

ASX Release

iiNet welcomes Amcom's proposed in specie distribution of iiNet stake

20 June 2011: iiNet Limited (ASX: IIN) welcomes the announcement by its major shareholder, Amcom Telecommunications Limited (ASX: AMM), of a proposed in specie distribution of its residual 20.4% stake in iiNet to Amcom's shareholders following the divestment of a 3.0% stake on Friday 17 June 2011 to institutional clients of Goldman Sachs.

iiNet understands that the distribution is conditional on Amcom shareholder approval at a general meeting to be held in early August 2011. The distribution is expected to occur soon after the general meeting, with the exact timing and final commitment to the distribution to be decided by the Amcom Board.

Michael Malone, iiNet Chief Executive Officer said "I would like to thank Amcom for its support over the past five years, during which time iiNet has grown to become the second largest DSL broadband provider in Australia with revenues now approaching \$700 million."

"iiNet and Amcom focus on quite different segments of the telecommunications market. There is sound logic behind Amcom's decision to concentrate management time on growing its core fibre business and in the emerging hosted cloud market. Amcom and iiNet will of course continue to provide wholesale services to each other."

"Assuming the distribution occurs, I would like to welcome Amcom's shareholders directly onto the iiNet register. This is an exciting time for iiNet and the industry, and we believe that iiNet, with its significant scale, strong customer relationships and innovative brand is well positioned to capitalise on its position as the leading challenger in the Australian telecommunications industry" Mr Malone said.

The in specie distribution to Amcom shareholders is expected to significantly increase the free float of iiNet, which may lead to an increase in trading liquidity and assist iiNet in qualifying for inclusion in various exchange indices.

iiNet confirms that it expects full year revenue of over \$700 million and EBITDA of close to \$106m on an underlying basis, excluding acquisition costs and copyright legal costs.

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For further information or interviews, please contact:

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WINNER
Innovation – Large
Company Award,
ACOMMS Communications
Alliance & CommsDay
Awards 2010



National Large Business – iiNet
WA Large Business – iiNet
WA Service Excellence in a
Contact Centre – Westnet
Customer Service Institute of
Australia (CSIA)



WINNER
Carrier of the Year Award,
Highly commended – iiNet's
'work from home' program,
Australian Telecommunications
Users Group (ATUG)

A full list of current awards
can be seen at [iiNet Awards](http://iiNetAwards.com)

**About iiNet**

iiNet is Australia's second largest DSL Internet Service Provider (ISP) and the leading challenger in the telecommunications market. We employ more than 2000 inquisitive staff across four countries and support over 1.3 million broadband, telephony and Internet Protocol TV (IPTV) services nationwide.

We're a publicly listed company and we maintain our own super-fast broadband network. Our vision is to lead the market with products that harness the potential of the Internet and then differentiate with award-winning customer service.

To achieve this, we employ creative thinkers and true advocates of technology. Our people are a huge part of the iiNet success story, so we've developed a unique and stimulating work culture to ensure they remain engaged and inspired.

A lot has changed since our CEO founded iiNet in a suburban garage back in 1993 and the broadband landscape continues to evolve. What hasn't changed is our passion for the transformative benefits of the Internet and our commitment to helping Australians connect better.