

Media Release

Court challenge won't stop illegal downloads. Time for new approach: iiNet

25 February 2010 - A challenge to this month's Federal Court judgment which dismissed allegations of copyright breaches will not stop illegal downloading, even if successful, iiNet's Chief Executive Officer Michael Malone said today.

Responding to the decision by film and television studios to appeal Justice Cowdroy's finding that iiNet had not authorised illegal downloading, Mr Malone said more legal proceedings was not a solution.

Mr Malone said Justice Cowdroy's judgment was unequivocal and we are confident the Full Court will confirm his ruling.

"It is more than disappointing and frustrating that the studios have chosen this unproductive path," Mr Malone said.

"This legal case has not stopped one illegal download and further legal appeals will not stop piracy.

"The studios themselves admitted during the court hearings that making content freely and cheaply available online was an effective way to combat piracy.

"People are crying out to access the studios materials, so much so some are prepared to steal it.

"A more effective approach would be for the studios to make their content more readily and cheaply available online," Mr Malone said.

He said there was growing evidence that content partnerships and agreements between ISPs, legal websites and copyright holders was doing more to reduce piracy and showcase copyright holders materials.

Mr Malone said iiNet's Freezone, providing subscribers with unmetered legal content, was a clear and successful demonstration of the benefits of these partnerships and Australians' strong desire to access affordable legal content online.

iiNet revealed this week that more than 27TB (27,000,000 Megabytes) had been downloaded from its Freezone between May 2009 and January 2010.

After just two months of Village Roadshow's content being available in iiNet's Freezone Kids more than 8,800 hours of movies and television shows had been viewed.

More than 42,000 hours of the Barclay's English Premier League, also available in iiNet's Freezone, had been streamed or downloaded since the season commenced in August 2009.



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More than 30% of all downloads and streaming from the ABC's iView is done by iiNet customers through Freezone.

iiNet's Freezone makes legal content freely available from iTunes, ABC iView, Super 14 Rugby, Xbox 360, ninemsn, TiVo, Freezone Kids, Bloomberg, the West Australian Symphony Orchestra, Cruizin', Macquarie Digital TV, NASA Television, Barclays Premier League football, Drift Racing 2007, LocoTV, classic highlights of golf's four Majors and almost 70 radio stations.

Mr Malone said the Director of International Business Development for the web TV service, Hulu, had declared just last week that the service has exploded since its launch in 2007 and has been successful in combating online piracy of television programs.

Hulu is a collaboration between Fox and NBC Universal Paramount with Warner Bros. and Disney allows viewers to watch shows for free online immediately after they are broadcast.

It features 2200 TV shows and film titles, among them *Lost*, *The Office* and *Family Guy*, and also screens live events. Combined, there are more than 70,000 videos and 15,000 hours of total content.

Hulu announced this week that Australia was a high priority location for its expansion because of its American success.

"New approaches and models, like Hulu and Freezone, are the most effective solution to the problem," Mr Malone said.

"We stand ready to work with the film and television industry to develop, implement and promote these new approaches and models.

"We are ready to champion them in partnership with the studios, but court proceedings and more legal challenges only serve to delay this and in the meantime more copyright material will be stolen," Mr Malone said

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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 800,000 broadband, telephony and dialup services nationwide, with revenues of over \$400m, and proudly employs around 1300 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.