

27 October 2008

PIPE Networks Limited 2008 Annual General Meeting

In accordance with Listing Rule 3.13.3, please find attached copies of the presentations to be provided today at the third Annual General Meeting of the Company.

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

ENDS

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CHAIRMAN'S ADDRESS – MR ROGER CLARKE

Ladies and Gentlemen,

Thank you for attending the 4th AGM of PIPE Networks.

Financial Year 2008 has been another exciting year for PIPE Networks. Your Company has continued to meet the challenging goals set by your board, and has identified further exciting growth opportunities. This has resulted in another strong financial result.

Over the financial year to 30 June 2008, your Company has achieved a Net Profit After Tax (NPAT) of \$7.20 million from revenues of over \$34.58 million. This result represents profit growth of 49% and continues the record of success and strong growth of the Company since its inception.

The continued success of the Company over the last year has come at a time of considerable uncertainty in markets and highlights the quality of our people, infrastructure, our award winning services and the strong customer relationships and internal controls that have been developed by the team at PIPE Networks.

We continue to invest in our future. In addition to the added reach and capacity of our fibre optic network, we have recently opened new data centre facilities in Brisbane, are constructing a new alternative undersea cable system (PPC-1) linking Australia to the world, have made strategic investments in the Vocus group of companies and continue to review new and exciting product offerings and plan to bring new technologies into the Australian market which leverage our assets and strong market position.

If I could make a couple of comments on PPC-1. At each stage of development and construction we have been able to obtain the necessary approvals etc which is a great credit to the team involved. The next major milestone is the bridging finance and our current understanding is our application is with the Banks Credit Committees. Obviously we are fully aware of the disruption in the credit markets and in spite of this we are hopeful of receiving an offer in the near future. Given the current market conditions any offer may come with more stringent drawdown conditions than would previously been the case (as set out in the annual report) . Your Directors will consider the implications of any offer based on improving earnings per share at the time the project comes on stream. Obviously we are hopeful as proceeding as planned, the other possibilities are that modifications to our previous plans will be required (for example - we may talk to partners) or quite simply we will not be able to meet our own stated criteria. We expect to be able make these assessments within a relatively short time frame


We welcome Jason Sinclair as Chief Operating Officer and Executive-Director, stepping in for Steve Baxter who leaves his executive role but will continue to provide his extensive experience in a Non-Executive capacity. We farewell Lloyd Ernst from the Board. Lloyd has been a valuable sounding board to the Board on technical and

