

22 November 2011

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ELECTRONIC LODGEMENT

Annual General Meeting Presentations of the Chairman and Managing Director

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 Managing Director of iiNet Limited.

The AGM will be streamed live on iiNet Freezone. Please visit <http://freezezone.iiinet.net.au/channels/freezone/iiinet/iiinet-agm>.

Regards


David Buckingham
Company Secretary

About iiNet

iiNet is Australia's second largest DSL Internet Service Provider 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



WINNER
Partnerships for Growth
(iiNet & fetchtv) and
Communications
Ambassador,
ACOMMS Communications
Alliance & CommsDay
Awards 2011



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](#)

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CHAIRMAN'S ADDRESS TO THE MEETING

Ladies and gentlemen welcome to the iiNet Limited 2011 Annual General Meeting.

I am honoured to address you for the fourth year as Chairman, with the past 12 months having been the most active period for iiNet in its history.

History of growth over the past five years

After a period of significant growth, iiNet has now become the second largest broadband DSL provider in Australia with over 640,000 broadband DSL subscribers, supporting over 1.3 million broadband, telephony, Internet TV, mobile and other services nationally.

The Company's single minded focus on executing its business strategy has driven year on year growth over the past five years. This strategy has centred around delivering innovation, new products and services that all work seamlessly with each other, extraordinary service and a leading trusted brand and acquiring scale to support these attributes.

The 2011 financial year was another exceptional period of growth, with revenue up 48% to \$699 million, normalised earnings before interest, tax, depreciation and amortisation was up 30% to \$105 million, and underlying net profit after tax up 11% to \$39 million.

Continued dividend growth

Reflecting the Company's strong earnings growth, balance sheet, and attractive growth opportunities, the Directors declared a total dividend for FY2011 of 12 cents per share fully franked, up 33% on the 2010 dividend.

The Company's dividend has grown year on year since FY2007 and has doubled in size over that period.

Our new vision

In 2011 iiNet launched a new vision – to be your trusted partner in the digital world.

Our new vision for the Company recognises that in a rapidly changing digital landscape, customers want much more than broadband connectivity.

Customers want phone services, streaming high-definition television, mobility, latest release movies and access to products such as super-fast broadband, BOB and our fetchtv service.

Our innovative culture places us in an excellent position to strengthen and diversify our relationship with customers, in an evolving digital world.

The best in customer service

Superior customer service is central to becoming a trusted partner to our customers in the digital world. Our relationships with our customers are at the heart of what we do.

iiNet's customer retention levels are amongst the highest in the industry.

Innovative new products

iiNet leads the market in terms of our innovation. Over the past twelve months iiNet has released a number of new products and services including the first National broadband Network (NBN) plans in Australia, our IPTV service from fetchtv, BoBs, mobile voice plans and new business products for the small business market.

The importance of scale

Through the series of acquisitions we have undertaken, including AAPT's Consumer Division in FY2011, iiNet is now the second largest DSL provider in Australia. This provides us with the necessary scale to increase sales of new products and effectively adapt, innovate and grow in a NBN environment.

Well positioned to grow in an NBN world

With the government roll out of NBN in full swing, we are enthusiastic about the significantly increased market it will bring, presenting the opportunity for nationwide access to iiNet's entire product catalogue and service set.

In addition, the NBN Co wholesale pricing structure will provide an equal playing field in all markets and also improve our overall margins.

Corporate social responsibility

At iiNet we know we need to build a sustainable business that considers its impact on the environment and the lives of our employees.

This year we are publishing our inaugural Sustainability Report using evidence and case studies from across our business to provide guidance and feedback for our future sustainability. I recommend all shareholders to read the report.

Board changes

Louise McCann was appointed to iiNet's Board of Directors in April of this year. She brings years of experience as a leader in marketing, communications and media research, as well as a creative perspective that will help iiNet uphold its strong brand position.

In September, Tony Grist resigned from his position as non-executive director having been appointed in July 2006. Tony made a valuable contribution to the iiNet board over the past 5 years and we wish him the best with his future business endeavours.



Summary

iiNet's achievements over the 2011 financial year reflect the Company's commitment to cementing its position as a market leading internet service provider through superior customer service, a unique brand, and continued product innovation.

I would like to take this opportunity to thank our executive management team and our 2,000 staff. Their commitment and enthusiasm is key to iiNet's success and future growth.

I would also like to thank our shareholders for their continued support, as we enter a new and exciting period for the Company.

iiNet is uniquely placed to benefit from evolution in the telecommunications industry, with ample opportunities for growth, development, and further innovation. The government's NBN rollout, combined with further customer penetration and a pipeline of new products and services, positions iiNet for an exciting year ahead.

