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iiNet Unveils First Large-scale Australian VoIP Service

iiNetphone offers high quality, low-priced Internet calls

29 August, 2005 – iiNet Limited (ASX: IIN) today unveiled its new Voice Over Internet Protocol (VoIP) service, enabling customers to save money by making and receiving calls via the Internet instead of over the traditional copper telephone network. *iiNetphone*, is the first large-scale national offering of VoIP by an Australian telecommunications company, and is available to new and existing iiNet and OzEmail customers.

iiNetphone is available with no monthly rental fee and low cost call rates. Bundled with *iibroadband2* and *iiphone* -- iiNet's traditional phone service -- the new VoIP service provides customers with an additional phone number for premium-grade Internet-based calls at substantially lower rates.

iiNetphone works by converting an analog voice signal from a regular telephone into a digital signal that travels over the Internet before being converted back to the analog format at the other end. Using additional equipment, such as an ATA (Analog Telephone Adaptor) plugged into a regular phone with a standard broadband router, a special VoIP-enabled router, or a VoIP handset, customers can make VoIP calls to anyone, anywhere at greatly reduced rates over traditional phone calls. VoIP calls from one *iiNetphone* customer to another are free.

"We are proud to be the first Australian communications company to offer a premium-grade, large-scale VoIP solution that's easy to use, complements existing services and will result in significant call savings," said Michael Malone, Managing Director, iiNet Ltd. "By using *iiNetphone*, customers can economically contact friends and family all over the world – and that's the best part about this innovative communication solution."

Benefits of *iiNetphone* include:

- Free second phone line and number using VoIP technology (not provided by the "free" and other earlier VoIP providers)
- Low cost calls such as 10 cent untimed local calls, 10 cent untimed calls Australia-wide to national capital cities and five cents per minute national calls outside capital cities over fixed lines
- Free VoIP calls to other *iiNetphone* VoIP users
- Premium-grade voice quality (unlike most "free" and earlier VoIP services)
- Free bonus phone features such as voicemail, caller ID and many others
- Online call cost calculator to determine call prices worldwide

iiNet is using special VoIP hardware from its selected vendor Belkin, a technology leader for computer and consumer electronics. Under an exclusive arrangement, iiNet will provide leading Belkin VoIP-enabled modems and routers and ATAs to help customers easily set up their VoIP service.

“We’re excited to be a part of iiNet’s innovative VoIP offering,” said Mike Bell, Managing Director – ANZ for Belkin. “Leading VoIP hardware combined with iiNet’s premium quality voice service will enable customers to make calls in a revolutionary yet seamless manner, and reap the savings.”

Customers can register for *iinetphone* from today, with standard connection time for new customers averaging five to 10 working days. The Belkin VoIP hardware is available from iiNet from mid September 2005.

For more information on iiNet’s iinetphone product, please visit: www.iinet.net.au/phone or call 13 19 17.

About iiNet

iiNet is one of Australia’s Internet service pioneers, having begun in Western Australia in 1993. With the completion of the OzEmail acquisition on February 28, 2005, iiNet became the third largest Internet Service Provider in Australia, and currently has over 650,000 subscribers across Australia and New Zealand. iiNet has built a reputation for providing innovative, quality and value Internet products, and friendly 24-hour customer service and support. For more information on iiNet, please visit www.iinet.net.au or call 131917.

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