



————— **2015** —————

HALF YEAR RESULTS PRESENTATION

24 MARCH 2015



\$m

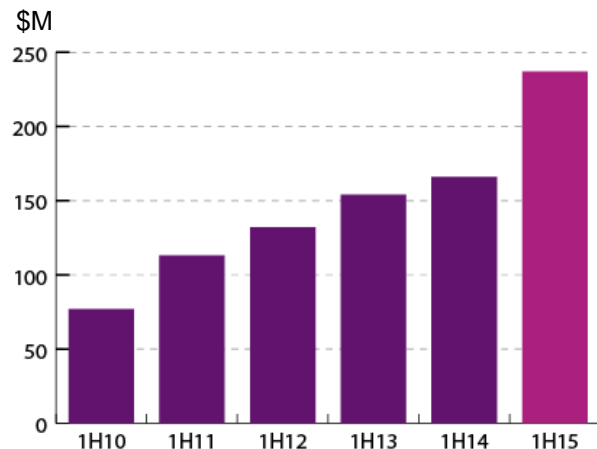
	1H15	1H14	Growth
Revenue	627.3	394.6	59%
EBITDA (Reported)	236.2	165.6	43%
EBITDA (Underlying ¹)	236.2	159.0	49%
NPAT	106.7	90.1	18%
EPS (cents)	13.4	11.4	18%
EPS (cents) excl intangible amortisation	15.5	12.2	27%

¹ Refer to notes on slide 8 for explanation of differences between 'reported' and 'underlying'

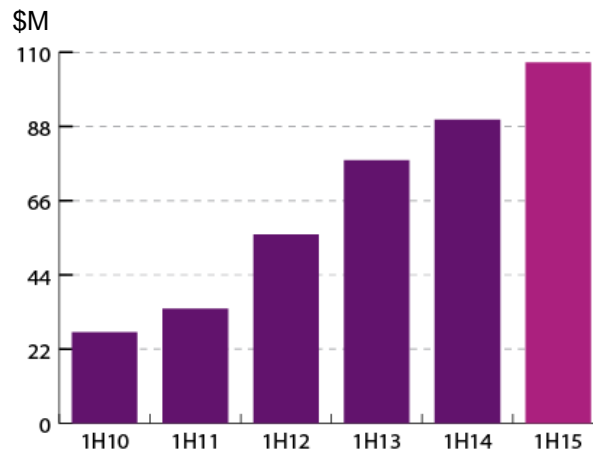
1H15 FINANCIALS: CONTINUED STRONG GROWTH



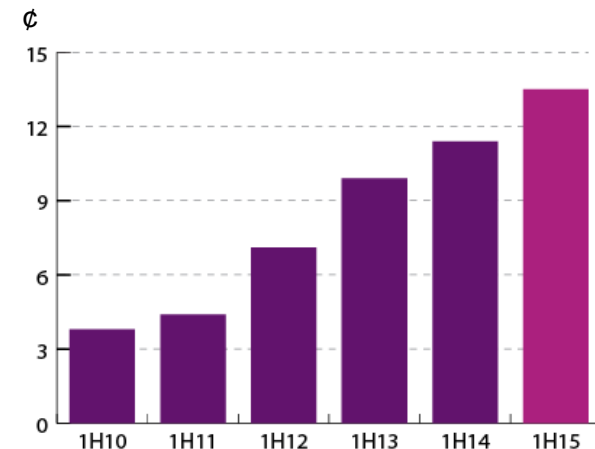
EBITDA



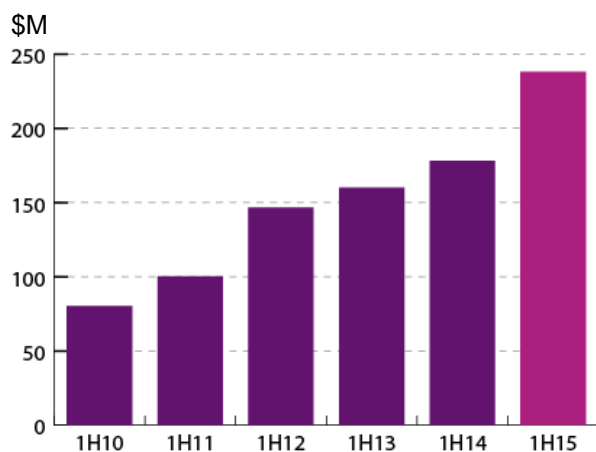
NPAT



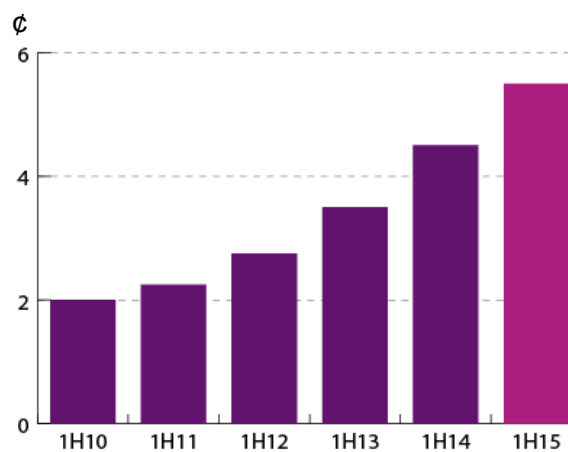
EPS



Operating Cash Flow (pre-tax)

