



MEDIA/ASX RELEASE

9 February 2009

PPC-1 Update – Investor Presentation

Please find attached a presentation that will be delivered to key institutional investors by **PIPE Networks Limited (ASX:PWK)** CEO and Managing Director, Mr Bevan Slattery, this morning.

This presentation is to provide further information and detail on the arrangements announced on 5 February regarding the PPC-1 undersea cable project.

ENDS

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PIPE Networks Roadshow





PPC-1 Update



PPC-1 Funding Update

- PPC-1 has re-aligned a number of billing milestones to customer receipts
- PIPE International has invested approximately US\$47M to date
- Further US\$5M to be paid in Q1-2009
- Approximately a further US\$40M being paid back-to-back with customer IRU receipts in 2009/10
- Further US\$38M to be paid in 2010 (US\$25M to be covered by existing 7 year long-term service contracts and \$13M expected to be supported by future sales)



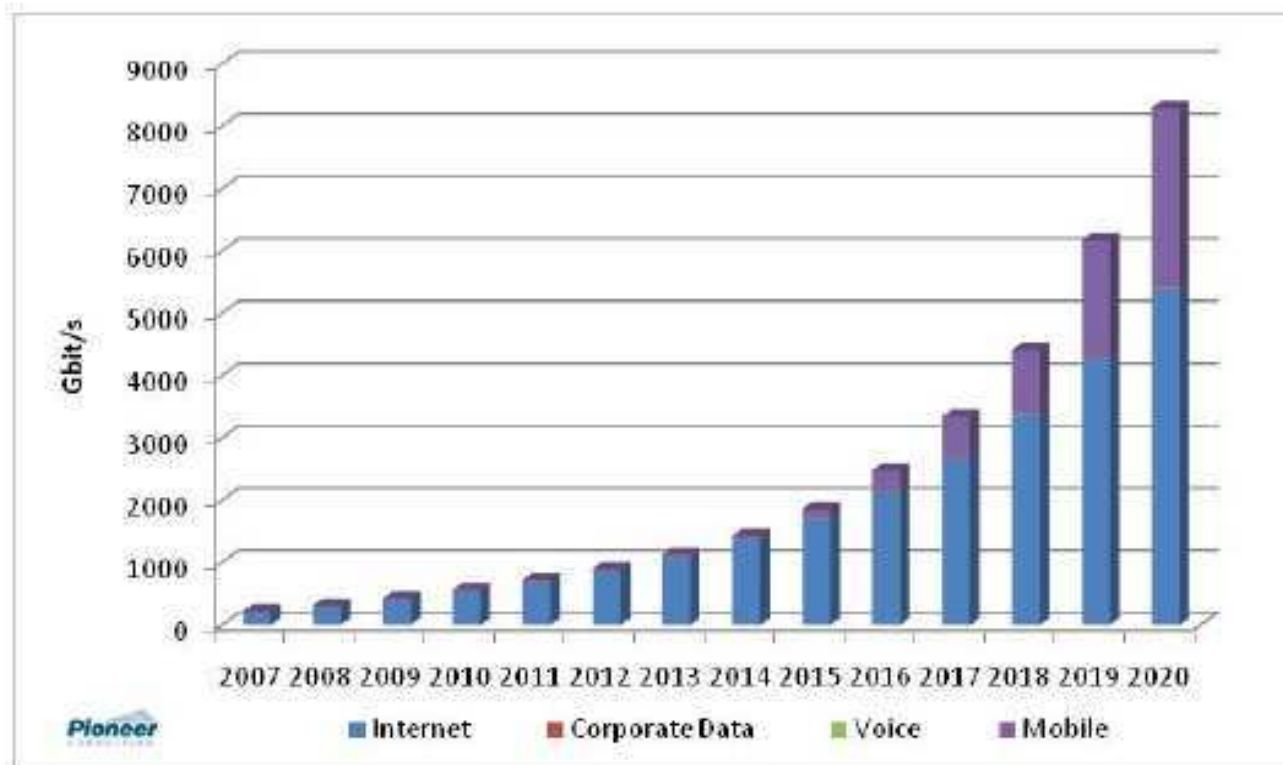
PPC-1 Market Analysis – 31% CAGR

Pioneer Consulting was engaged by PIPE Networks and our original financiers to perform an independent market analysis of international capacity into Australia. Key findings include:

