

24 October 2006

ASX RELEASE

PIPE Networks Limited 2006 Annual General Meeting

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

Highlights of today's presentations by **PIPE Networks Limited (ASX:PWK)** include:

- **The announcement of up to \$2million investment in new Datacentres**
- **Interconnection of East Coast infrastructure with Intercapital Network**
- **Introduction of new technology "Flexwave" products**
- **Introduction of next generation Metro Ethernet technologies – "Next E"**

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

For more information:

Bevan Slattery
Managing Director
T: +61 (0)7 3233 9800
bevan@pipenetworks.com

CHAIRMAN'S ADDRESS – MR ROGER CLARKE

Ladies and Gentlemen,

Thank you for attending the 2nd AGM of PIPE Networks.

Financial Year 2006 has been an excellent year for PIPE Networks. Your Company has delivered on its promise of disciplined investment and service delivery, which has resulted in another strong financial result.

Net Profit after tax has risen to over \$2.8 million this year from \$0.8 million last financial year on the back of strong revenue growth and investment in new capacity.

The last year has been a year of significant growth and expansion of our capacity to meet the ever increasing demand for our award winning products and services.

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

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

On your behalf, I would especially like to thank Bevan Slattery, Steve Baxter and their team for the excellent results for the 2006 financial year, and for positioning the company for an exciting future.

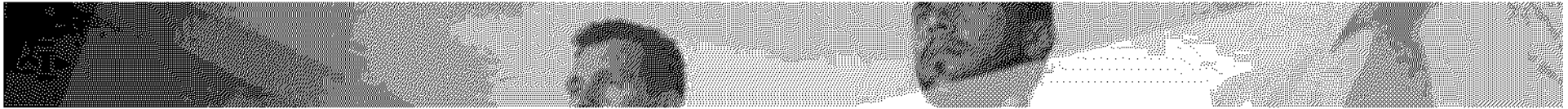
I would like to now invite Mr Bevan Slattery to give his summary of progress for the year, Mr Stephen Baxter to provide a brief showcase of some of the key technologies and then finally back to Bevan to provide a view to coming year and beyond.

Thank you



ANNUAL GENERAL MEETING

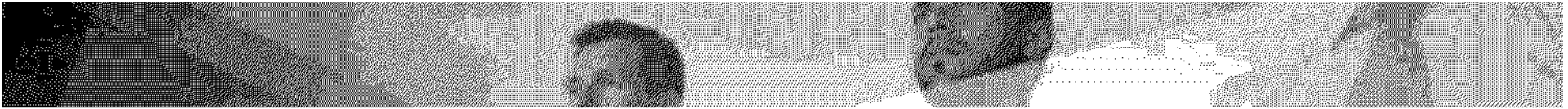
A YEAR OF GROWTH - A LIFETIME OF POTENTIAL



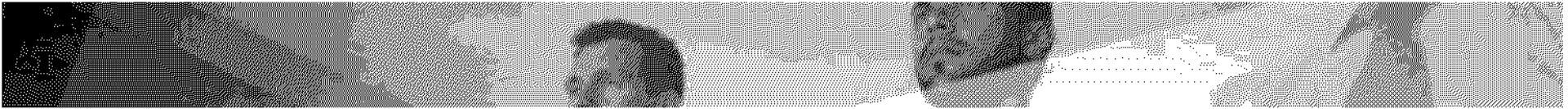
PIPE NETWORKS ANNUAL GENERAL MEETING

RIVERSIDE AUDITORIUM

24 OCTOBER 2006



ROGER CLARKE
CHAIRMAN



BEVAN SLATTERY
MANAGING DIRECTOR

Key Highlights

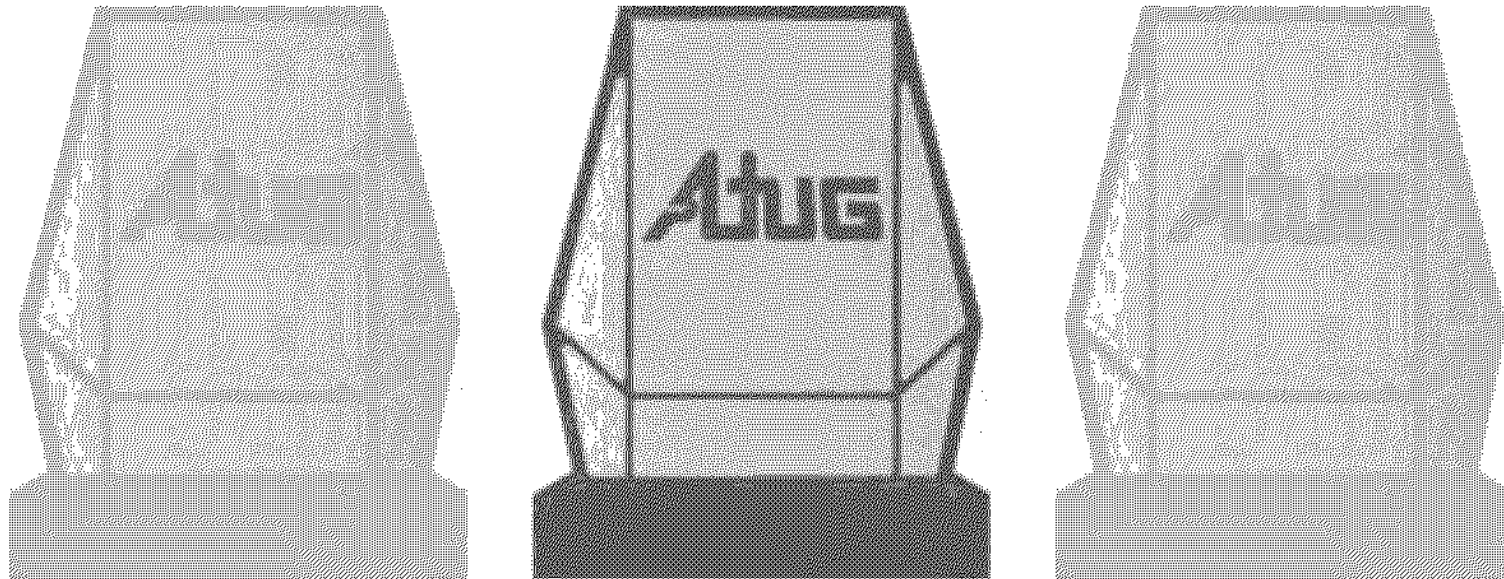
- **PIPE Networks has grown rapidly over the past twelve months with the fibre network growing from 75km at June 30, 2005 to a planned 674km by Dec 31, 2006.**
- **Company has secured over \$50M in contracts during 2005/6 with almost all on medium to long term basis**
- **As a result of contract success the company has nearly completed construction of Australia's third largest metro fibre network**
- **Disciplined approach to investment in infrastructure which has lead to 235% increase in profitability and further strengthened our balance sheet**

GROWTH



- **PIPE Networks made the BRW Fast 100 as the 7th Fastest Growing Company**

PIPE Networks win 'Carrier of the Year'



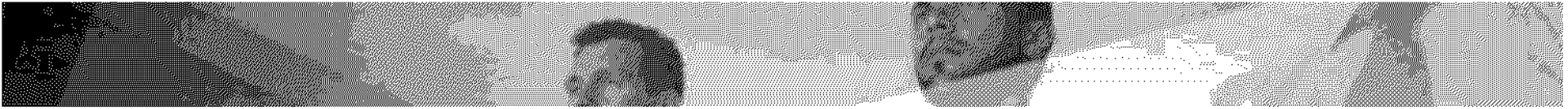
- PIPE Networks won the ATUG 'Carrier of the Year'

Financial Strength

- **Revenue increase of 180% to \$13.21M**
- **Increase in NPAT of 235% to \$2.84M**
- **Increase in Net Assets of 317% to \$21.77M**
- **Successful Capital Raising of \$6.59M 7:1 Rights Issue in January 2006**
- **Successful Capital Raising of \$7.6M in a Share Placement with Institutional Shareholders in June 2006**
- **Extended Debt facility with ANZ bank to over \$10M**
- **Declared first dividend of 2 cents/share fully franked**

Network Coverage

	June 2005 (Actual)	June 2006 (Actual)	Dec 2006 (estimated)
Metres of fibre cable installed	74,347	559,511	674,032
Metres of fibre Optic Cores Installed	10,664,088	92,916,352	110,344,793
Metres of fibre optic cores used	2,138,654	14,420,372	18,740,605
% of fibre core metres utilised	19%	16%	17%
Average fibre cores per metre of cable	143	164	163



DARK FIBRE



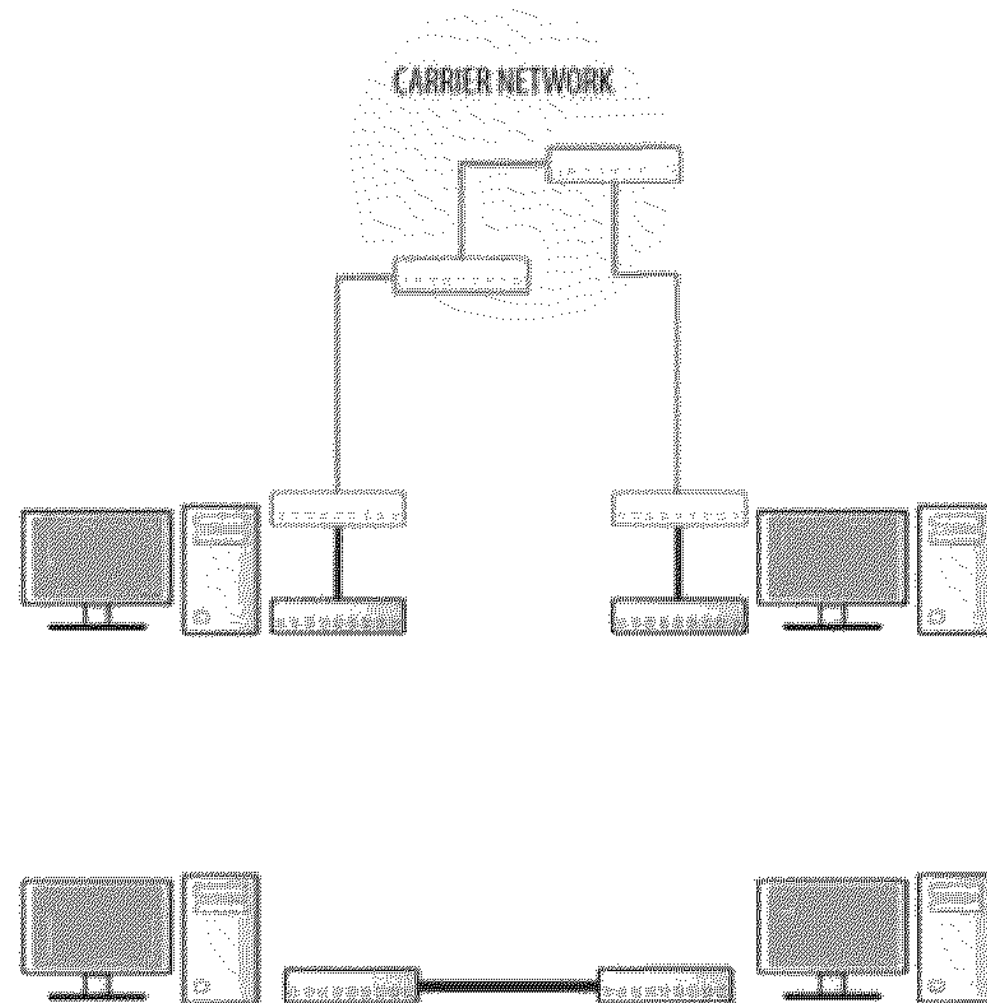
About Dark Fibre

'Dark Fibre' is dedicated fibre optic capacity allowing users to create a private fibre optic network.