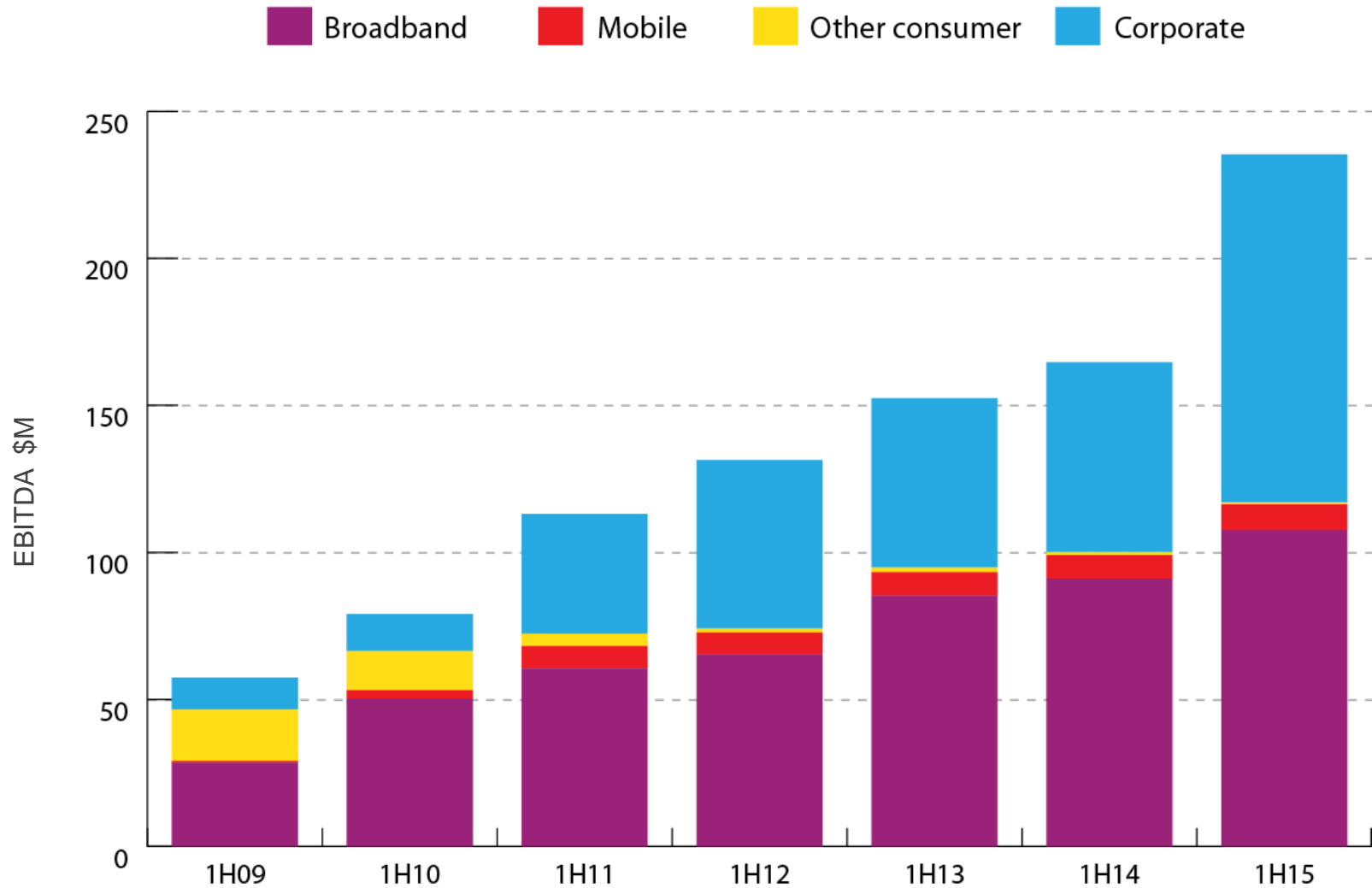


Interim Dividend Per Share



All charts show actual reported results.

1H15 FINANCIALS: EBITDA GROWTH



\$m

	1H15	1H14
Operating Cash Flow	238.1	178.2
Tax	(43.7)	(50.3)
Interest	(7.3)	(0.7)
Capex	(84.2)	(24.1)
Free Cash Flow	102.9	103.1

Continued strong operating and free cashflow performance

\$m

	1H15	1H14
Free Cash Flow	<u>102.9</u>	<u>103.1</u>
<i>Utilisation:</i>		
Equity investments	24.9	-
Debt repayments	30.0	42.0
Dividend payments	37.7	31.8
Other	(2.1)	(1.5)
Increase in cash at hand	12.4	30.8
	<u>102.9</u>	<u>103.1</u>

	\$m
Group debt balance at 31 July 2014	350.0
Repayments made during 1H15	(30.0)
Group debt balance at 31 Jan 2015	320.0

Net debt at 31 Jan 2015: \$283.9m (net of \$36.1m cash), down by \$42.3m in 1H15.

Debt to annualised EBITDA ratio <0.7x

1H15 FINANCIALS: SEGMENT & PRODUCT ANALYSIS



\$m

REVENUE	Consumer				Corporate	Other	TOTAL
	Broadband	Mobile	Other	Total	Total		
1H14	230.8	39.0	2.9	272.7	121.9 ²	-	394.6
1H15	264.0	41.5	2.5	308.0	319.3	-	627.3

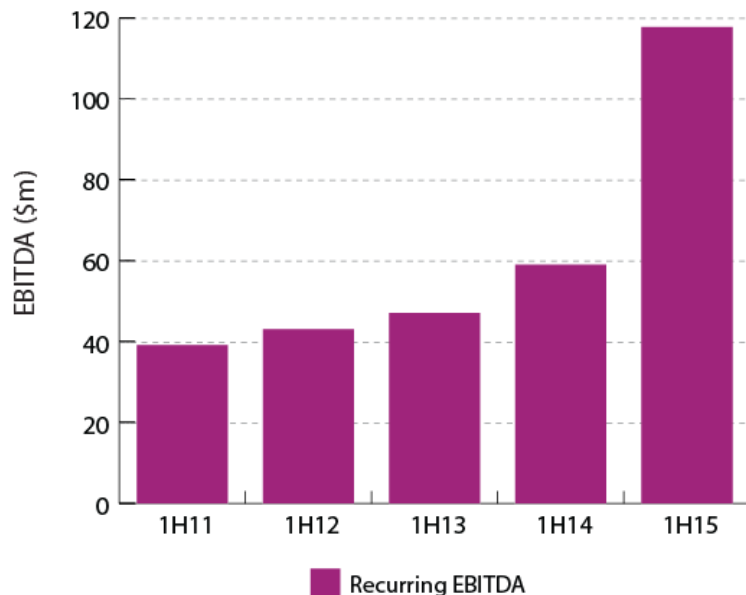
EBITDA	Consumer				Corporate	Other	TOTAL
	Broadband	Mobile	Other	Total	Total		
1H14	91.1 ¹	8.0	1.1	100.2	64.5 ²	1.0	165.6
1H15	107.6	8.7	0.8	117.1	117.6	1.5	236.2