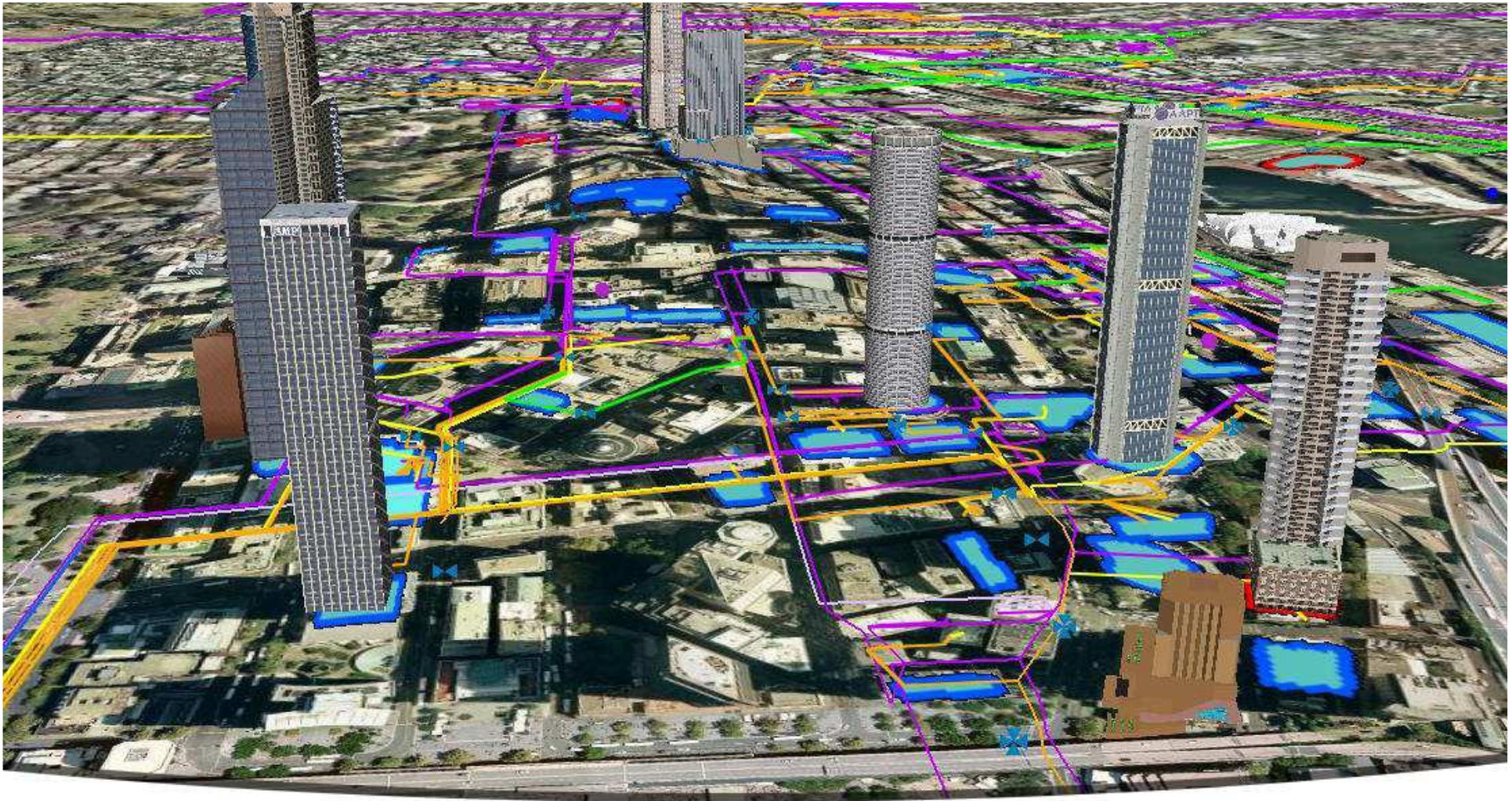
marketing matters and will be missed. We wish Steve well in his new role with Google in Los Angeles and Lloyd with his global business ventures.

On your behalf, I would especially like to thank Bevan Slattery, Steve Baxter, Jason Sinclair and their team for the excellent results for the 2008 financial year, and for positioning the company for an exciting future.

I would like to now invite Mr Bevan Slattery to give his summary of progress for the year and to provide an overview to coming year and beyond.

Thank you





Annual General Meeting

Moving Forward




Welcome

PIPE NETWORKS

ANNUAL GENERAL MEETING

RIVERSIDE AUDITORIUM

27 OCTOBER 2008



Roger Clarke

ROGER CLARKE

CHAIRMAN

BEVAN SLATTERY

MANAGING DIRECTOR

Key Highlights - Growth

- Continued growth in revenue and profit with the company delivering a 49% increase in NPAT to \$7.2M
- Fibre network grew 27% to 1,098km up to June 2008 and is now nearly 1,200km
- Built CBD fibre network in Adelaide and Perth covering key buildings in each business district
- Finished construction of DC4 which is already approx 90% under contract
- Announced construction of submarine cable system PPC-1

Results for Announcement to the Market

Summary of Financial Information

	FY 2008 \$ (,000)	FY 2007 \$ (,000)	Movement \$(,000)	Movement %
Revenue	34,581	24,277	10,304	42%
NPAT	7,204	4,831	2,373	49%
EBITDA	12,981	8,669	4,312	50%