The fibre is called 'Dark' as the fibre is given to the client without any terminating equipment to 'light' the fibre.

Key benefits over 'managed' alternatives include flexibility, scalability, security and lifespan.

Put simply it is equivalent to a very long fibre optic patch lead



Why Use Dark Fibre

FEATURE	DARK FIBRE	MANAGED ETHERNET
Security	Very High	Less Secure
Throughput/performance	Unlimited	Restricted
Flexibility to support different technologies	Very High	Restricted
Ability to support new and future technologies	Very High	Limited
Price for customers seeking high-speed connectivity	Compelling	Typically more Expensive

Why Use PIPE Networks Dark Fibre

- **Outstanding performance, security, reliability, scalability, flexibility and value**
- **Australia's Dark Fibre specialist and winner of '2005 Best Communications Solution - Large Business'**
- **Achieving a strong track record of delivering leading fibre solutions to Australia's leading companies**
- **Australia's newest fibre optic network built to the latest standards**
- **A completely underground fibre network avoiding risks associated with overhead cabling used by other carriers**

Key Drivers - Wholesale

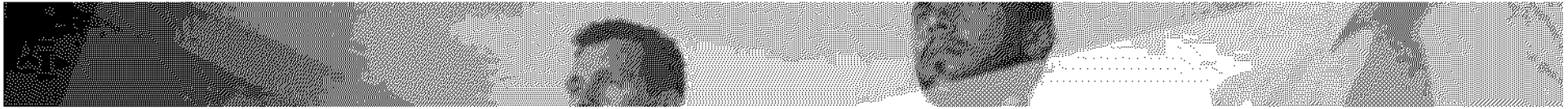
- **Resurgence in demand from the carrier and ISP backhaul markets after FTTN, ULL, LSS direction**
- **A trend emerging where carriers are switching as much business away from wholesale suppliers that compete with them at the retail level**
- **With 150+ exchanges fibred PIPE's coverage in Brisbane, Sydney and Melbourne is second only to Telstra in terms of coverage**
- **Trusted network partner to major competitive carriers with a track record of success and neutrality**

Key Drivers - Corporate/Government

- **Bandwidth needs are continually increasing**
- **Outsourcing of Primary and Secondary (DR) datacentre services to off-site facilities requiring connectivity back to head office**
- **Benefits of Dark Fibre over Ethernet services in high-end applications is now being recognised by the corporate and government market**
- **Fibre network connects over 50 major datacentres including Global Switch, Fujitsu, Equinix and Unisys**

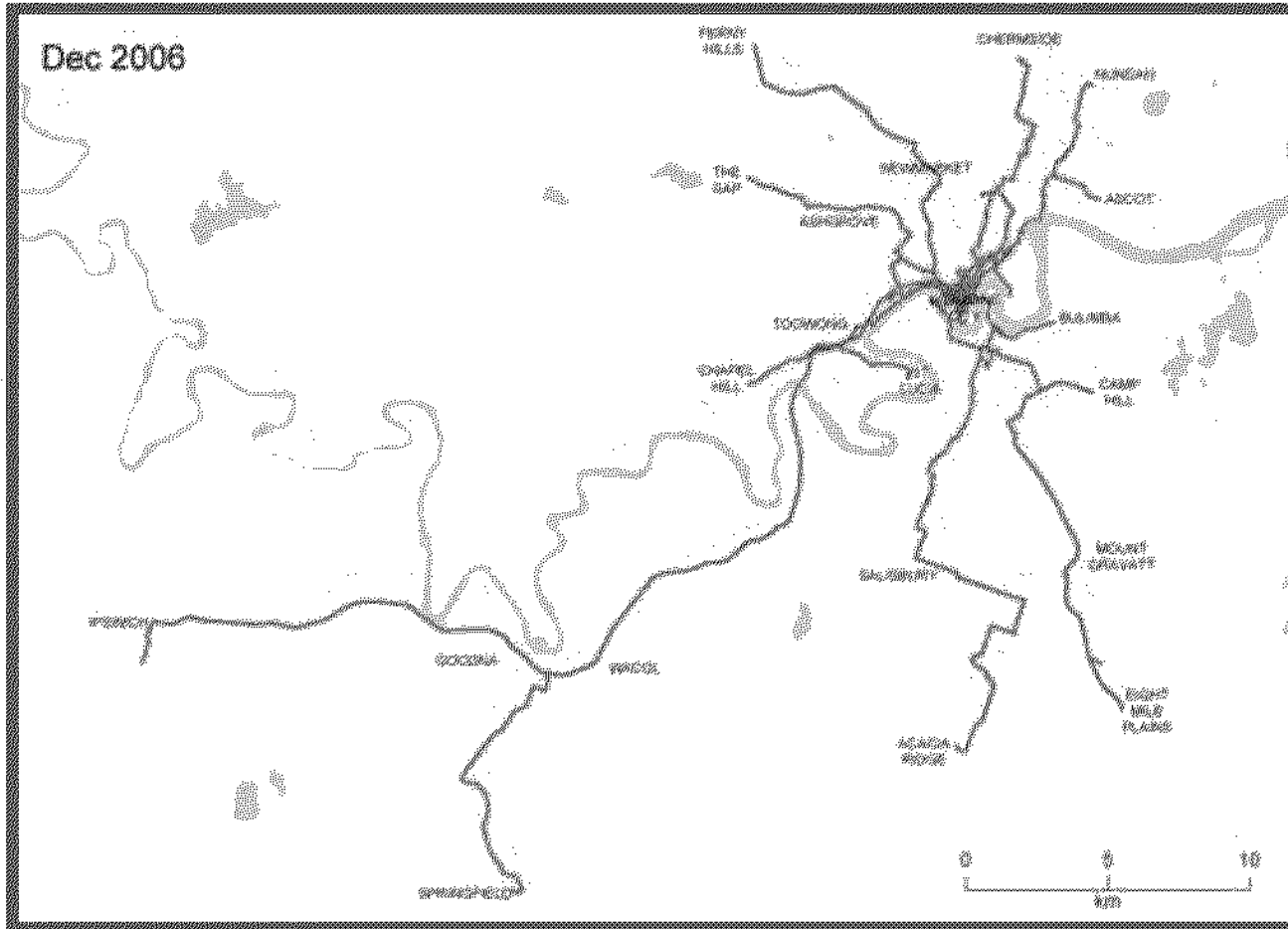
Key Drivers - Profitability

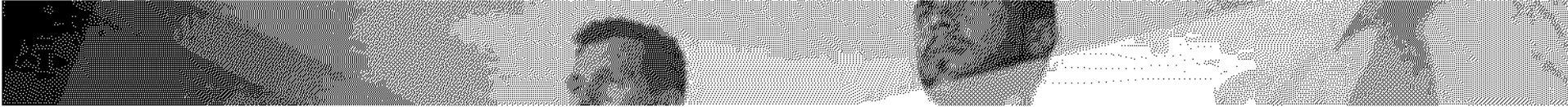
- **Over 82% of our existing fibre network is unutilised**
- **Existing network is profitable and any additional 'on-net' sales are highly profitable**
- **As the network increases through customer expansion more buildings and customers become 'on net' which translates to a higher probability of being able to offer more on-net services to customers**



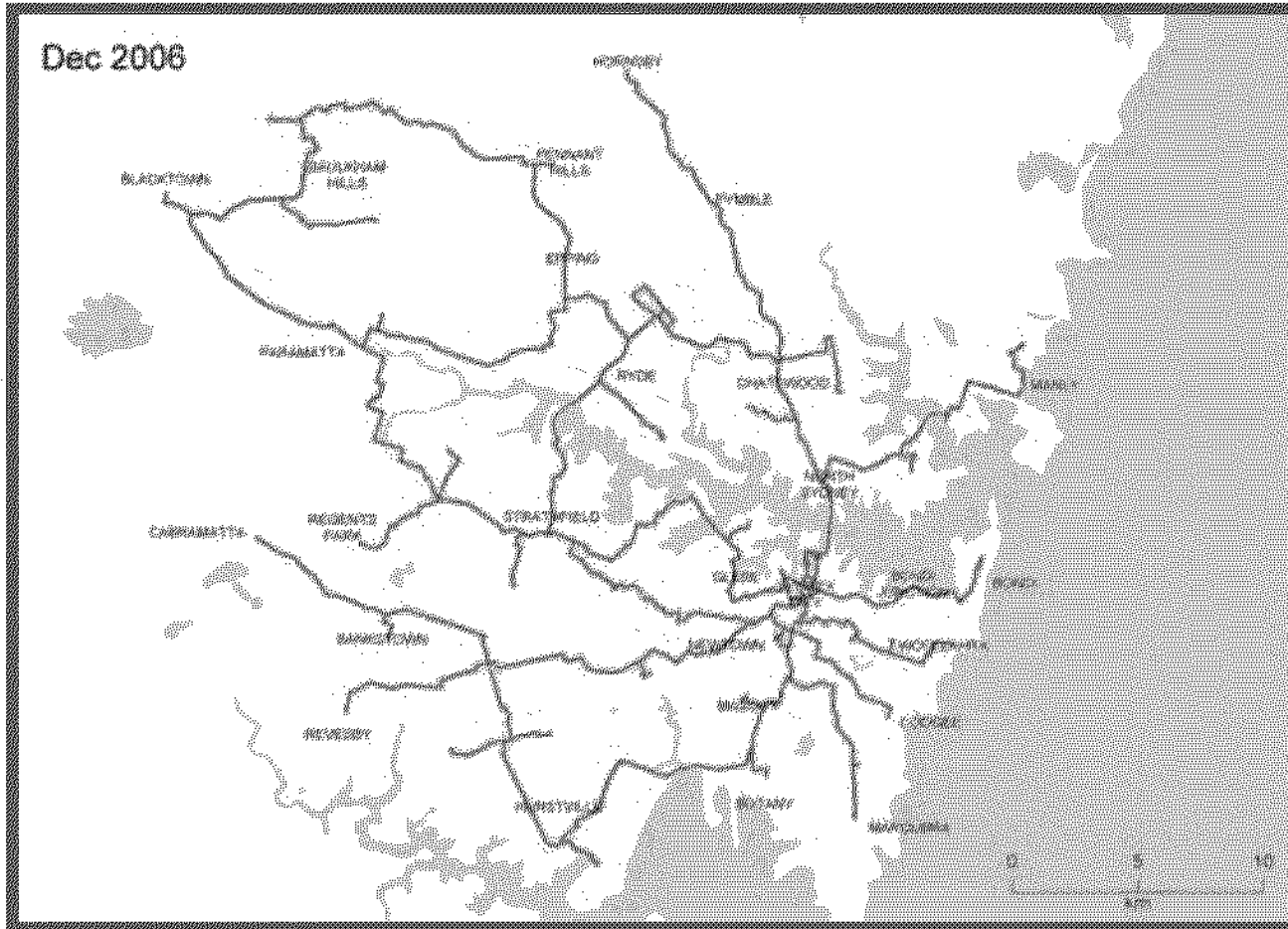
NETWORK OVERVIEW MAPS AN ILLUSTRATION OF GROWTH