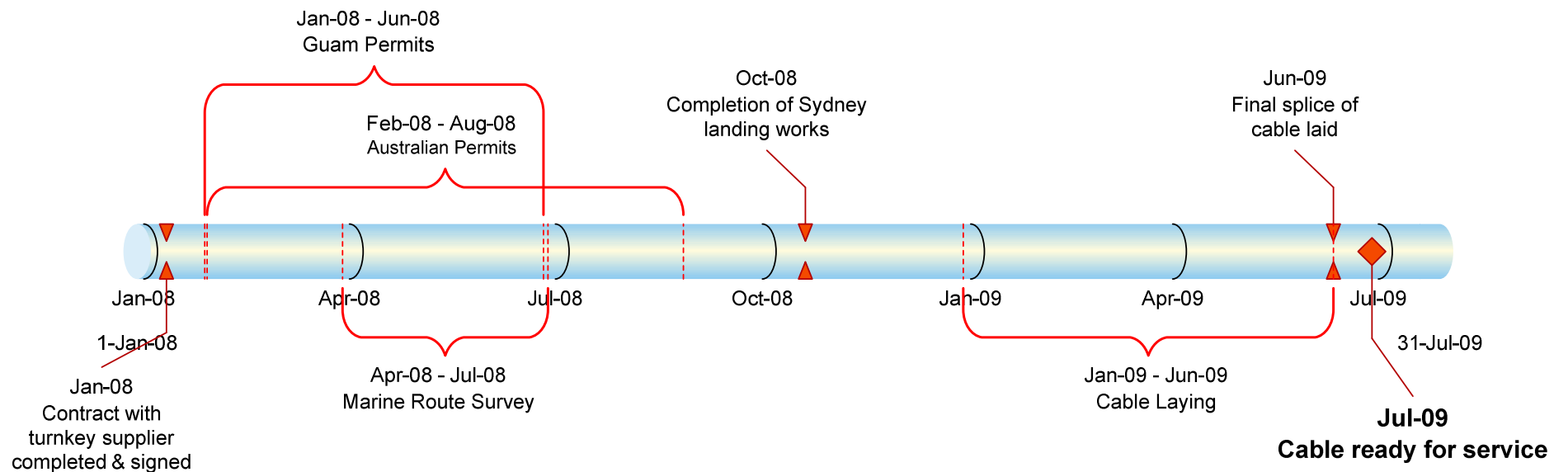
- Expected 31% CAGR up until 2020
- Demand at 2020 peaking at 5,400Gb/s
- Strong growth in wireless data growth (iPhone, Blackberry and Android etc.)
- Massive growth in bandwidth for video beyond 2010 (Vod/IPTV etc.)
- Currently in discussions with numerous parties seeking additional capacity. Value of capacity deals currently in discussion are in excess of \$60M
- PPC-1 expects significant new capacity sales leading up to system completion in July 2009
- High level of profitability on new capacity sales

Pioneer Consulting - Australian Market Report

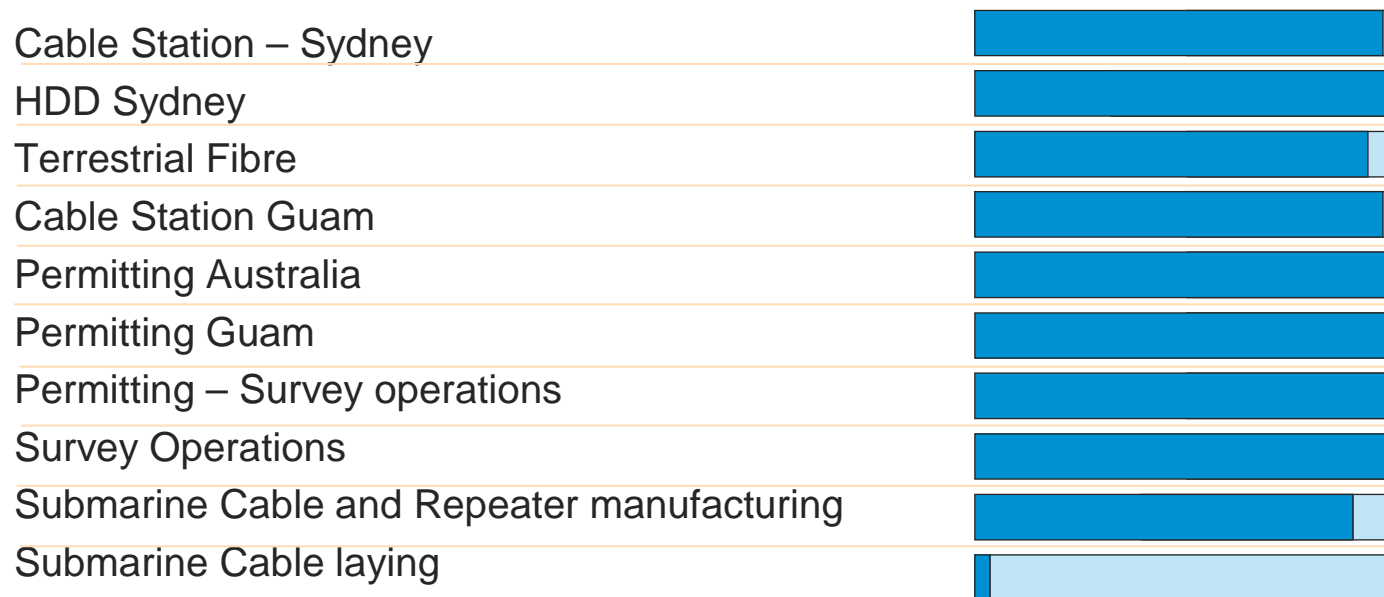
Exhibit 1.1 - Forecast Australian Cumulative Demand for International Submarine Capacity 2007-2020 (Gb/s)