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iiNet 2011 AGM

22 November 2011



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Shareholder Resolutions



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Resolution 1A – RE-ELECTION OF L MCCANN

Resolution	Number	%
For	89,819,666	99.2%
Against	90,264	0.1%
Open	626,021	0.7%
		100%

Note: Open votes allocated to the Chairman have been included in the total votes in favour of the Resolution

Resolution 1B – RE-ELECTION OF D GRANT

Resolution	Number	%
For	89,801,790	99.2%
Against	74,154	0.1%
Open	626,451	0.7%
		100%

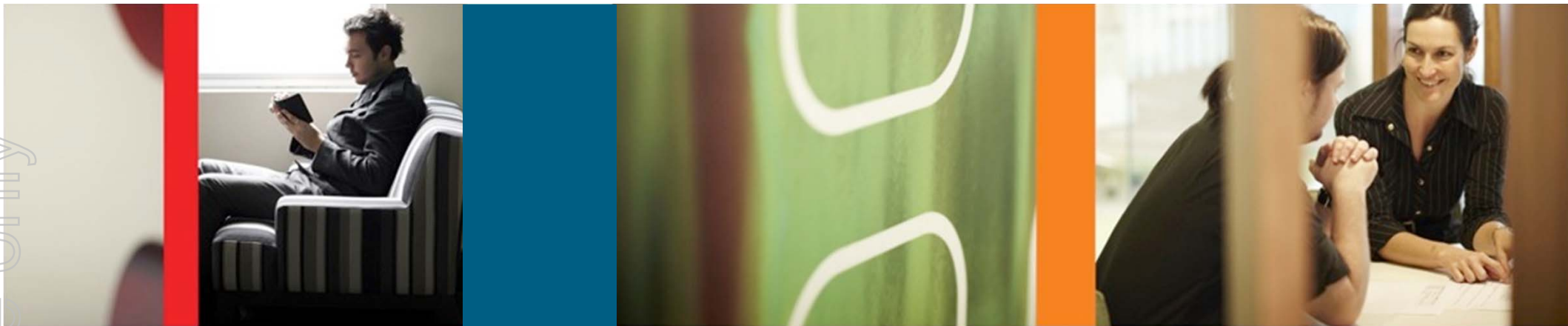
Note: Open votes allocated to the Chairman have been included in the total votes in favour of the Resolution

Resolution 2 – ADOPT REMUNERATION REPORT

Resolution	Number	%
For	70,607,738	98.1%
Against	768,019	1.1%
Open	611,715	0.8%
		100%

Note: Open votes allocated to the Chairman have been included in the total votes in favour of the Resolution

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Managing Director's Presentation

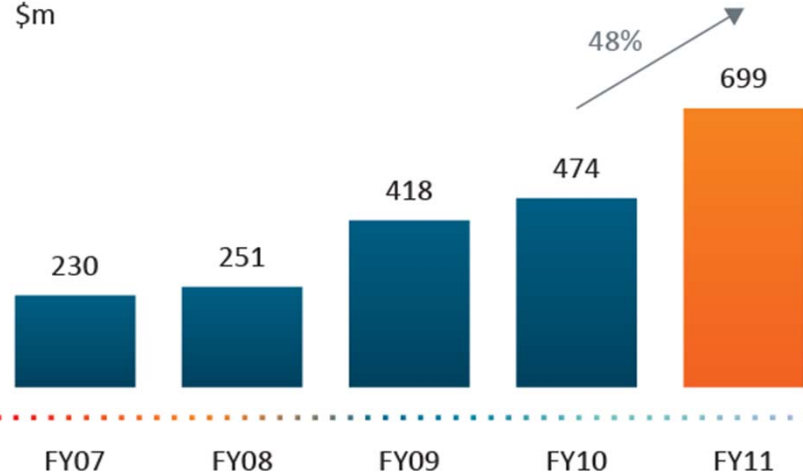
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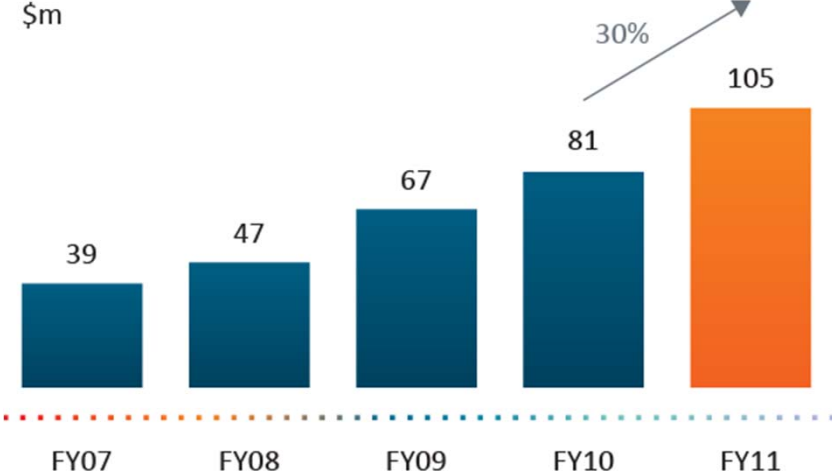
Strong growth across all metrics as we deliver on our strategy