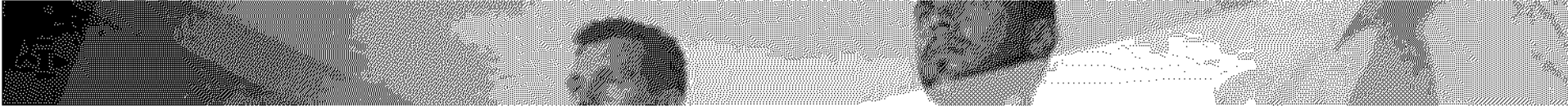
Brisbane Network



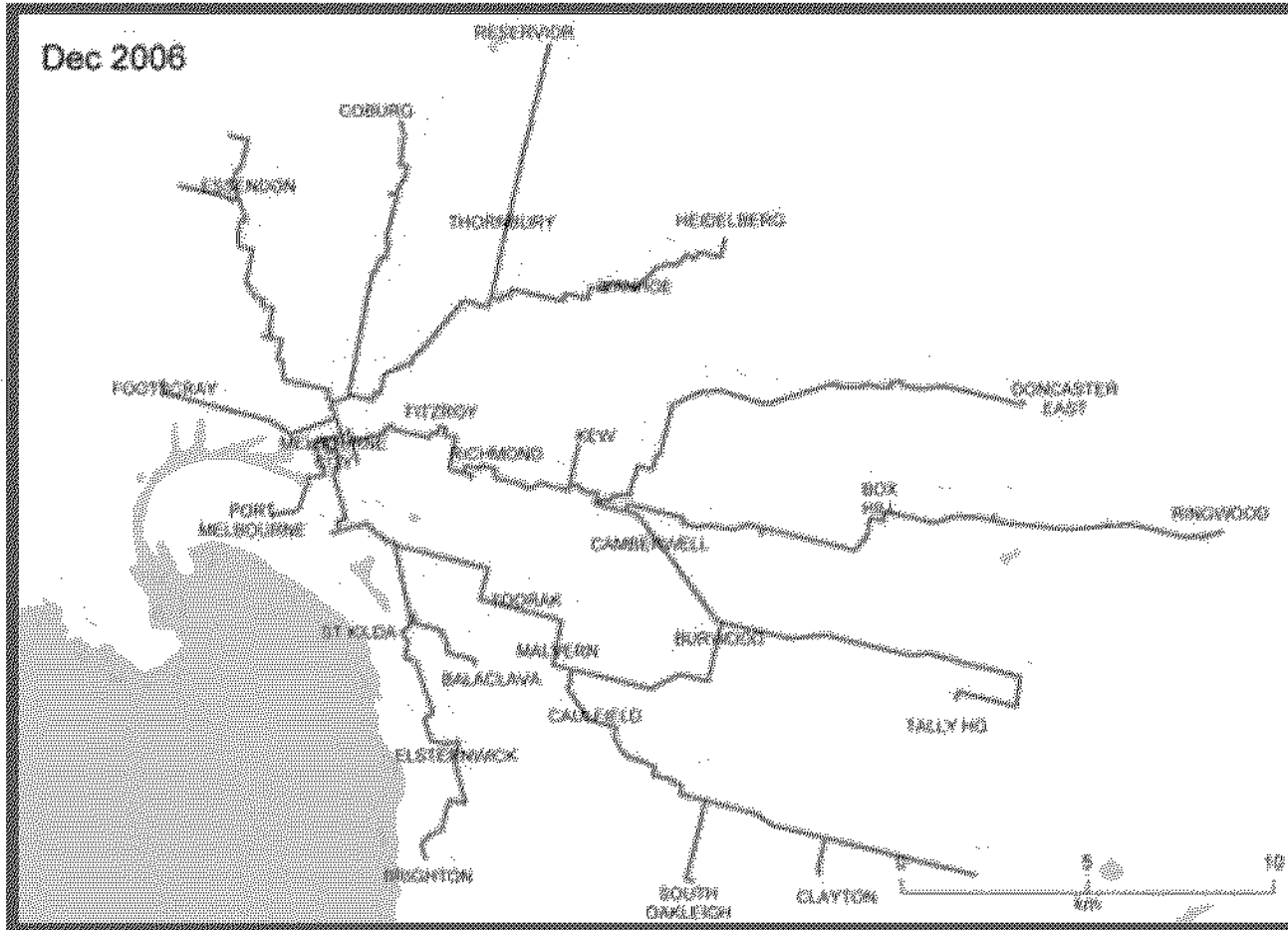


Sydney Network

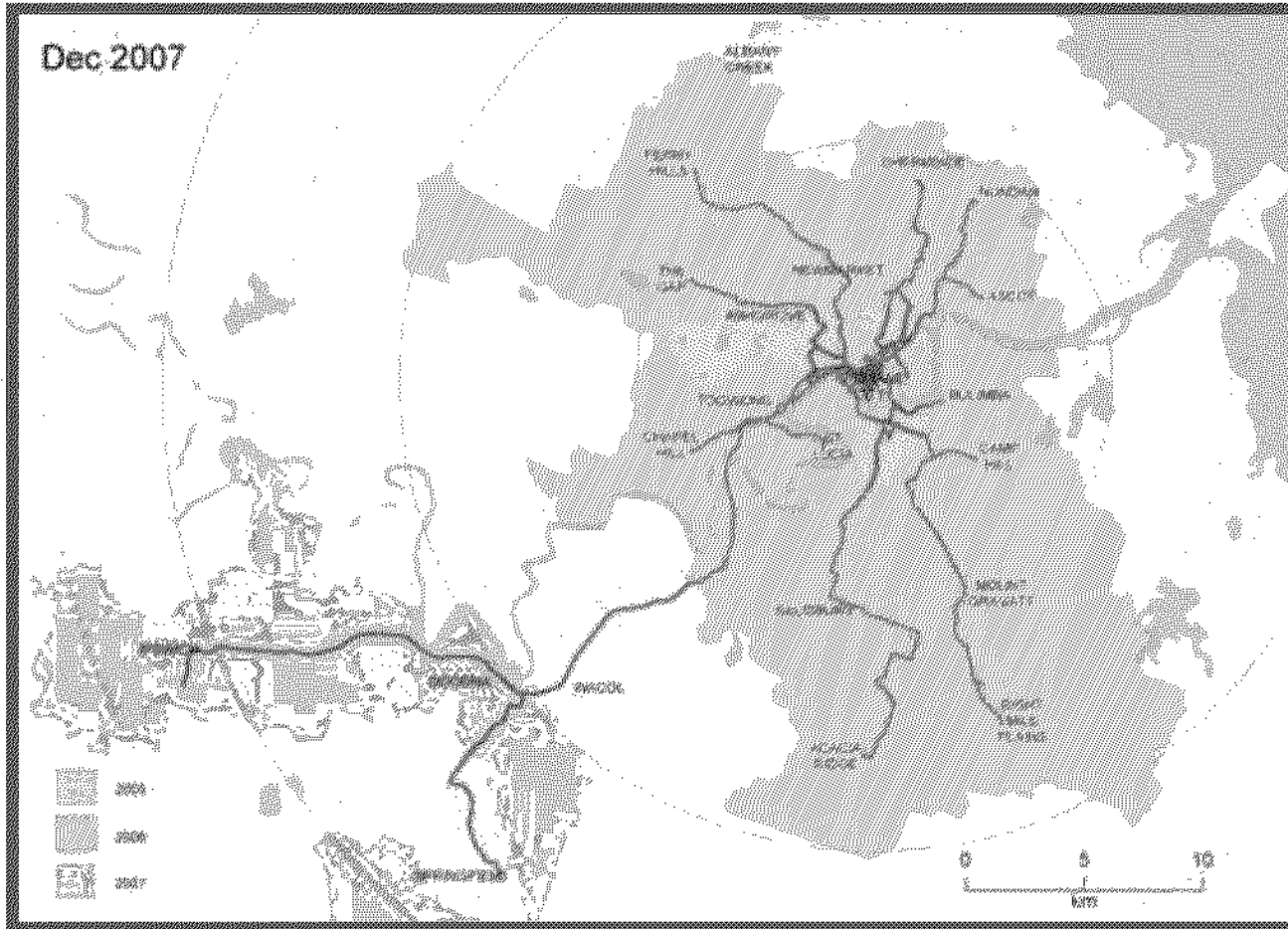




Melbourne Network

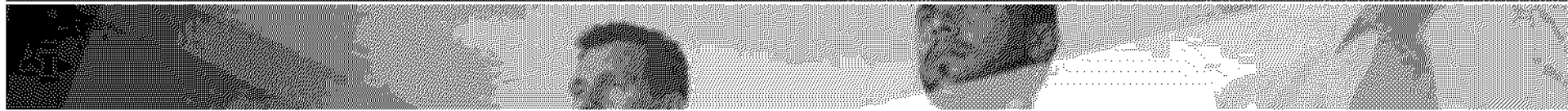


Brisbane Network 750,000 people

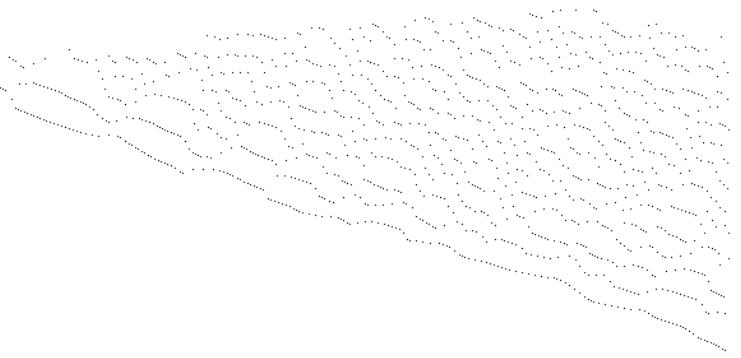


Further Expansion

- **Gold Coast expansion underway with interconnection back to Brisbane supplied by fibre swap with government utility. Estimated cost of between \$300k and \$500k**
- **Building to 4 exchanges in Perth CBD area as part of east coast contract, however no current plans for Perth. Estimated cost of \$250k**
- **Consider 'swap' and JV deals that leverage our existing network and/or access strategic third-party networks/infrastructure corridors**
- **Consider other strategic east coast network expansion options in accordance with our Infrastructure Investment Philosophy**



