Our **Commitment**

PIPE Networks' Capabilities and Commitments

pipenetworks

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"We are working towards a vision that will forever revolutionise the Australian telecommunications industry."

Bevan Slattery, CEO/Managing Director
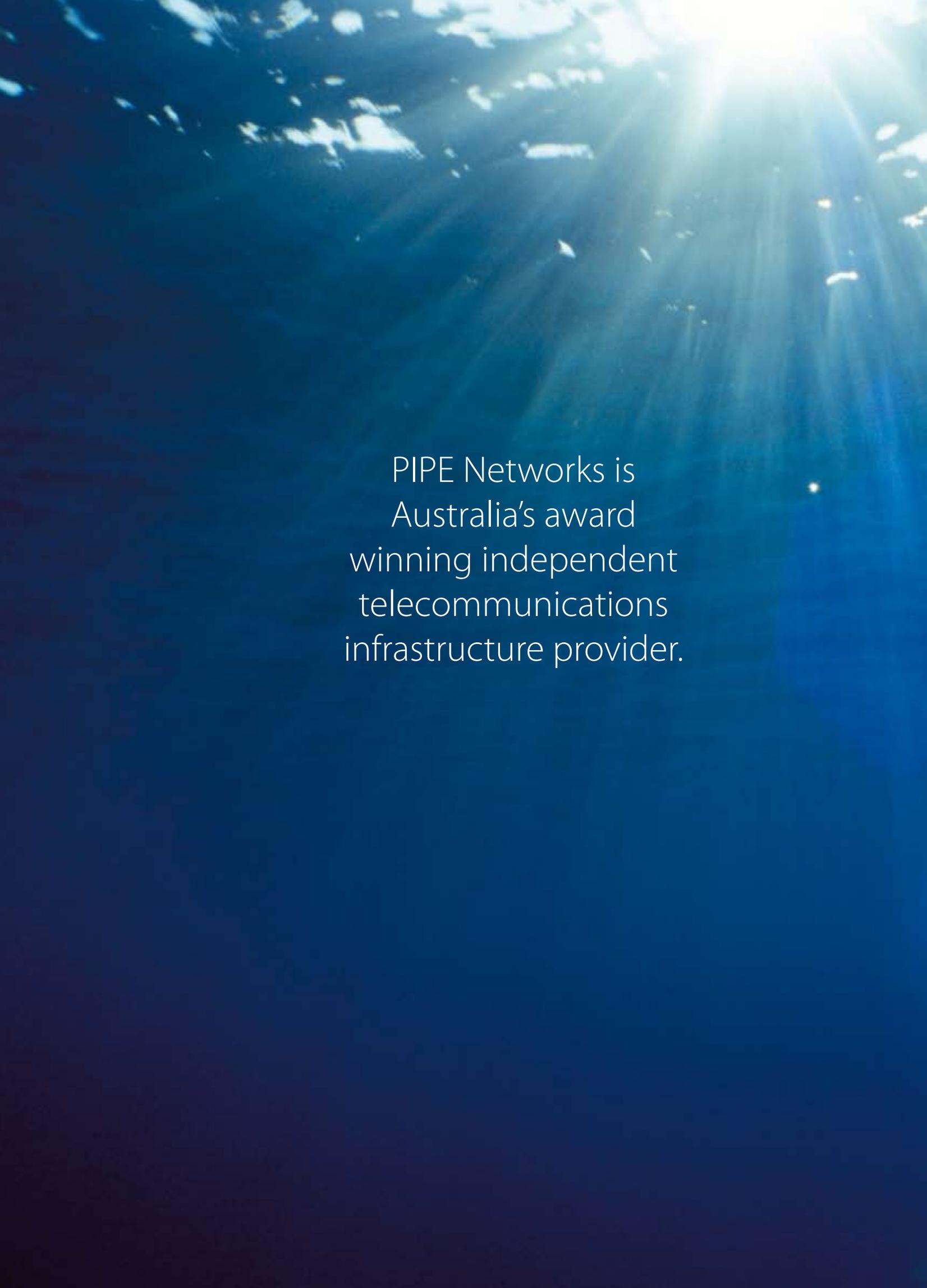
PIPE Networks is Australia's award winning independent telecommunications infrastructure provider.

