



MEDIA/ASX RELEASE

14 April 2008

### ***Presentation to analysts***

Please find attached a presentation being made by **PIPE Networks Limited (ASX:PWK)** CEO and Managing Director, Mr Bevan Slattery, to various analysts and institutional shareholders today.

In his presentation, more details are provided on the back of the recent guidance update for FY2008/09. Mr Slattery has also provided an overview of the status of various projects and announces the implementation of a real-time update on the status of the PPC-1 cable construction to be available at [www.pipeinternational.com](http://www.pipeinternational.com) for those interested in the details of this project.

**ENDS**

**For more information:**

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## POLO CLUB PRESENTATION



# BEVAN SLATTERY

Chief Executive Officer

## Background on PIPE Networks

Started operations in May 2002

Australia's leading neutral **telecommunications infrastructure provider**

Listed on the Australian Stock Exchange in May 2005

Company has been profitable since first full year of operation

Offers Internet exchange (peering), dark fibre and carrier-neutral collocation facilities

Over 1000km of fibre cable

7 collocation data centres throughout Australia

Carrier clients include over 100 ISPs (mainly peering and collocation)

Over 100 corporate and carrier clients mostly for their disaster recover and inter-office connectivity

### Awards

Dark fibre product voted "Best Solution – Large Corporate" 2005 – ATUG

Voted "Carrier of the Year" 2006 – ATUG

Highly Commended (Carrier of the Year) 2007 – ATUG

Deloitte's Fast 50 2005/6/7

Business Review Weekly Top 100 Companies 2006/7

## 2008/9 What to expect?

- **Increased Revenue to between \$45M-\$50M (up 32%-47% yoy)**
- **Increased Profit to between \$11M-\$12M (up 50% - 70% yoy)**
- **Fibre utilisation to increase between 25-28%**
- **Due to critical mass being achieved in metropolitan areas, network expansion to slow**
- **Reduced cap-ex on PWK and increase in utilisation**



## 2008/9 Revenue ahead of expectations

- **Current monthly recurring revenue \$2.75M per month**
- **\$700k of additional NMRR (New Monthly Recurring Revenue) already under contract due to hit the books by July 1**
- **Assuming normal quarterly sales of approx \$300k of NMRR this quarter, company will achieve \$3.8M of normalised monthly contracted recurring revenue as of July 2008.**
- **Annualised contracted revenue for 2008/9 already \$40M+**



## 2008/9 Profit ahead of expectations

- **Current normalised monthly profit is \$550k purely based on monthly recurring revenue.**
- **Once new contracts flow through, normalised monthly profit increasing to \$830k per month as of July 1, 2008.**
- **expected to be approx \$1M+ per month as of January 1, 2009.**

## PPC-1 Progress and Blog

- [www.pipeinternational.com](http://www.pipeinternational.com)
- **Progressing ahead of schedule with survey underway and cable manufacture 3 months ahead of schedule**
- **Exciting development which provides investors, customers and the public unique insight into building submarine cable**
- **Includes complete status report on progress of all system related tasks including survey, permitting, manufacture and installation**
- **Blog to be kept up to date daily with photos, videos, and staff updates on the systems progress**



## PPC-1 Demand

- Demand is being driven by massive growth in video traffic which is expected to grow as users move from the small screen (youtube on PC's) to the big screen (Movies on Plasma). This shift requires at least 10x the capacity
- Currently in discussions with numerous parties seeking additional capacity. Value of capacity deals currently in discussion are in excess of \$80M.
- Expect first new capacity sales around in first half of 2008/9 prior to system completion
- High level of profitability on new capacity sales



## PPC-2

- **MOU with Kordia**
- **Cable from Sydney to NZ**
- **No significant cash contribution from PIPE Networks**



# THANK YOU

This concludes our presentation



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