PEERING/IX

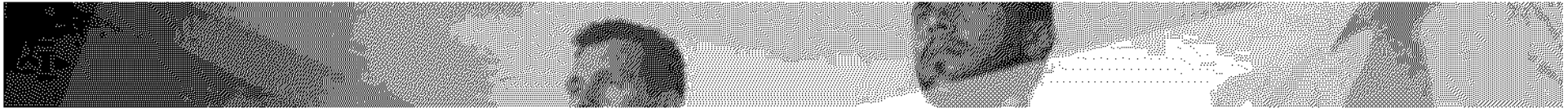


Peering/IX Highlights

- **Australia's largest peering provider with over 90 ISP, CSP and corporate customers and over 150 connections**
- **Experiencing over 100% growth in traffic year on year**
- **Estimated that approx 30% of Australia's content is 'on-net'**
- **Transferring over 3,000Mb/s and 750TB of traffic each month**
- **PIPE IX/peering service provides access to over 2,000,000 internet users at each of our major IX fabrics and is now a pivotal part of the Australian Internet Infrastructure**
- **Drastically improving performance and reducing costs for competitive ISP's to access content and internet applications through our scalable peering infrastructure**

Peering/IX Revenue & Profit Drivers

- **Whilst the growth in bandwidth demand continues the unit cost of bandwidth has not continued to fall meaning customers are seeing greater cost savings and value from their existing connections**
- **Introduction of a tiered pricing structure increasing revenues from higher usage clients**
- **PIPE IX is becoming the home of value-added content and application based services such as VoD, VoIP and IPTV**
- **Infrastructure is highly scalable and able to support significantly more traffic and subscribers without any need for significant investment**
- **Leveraging new profitable services to existing customers**



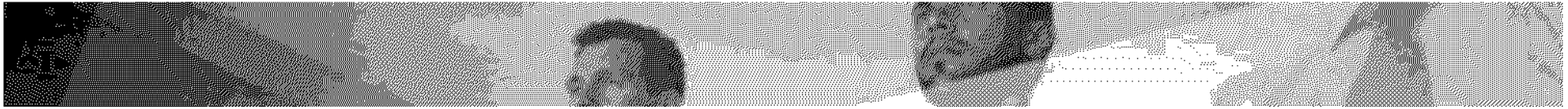
DATA CENTRE AND COLOCATION

Datacentre and Colocation Highlights

- **Unprecedented demand for collocation space from carriers and corporate clients seeking access to carrier neutral facilities**
- **Brisbane DC1 and DC2 at capacity**
- **Sydney DC1 currently planned for decommissioning June 30 2007**
- **Sydney DC2 (Global Switch) now new primary site nearing 100% capacity**
- **Adelaide DC is near capacity, however no further investment is expected**
- **Hobart DC is near capacity, however no further investment is expected**

Datacentre and Colocation - Investment

- **Commencing construction of new Brisbane DC3 for nearly \$2M providing a further 400m with expected completion in 10 weeks**
- **Finalising negotiations with datacentre providers in Sydney to commission up to a further 400m of space over the next 24 months**
- **Melbourne DC is currently at capacity and negotiating with parties for further ancillary space**



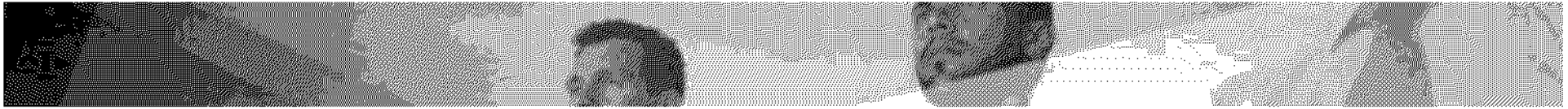
DATA CENTRE INTERCONNECT (DCI)

DCI Highlights

- **PIPE DCI allows carriers and corporate clients to seamlessly interconnect between PIPE Ethernet enabled datacentres**
- **DCI fabric is built upon multiple 10Gb/s redundant rings within each city and uses the latest Ethernet technologies from Foundry Networks for the highest level of resiliency**
- **Experienced significant growth (nearly 100% during the past 12 months) and continues to grow strongly**
- **PIPE is now connected to most wholesale providers and ISP's meaning we are becoming a one-stop-shop for ISP's and carriers seeking interconnection with other providers at the Ethernet layer**
- **Moving towards a completely automated approach to provisioning allowing customers and providers to 'self provision' circuits seamlessly through our self-provisioning system. Due in Q1 07**

DCI Profitability Drivers

- **All the existing infrastructure is paid for and any additional connection in these facilities attracts little cost**
- **Moving into more corporate datacentres and currently undertaking a planned rollout to 'enable' more datacentres over the next 12 months. Investment during the next 12 months estimated between \$700k to \$1.2M**



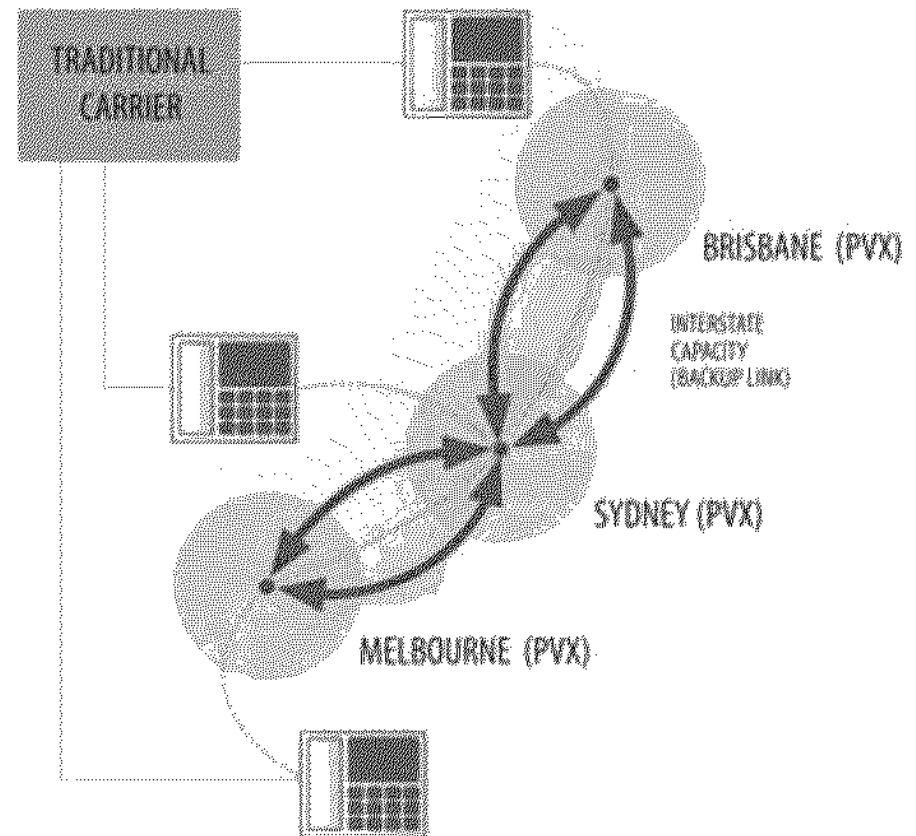
PIPE VoIP EXCHANGE (PVX)

PIPE VoIP Exchange

- **Launched September 2006**

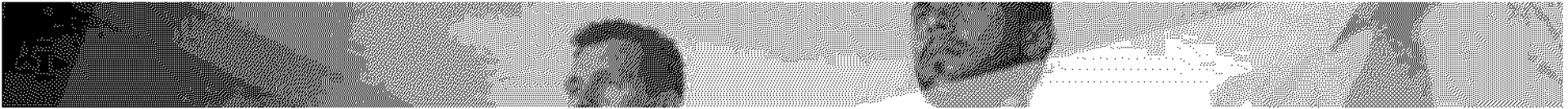
- **PVX enables VOIP Providers to switch more calls away from traditional carriers**

- **PVX enables carriers to sell call termination services to other VOIP providers**



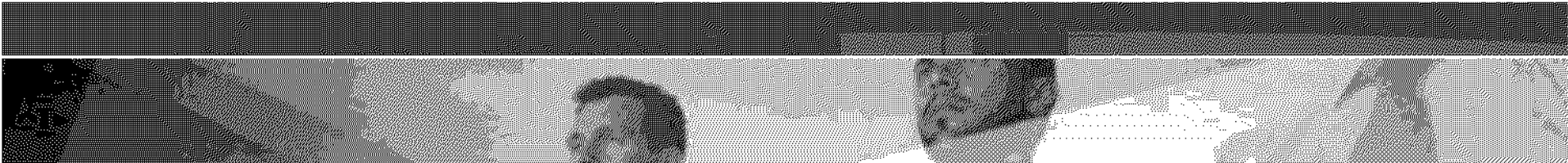
PIPE VoIP Exchange

- **Allows for call routing along the East Coast**
- **Capable of up to 3,888,000 minutes per month in current configuration, expandable to 1,080,000,000 minutes per month in final configuration.**
- **VOIP providers will no longer have to rely solely on Telstra and other larger carriers for call termination**
- **Support all VoIP protocols and all common VoIP codec's**
- **Commercial model yet to be defined and management has not included any revenue this financial year**

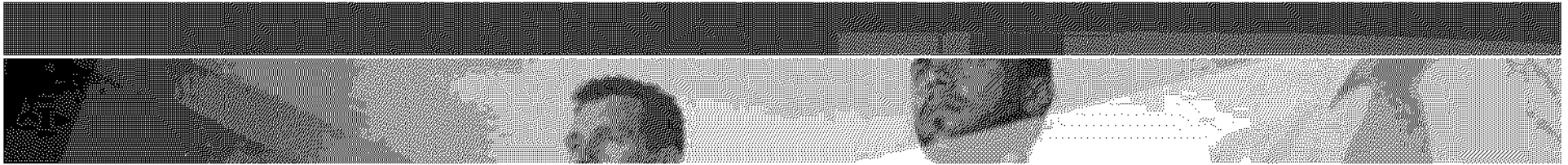


STEPHEN BAXTER

EXECUTIVE DIRECTOR &
CHIEF TECHNOLOGY OFFICER



PIPE NETWORKS' GIS APPLICATIONS



Why GIS?