Welcome
A message from the CEO

Welcome to PIPE Networks, a company fast becoming recognised as Australia's leading carrier. It is sometimes easy to forget that this company started from humble beginnings in 2002 with the two founders, a vision and a vacant office. However, at PIPE Networks things move quickly.

Today PIPE Networks has built Australia's third largest metropolitan fibre network, owns and operates Australia's largest internet exchange and was voted '2006 Carrier of the Year' by the Australian Telecommunications Users Group (ATUG).

Our Dark Fibre product was voted 'Best Communications Solution – Large Business' and powers many of Australia's corporate, government and carrier networks.

Add to this a successful listing on the Australian Stock Exchange in 2005 and being recognised as the 2nd best performing IPO for that year.

However, possibly more noteworthy than the accolades has been the Company's financial performance.

PIPE Networks has been profitable each and every year since its first year of operation.

Furthermore, PIPE Networks has outperformed nearly all others in its industry, with record growth both in terms of revenue and profits every year, and as a result was voted 'Australia's 7th Fastest Growing Company' by Business Review Weekly.

PIPE Networks is more than one of Australia's leading telecommunications infrastructure providers. PIPE Networks is a remarkable company, using the latest in technology, operated by a talented and team of dedicated people driven to assist our customers obtain the best service possible.

Whether you are a shareholder, customer or simply interested in the PIPE Networks story, I trust this statement will help you gain some insight into how PIPE Networks is changing the telecommunications industry in Australia.

Regards,

Bevan Slattery
CEO/Managing Director

Our Mission

To revolutionise the Australian telecommunications market by building the most trusted, scalable and customer-enabling network Australia has ever experienced.

"The future is bright, with expanded reach of our network, increases in available capacity for sale and the introduction of new products; we continue to grow in a highly disciplined and profitable manner."

Roger Clarke, Chairman

Share Price Performance
PIPE Networks vs Telco Segment
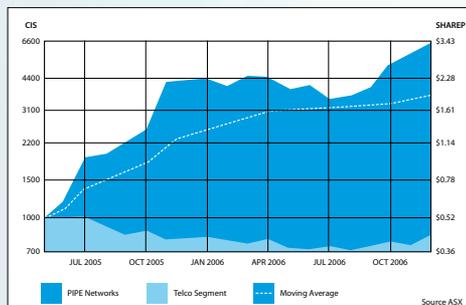
The strong performance of PIPE Networks' share price is demonstrated when compared with other companies in the listed Telco Segment.

Profit By Year
NPAT/EBIT/EBITDA
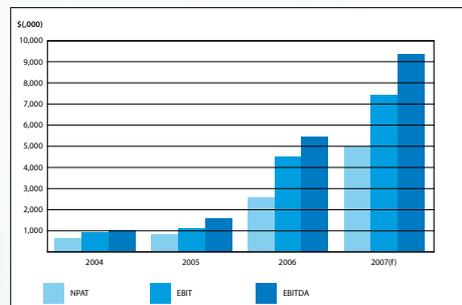
PIPE Networks' Profit by Year figures show very strong results. In contrast to the industry norm, PIPE Networks has always returned positive NPAT results.

Earnings Per Share
Basic EPS
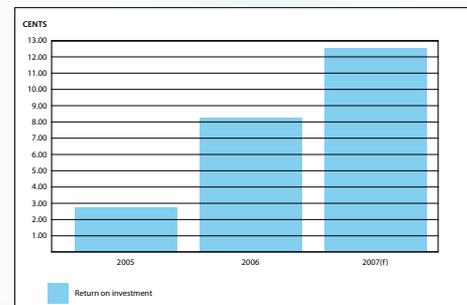
The performance of PIPE Networks is reflected in the returns our investors receive.

Our Investment Philosophy
A proven track record

With an initial seed capital of just $100,000 from its founders, the Company was set the challenge to survive and grow. The original investment built a humble office and established the first two peering points in Brisbane. PIPE Networks has succeeded and ultimately expanded to be a $130 million listed company in an industry where many have failed.

The founders stood firm on one principle, the Company must stand on its own and be profitable from the first day. No additional capital would be contributed by the founders and only investment in substantial assets and expansion would drive future capital needs.

To meet this principle, the founders have adopted an investment philosophy which has been instrumental in the company's growth. PIPE Networks invests in new networks where either:

- Customer contracts are in place to ensure that a significant share of the installation costs can be recovered directly, either immediately or over the life of the contract, or

- There is a demonstrated market demand in that geographical area of proposed network expansion and management is confident that such expansion is likely to generate further revenue and return on investment.