EBITDA %	Consumer				Corporate	Other	TOTAL
	Broadband	Mobile	Other	Total	Total		
1H14	39%	21%	38%	37%	53% ²	-	42%
1H15	41%	21%	32%	38%	37%	-	38%

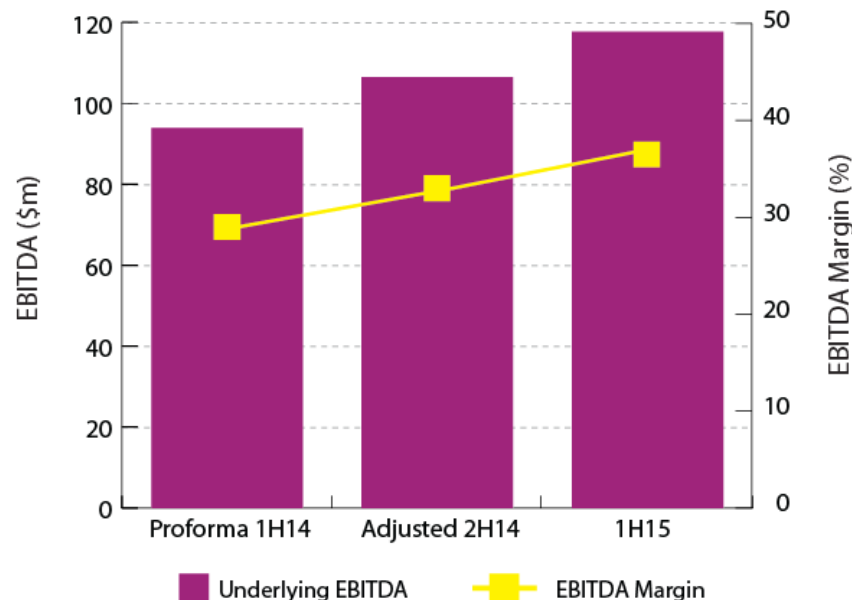
¹ Consumer broadband 1H14 EBITDA included \$1.0m of one-off benefits.

² Corporate 1H14 rev & EBITDA included a \$1.6m IRU gain, and EBITDA included \$4.0m of other non-recurring benefits. Underlying margin 49%.

Growth in recurring Corporate EBITDA



Organic Corporate EBITA growth since AAPT acquisition



Increase in 1H15 Corporate EBITDA driven by AAPT acquisition and subsequent organic growth.

1H15 Corporate EBITDA up by \$23.8m (25%) compared to “Proforma 1H14”.

EBITDA margin up from 29% for “Proforma 1H14” to 37% in 1H15.

“**Recurring EBITDA**” excludes IRU gains and other one-off items reported in respective years’ investor presentations.

“**Proforma 1H14**” comprises the recurring corporate division results for 1H14 reported on page 9 of the 1H14 results presentation plus the annual run-rate reported for AAPT on page 4 of TPG’s 9/12/13 AAPT acquisition investor briefing converted to a half-yearly run-rate.

“**Adjusted 2H14**” comprises the recurring EBITDA result reported for AAPT in 2H14 for the 5 months post acquisition period extrapolated to a full 6 months, plus the recurring EBITDA result reported for the TPG Corporate division for 2H14.