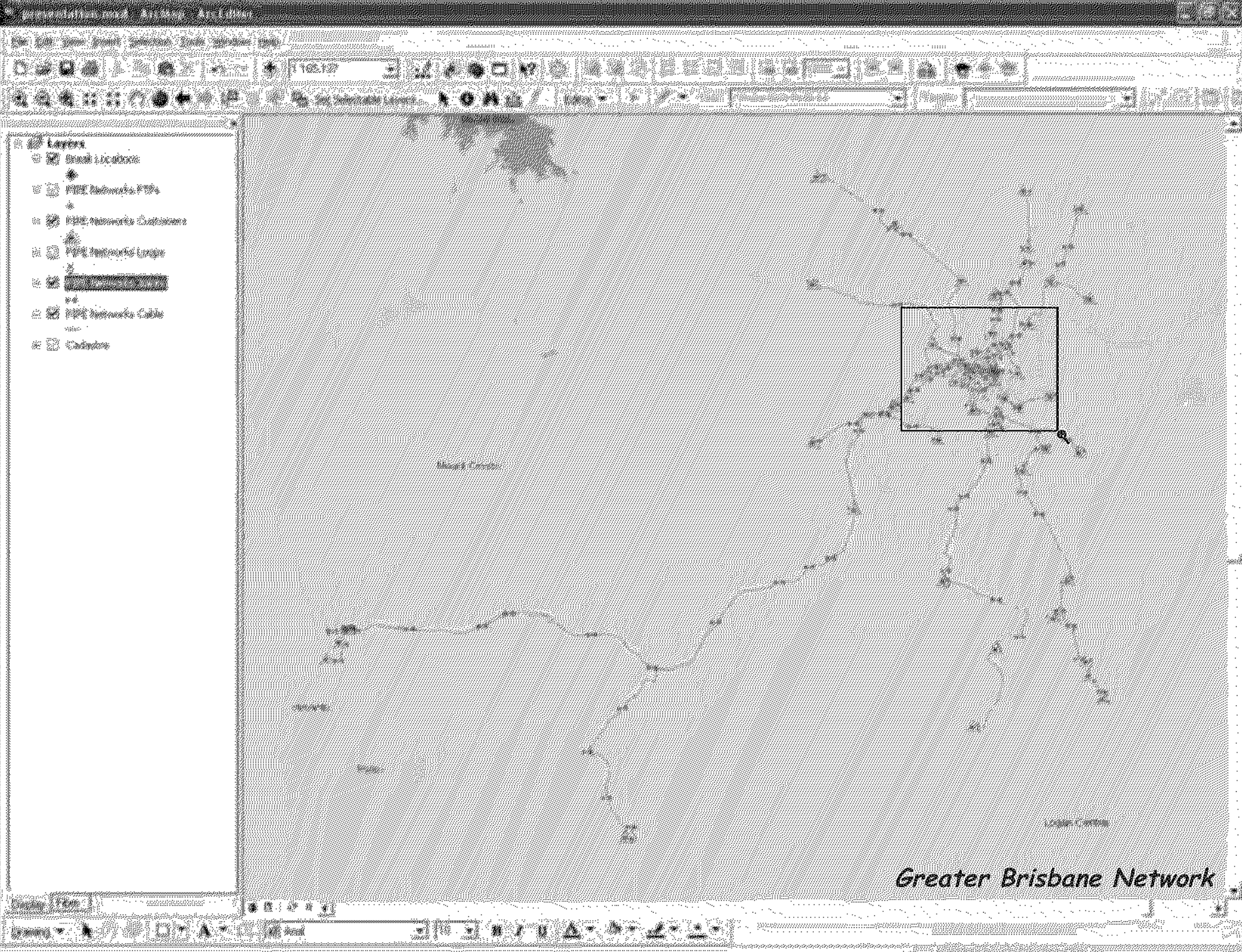
PIPE Networks manages all its Fibre assets in a GIS application that provides an unparalleled view of our network and the exact deployment of our Fibre.

Pipe Networks can provide a map detailing the exact route of each Dark Fibre service and indicate the level of diversity offered.

In the advent of a Fibre break GIS can be utilised to quickly and accurately determine point of damage and assess best strategy for service restoration.

Key staff also have access to network information via a GIS web application.

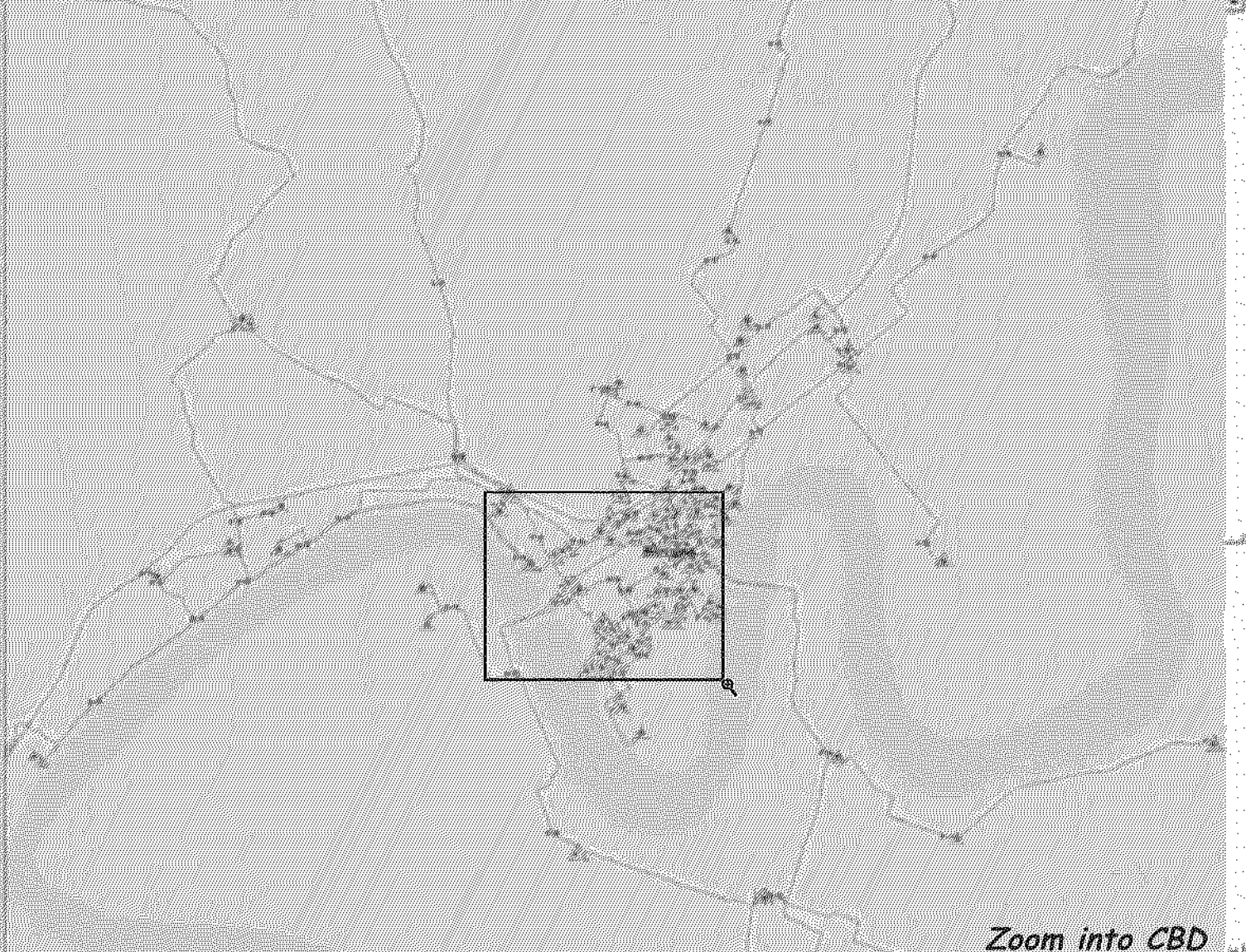
Pipe Networks also deploys a GIS web application aimed at proactive network protection.