The strength of our discipline in investment and execution has seen us grow rapidly and profitably from our first year of operation. Our aggressive goals have seen us build, own and operate Australia's third largest metropolitan fibre network.

We continue to invest in our future. In addition to the added capacity of our fibre network, our peering facilities have been upgraded for increased capability and scalability. We are currently trialling new and exciting product offerings and planning to bring new technologies into the Australian market which will further leverage our assets and strong market position.

PIPE Networks continues to maximise the capabilities and resources at our disposal, generating superior returns for our investors.

Regards,

Roger Clarke
Chairman
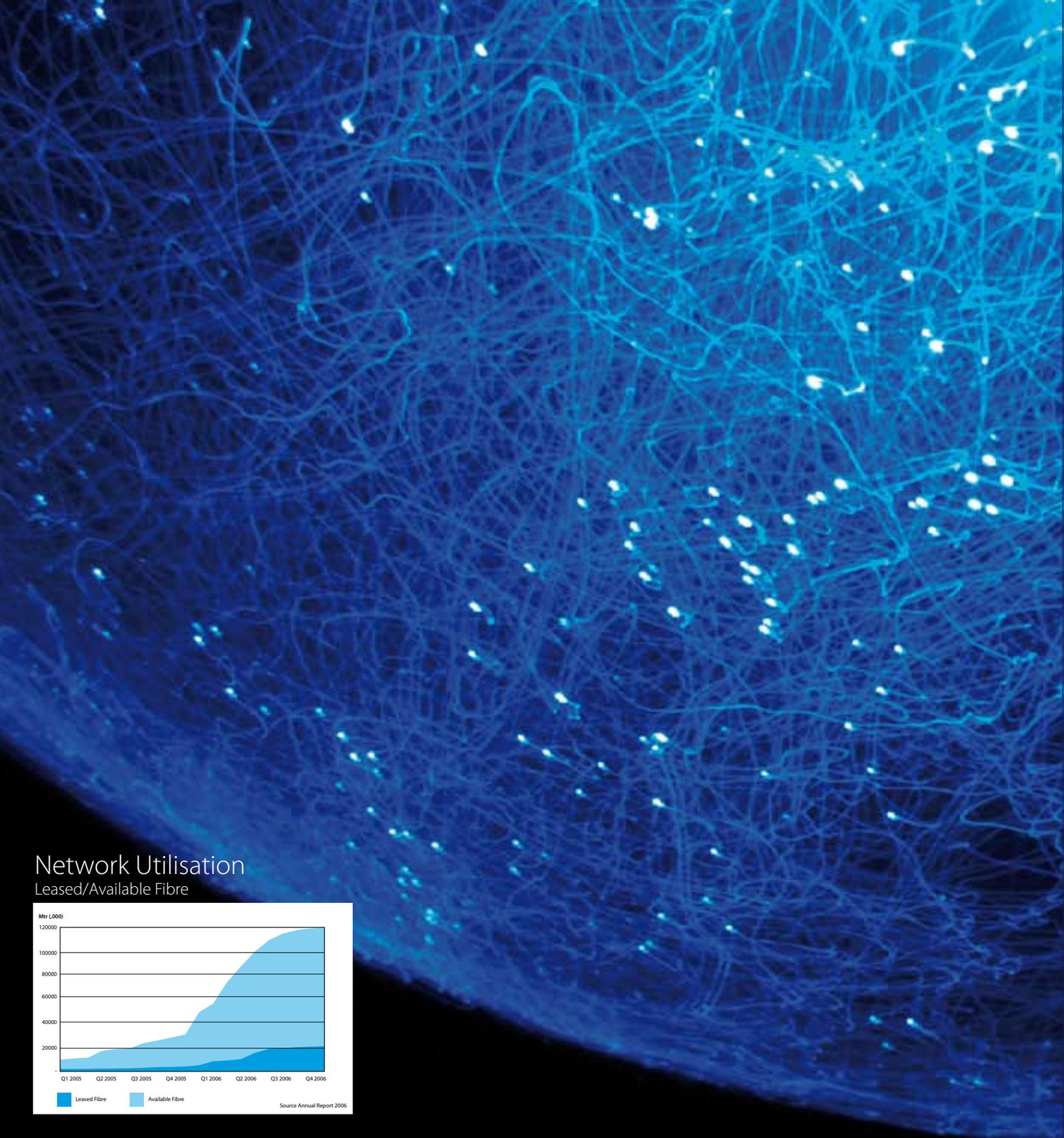
Network Utilisation
Leased/Available Fibre