Fibre400

Unlimited Internet @ 400Mbps

Business Breakthrough

FROM
\$ **439** per month
MIN CHARGE = \$18,003

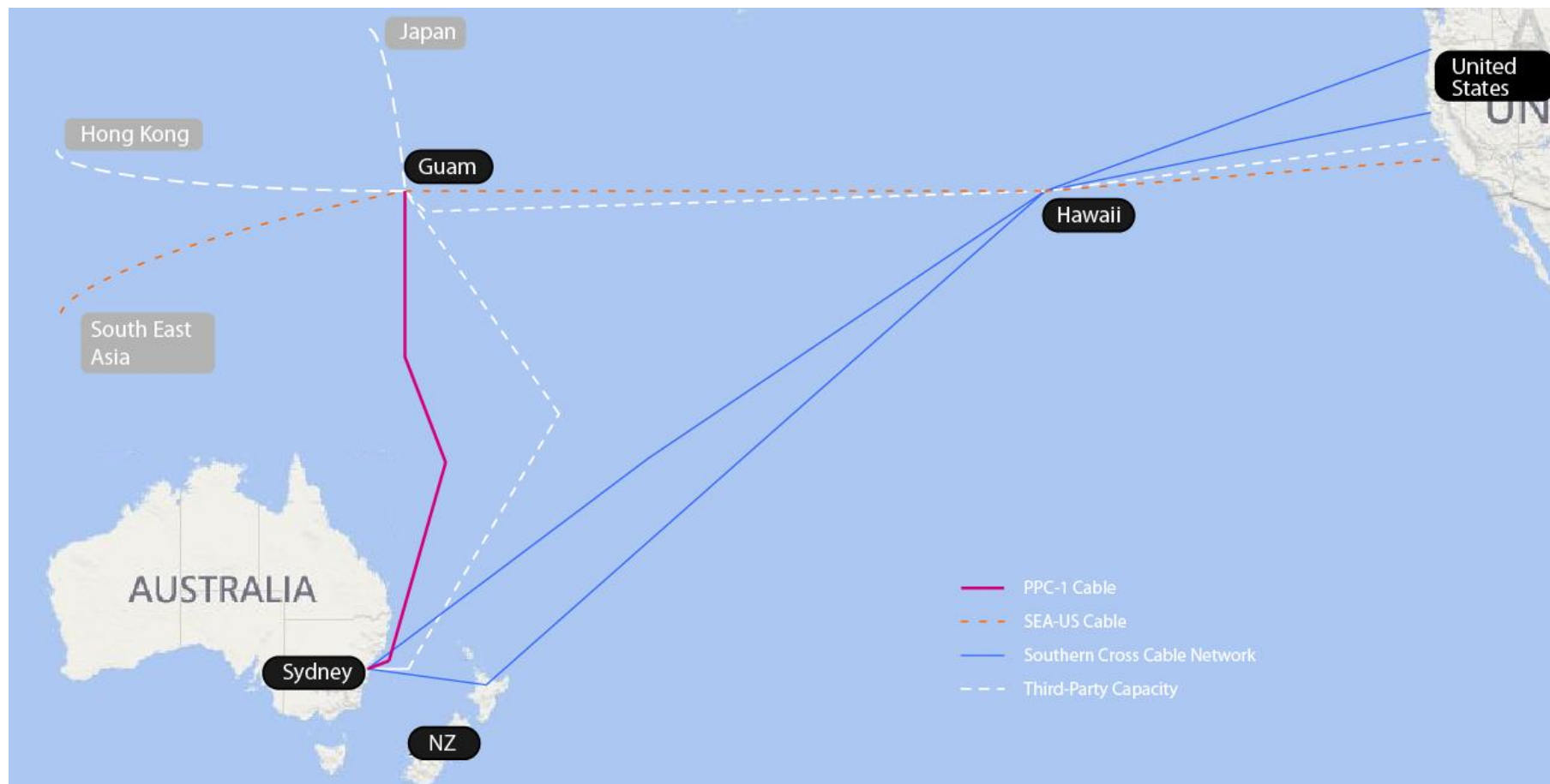
Minimum charge is based on a 36 month contract and includes a setup cost of \$2,199. Offer is only available in limited TPG on-net buildings. Customer address must be pre-qualified before a formal quotation can be provided.



BUSINESS
Our Network - Your Benefit

First of many planned product releases with national coverage and launch campaigns

A true multi-service product enabling up to 4 add-on services over each connection