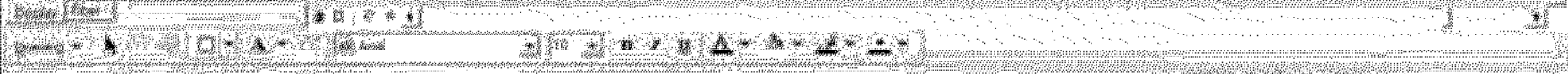
Greater Brisbane Network



- Layers
- Break Locations
- PPT Network PTH
- PPT Network Customer
- PPT Network Loop
- XXXXXXXXXXXX**
- PPT Network Cable
- Cadastre

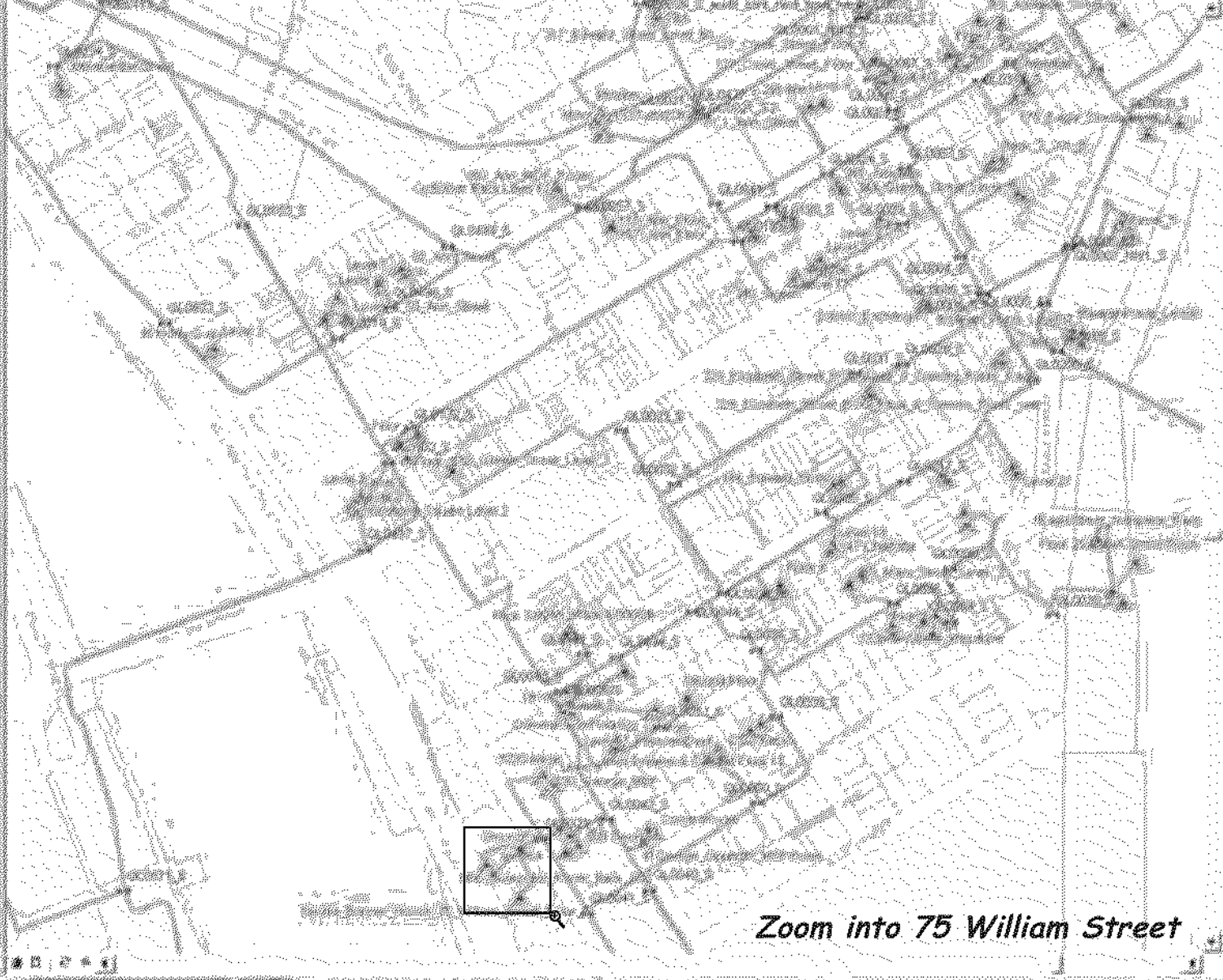


Zoom into CBD

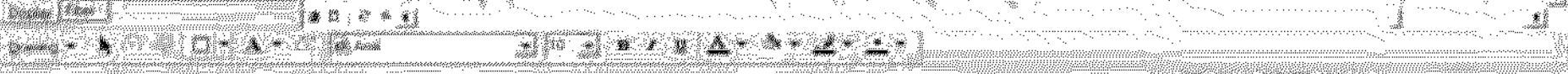


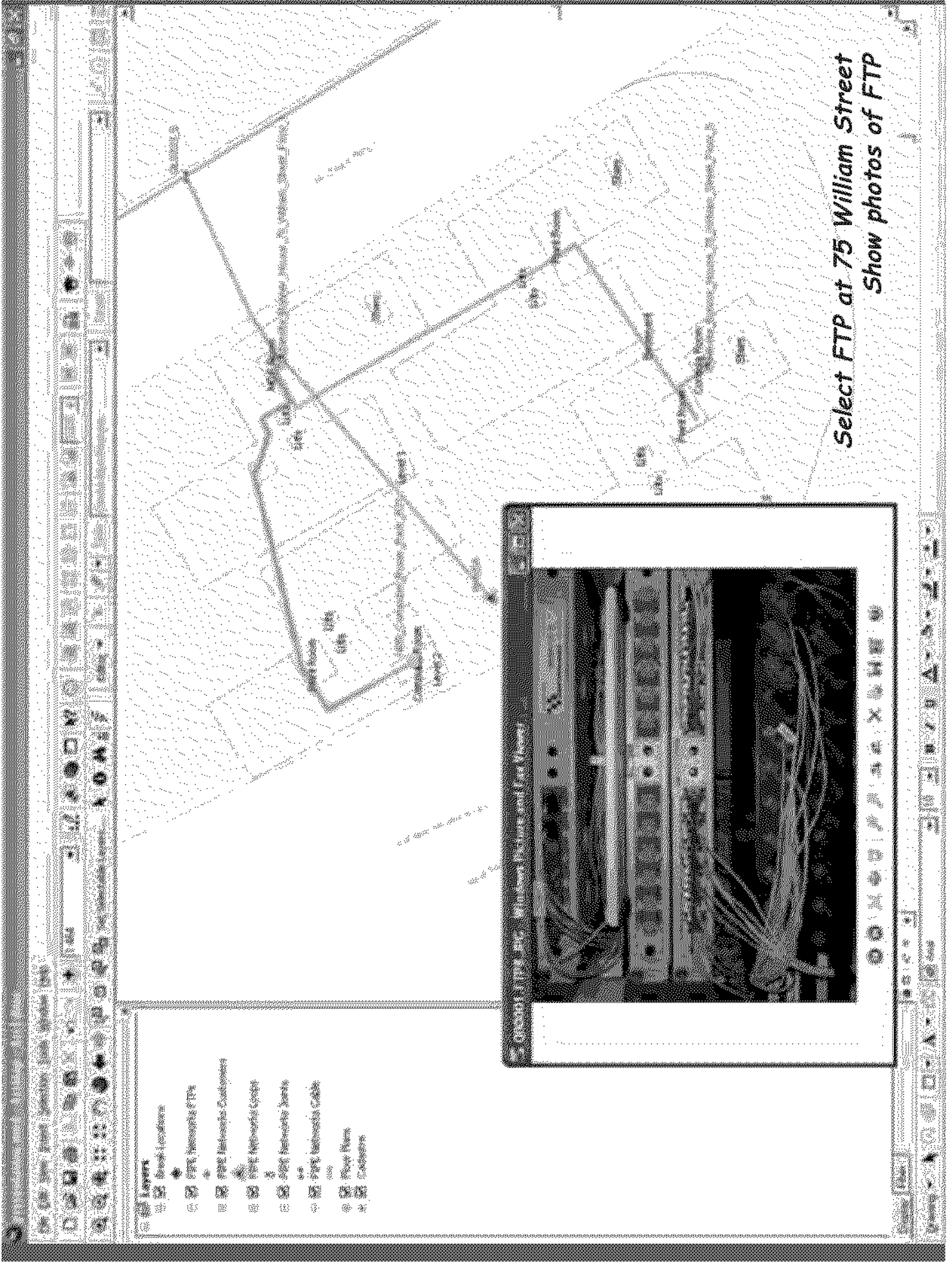


- Layers
- Break Locations
- PFC Network PPs
- PFC Network Customers
- PFC Network Loops
- PFC Network Joints
- PFC Network Cells
- Cadastre



Zoom into 75 William Street



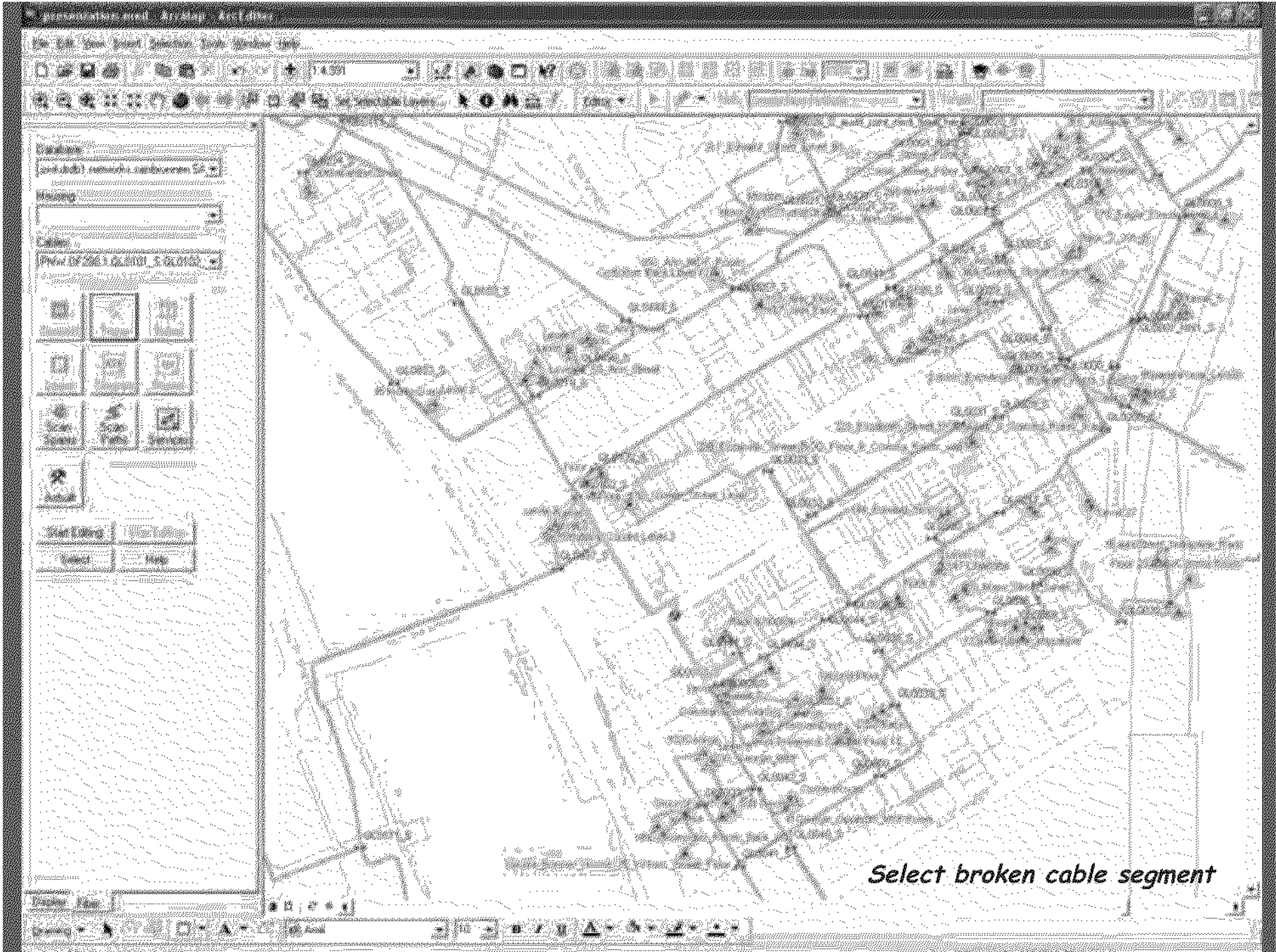


Select FTP at 75 William Street
Show photos of FTP



Object ID	Object Name	Object Type	Object Value
1
2
3
4
5
6
7
8
9
10

Set distance of fibre break (from OTRD trace)



