



**ASX RELEASE**

**12 March 2010**

## **PIPE Networks Limited Scheme Meeting**

In accordance with Listing Rule 3.13.3, please find attached a copy of the chairman's address and presentation to be provided today at PIPE Networks Limited's (ASX:PWK) Scheme Meeting in relation to the proposed acquisition by TPG Telecom Limited of all the shares in PIPE Networks Limited which it does not already own.

The Board wishes to thank our shareholders for their support and encouragement.

***ENDS***

For more information:

Bevan Slattery  
Managing Director  
T: 07 3233 9800  
[media@pipenetworks.com](mailto:media@pipenetworks.com)

## **Chairman's Address – Mr Roger Clarke**

Scheme Meeting in relation to the proposed acquisition by TPG Telecom Limited of all the shares in PIPE Networks Limited which it does not already own.

Meeting date and time – 10.00 am (Brisbane time), Friday, 12 March 2010.

### **Welcome and meeting opening**

Good morning ladies and gentlemen. I am Roger Clarke, chairman of PIPE Networks Limited (which I will call PIPE Networks or the Company for short) and I would like to welcome you all to today's meeting. It is 10.00 am and time to start the proceedings.

Today's meeting is the Scheme Meeting in relation to the proposed acquisition by TPG Telecom Limited (which I will refer to as TPG Telecom for short) of all the shares in PIPE Networks which it does not already own. Today's meeting marks a significant milestone in the history of your company.

I will be chairing today's meeting.

### **Introduction of Directors**

I would like to begin by introducing the Directors of PIPE Networks. They are in order from my left: Greg Baynton, Non-Executive Director; Stephen Baxter, Non-Executive Director; Bevan Slattery, Managing Director and Chief Executive Officer; Jason Sinclair, Executive Director and Chief Operating Officer. Also to my left is Robin Khuda, Chief Financial Officer.

The other members of PIPE Networks' management team are also here today sitting in the front row.

### **Quorum**

I am advised by the Company Secretary, Ms. Louise Bolger, that there is a quorum for the meeting which requires not less than 5% of the votes that may be cast at the meeting be present and therefore this scheme meeting is properly constituted.

I declare the meeting open.

The register of members is tabled and is available for inspection either during or after the meeting.



## **Observations about PIPE Networks**

The purpose of this meeting is set out in the Notice of Scheme Meeting included as Annexure F in the Scheme Booklet despatched to all shareholders of PIPE Networks on 9 February 2010.

Extra copies of the Scheme Booklet are available for shareholders today.

In essence, the purpose of today's meeting is to approve the proposed scheme of arrangement between PIPE Networks and its shareholders pursuant to which TPG Telecom Limited will acquire all of the shares in PIPE Networks which it does not already own.

## **Outline of Proposal**

On 11 November 2009, PIPE Networks and TPG Telecom announced that they had entered into a Merger Implementation Agreement under which it is proposed that TPG Telecom acquires all of the shares outstanding in PIPE Networks for \$6.30 cash for each PIPE Networks Share by way of a scheme of arrangement. This values PIPE Networks' equity at approximately \$373 million.

At the time of announcement of the Scheme on 11 November 2009, and since that time, your Board has continued to unanimously recommend that, in the absence of a Superior Proposal, you vote in favour of the Scheme and approve the Scheme at the Scheme Meeting. Since the Scheme was announced no Superior Proposals have emerged and your Board has not had any reason to expect a Superior Proposal to emerge.

Accordingly, your Board now unanimously recommends that you vote in favour of the Scheme and approve the Scheme at today's Scheme meeting

I will now spend a few minutes outlining the considerations the Directors took into account in recommending the Scheme.

## **Background to the Director's Recommendation**

In light of considerable uncertainty in financial and regulatory markets, and in order to protect PIPE Networks Shareholder value, your Directors explored a number of strategic options for the PIPE Networks business in the 6 months leading up to announcement of the proposed takeover by TPG, including:

- equity and/or debt raising;
- asset sales;
- de-mergers; and
- mergers with strategic players.



Your Directors concluded that the Scheme was likely to deliver greater value and certainty to PIPE Networks Shareholders than other available alternatives. For that reason, your Directors agreed to enter into the Merger Implementation Agreement with TPG, and to recommend that you vote in favour of the Scheme and approve the Scheme. This is based on a number of important considerations.