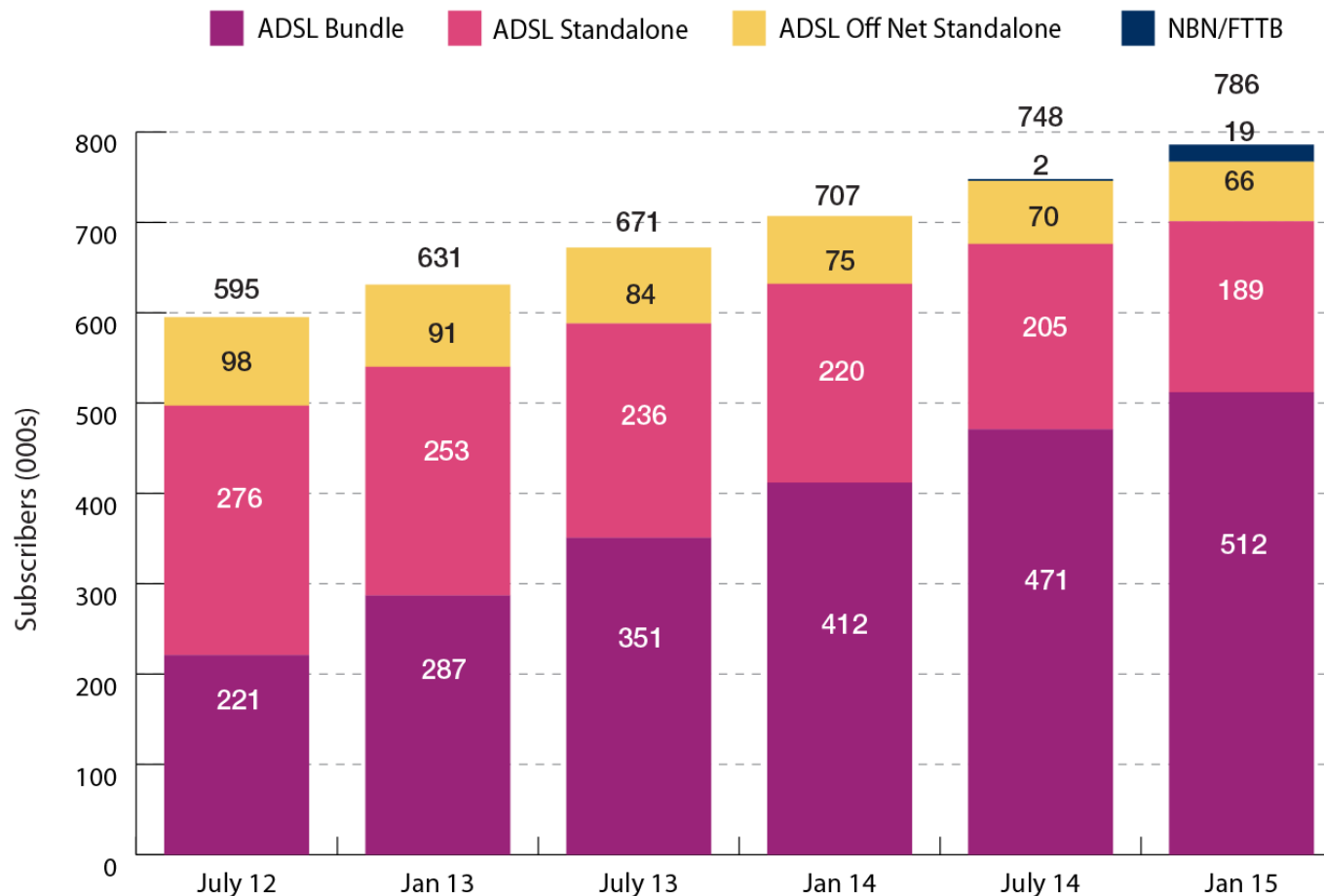


Geographically diverse submarine capacity across multiple cable systems

New SEA-US capacity providing owned and controlled capacity between Guam and US

New agreement - IRU capacity with Southern Cross to increase capacity

CONSUMER: BROADBAND SUBSCRIBERS

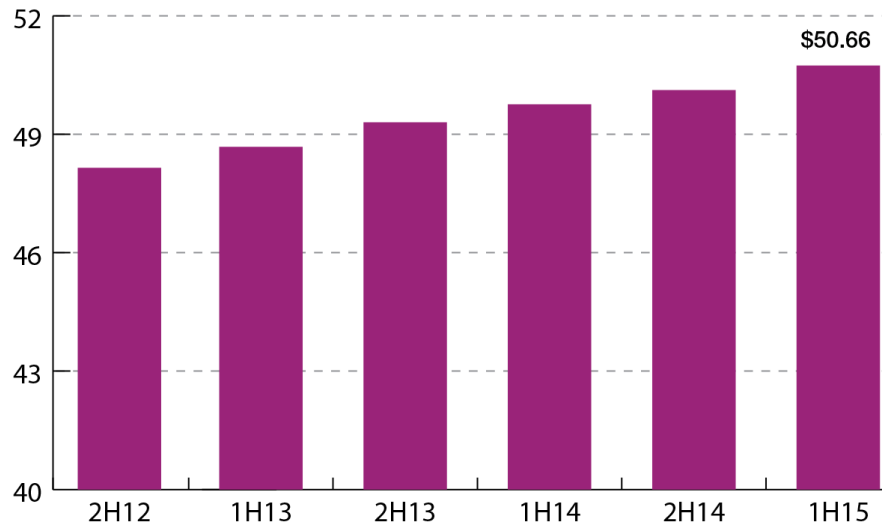


Overall growth of 38k in 1H15

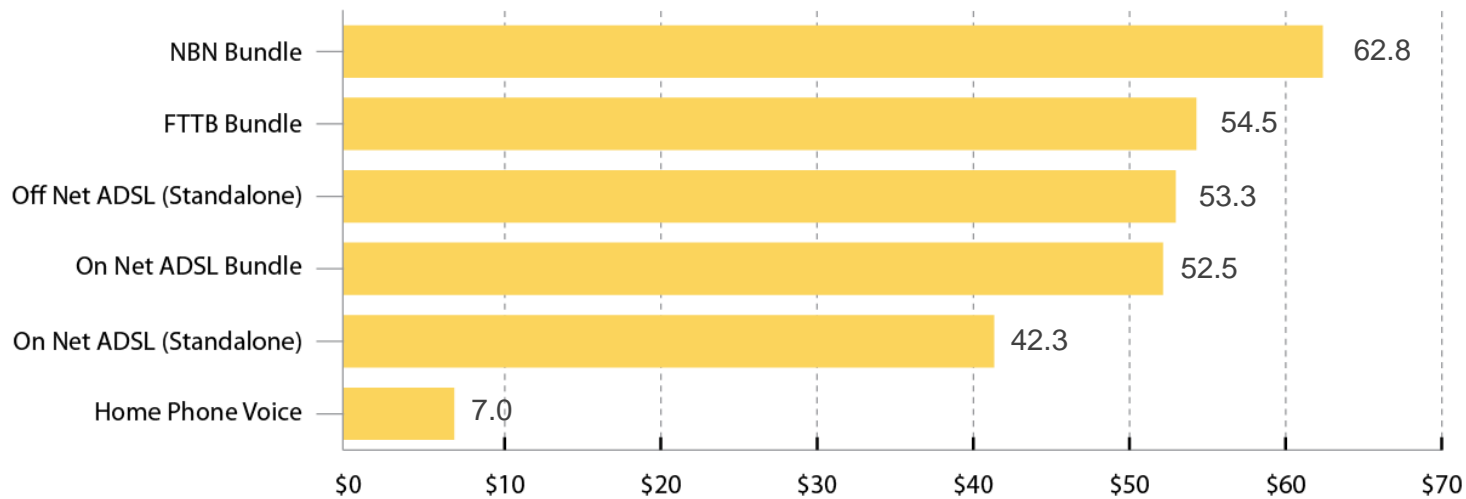
Subscriber growth is 100% organic

On Net churn rate 1.3% in 1H15

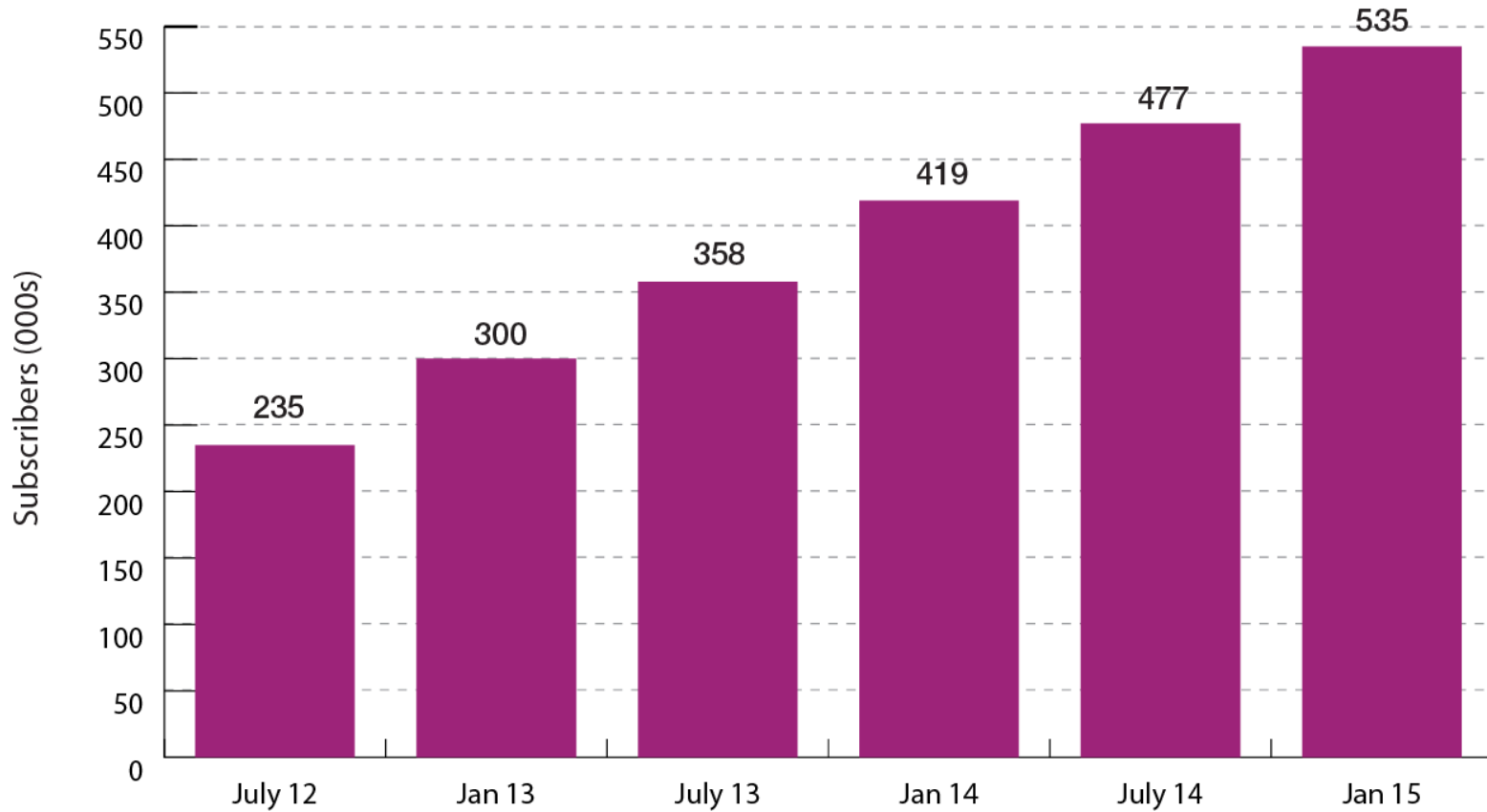
