

Media Release

iiNet Begins Federal Court Defence

17 December 2008 - iiNet (ASX:IIN) begins its defence in the Federal Court today against a selection of film and television industry organisations alleging that iiNet authorised customers to download films in breach of copyright laws.

iiNet will vigorously defend the Federal Court action and denies that it authorised such activity.

iiNet does not in any way support, or encourage, breaches of the law, including infringement of copyright.

To the contrary, iiNet is leading the industry by making legal content available in our ever-growing Media Lounge, in association with the rights owners.

iiNet already has agreements with, and makes content available freely to its customers from iTunes, ABC iView, Xbox 360, ninemsn, the West Australian Symphony Orchestra, Cruizin', Macquarie Digital TV, NASA Television, Barclays Premier League football, Drift Racing 2007, classic highlights of golf's four Majors and almost 70 radio stations.

iiNet has, and always will, abide by the law and has forwarded allegations of illegal activity involving services connected to the iiNet network to the relevant law enforcement agencies for their attention.

The law currently provides a process for investigating copyright theft or any other illegal activity using the internet. AFACT did not use this process.

iiNet's Customer Relations Agreement clearly spells out that customers must comply with the law and that our service must not be used "to commit an offence or to infringe another person's rights".

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, recognized by PC User Magazine as the 2007 Product of the Year.

For further information or interviews, please contact:

Tim Grau
Springboard Australia
P: +61 438 044 598