Media Release

iiNet to Vigorously Defend Federal Court Action

20 November 2008 – iiNet (ASX:IIN) will vigorously defend the Federal Court action filed today by a selection of film and television industry organisations alleging that iiNet has encouraged customers to download films illegally.

iiNet's Managing Director Michael Malone said iiNet does not in any way support or encourage breaches of the law, including infringement of copyright.

"In reality, iiNet has been leading the industry in making content available legally through our Media Lounge, including agreements with iTunes, ABC iView, the West Australian Symphony Orchestra, Cruizin', Macquarie Digital TV, NASA Television, Barclays Premier League football, Drift Racing 2007 and classic highlights of golf's four Majors," Mr Malone said.

Mr Malone said iiNet had not breached any laws and had repeatedly passed on copyright holders' complaints to law enforcement agencies for investigation.

He said iiNet had advised the Australian Federation Against Copyright Theft (AFACT) that their complaints had been forwarded to law enforcement agencies and that they should follow the matter up with them.

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".

"iiNet cannot disconnect a customer's phone line based on an allegation. The alleged offence needs to be pursued by the police and proven in courts. iiNet would then be able to disconnect the service as it had been proven that the customer had breached our Customer Relations Agreement," Mr Malone said.

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 $375m, 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.

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