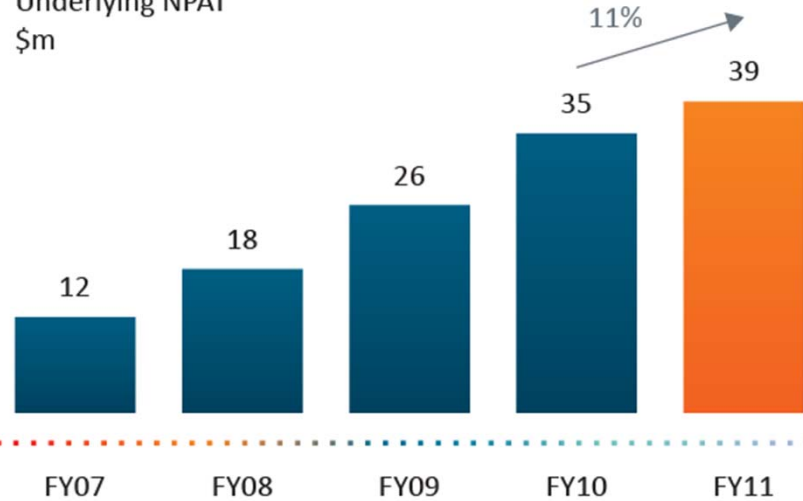
Revenue
\$m



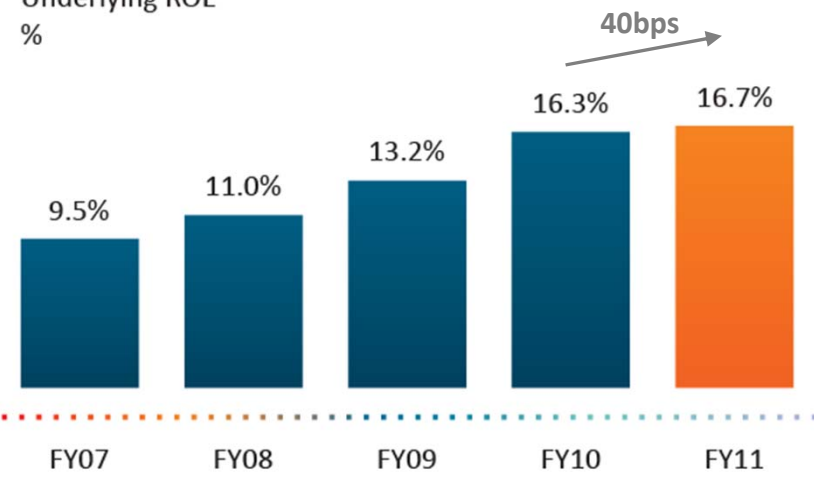
Underlying EBITDA
\$m



Underlying NPAT
\$m



Underlying ROE
%

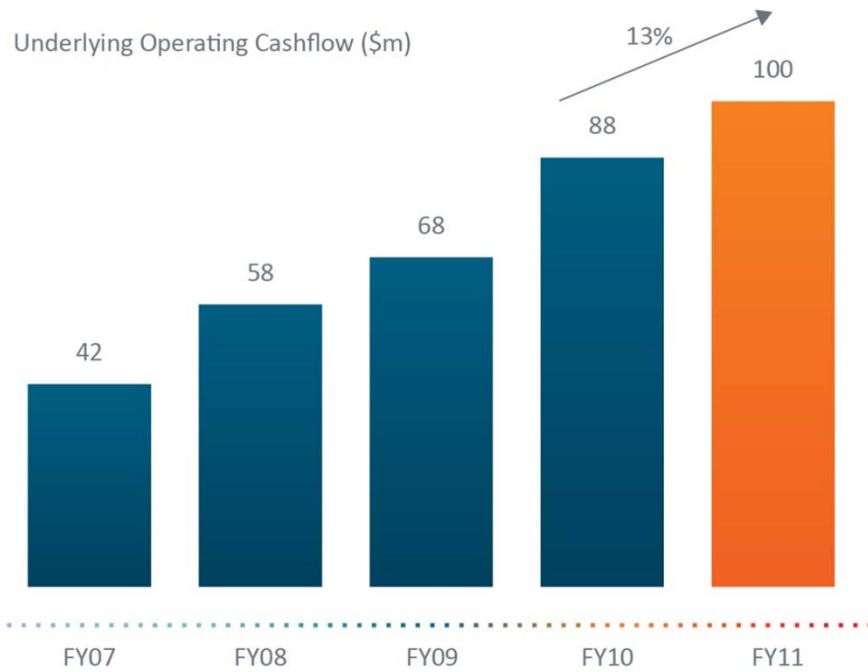


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Strong balance sheet and cash flows, investing in the future

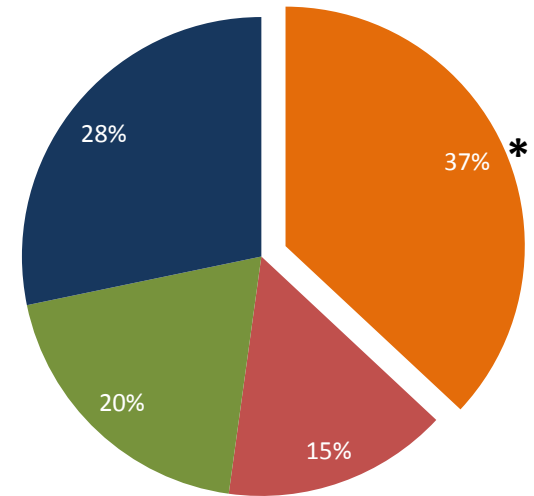


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FY11 Capex (\$46m)