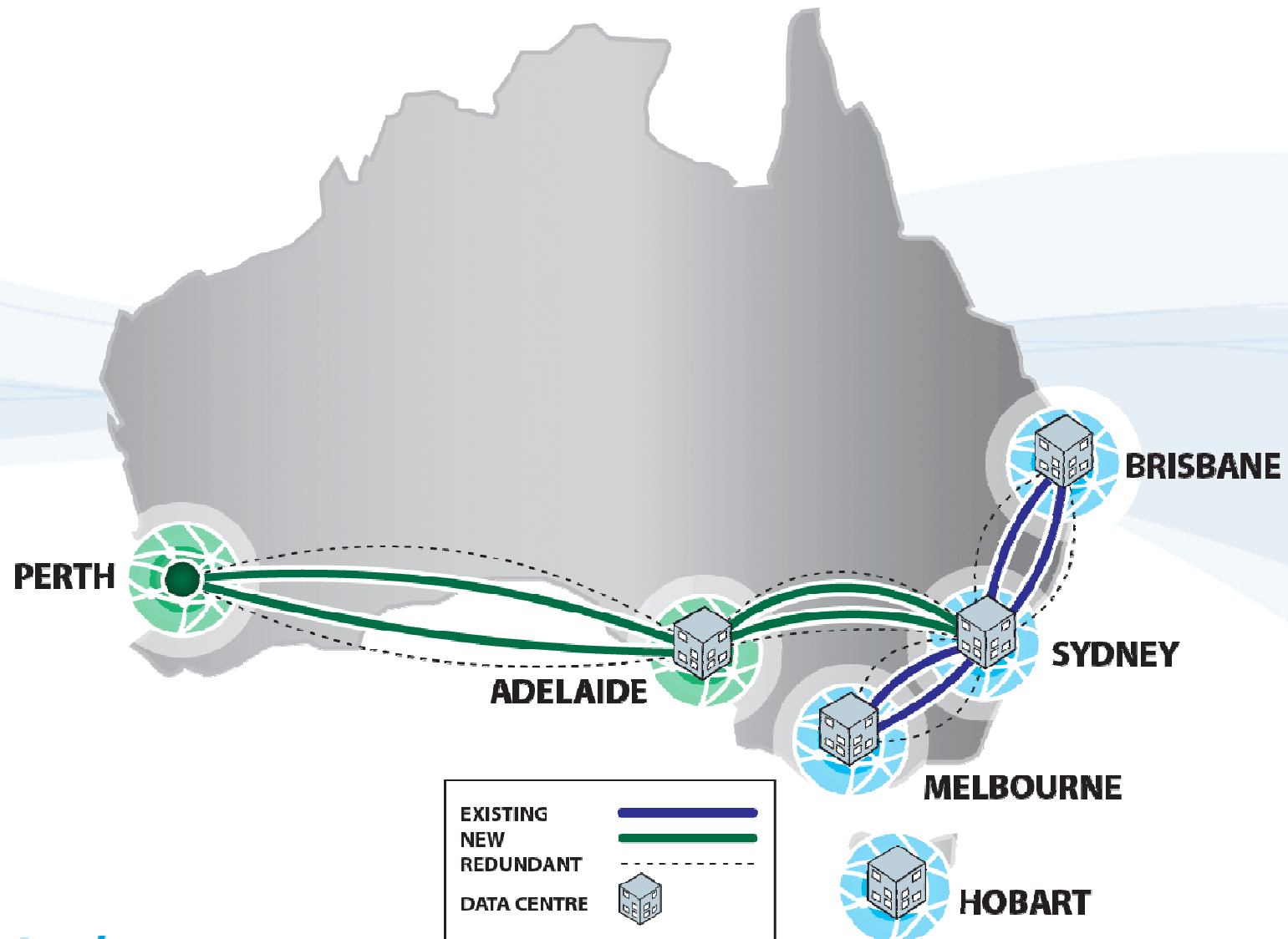
EPS, NTA and Ratios	FY 2008	FY 2007
Basic earnings per security (EPS)	15.83c	12.07c
Diluted earnings per security	15.83c	12.05c
Net tangible assets per security (NTA)	140.63c	92.54c
Profit before tax / revenue	29%	28%
Profit after tax / equity interests	10%	12%