The considerations the Board has taken into account in making its recommendation have been set out in the Scheme booklet, and other relevant information to your voting decision are also contained within the Scheme booklet.

I should also mention that your directors appointed Ernst & Young as the Independent Experts to assess the merits of the proposal and the Independent Expert concluded that the Schemes are in the best interests of PIPE Shareholders and are fair and reasonable, in the absence of a superior proposal. As I have noted earlier, no since the announcement of the proposal in November last year, no superior proposal has in fact emerged.

I can inform you that each Director who holds PIPE Networks Shares, or on whose behalf PIPE Networks Shares are held, has lodged their proxies voting in favour of the Scheme. Accordingly, the Directors of PIPE Networks, who together hold 16,969,569 PIPE Networks Shares representing 28.65% of outstanding shares, are voting “in favour” of the Scheme today.

I note that TPG Telecom cannot vote on the resolution to be considered at today's Scheme Meeting.

### **Scheme Conditions and Timetable**

For the Scheme to proceed, votes “in favour” must be received:

- from a majority in number of PIPE Networks Shareholders who vote at the Scheme Meeting (in person or by Proxy); and
- in respect of at least 75% of the total number of PIPE Networks Shares voted on the resolution to approve the Scheme.

The Scheme is also conditional on the Supreme Court of Queensland approving the Scheme.

With respect to the other conditions of the Scheme, as outlined in the Merger Implementation Agreement, PIPE Networks is not aware of any reason why they will not be satisfied. I have been advised by TPG Telecom that they are not aware of any reason why the conditions precedent to their funding will not be satisfied.

In terms of the process and indicative key dates from here if the Scheme is approved by PIPE Networks Shareholders:

- There is a Court hearing for the approval of the Scheme on Wednesday, 17 March 2010. If the Court approves the Scheme, this also becomes the Effective Date;



- Provided the Scheme becomes Effective, PIPE Networks shares are expected to be suspended from trading on the ASX from the close of trading on the Effective Date which is currently scheduled to be Wednesday, 17 March 2010;
- The time and date for determining entitlements to the Scheme Consideration under the Scheme (the Record Date) is 5.00pm (Brisbane time) on Wednesday, 24 March 2010;
- The transfer of PIPE Networks Shares to TPG Telecom (the Implementation Date) will take place on Wednesday, 31 March 2010; and
- The despatch of cheques for the Scheme Consideration will be Wednesday, 7 April 2010 and termination of official quotation of PIPE Networks shares will occur from the close of trading on this date, or such later date determined by TPG Telecom.

Thank you





# PIPE Networks Scheme Meeting Presentation

The Grand Ballroom, Brisbane Marriott Hotel

12 March 2010



# Introduction

- Scheme Meeting in relation to the proposed acquisition by TPG Telecom Limited of all the shares in PIPE Networks Limited which it does not already own
- Meeting date and time – 10.00 am (Brisbane time), Friday, 12 March 2010

# PIPE Networks Directors

- Roger Clarke, Independent Chairman
- Greg Baynton, Non-Executive Director
- Stephen Baxter, Non-Executive Director
- Bevan Slattery, Managing Director and Chief Executive Officer
- Jason Sinclair, Executive Director and Chief Operating Officer

# Outline of Proposal

- On 11 November 2009, PIPE Networks Limited and TPG Telecom announced that they had entered into a Merger Implementation Agreement (**Implementation Agreement**)
- Under this Implementation Agreement it is proposed that TPG Telecom acquires all of the shares outstanding in PIPE Networks for \$6.30 cash for each PIPE Networks Share by way of a scheme of arrangement
- This values PIPE Networks' equity at approximately \$373 million

# Director's Recommendation & Independent Expert Opinion

- Your Board unanimously recommends that you vote in favour of the resolution to approve the Scheme, in the absence of a Superior Proposal
- Each Director who holds PIPE Networks Shares, or on whose behalf PIPE Networks Shares are held, are voting in favour of the Scheme and approve the Scheme in the absence of a Superior Proposal
  - The Directors of PIPE Networks, who together hold 16,969,569 PIPE Networks Shares representing 28.65% of outstanding shares, are voting “in favour” of the Scheme
- The Independent Expert, Ernst & Young Transaction Advisory Services Limited, has concluded that the Scheme is fair and reasonable and that the Scheme is in the best interests of PIPE Networks Shareholders (other than TPG Telecom) in the absence of a superior proposal