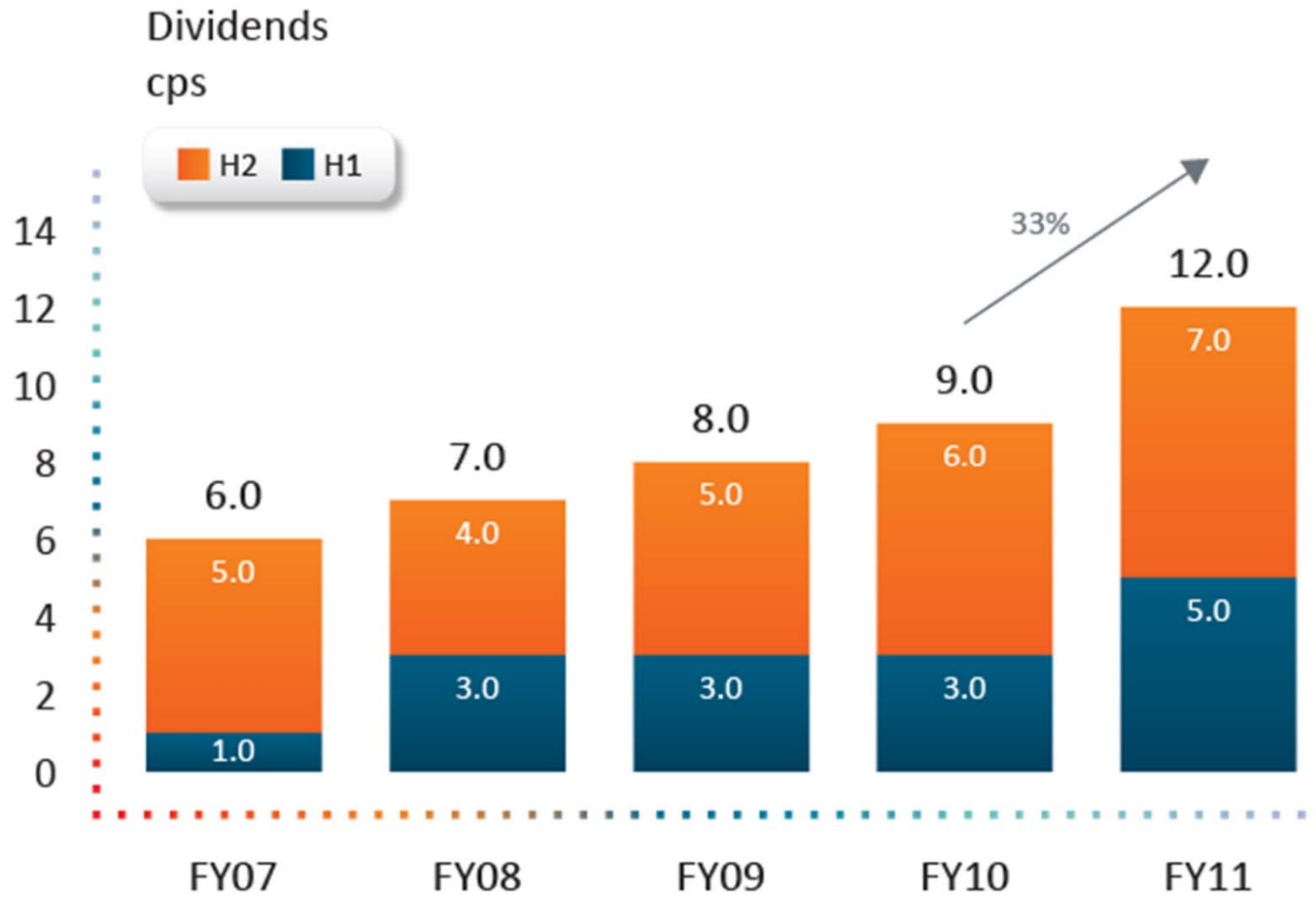
- Network expansion initiatives
- Acquisitions
- Development
- Network Maintenance



* Network Expansion initiatives (\$17m)