Financial Strength

- Increase in NPAT to \$7.2M with EBITDA of \$12.98
- Increase in net assets to \$71.83M
- Successful capital raising of \$26M in a share placement with institutional shareholders
- \$40M Debt facility with ANZ bank with overall net debt to date of \$26M
- Declared dividend of 7 cents/share fully franked

2008

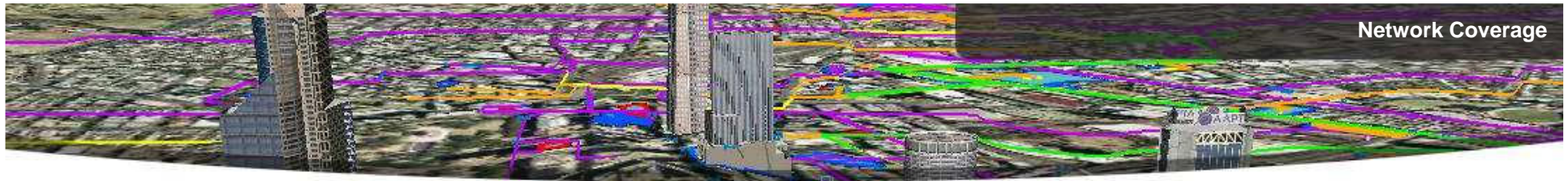
UNVEILLING A NATIONAL FIBRE STRATEGY





National Fibre Infrastructure Strategy

- Get Fibre into the 5 major capital cities in Australia by expanding into Adelaide and Perth **[Completed]**
- Design and provision fibre network expansion to provide maximum flexibility and reduced cost to connect to key strategic buildings upon customer acquisition **[Completed]**
- Connect to identified major datacentres in each city **[Almost completed]**
- Interconnect new Adelaide and Perth footprint to existing east coast Intercapital network **[Provisioning]**
- Interconnect new national footprint into PPC-1 **[Planned]**