Select broken cable segment



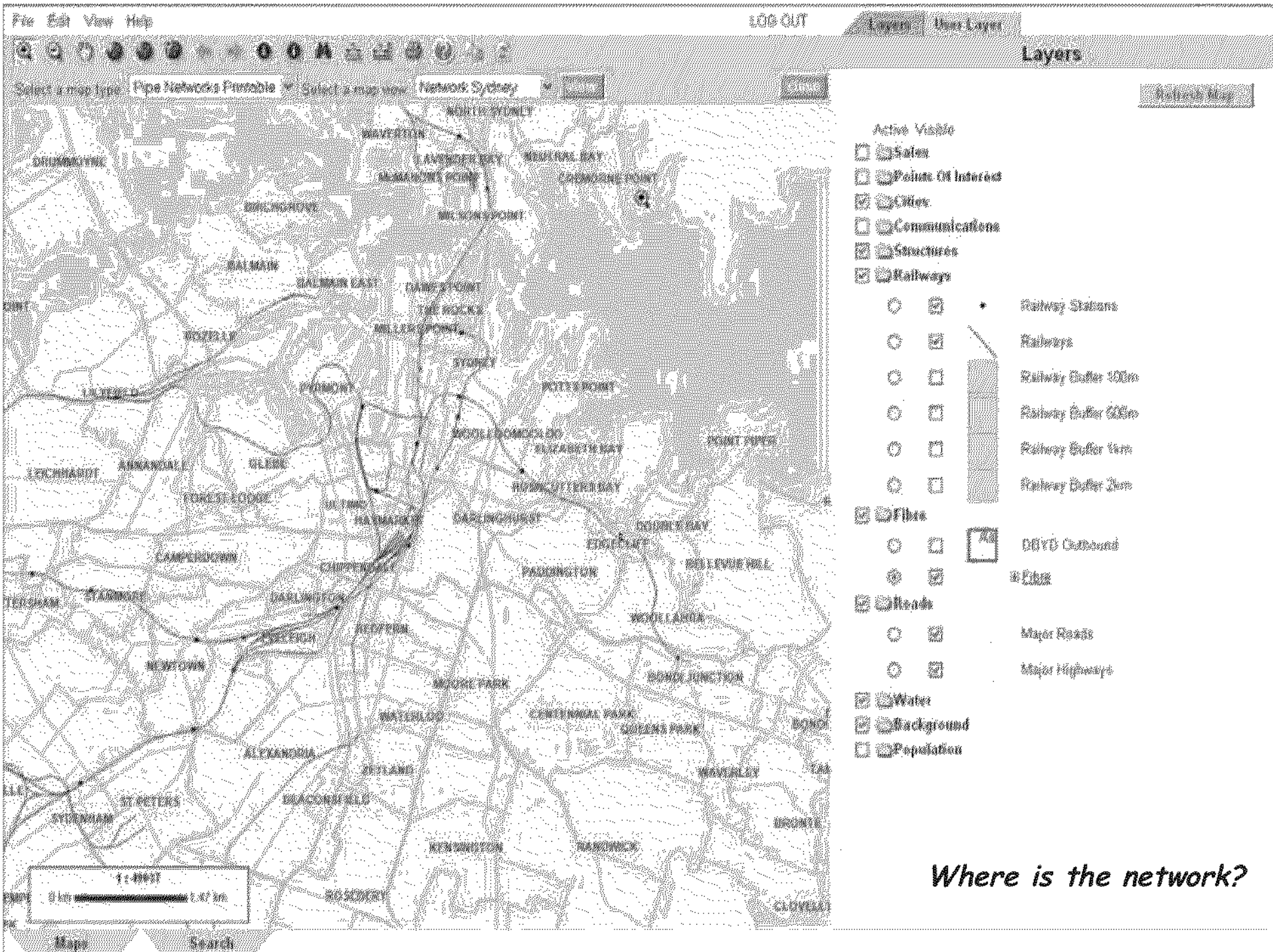
List all customers using this cable

Address	Service	Service	Status	Serial
Address	Service	Service	Status	Serial
10101 1st St	Service	Service	Service	Serial
10102 1st St	Service	Service	Service	Serial
10103 1st St	Service	Service	Service	Serial
10104 1st St	Service	Service	Service	Serial
10105 1st St	Service	Service	Service	Serial
10106 1st St	Service	Service	Service	Serial
10107 1st St	Service	Service	Service	Serial
10108 1st St	Service	Service	Service	Serial
10109 1st St	Service	Service	Service	Serial
10110 1st St	Service	Service	Service	Serial
10111 1st St	Service	Service	Service	Serial
10112 1st St	Service	Service	Service	Serial
10113 1st St	Service	Service	Service	Serial
10114 1st St	Service	Service	Service	Serial
10115 1st St	Service	Service	Service	Serial
10116 1st St	Service	Service	Service	Serial
10117 1st St	Service	Service	Service	Serial
10118 1st St	Service	Service	Service	Serial
10119 1st St	Service	Service	Service	Serial
10120 1st St	Service	Service	Service	Serial
10121 1st St	Service	Service	Service	Serial
10122 1st St	Service	Service	Service	Serial
10123 1st St	Service	Service	Service	Serial
10124 1st St	Service	Service	Service	Serial
10125 1st St	Service	Service	Service	Serial
10126 1st St	Service	Service	Service	Serial
10127 1st St	Service	Service	Service	Serial
10128 1st St	Service	Service	Service	Serial
10129 1st St	Service	Service	Service	Serial
10130 1st St	Service	Service	Service	Serial
10131 1st St	Service	Service	Service	Serial
10132 1st St	Service	Service	Service	Serial
10133 1st St	Service	Service	Service	Serial
10134 1st St	Service	Service	Service	Serial
10135 1st St	Service	Service	Service	Serial
10136 1st St	Service	Service	Service	Serial
10137 1st St	Service	Service	Service	Serial
10138 1st St	Service	Service	Service	Serial
10139 1st St	Service	Service	Service	Serial
10140 1st St	Service	Service	Service	Serial
10141 1st St	Service	Service	Service	Serial
10142 1st St	Service	Service	Service	Serial
10143 1st St	Service	Service	Service	Serial
10144 1st St	Service	Service	Service	Serial
10145 1st St	Service	Service	Service	Serial
10146 1st St	Service	Service	Service	Serial
10147 1st St	Service	Service	Service	Serial
10148 1st St	Service	Service	Service	Serial
10149 1st St	Service	Service	Service	Serial
10150 1st St	Service	Service	Service	Serial

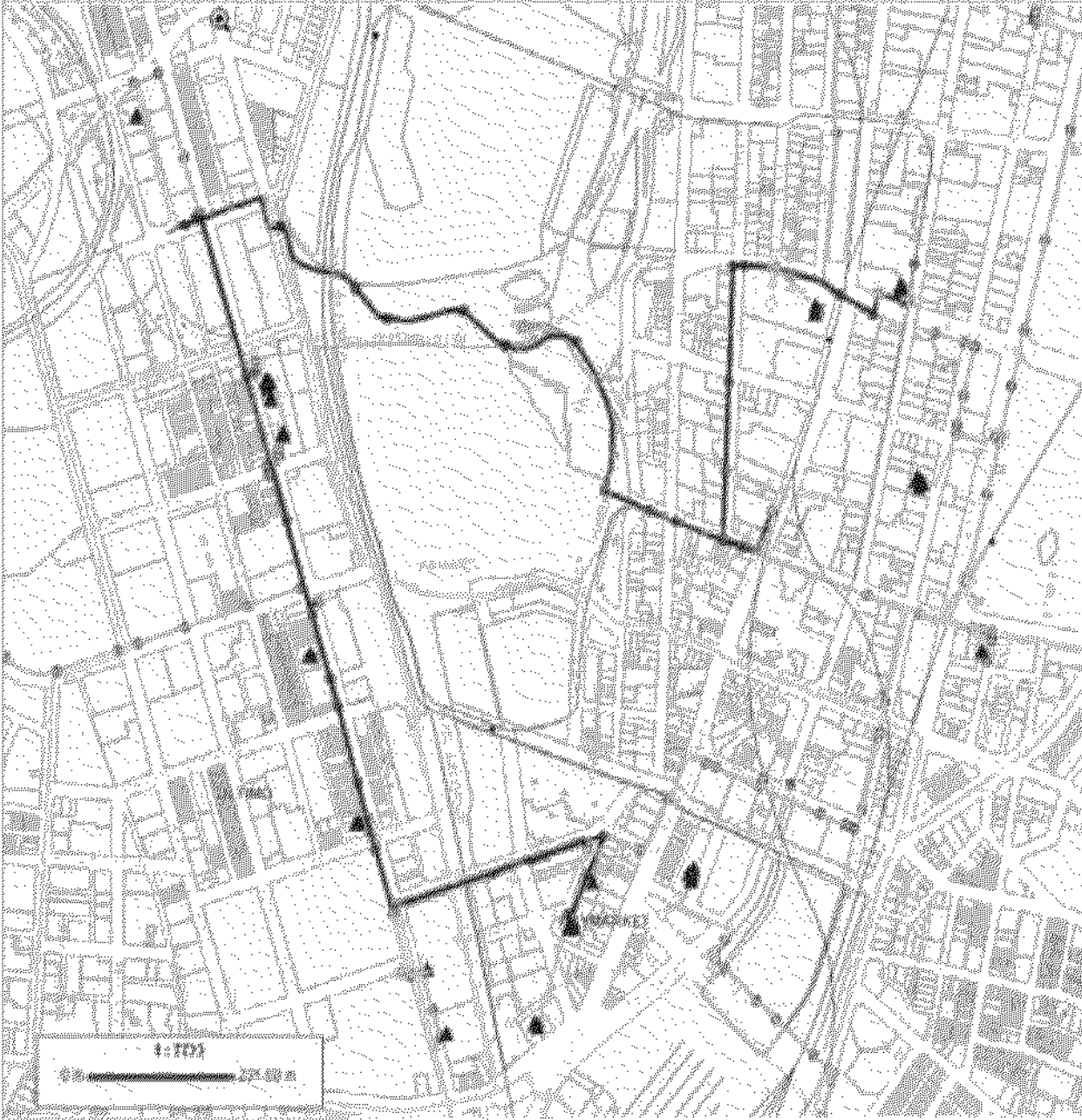
Username:

Password:

Online network visualisation...