New DSLAM's	41%
Additional ports	24%
Other growth initiatives	35%

Strong outlook reflected in 33% FY11 dividend increase

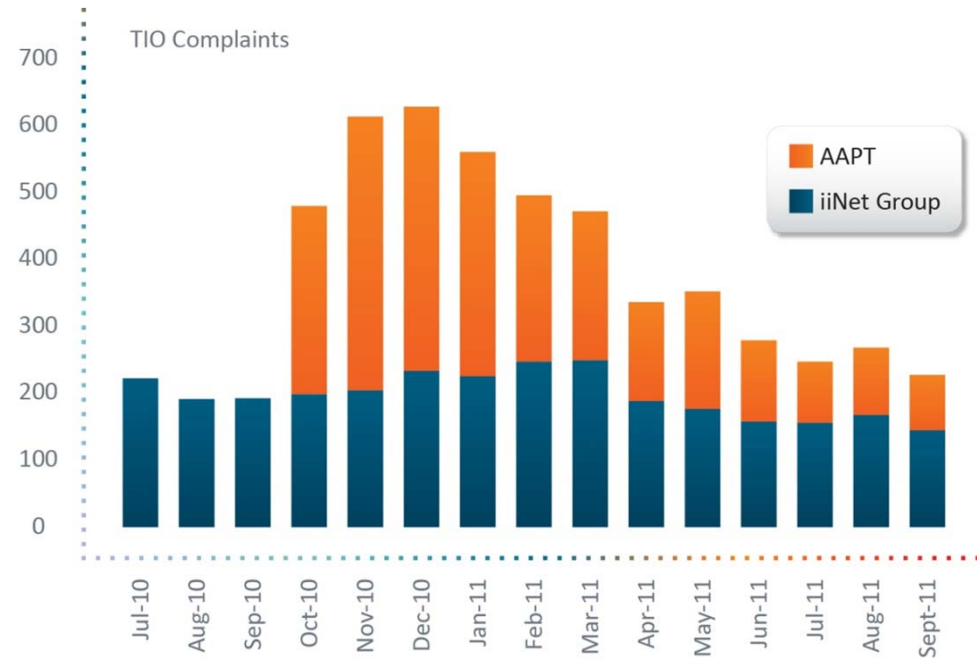
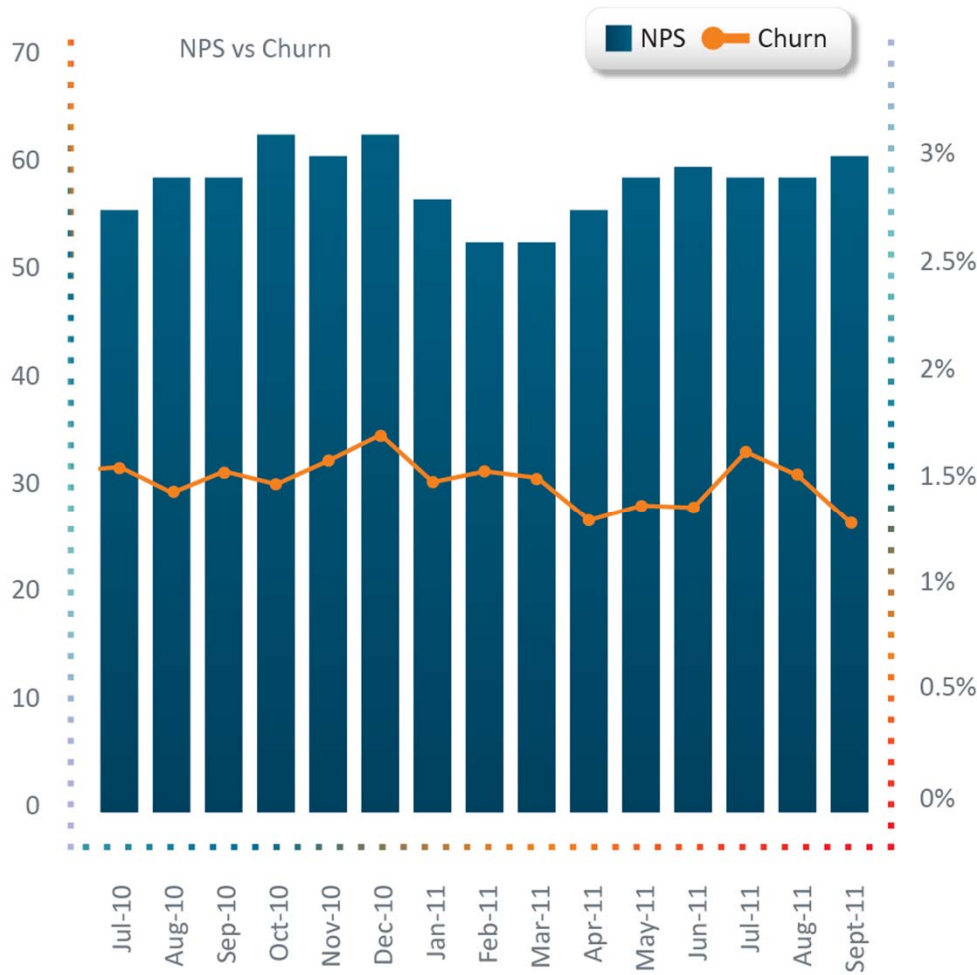


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Best-in-class service continues to set iiNet apart



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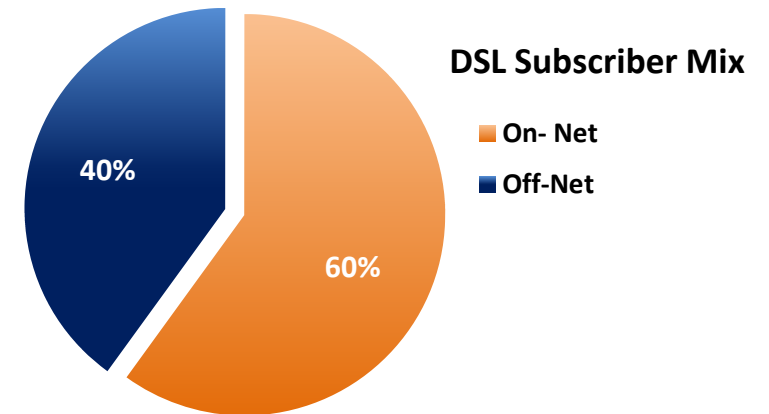
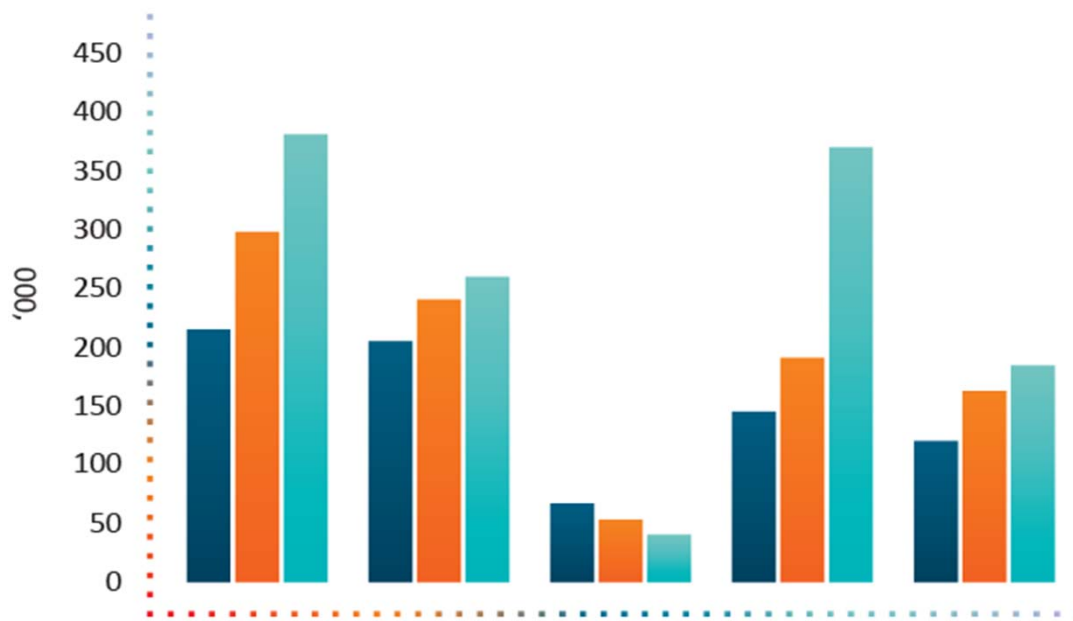
Note: Churn excludes AAPT. NPS excludes Netspace & AAPT