Project Timeline



PPC-1 Progress





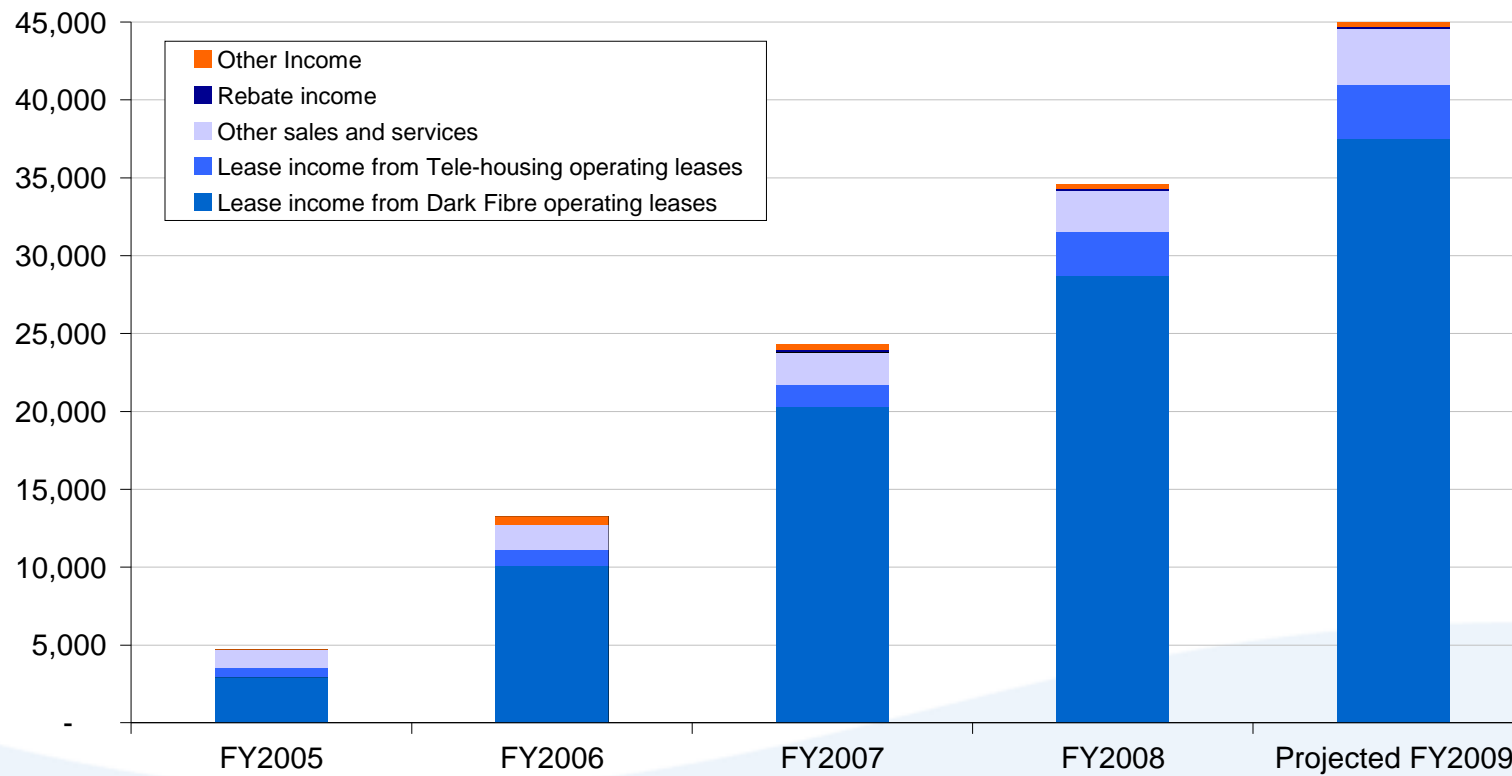
Financial Performance



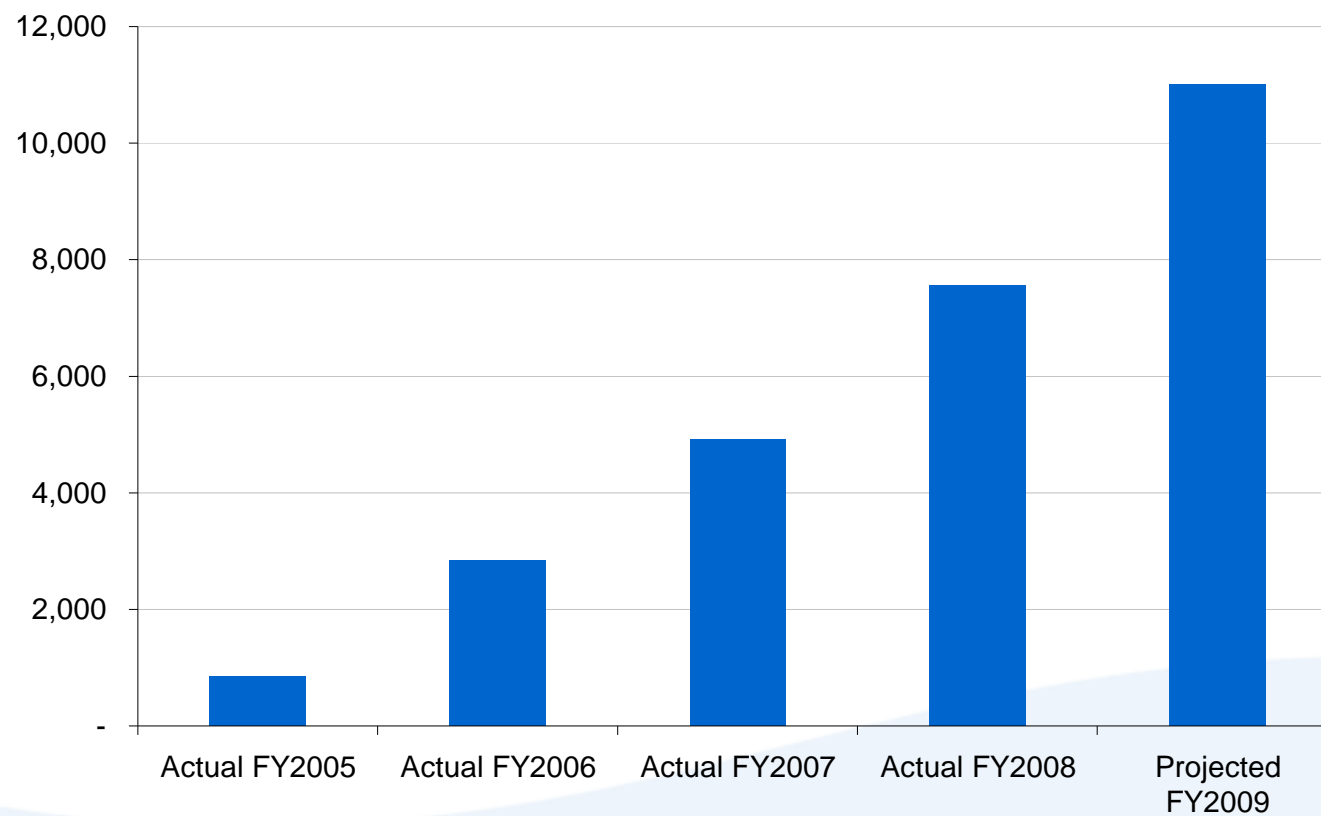
PIPE Networks Financial Growth

	Actual FY2005	Actual FY2006	Actual FY2007	Actual FY2008	Projected FY2009
Revenue	4,716	13,213	24,277	34,374	45,000
NPAT	846	2,838	4,921	7,556	11,000
EBITDA	1,471	4,723	8,797	13,415	18,500

