



25 February 2004

ACQUISITION OF FROGGY AND FLOW ADSL

iiNet is pleased to announce that they have entered a contract with the Receiver of FlowCom Ltd and Flow Communications Pty Ltd (both Receiver and Manager appointed) to sell the FlowCom ISP business, comprising primarily of Froggy Internet and Flow ADSL customer bases.

iiNet will pay \$6.3 million in cash for the acquisition of the well known Sydney ISP, which generates annualised revenues in the order of \$12.5 million. In addition iiNet will offer continuing employment to staff supporting these services. The acquisition of the combined 35,000 strong subscriber base now sees iiNet's total number of customers in Australia and New Zealand reach levels in the order of 350,000.

Further information on this acquisition will be available on Friday 27 February, combined with the release of iiNet's half year financial result to December 2003.

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