Strong and profitable on-net growth



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Closing Subscriber Numbers



- FY11 iiNet core business (ex-AAPT) on-net subscriber growth +51k in FY11
- AAPT customer base performing marginally ahead of pre-acquisition modelling

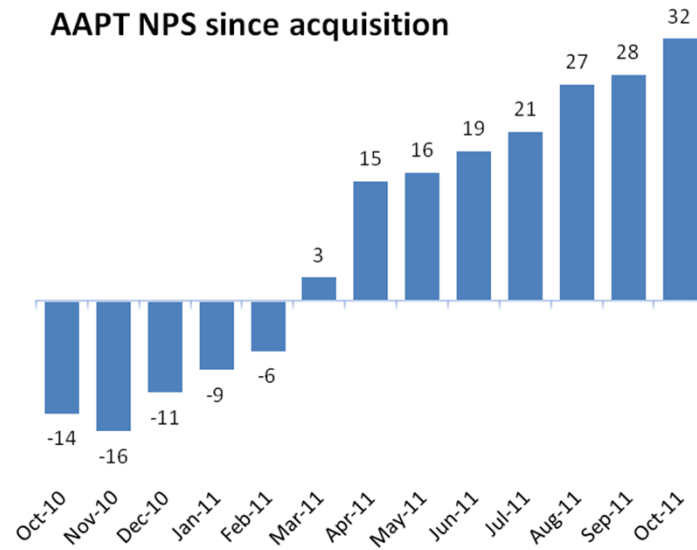
AAPT acquisition exceeding expectations



Solid 9 months contribution to June 2011

Metrics	FY11 Result	vs Expectations
Revenue	>\$150M	✓
Potential on-net migration 25k customers	All ports built	✓
Service improvement plan Churn improvement	+33pts in NPS 0.3% reduction	✓
Net base decline		✓
- DSL	(15.0k)	✓
- PSTN	(28.2k)	✓
EBITDA	>\$15M	✓

Service improvement plan showing results



Value still to be extracted

- Customer base and financial performance marginally ahead of pre-acquisition modelling
- Network migrations commenced in H1 FY12
- Billing system review complete – synergies to flow from FY13

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TransACT: An attractive acquisition opportunity

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Service

- TransACT offers a large number of bundled products across residential, SME, corporate and government customer segments and enjoys extremely low customer churn
- Unique long term bundling relationship with leading local utility company ActewAGL

Brand

- Strong local brand presence in the ACT and regional Victoria
- High customer loyalty and brand equity and strong corporate and government relationships
- Good history of customer and product growth

Content

- Increased customer scale and reach for delivery of innovative products and services
- Opportunities to extend presence in SME, corporate and government sectors

Consolidation

- Cements iiNet's "new number 2" position
- Synergies available through integration of systems and suppliers