Mtr (,000)

120000
100000
80000
60000
40000
20000

Q1 2005 Q2 2005 Q3 2005 Q4 2005 Q1 2006 Q2 2006 Q3 2006 Q4 2006

■ Leased Fibre   ■ Available Fibre

Source Annual Report 2006
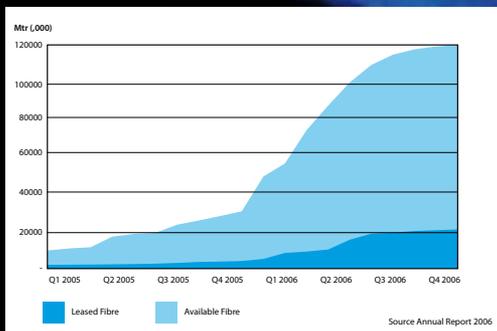
Brisbane Network
Covering around 50% of the local population.
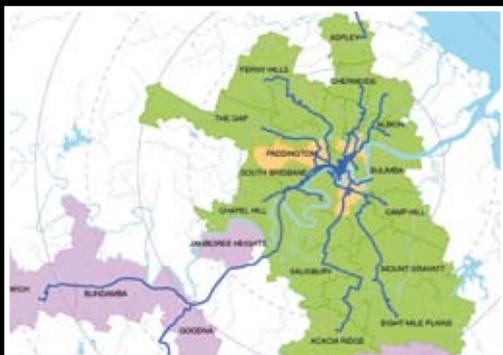
Melbourne Network
Covering around 45% of the local population.
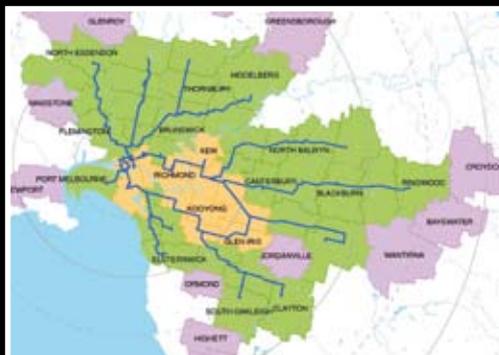
Sydney Network
Covering around 55% of the local population.

Our Network
World class infrastructure

PIPE Networks have engineered a world class fibre network connecting our customers across the metropolitan regions of Australia's east coast capital cities.

Initially designed for our own needs, the network has rapidly expanded over the past three years to become Australia's third largest metropolitan fibre network.

Our network now connects most of Australia's major data centres, corporate customers in hundreds of buildings and a significant number of exchanges/central offices (COs) in our core markets.

Our fibre coverage is so extensive it is able to provide backhaul to over 50% of Australia's east coast population via the exchanges/COs we connect.

The expanse of our network and interconnecting of major data centres provides customers a highly flexible and secure real-time disaster recovery solution. This enables our clients to comply with corporate governance, risk reduction and business continuity requirements. These features are vital to our customers, in particular corporate financial institutions and government clients.

As Australia's largest internet peering provider, most ISPs choose to connect through our data centres to contain interconnection costs while lowering latency through our peering fabric.

This further enhances the data centre connectivity opportunities for providers and enables a convenient cost effective means of interconnecting with other wholesale providers across the country.

With our network reach meeting customer demand for fast, secure and flexible solutions, we continue to provide world class solutions to corporate customers with new products and services designed to leverage the considerable capacity of our infrastructure assets.

Our Advantage
State of the art technology

PIPE Networks is renowned for staying ahead of industry developments. This is key to our success and one way we ensure the high quality of our products. We use tomorrow's technology today to provide progressive solutions.

Our Fibre Network
Our fibre network is the latest in state of the art infrastructure. It utilises high quality Sm@rtcore® small tube technology, supplied by the world's leading manufacturer and deployed by PIPE Networks own specialist engineers. This ensures the highest level of quality and reliability is maintained, and maximises network life and future upgrade ease.

