

# Iinet takes hit to get on track

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The board of iiNet yesterday moved to rule a line across the internet group's worst year since listing on the stock exchange in 1999, taking a \$65 million one-off hit and driving the group to a \$60 million bottom-line loss.

But iiNet management said the worst was behind it after suffering indigestion from its OzEmail acquisition, a regulatory squeeze from telecommunications giant Telstra and being hammered over a series of accounting blunders.

IiNet chief executive Peter Malone said recent positive ruling by the Australian Competition & Consumer Commission, including on the rent paid on Telstra copper wire for broadband services, put his group in a solid position for the year ahead.

Mr Malone said the bulk of the group's program of installing its own broadband devices in Telstra exchanges had been completed and it had restructured its call centre operations to provide improved customer service.

The group yesterday recorded earnings before interest, tax, depreciation and amortisation of \$24.6 million — a figure foreshadowed by the group in May when it revealed accounting and forecasting errors and cut its earnings guidance by about \$16 million.

Chairman Peter Harley expected similar EBITBA for the current financial year and to post an after tax profit.