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MEDIA RELEASE

PAUL BROAD APPOINTED TO IINET BOARD

PowerTel's Managing Director, Mr Paul Broad, was today appointed a Non-Executive Director of iiNet, effective immediately.

Mr Broad's appointment to the iiNet Board follows the placement of 12.6 million iiNet shares to PowerTel. The shares have now been issued, taking the total issued capital of iiNet to 121.8 million shares with, PowerTel holding 10.3% of the Company.

Mr Peter Harley, Executive Chairman of iiNet, welcomed Mr Broad to the Board.

"Paul has been part of the telecommunications industry for nearly a decade, and he brings extensive change management experience in large companies," said Mr Harley.

Mr Broad has previously served as Managing Director of Energy Australia and Chief Executive of the Sydney Water Corporation and the Hunter Water Corporation. He was a founding director of PowerTel in 1999, using energy infrastructure to give PowerTel its competitive edge.

PowerTel today owns a national IP/ Voice network, which is supported through 120 DSL enabled exchanges and extensive metropolitan fibre, providing high quality, flexible services to its wholesale and corporate customers.

iiNet is the third largest Internet Service Provider in Australia and New Zealand, having focused on the retail market since 1993. iiNet now serves over 600,000 active subscribers and generates revenue of over \$250 million. The Company has spent approximately \$30 million in the past two years building Australia's largest ADSL2+ broadband network. This network is expected to be able to deliver high speed broadband to more than 90% of metropolitan customers in the next year.

iiNet and PowerTel announced a strategic alliance last week, giving the two companies access to each others' infrastructure, and giving PowerTel the exclusive ability to deliver wholesale access to iiNet's ADSL2+ network.

“iiNet and PowerTel are going to be working very closely together in the future,” said Mr Broad. “We will minimise duplication and improve the utilisation of existing equipment. We don’t want to have two of Australia’s top telecommunications companies racing each other into exchanges to roll out the same equipment.”

Senior management from the two companies are expected to complete a joint network plan by August this year.

FURTHER INFORMATION please contact:

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