For all network planning and design, monitoring and evaluation we use the most advanced technologies available. This allows for rapid deployment and connection of new cable on time and on budget. By using the latest technology, we minimise inefficient build processes and provide maximum flexibility and fast response times for our customers.

Our Metro Ethernet Network
Overlaying our fibre network is one of Australia's most advanced metropolitan ethernet networks. This supports our peering infrastructure and Data Centre Interconnect network.

Our metropolitan networks operate on a redundant 10Gb/s ethernet core using our own fibre network equipped with Foundry Networks Super-X switches and MLX NetIron series routers. PIPE Networks was one of the first carriers in the world to deploy the Super-X switches and one of the first in Australia to deploy an MPLS enabled network with the MLX routers. At the edge we use a combination of Foundry Networks and ADVA Optical Networking hardware.

This network provides the ultimate in scalability and reliability for our managed ethernet and peering customers and is used to connect many of Australia's carriers and major data centres.

Our Geographic Information System
With our unique integrated Geographic Information Systems (GIS) and management technology, we have the power to visualise, evaluate and monitor our entire fibre network. Having the capacity to pinpoint the location of every inch of optic fibre in our network enables us to meet our customers' demands for advanced network protection, fault analysis and tracing, network aptitude testing and asset tracking.

PIPE Networks has an established in-house team of GIS Subject Matter Experts, who analyse spatial data for all network planning and design activities using specific GIS telecommunications modules for enhancing existing business processes, as well as supporting the PIPE Networks Network Operations Centre (NOC) in network provisioning and assurance processes.

Our Network Operations Centre
The PIPE Networks NOC was designed as part of a continuous program to take our service standards to the next level, its purpose is to keep our customers online, all the time. This cutting edge centre monitors our nationwide network around the clock, providing world class efficiency levels to address network and customer concerns.

As our company rapidly expands through the deployment of new products and services, this facility enables us to provide a superior level of service support to our customers. The NOC is designed to be extremely scalable in order to cope with current and future demands.

Our Provisioning System
To support the provisioning and management of our infrastructure solutions and services, we have invested in the redesign and implementation of a purpose built operations support system. This technology allows us to manage our customers' needs from initial contact, through to sales, provisioning and billing life cycles with ultimate ease and customer satisfaction. Our customers are automatically notified when provisioning milestones are reached and our personnel can assist them with any query.

The provisioning system integrates with our management and reporting systems to provide a scalable management solution for the deployment of our various customer solutions.

These integrated technologies provide a high level of customer satisfaction and enable us to address network and customer issues efficiently, allowing us to continually improve the service we deliver to our valued customers.

Regards,

Stephen Baxter
Technical Director

We are committed to hiring the right people for the job. It is vital that our team can work together to achieve a common goal.

Our Directors
Building successful companies

PIPE Networks has an outstanding team of professionals who have an extraordinary combination of knowledge, experience and skills.

Roger Clarke
Chairman

Roger has over 30 years commercial experience, principally in the investment banking industry, with responsibilities in fund management, banking and corporate finance, and involvement in a significant number of initial public offerings, capital raising and corporate transactions, including such projects as the Brisbane City Tunnel. He is also Chairman of ABN AMRO Morgans Limited as well as holding board positions in other technology, mining and investment companies.

Bevan Slattery
CEO/Managing Director/Co-founder

Bevan provides key leadership in the strategic direction and operations of the Company. He has responsibility for the oversight and overall management of the Company to meet the strategic outcomes as determined by the Board. He is Co-founder and Chief Executive Officer of PIPE Networks and has overseen the Company's profitability from its first year of operation and growth to a market capitalisation of over $130 million.

Mr Slattery is a highly respected and award winning entrepreneur who brings a wealth of experience in building highly successful IT companies. He co-founded Infopro Technologies (subsequently renamed iSeek Limited) and worked to develop leading internet filtering and filtered search technologies with international companies such as N2H2 and Inktomi.

Stephen Baxter
CTO/Technical Director/Co-founder

Stephen is a key driver of technical direction, innovation and capabilities within the Company and brings enormous experience and knowledge to the Board for strategic planning. He has responsibility for the implementation and management of the technical systems and products that underpin the success of the Company.