# Conditions to Scheme

- For the Scheme to proceed , votes “in favour” must be received:
  - from a majority in number of PIPE Networks Shareholders who vote at the Scheme Meeting (in person or by Proxy); and
  - in respect of at least 75% of the total number of PIPE Networks Shares voted on the resolution to approve the Scheme
- The Scheme is also conditional on the Supreme Court of Queensland approving the Scheme
- Other conditions to the Scheme have been outlined in the Merger Implementation Agreement
  - PIPE Networks is not aware of any reason why they will not be satisfied
  - I have been advised by TPG Telecom that they are not aware of any reason why the conditions precedent to their funding will not be satisfied

# Key Dates and Events

## If the Scheme is approved by PIPE Networks Shareholders

Event	Time and Date
Court hearing for approval of the Scheme	Wednesday, 17 March 2010
Effective Date	Wednesday, 17 March 2010
Suspension of trading in PIPE Networks Shares on the ASX	Close of trading on Wednesday, 17 March 2010
Record Date - time and date for determining entitlements to Scheme Consideration under the Scheme	5.00 pm on Wednesday, 24 March 2010
Implementation Date - transfer of PIPE Networks Shares to TPG	Wednesday, 31 March 2010
Despatch of cheques for Scheme Consideration	Wednesday, 7 April 2010
Termination of official quotation of PIPE Networks Shares on the ASX	Close of trading on Wednesday, 7 April 2010 or such later date determined by TPG



# Resolution

The resolution to be considered, and if thought fit, pass in today's meeting is:

*“That pursuant to, and in accordance with, section 411 of the Corporations Act, the scheme of arrangement proposed between the company and the holders of its ordinary shares (other than TPG Telecom Limited) as contained in and more particularly described in the document of which the notice convening this meeting forms part is approved (with or without modification as approved by the Supreme Court of Queensland).”*

# Proxy Results

	Number of Shares		Number of Shareholders	
	No.	%	No.	%
For	40,134,149	92.3%	631	74.5%
Against	2,546,308	5.9%	129	15.2%
Open (in favour of chairman)	761,832	1.8%	82	9.7%
Open (other)	32,879	0.1%	5	0.6%
<b>Total Proxy Votes</b>	<b>43,475,168</b>	<b>100.0%</b>	<b>847</b>	<b>100.0%</b>
<i>Abstain</i>	4,156		3	

# Conclusion

- If the resolution is passed, the TPG Telecom proposal will proceed subject to the Supreme Court of Queensland approving the Scheme
- Results of the poll will be announced to the ASX and posted on PIPE Networks' website later today
- Refreshments

# Disclaimer

Some of the statements in this presentation constitute “forward-looking statements” that do not directly or exclusively relate to historical facts. These forward-looking statements reflect PIPE Networks Limited’s current intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside PIPE Networks Limited’s control.

While due care has been used in the preparation of forecast information, actual results may vary in a materially positive or negative manner. Forecasts and hypothetical examples are subject to uncertainty and contingencies outside the control of PIPE Networks Limited. Past performance is not a reliable indication of future performance

Recipients should not treat the contents of this presentation as advice relating to legal, taxation or investment matters and are advised to consult their own professional advisors.

This presentation may not be copied or otherwise reproduced.



**BRISBANE**

Level 17  
127 Creek Street  
Brisbane  
QLD, 4000

**SYDNEY**

Suite 9  
135 King Street  
Sydney  
New South Wales, 2000

**MELBOURNE**

Q2, Level 9  
2 Queen Street  
Melbourne  
Victoria, 3000

**ADELAIDE**

Suite 2  
132 Franklin Street  
Adelaide  
South Australia, 5000

**HOBART**

Suite 2  
29 Elizabeth Street  
Hobart  
Tasmania, 7000

**PIPE NETWORKS**

Phone: +61 7 3233 9800  
Fax: +61 7 3233 9888  
Email: [info@pipenetworks.com](mailto:info@pipenetworks.com)  
Web: [www.pipenetworks.com](http://www.pipenetworks.com)