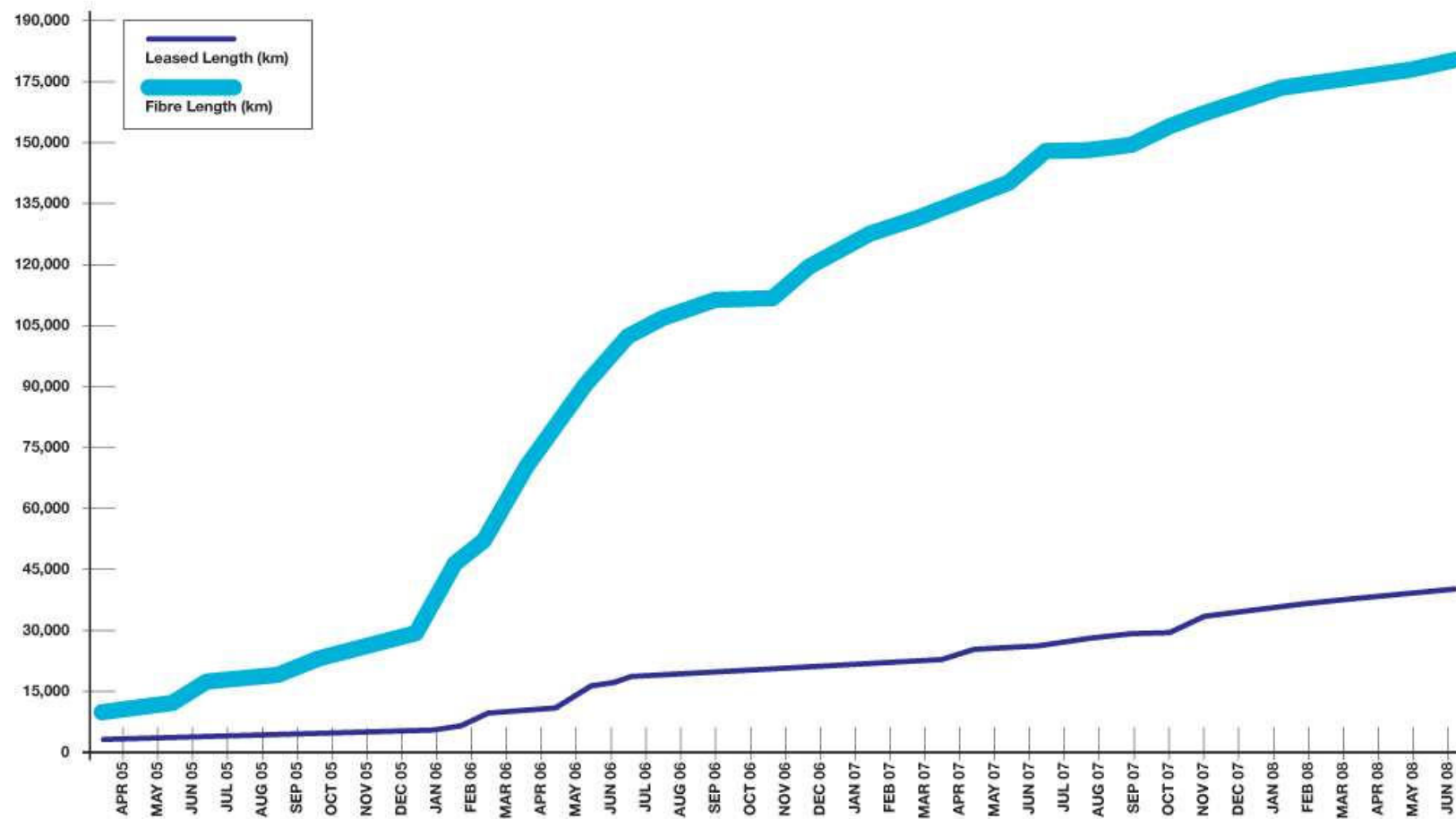


Network Coverage

	June 2005	June 2006	June 2007	June 2008
Metres of fibre cable installed	74,347	559,511	869,304	1,098,032
Metres of fibre Optic Cores Installed	10,664,088	92,916,352	141,006,325	177,788,725
Metres of fibre optic cores used	2,138,654	14,420,372	24,675,191	39,978,405
% of fibre core metres utilised	19%	16%	17.5%	22.5%
Average fibre cores per metre of cable	143	164	162	162