After serving almost nine years in the Australian Regular Army as an Electronics Specialist, and with a background in building successful Internet Service Providers (ISPs) and peering exchanges, he is a leader in the community with his knowledge and experience in the internet industry. His experience extends to the early establishment of internet exchanges and the roll-out of an extensive optical fibre network in South Australia. Mr Baxter's broad internet and telecommunications career also includes the establishment and eventual sale of SE Net, a successful internet company that grew to be the largest ISP in South Australia. Mr Baxter has been recognised as an award winning entrepreneur and business leader.

Greg Baynton
Non-executive Director

With a background in merchant banking, Greg has held senior positions in Queensland Treasury and is currently Managing Director of Orbit Capital, a boutique investment bank. His extensive experience and focus is on structuring and funding companies from their early stages through to their preparation for Australian Stock Exchange (ASX) listing and ongoing corporate advisory services. Mr Baynton is a director of several ASX-listed companies and his experience and expertise in structuring and financing large deals is a valuable contribution to the Board.

Lloyd Ernst
Non-executive Director

Lloyd is a recognised entrepreneur and a leader in the IT&T sector and brings his significant skills and expertise to the Company. His successful businesses include WebCentral Ltd – Australia's largest web hosting provider and the first company outside of the United States to receive the Microsoft 'Hosting Service Provider of the Year' award, PowerUp Pty Ltd – one of Queensland's largest ISPs and XtreamLok – a digital rights management software company. He is active in IT industry events, forums and organisations and is a passionate advocate for broadband in rural and remote areas. He regularly travels internationally, maintaining strong contacts in the US, the UK and China.

Our Key Management
Constructing competitive networks

We believe that success stems from great leadership and experience, and have brought together a dedicated and professional management team.

Malcolm Thompson JP (Qual) CPA F.Fin ACIS MBA
Chief Financial Officer/Company Secretary
Malcolm brings a highly professional and disciplined approach to the corporate governance and financial control for the Company. He provides direct support to the Board in his role as Company Secretary and is responsible for the financial and corporate governance systems within the Company.

During his 15 years financial management experience gained in public accounting practice, domestic and international commerce and government, he has held a variety of positions including Finance & Operations Director, Asia Pacific Operations, with NASDAQ listed Red Hat Inc and worked in the corporate areas of Mincom Pty Ltd and various large State Government departments.

Mr Thompson is a CPA, Chartered Secretary (ACIS), a Fellow of the Financial Services Institute of Australia (F.Fin) and a Justice of the Peace (JP). He holds a Bachelor of Commerce degree from Griffith University, Post Graduate Diploma in Applied Finance & Investment from the Securities Institute of Australia, Masters of Business Administration (MBA) from Deakin University and Graduate Diploma in Applied Corporate Governance from Chartered Secretaries Australia.

Matt Whitlock BA (Hons)
Strategic Operations Analyst
Matt oversees strategic operations ensuring the Company continues to meet the highest standards of customer service while maintaining the aggressive growth in line with corporate strategy. His role is critical to the internal management of systems and processes across all areas of the organisation to harmonise service delivery and quality standards while improving efficiencies as the Company grows.

Mr Whitlock has for nine years specialised in system analysis and strategic development. His wealth of knowledge stems from a successful career within the UK Education Sector, heading the design and installation of the IT infrastructure for the second largest London borough. In a central strategic management role Matt was responsible for the development of technology systems for 120 educational institutions, including project management of an innovative metro area network, part of the London Grid for Learning. He was also responsible for implementing and trialling the use of new technologies, such as VoIP, remote CCTV, VoD and video teaching/conferencing solutions.

Mr Whitlock holds a Bachelor of Arts (Hons) degree specialising in IT and Education from Middlesex University.

Tobias Carlisle LLB B.Bus(Man) GDipPLEAT(UQ)
General Counsel

Toby joined PIPE Networks from Minter Ellison Lawyers in San Francisco. He was a key advisor to the Company for its private equity fund raising and pre-IPO due diligence. Mr Carlisle assists management navigate the complex telecommunications industry regulatory environment as well as bringing his experience with large, complex international capital raisings and corporate structuring gained in public practice. Mr Carlisle is focused on ensuring the highest level of general corporate and commercial legal advice within the Company.

Mr Carlisle holds Bachelor degrees in Business and Law and a Graduate Diploma in Professional Legal Education and Training from the University of Queensland.

