18th December 2008

The Manager
Company Announcements Office
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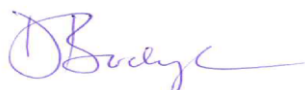
ELECTRONIC LODGEMENT

Dear Sir or Madam

Media Release

In accordance with the listing rules, I attach a copy of media announcement for release to the market.

Regards

David Buckingham
Company Secretary

MEDIA RELEASE

iiNet signs Agreement with 3

18th December 2008: iiNet (ASX:IIN), Australia's third largest Internet Service Provider (ISP) today announced the signing of an agreement with 3 which will see iiNet expand its broadband product offering.

The agreement will initially see iiNet offer 3 Mobile Broadband plans to its customers, with further opportunity for close collaboration between iiNet and 3 in the future.

iiNet Managing Director, Michael Malone said the signing of the agreement would immediately broaden iiNet's existing product offering and provide the potential for opportunities for both companies and their customers in the future.

"Today's announcement demonstrates iiNet's commitment to offer real choice to consumers, expanding the reach of our broadband offering to more Australians, in more locations. This strategic relationship complements our existing suite of products, while also paving the way for collaboration on a broader range of future service offerings.

Under the agreement, iiNet becomes a dealer of 3 Mobile Broadband services with 3 mobile providing activation, billing and technical support services. Customer invoices will be co-branded.

"We are pleased to be engaging with iiNet, a company that we see as being very like minded in their approach to the market. This relationship will initially bring the benefits of 3 Mobile Broadband to iiNet's customer base. iiNet customers will now be able to take advantage of accessing the internet on the go and at affordable prices," said Noel Hamill, Director Sales, Marketing and Product, 3.

"Our companies' respective brands and values are complementary. Both represent innovation in the Australian telecommunications market, paving the way in network and product development 'firsts'. Notably 3 mobile launched Australia's first 3G mobile network and iiNet was the first to build their own ADSL2+ high speed broadband network; both setting the standard in the market," concluded Michael Malone.

-ENDS-

For further information or interviews, please contact:

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About iiNet

iiNet was established in 1993 and listed on the ASX in 1999, growing from a small Perth business into the third largest Internet Service Provider in Australia. The Company now supports over half a million dial up, broadband and telephony services nationwide, with revenues of over $400m, and proudly employs more than 1400 people in Perth, Sydney, Auckland and Cape Town.

iiNet's goal is to lead the market with the best internet access products and then differentiate with genuine, plain speaking customer service. The company has its own high speed ADSL2+ network reaching around 4 million households across Australia, the largest Voice over IP network in the country, and is delighted to have led yet again with Naked DSL, recognised by PC User Magazine as the 2007 Product of the Year.

About 3

3 is Australia's first 3G network, bringing over 2 million customers mobile broadband, live Mobile TV, full length audio and video music tracks, live Video Calling, high-speed email and other great entertainment and information services in 3's Broadband Zones.