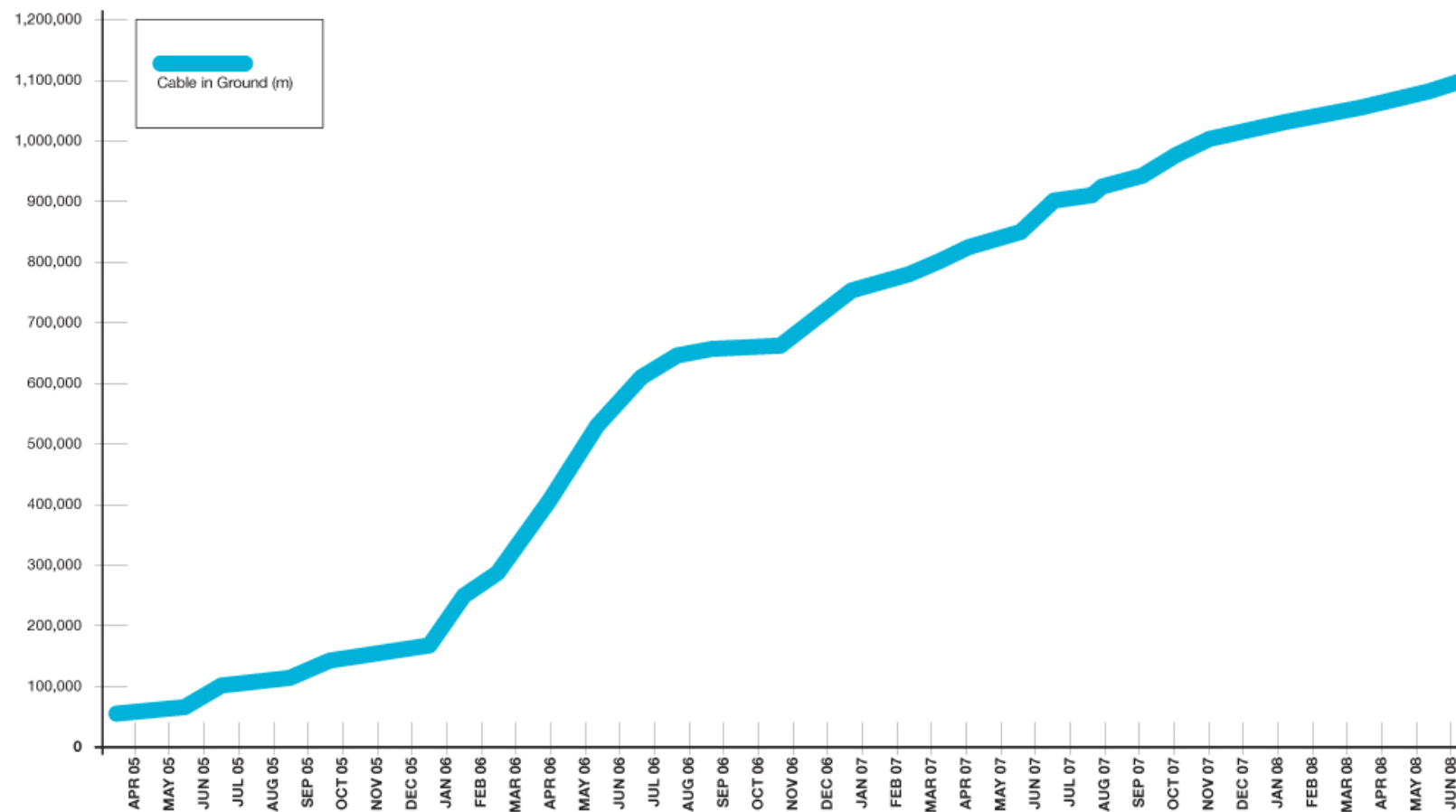


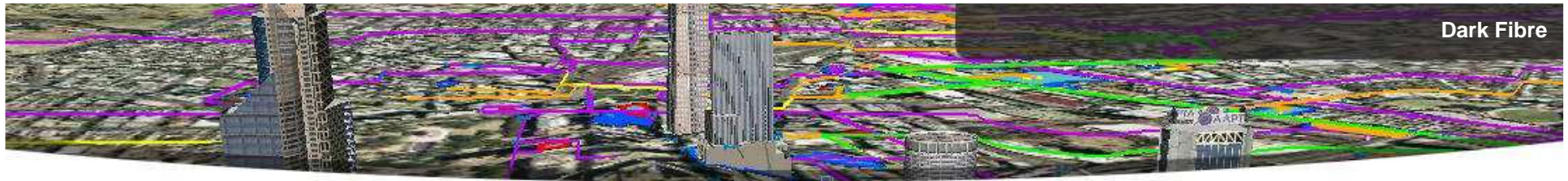
Fibre Length & Leased Fibre Length





Fibre in Ground





Dark Fibre – [still] Strong Growth

- **Virtualisation** (VMWare), **Storage Area Networks** (SAN), Disaster Recovery and interoffice connectivity still the biggest drivers for dark fibre
- Customers demand for bandwidth continually increasing
- PIPE Networks recently added to the NSW Government panel of suppliers for 'special data services' and already fielding considerable enquiries for same
- Strong sales pipeline provides visibility into large deal flow into 2008/9 financial year
- Increased sales team from 12 people to 22 people in Sep/Oct 2008 with all new positions in Sydney and Melbourne

Peering/IX Growth

- Attracted significant content providers to interconnect to PIPE IX
- Experienced over 500% growth in traffic the past 12 months, confirming the massive growth in online traffic in Australia
- Transferring over 13,000Mb/s and 10.5 Petabytes or 10,500,000,000Mb of traffic each month
- Greater than 60 connections are connected at port speeds of 1Gbps or above with some customer now connected at 10Gbps. Higher port speeds attract a higher charge and therefore greater revenue