Growing shareholder value

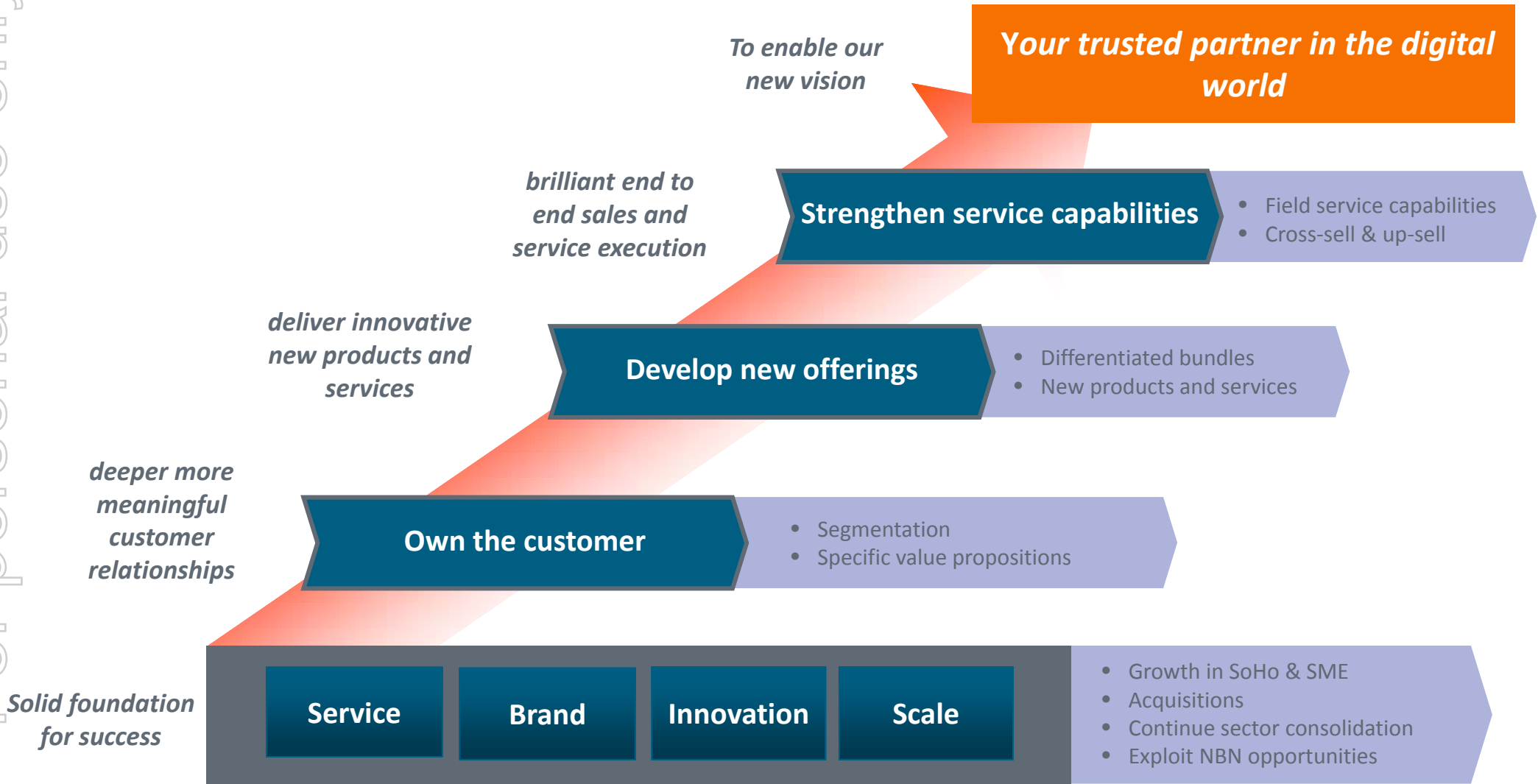
- EPS accretive (pre-synergies)
- Significant proportion of future revenues already contracted
- Gearing remains comfortable at pro forma circa 70% net debt/equity


TransACT
Everytime.

Ideally positioned for the future



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Complementary products and services

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Free Your TV!
Trial fetchtv for 3 months at no monthly cost when you sign on for 24 months.

Fetchtv is your ticket to world class subscription entertainment.
We're taking 30 free movies a month, latest release movies to rent, plus additional channels (local ones, like National Geographic Channel, MTV, G-9) hard-coded to complement the digital free-to-air ones (cos you got them too). Plus you get the best Personal Video Recorder (PVR) on the market. It's all delivered quota free to your TV with your eligible iinet broadband connection. Like magic. But it gets better - now you can trial fetchtv in your home for three months to see what all the fuss is about.

Love it? Keep it!
If you can see yourself getting used to better movies, better channels and better value, just keep your fetchtv box and free your TV from just \$29.95/month for the remainder of your contract. Easy.

Not your thing? No sweat.
If you and fetchtv aren't meant to be - no hard feelings. Just let us know before your trial is up so we can arrange the return of your box at no cost.

Ok, well what do you get then?

better movies
Direct to you, 30 movies on demand at any time. 7 fresh titles every week all included in the fetchtv 2 package. We're taking powerhouse Hollywood studios like Disney, Warner Bros, MGM and Viacom Roadshow. Plus if you want even more movies, choose from the largest selection of new release movies of any Australian TV service. Rent them on pay-per-view, unattended, without leaving your lounge room.

better channel selection
We've hand-picked a selection of additional channels to complement, not duplicate, free to air. There are loads of leading specialty channels plus on-demand channels to enjoy.

better box
The fetchtv set-top box leads the Australian market at a fraction of the price. A gorgeous Terabyte hard-drive lets you record two shows at once while watching a third on both fetchtv and free-to-air channels. And it's really simple to use. Scores over 1000 hours of movies and TV shows.

better value
Fetchtv 2 is normally just \$29.95 every month but for your first 3 months we'll credit you back. Then, if you want to keep it you can. If not, we help you send it back for free, you guessed it - no sweat charge.

Start your fetchtv trial now! Call 1300 701 006
Or visit iinet.net.au/fetchtvoffer for our spiffy introductory video. Offer ends August 31 2011.

