



9 August 2011

ASX RELEASE

Company Announcements Office
Australian Securities Exchange Limited

GENERAL MEETING

Amcom Telecommunications Limited wishes to advise that, subject to shareholder approval, the Directors have resolved to proceed with the in specie distribution of iiNet Limited shares in accordance with the Notice of Meeting issued in relation to the General Meeting of shareholders to be held today.

Accordingly, should shareholders pass the resolution to approve the in specie distribution of iiNet Limited shares then the distribution will occur. The important dates to note are:

11 August 2011 Amcom shares trade on an ex-Distribution basis
17 August 2011 Record date for determining entitlements to the Distribution

The Chairman's address at this morning's General Meeting follow and are provided in accordance with ASX Listing Rule 3.13.

For further comment and information:

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I will preface my comments by reminding you we are very close to the release of our financial results for the year ended 30 June 2011. In light of this I won't be making any comments on current trading conditions other than saying we are comfortable with Amcom's performance. Previous earnings guidance of at least a 25% increase in earnings for FY 11 remains valid. The results for the year to 30 June 2011 will be released on Wednesday 17th of August.

Today we are here to discuss the proposed distribution of our 20% stake in iiNet Ltd via an in specie distribution to our shareholders for nil consideration. There is also a resolution to undertake a 1 for 3 share consolidation which assuming is passed by shareholders will occur at the end of August.

I wish to advise that the Directors have resolved to proceed with the in specie distribution should shareholders pass the resolution this morning.

As you are probably aware Amcom acquired the majority of its iiNet investment in 2006 and since then built on that stake to 23%. In June 2011 we sold 4.5million shares and reduced our stake to 20% or 31 million shares.

Over the course of the investment we have received a significant inflow of dividends totalling in excess of \$11million. Amcom and its shareholders have benefitted from the investment which has created \$53m of value for shareholders since 2006. Today the iiNet share

price is around \$2.26 and when we purchased the original 20% stake in 2006 at 85c. A great investment you would agree.

The Board continues to believe iiNet is a quality business. Amcom and iiNet hold quite different positions in the telecommunication market. With Amcom serving Enterprise and Government customers while iiNet specialises in the consumer market where they are Australia's second largest broadband ISP. Both companies have different strategies to grow to continue to deliver shareholder value into the future.

For these reasons we believe both businesses would benefit by moving forward independently of each other. For Amcom shareholders they will now be able to choose their own mix of exposure to the consumer and enterprise segments of the telco market.

The Board considered many options regarding the iiNet investment. It is our belief the most effective structure is to distribute the iiNet shares via this in specie distribution we bring to shareholders today.

This transaction should provide greater clarity on the value inherent in both companies and provide Amcom shareholders with greater discretion in managing their own investment portfolio and taxation position.

The details of the entitlement to iiNet shares are included in the documentation that was sent to you, but let me remind you that upon completion of this transaction Amcom shareholders will own exactly the same number of Amcom shares they held previously.

Shareholders will also own iiNet shares in proportion to the number of Amcom shares they own, that is they will receive 440 iiNet shares for every 10,000 Amcom shares they currently own.

Should the in specie distribution proceed then it is important to note that Amcom shares will commence trading 'ex' the distribution on Thursday August 11th. The record date for determining entitlements will be the 17th of August with the distribution occurring the day after. It is anticipated that iiNet holding statements will then be sent to shareholders a couple of days after that.

The second resolution proposed today is to consolidate the company's share capital through the conversion of three ordinary Amcom shares into one ordinary share. If approved by shareholders the consolidation will take place at the end of August after the in specie distribution has occurred. Amcom shares will commence trading on a post consolidation deferred settlement basis on 23th August and the last date for the registration of transfers will be 29th August. The shares will then be trading on a fully consolidated basis from 6th September.

The effect of the share consolidation is to reduce the number of Amcom shares on issue from 721 million to approximately 240 million. This will bring the number of shares on issue broadly in line with our industry peers. It is important to note that each shareholder's percentage ownership of Amcom will not change post the share consolidation.

That concludes my opening remarks. It is now time to proceed with the formal part of the meeting which is to vote on each of the resolutions before you today. I look forward to addressing shareholders again at the Annual General Meeting in November where I can discuss Amcom's recent operating performance and outlook in more details.