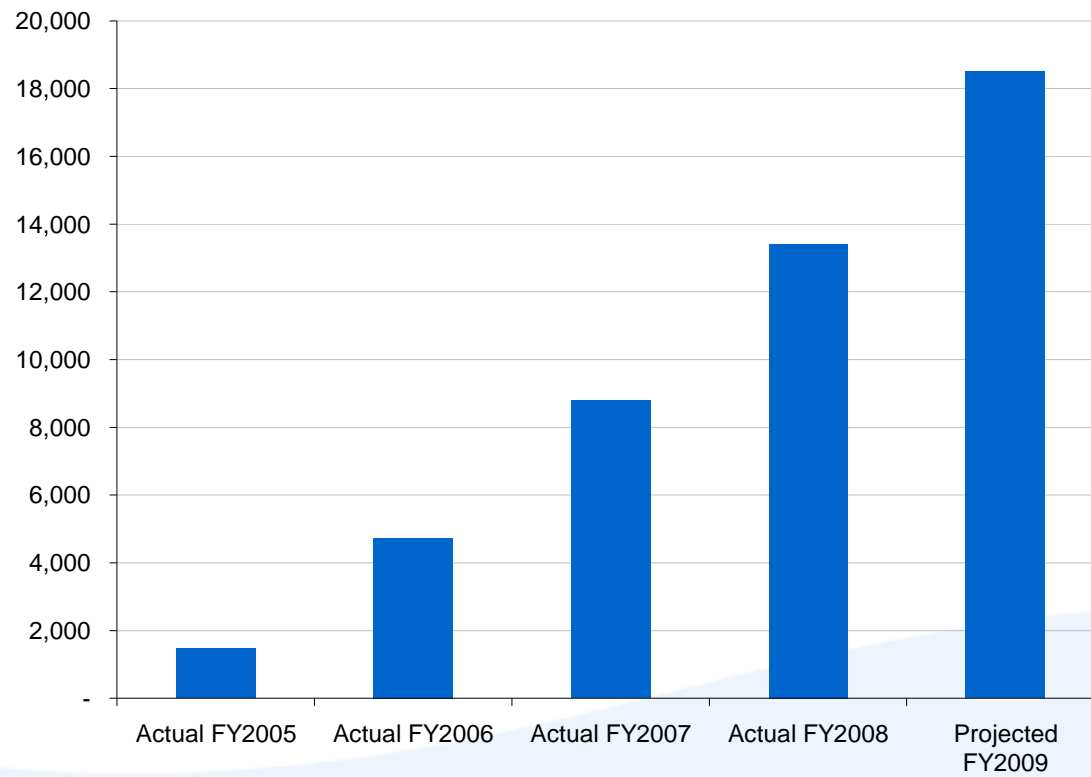
Revenue by Year (\$,000)



NPAT (\$,000)



EBITDA (\$,000)



Summary Half Year Financial Results (Based on Management Reports)

	6 months ended	6 months ended	Movement	Movement
	31/12/2008*	31-Dec-07		
	\$ (,000)	\$ (,000)	\$ (,000)	%
Revenue from continuing operations	24,377	16,263	8,114	50%
Profit (loss) after income tax for the half year attributable to members	5,301	3,279	2,021	62%
Earnings before interest, tax, depreciation and amortisation (EBITDA)	8,902	5,909	2,993	51%

* Based on management reports



Drivers for growth – the pieces come together

- Corporate customers focusing on Opex savings through better value products (PIPE dark fibre) and pulling back from ‘easy’ whole of company outsource contracts
- Corporate customers reducing capex budgets and continuing to push for outsourcing of datacentre requirements (and associated fibre connectivity)
- Continuing growth in demand for bandwidth from wholesale and corporate clients
- Strong interest in backhaul upgrades for wireless providers
- New products including PipeEthernet and new datacentre facilities in Melbourne and Sydney expected to kick in first half of 2009/10
- PPC-1 will deliver significant increase in revenues when it comes online in August 2009



Future looking good despite Global Financial Crisis

- Whilst past 6 months has seen customers purchase decision process stretched by 60-90 days, PIPE is still seeing the same level of enquiry for our services
- As a result, sales pipeline is the largest in the companies history with sales representatives working on opportunities of over \$1.5M of New Monthly Recurring Revenue (NMRR)
- Early indicators are good with strongest January sales in company's history



Thank you

This concludes our presentation