Data Centre and Co-location Highlights

- **Datacentre demand continues to outstrip supply**
- **Whilst Datacentres costs are also increasing (power and capital costs), revenues on new services have increased at a similar levels maintaining profitability levels**
- **DC4 in Brisbane is already at 90% capacity despite being completed less than 6 months ago**
- **Announcing plans to establish a new facility in Melbourne due to strong demand**



Status of PIPE Networks' Data Centres

Brisbane Datacentres	Status
DC1	At Capacity
DC2	At Capacity
DC3 Stage 1	At Capacity
DC3 Stage 2	At Capacity
DC4	Near Capacity

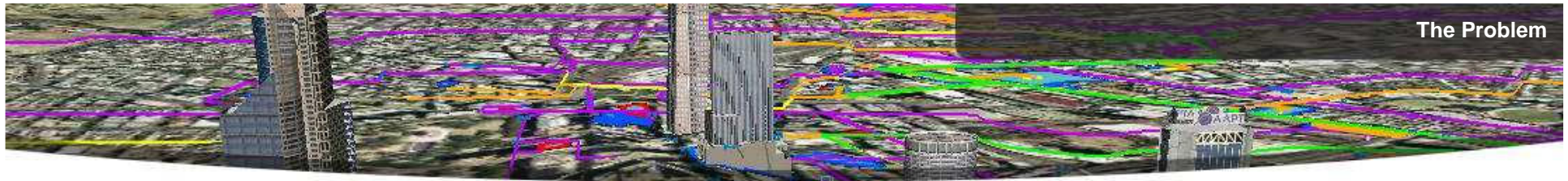
Sydney Datacentres	Status
DC2 Stage 1 (Global Switch)	At Capacity
DC2 Stage 2 (Global Switch)	At Capacity
DC2 Stage 3 (Global Switch)	At Capacity
DC2 Stage 4 (Global Switch)	Under Construction

Other Datacentres	Status
Melbourne	At Capacity
Melbourne DC2	Under Design
Hobart	At Capacity
Adelaide	At Capacity

PROJECT RUNWAY THE SYDNEY TO GUAM CABLE

Project Runway – Fast Facts

- **Approx 6,700km fibre cable connecting Sydney to Guam**
- **2 Pair fibre system with 96 x 10G wavelengths per pair**
- **Total initial design capacity 1.92 terabits per second**
- **June/July 2009 RFS Date**




PPC-1 Construction Update

- **Approx 90% of the submarine cable is now manufactured**
- **All installation permits except one (ACMA non-protection zone) has been obtained. Delays in obtaining this permit include Government agency administrative errors and delays in Australian Government organisations not responding within the appropriate timeframes**
- **‘Dry’ equipment is expected to start shipping to the landing stations in Sydney and Guam in the next 45 days.**
- **‘Wet’ equipment being cable and underwater repeaters are expected to commence ship loading in the next 90 days.**
- **System updates available at www.pipeinternational.com**



Project Runway – General Update

- Currently working on \$60M+ sales opportunities at various stage of development
- Whilst the construction costs have remained consistent, there has been an increase in some associated costs including finance costs, professional fees as well as terrestrial landing station and backhaul costs.
- Due to financial market conditions and other inputs, guidance for PPC-1 will be made available closer to completion



Looking Forward

LOOKING FORWARD


LOOKING AHEAD

- Sales pipeline is strong in all products
- PIPE Networks recently added to the NSW Government panel of suppliers for 'special data services' and already fielding considerable enquiries
- Increased national sales team from 12 to 22 in September 2008. Add approx \$2M in additional staffing costs this financial year
- Launching a series of new products designed to leverage the existing fibre investment and capture a greater share of the available market
- Expect significant reduction in terrestrial capex in 2nd half of financial year as most major projects are now completed
- Continued investment and development in national datacentre strategy
- PPC-1 expected to come on-line in July 2009

Looking into 2008/9 – The Numbers

Board expectations (excluding PPC-1)

	FY 2008 \$ (,000)	FY 2009 \$ (,000)
Revenue	34,581	45,000+
NPAT	7,204	11,000+
EBITDA	12,981	18,500+



This Concludes Our Presentation

Thank you

This concludes our presentation

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