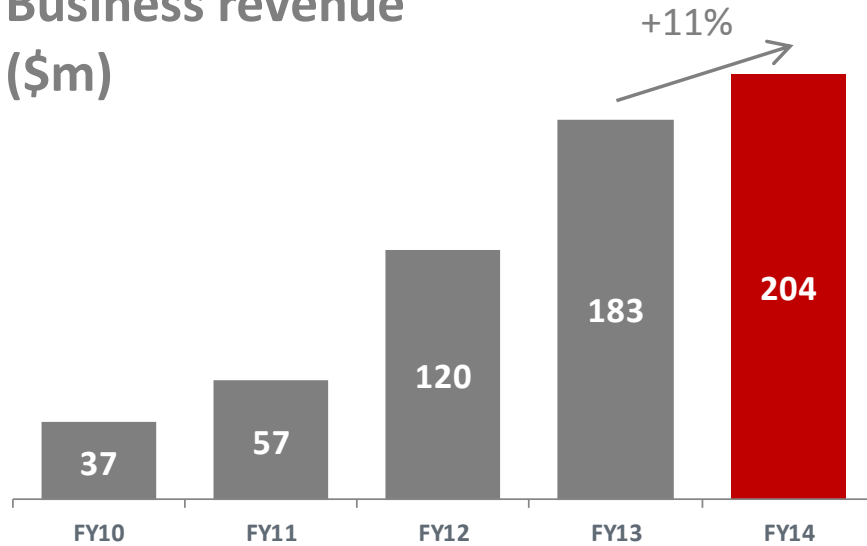
- Business revenue now 20% of Group revenue
- Protect, enrich and grow our customer base
- Play to our strengths and strategically grow our offering

- Grow our current market and extend our reach by challenging on the East Coast

Extending our reach

Capturing market potential in Business market

The connected home

Energy management

Security

Content

Streaming

Broadband

Extending our reach

- Acquisition of 60% stake in Tech2 Group

- Strategic investment in like-minded customer centric company – high NPS focus, passionate employees

- Opportunity to expand service offering into the home and deliver improved telecommunications installation experience

- Ability to control the end-to-end experience for our customers as they move to the NBN

Outlook for FY15

- Organic net broadband growth in line with H2 14 with continued growth of additional bundled products

- Organic growth rate in Business revenue continues unchanged

- Stable broadband product ARPUs and margins

- Costs impacted by substantial investment in service to deliver higher NPS and lower churn in FY15

- Capex in line with FY14

In summary
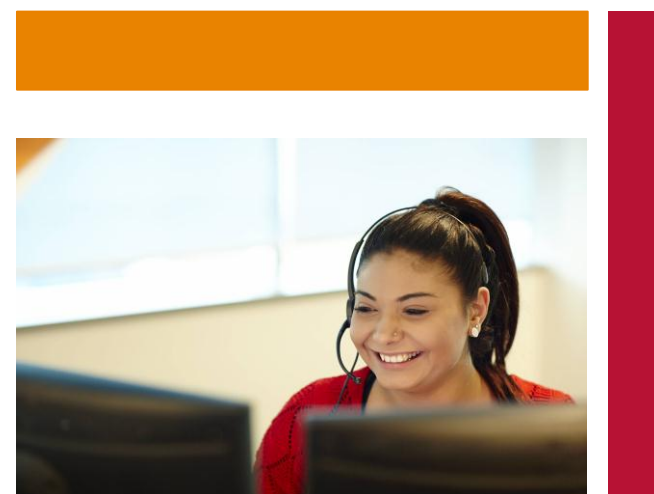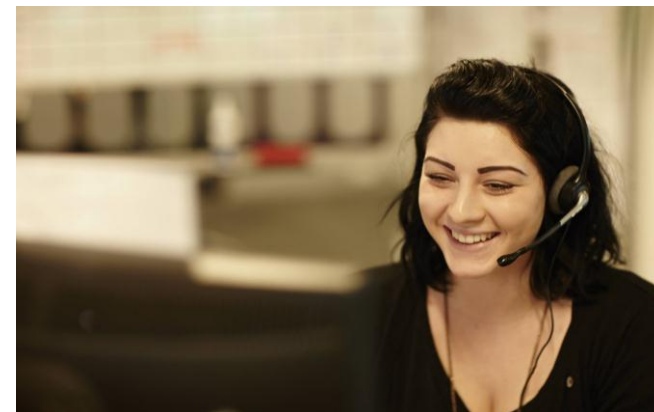
FY14 was an exceptional year with growth across key metrics

- Record results for shareholders and continued growth in dividends

- Continued industry leading NPS and low churn

- A return to organic net broadband customer growth

- Business revenues up to 20% of group

With more growth to come in FY15 and beyond

- Deliver improved service and sales experience and maximise our NBN opportunity to drive organic growth

- Expand our mobile product portfolio

- Capture significant opportunities in Business market

- Leverage Tech2 Group for NBN customers and connected home experience

Q&A

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DISCLAIMER

Some of the information contained in this presentation contains "forward-looking statements" which may not directly or exclusively relate to historical facts. These forward-looking statements reflect iiNet Limited current intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside the control of iiNet Limited.

Important factors that could cause actual results to differ materially from the expectations expressed or implied in the forward-looking statements include known and unknown risks. Because actual results could differ materially from iiNet Limited current intentions, plans, expectations, assumptions and beliefs about the future, you are urged to view all forward-looking statements contained herein with caution.

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