How does it all work?
Choose: A) for your three-month trial, lease existing fetchtv 2 (\$29.95/month) or fetchtv 1 (\$19.95/month) for the remainder of your contract, when standard cancellation fees will apply.
Cancel: You'll get your standard fetchtv package and set-top box rental, but if you want pay-per-view movies or addons you can buy them too.
Save: Fetchtv subscription fees during the trial period will be automatically credited back to you, plus we'll waive any cancellation fees.
Opt out: If fetchtv isn't for you, return it during the offer period free of charge. Just keep your broadband & hardware costs. Easy.

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Complementary products and services

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Naked DSL

Say goodbye to your phone line rental

- Superfast broadband
- local & national calls included

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With Naked DSL you can say goodbye to your phone line rental.

- ▶ Superfast Naked DSL broadband.
- ▶ No phone line rental.
- ▶ All your local & national calls.
- ▶ Plans starting from \$69.95*/month for 50GB peak/50GB off-peak.

Get Naked even easier with BoBZ™



- ▶ BoBZ is your home phone and broadband modem in one sleek unit.
- ▶ Add him to any DSL broadband plan for an extra \$9.95*/month.
- ▶ \$0 setup when you sign up for a 24 month contract, normally \$79.95.

Call 1300 766 490
or visit iinet.net.au/letterboxdeals

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*The important stuff: A fair use policy applies to local and national calls. Check out our website for more information. Sometimes due to technical reasons it's not possible to install any kind of broadband to some homes, but if you've been told this before, let us double check for you. Total minimum cost: \$97.60 (\$69.95 monthly Naked DSL plan fee + \$9.95 BoBZ™ monthly rental fee). Terms and conditions apply.

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Complementary
products and services

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A special treat, just in time for Christmas...

Our Gift To You – A Sweet Little SIM For 6 Months

When you sign up to either a naked DSL or bundled broadband / phone plan for 24 months.

- ✓ **\$450** standard mobile calls + text monthly
- ✓ **1.5GB** of national data monthly
- ✓ **150GB** of standard social media monthly
- ✓ **\$1000** of calls to other iiNet mobiles monthly
- ✓ Keep your own number



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Complementary products and services



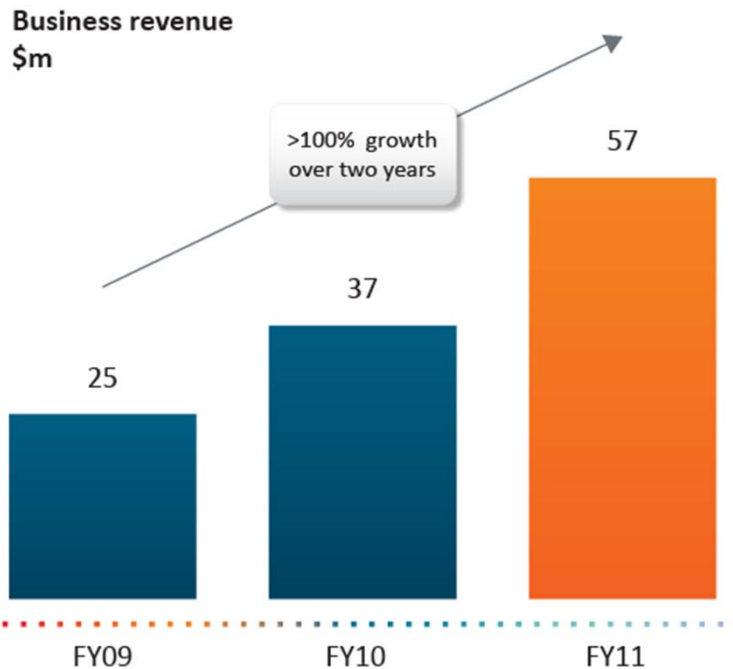
Providing awesome onsite customer service in Perth, Sydney and Melbourne



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Capturing market potential in SoHo and SME businesses

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- SoHo / SME segment currently under-served, customers dissatisfied with incumbents
- > \$1bn market in target segment, current share < 5% provides significant opportunity to grow

business
voice

— business just got *easier* —

state of the art,
feature rich
phone solution
at a fraction
of the cost.



From Only
\$39.95/month
Handset Included.

 Phone Bill Analysis

[View plans & pricing](#)

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NBN: better for customers and better for iiNet



Building blocks in place – continued focus on awesome customer service supported by...

National Scale



Network capability



Hardware compatibility



Propositions & pricing

Plan	Price
NBN-1	\$49.95
NBN-2	\$59.95
NBN-3	\$79.95

Add a Turbo pack

Leadership - product and service



and strengthened through medium term approach

- Strategic focus on increasing products per household
- Customer-led product development – iiNet Labs
- Expansion of SoHo & SME segment
- Ready for further inorganic acquisition opportunities

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In summary

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FY11 – a landmark year

- Strong growth in revenue, earnings, operating cash flows and dividends
- Industry leading service levels driving increased customer retention
- Strong organic growth of high margin on-net base
- Acquisitions – enhanced scale, with iiNet cemented as “the new No. 2” in DSL broadband

FY12 – we’re not slowing down

- Acquisitions – more AAPT synergies to come; integration of TransACT
- Strong balance sheet with comfortable gearing maintained
- Capital management – share buy-back increasing EPS
- NBN – significant growth opportunities, expansion of addressable market and attractive equivalent wholesale pricing and margin benefits
- New strategic vision – “Your trusted partner in the digital world” – 3 products per customer

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.