Bob Purdon
Operations Manager – Managed Networks

Bob is responsible for network operations at PIPE Networks, primarily in the areas of network design, deployment and technical management. His role includes the development and management of the Network Operations Centre (NOC), managed networks and data centres owned and run by the Company. As one of the longest serving employees of the Company, he has been instrumental in building the Company's data centres in Sydney, Melbourne and Hobart, and is currently managing the multi-million dollar project to build a new site in Brisbane. He also managed the deployment of the MPLS network and construction and staffing of the state of the art NOC. He is a key driver of research and deployment of new services such as VoIP peering and remote managed services.

Mr Purdon has been actively working in the internet industry in Australia since 1996, primarily in the areas of network design, deployment and technical management. He joined the Company after a successful career as a consultant to industry in his home state of Tasmania. Mr Purdon previously worked with Southern Internet Services, where he managed network expansion and was responsible for the deployment of the largest privately-owned ISP network in Tasmania with seven points of presence.

Tom Cannon MBA B.Eng
Operations Manager – Fibre Infrastructure

Tom is responsible for the quality and timely delivery of our premium dark fibre products to customers around the country. He leads a team of dedicated engineering professionals who boast skills in the entire gamut of large optical fibre infrastructure implementation, from terrestrial network design and construction through to undersea cable landing stations. While with the Company he has been instrumental in rolling out one of Australia's largest metropolitan fibre networks, ahead of schedule and below budget.

Mr Cannon comes from an engineering background and is a specialist in project management. He has worked in Australia and the UK in both the mining and construction industries in a variety of management and technical engineering roles.

Mr Cannon holds a Masters of Business Administration degree from Queensland University of Technology and Bachelor of Engineering Degree from University of Queensland.

Matt Hollis
Manager – Sales

Having started with the Company in the role of Senior Sales Consultant, Matt has risen to all challenges and, with his demonstrated experience and capabilities in telecommunications sales, now leads the Sales Solutions team within PIPE Networks. Mr Hollis has been a pivotal link in the success of our sales team and in growing the awareness in market of our service offerings. He leads a growing team of dedicated professionals who have extensive experience in the telecommunications industry.

Mr Hollis has over nine years of success in sales with IT&T companies including Primus Telecom, 111 Technology and IntraPower. Prior to entering the IT&T industry he was involved in the hospitality industry where he developed his customer service and personnel management skills.

Our Accolades
Industry recognition and testimonial

PIPE Networks has been built on a foundation of strong management, agile development and unsurpassed knowledge of the industry. This combination has been key to our success, and the recognition of our services by both our clients and the telecommunications industry.

Awards 2006

ATUG
'Carrier of the Year'

Deloitte Touche Tohmatsu
'Technology Fast 50'

Deloitte Touche Tohmatsu
'Technology Fast 500 Asia Pacific'

Business Review Weekly
'Fast 100'

Ernst & Young
'Young Entrepreneur of the Year'
B. Slattery & S. Baxter

Awards 2005

ATUG
'Best Communications Solution – Large Business'

Deloitte Touche Tohmatsu
'Technology Fast 50'

Deloitte Touche Tohmatsu
'Technology Fast 500 Asia Pacific'

Testimonial

"PIPE Networks have been a key supplier of peering and telehousing services to iiNet for many years. In early 2006, we went to PIPE Networks with a proposition. If they could build dark fibre backhaul to over 150 exchanges (central offices) within 9 months they would win our business. They delivered that, and more in just 7 months.

Now we have the majority of our DSLAMs being powered by PIPE Networks Dark Fibre, which gives us the freedom and bandwidth to deliver whatever services we choose, at prices less than we were paying for traditional managed ethernet services from the incumbents.

PIPE Networks has been a key enabler for iiNet and we look forward to continuing our relationship with PIPE Networks in the future."

Greg Bader, CTO iiNet

Our Responsibility
Working towards a better tomorrow

We are passionate about reducing our impact on the environment and have developed a strategy to move towards more responsible technology.

We call this initiative PIPE Green.

PIPE Green promotes positive change in three key areas: Energy Efficiency, Waste Reduction/Recycling and Supporting Community Initiatives.

"The world is changing very fast. Big will not beat small anymore. It will be the fast beating the slow."

Rupert Murdoch

"We are very focused and we know our goals, but what makes this company truly great is our ability to reach them."

Bevan Slattery, CEO/Managing Director

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