Overall Broadband ARPU Trend



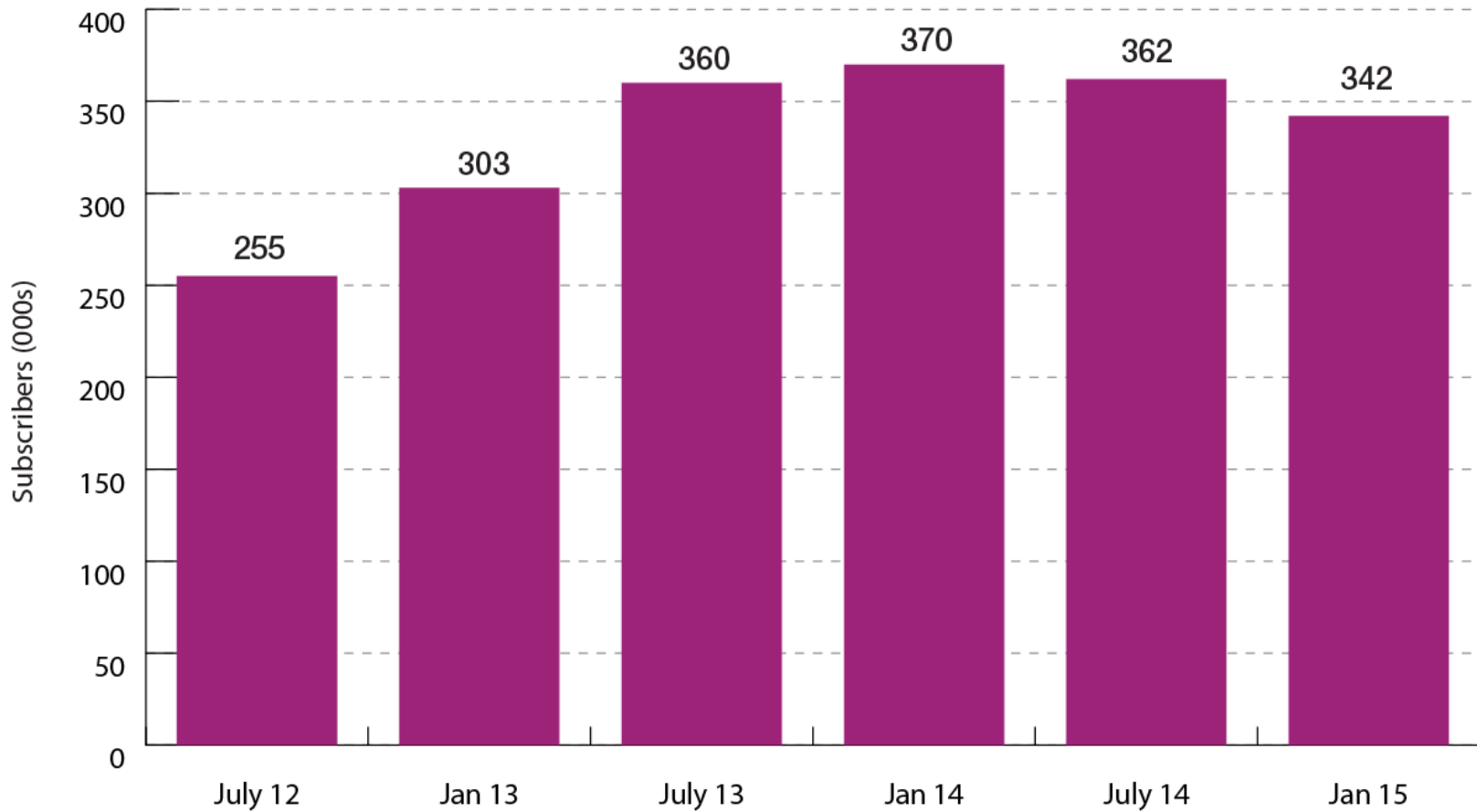
1H15 Broadband ARPU composition



Note: broadband ARPUs exclude GST, voice revenue and any one-off charges e.g. installs and equipment sales.

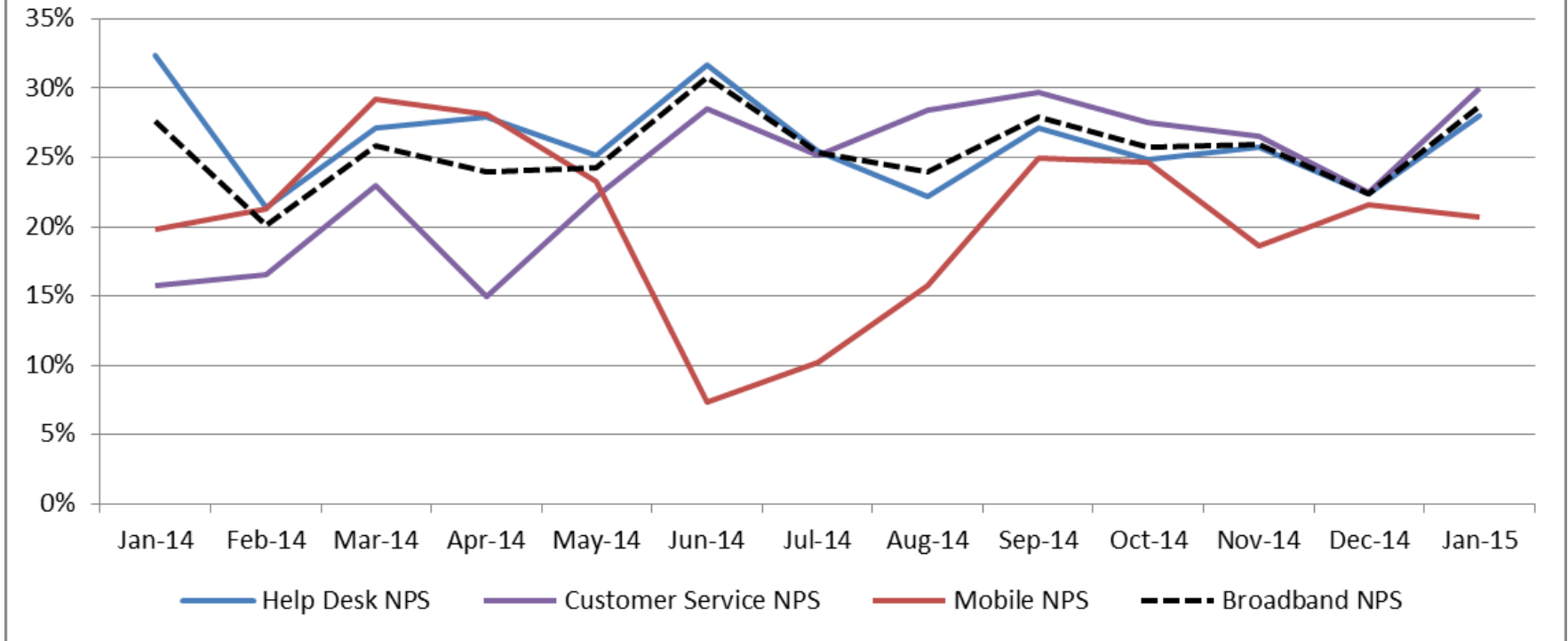


Steady growth on TPG's own Home Phone fixed line product



Base declined due to price increase to existing base and 3G only product

Net Promoter Score Jan14 - Jan15



Focused on customer service - we are more than just price

NBN + HOME PHONE

NO LOCK-IN CONTRACT

500 GB

With **HOME PHONE LINE RENTAL**

Peak / Off peak (250GB + 250GB) ¹

Local & STD National Calls
Unlimited

+

International Calls
100 Minutes

Superfast
Up to **25/5Mbps** #
NBN ACCESS SPEED

\$69⁹⁹ per month

MIN CHARGE IN 1ST MONTH \$199 ⁹⁴
Includes Upfront Fees

Wi-Fi Modem Included

MIN CHARGE INCL \$10 DELIVERY + \$20 PREPAYMENT OUTSIDE INCLUDED VALUE + \$99.95 SETUP. ONLY AVAILABLE FOR RESIDENTIAL CUSTOMERS IN SELECTED COVERAGE AREAS AND MUST NOT BE USED FOR COMMERCIAL PURPOSES.

NBN + HOME PHONE

NO LOCK-IN CONTRACT

500 GB

With **HOME PHONE LINE RENTAL**

Peak / Off peak (250GB + 250GB) ¹

Local & STD National Calls
Unlimited

+

International Calls
100 Minutes

Superfast
Up to **50/20Mbps** #
NBN ACCESS SPEED

\$79⁹⁹ per month

MIN CHARGE IN 1ST MONTH \$209 ⁹⁴
Includes Upfront Fees

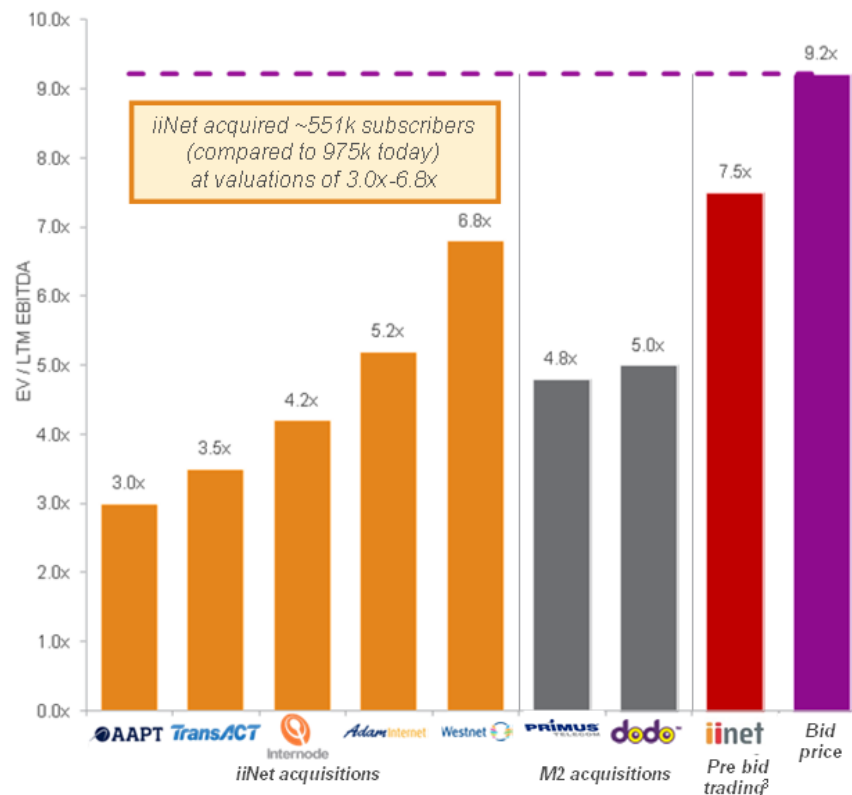
Wi-Fi Modem Included

MIN CHARGE INCL \$10 DELIVERY + \$20 PREPAYMENT OUTSIDE INCLUDED VALUE + \$99.95 SETUP. ONLY AVAILABLE FOR RESIDENTIAL CUSTOMERS IN SELECTED COVERAGE AREAS AND MUST NOT BE USED FOR COMMERCIAL PURPOSES.

Attractive offer for iiNet shareholders

Significant premium¹	<ul style="list-style-type: none"> — 31% premium over \$6.65 closing price — 33% premium over five day VWAP — 33% premium over one month VWAP
Highest price ever	<ul style="list-style-type: none"> — Higher than iiNet has ever traded in its history
Premium valuation	<ul style="list-style-type: none"> — Acquisition multiple of 9.2x CY14 EV/EBITDA² — Significant premium to valuation paid in precedent consumer fixed line telecommunications acquisitions (see right)
Certainty of value	<ul style="list-style-type: none"> — Opportunity for iiNet shareholders to realise their investment in full for cash
Funding certainty	<ul style="list-style-type: none"> — Not conditional on financing
Fully franked dividend	<ul style="list-style-type: none"> — iiNet has the ability to pay a material fully franked Special Dividend which provides additional value to those iiNet shareholders who can capture the benefit of these franking credits associated with any Special Dividend

Significant premium to comparable precedent acquisitions



1. For comparison purposes both consideration and trading prices on a cum dividend basis i.e. compares \$8.60 cash scheme consideration plus interim dividend of \$0.105 to trading up to 11 March 2015 (the last day iiNet traded on a cum-dividend basis related to the 1H15 interim dividend).
2. EV based on \$8.705 per share (cash scheme consideration plus 1H15 interim dividend) and includes iiNet net debt of \$383 million (including Indefeasible Right of Use liability). Assumes pre-synergies, underlying CY14 EBITDA of \$197 million.
3. Based on closing price of \$6.65 on 11 March 2015.

5.5 cents per share interim dividend

Payable

19 May 2015

Record date

14 April 2015

22% increase on prior year interim dividend

\$m

	Previous Guidance	Updated Guidance
FY15 EBITDA	455 - 460	480 - 483
FY15 Capex	100 - 120	135 - 145

Forecast intangible amortisation and associated cashflows

\$m

	FY15	FY16	FY17	FY18	FY19	FY20	FY21- FY25	FY26- FY30
Amortisation of Intangibles								
Acquired customer bases	31.4	15.8	6.5	2.5	1.5	1.1	1.3	0.0
Capacity IRUs:								
Existing	7.5	6.8	6.8	6.8	6.8	6.8	30.9	4.6
New	-	0.2	1.5	3.6	4.5	5.4	32.5	33.2
Spectrum	0.8	0.9	0.9	0.9	0.9	0.9	4.5	3.7
Other	3.0	2.9	0.6	0.3	0.3	0.3	0.8	-
Total	42.7	26.6	16.3	14.1	14.0	14.5	70.0	41.5
Associated cashflows								
Acquired customer bases	-	-	-	-	-	-	-	-
Capacity IRUs:								
Existing	2.5	-	-	-	-	-	-	-
New	5.9	26.2	24.6	12.9	10.3	8.2	8.6	-
Spectrum	13.5	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total	21.9	26.2	24.6	12.9	10.3	8.2	8.6	-

THANK YOU

Q&A

This presentation contains certain forward-looking and unaudited information. Such information is based on estimates and assumptions that, whilst considered reasonable by the Company, are subject to risks and uncertainties. Actual results and achievements could be significantly different from those expressed in or implied by this information.