Where is the network?



Spatial Reports

Visible

Thematic Layer

Refresh Map

Active Visible

Communications

Fibre

Fibre Joints

Poles

Termination Panels

Fibre Loops

Fibre

Structures

Railways

Airports

Other

Roads

Housing

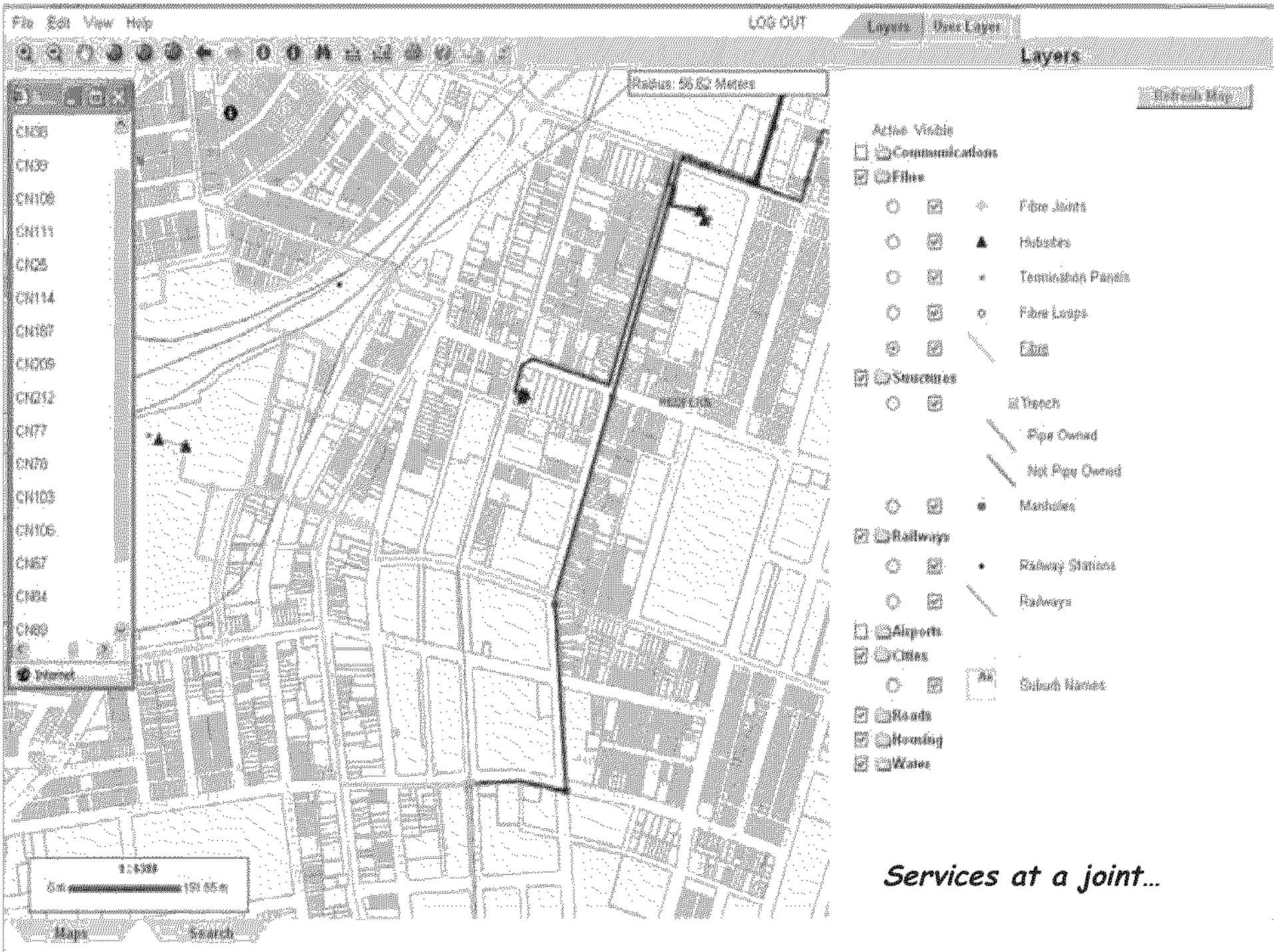
Water

1:700
0m 250m

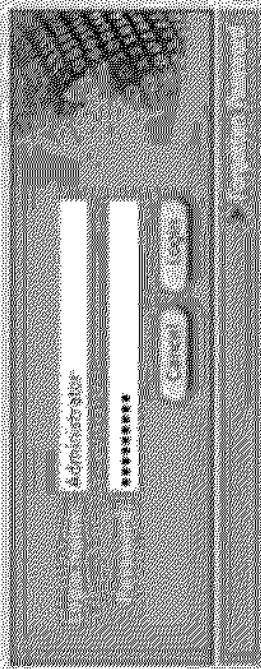
Map

Search

A customer's service...



Services at a joint...



Home | Home | Home

Filter Status

- Pipe Networks (1)
- Telstra (6)
- No Asset Affected (1)

Processed Referrals

Processed Referrals For:

Processing Model:

Processed Referrals:

Referral Search

Caller:

Caller ID:

COMMENCEMENT DATE	SEQUENCE NUMBER	ADDRESS	SUBJOB	STATE	MESSAGE	Company N...
11/05/2006	10181140	Parrot ST	Supp Work	VIC	ca 100 St C	Private
11/05/2006	10181141	Shadots ST	Brisbane	QLD	Urgent ple	Brisbane City C...
11/05/2006	10181142	Eagle ST	Brisbane	QLD	Urgent req	Brisbane City C...
11/05/2006	10181143	Spring ST	Wellington	VIC	WORKS BE	Cannell Wagner
11/05/2006	10181144	171 North...	Brisbane	QLD	Comer	G T I Plumbing
11/05/2006	10181145	175 RD	Supp Work	QLD	Lot No. 14	Neumann Conba...

Who is working near our network?

Home > Digging with > Digging 2004

PROPERTY

Sequence Number: 1510040

Job No.: 7471

ADDRESS: Green ST

SUBURB: Melbourne

STATE: VIC

POSTCODE: 3000

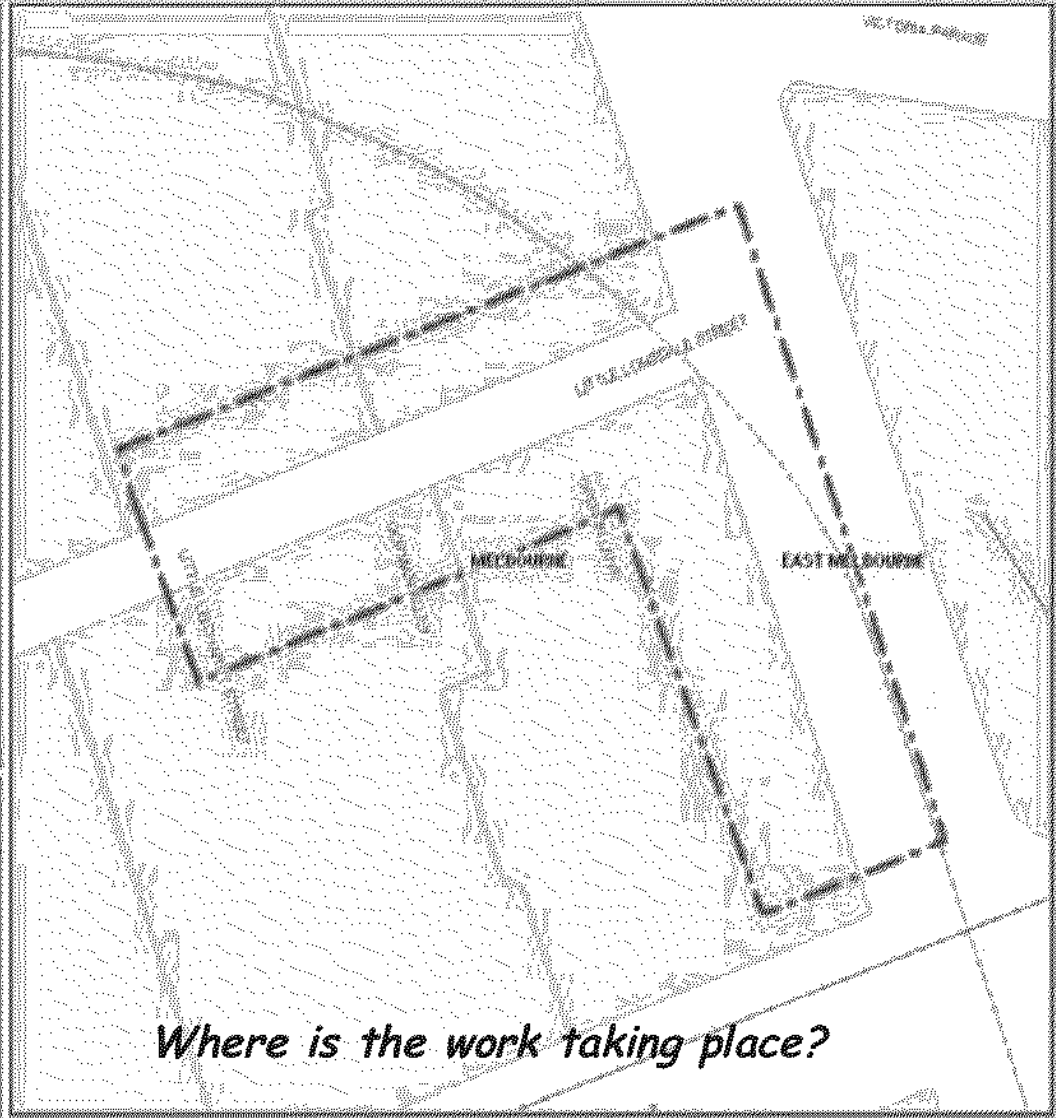
EDGE OF STREET: S

NEAREST CROSS STREET: Lime Lane ST

From: Dig Before You Dig - V

Company:

MESSAGE: WORKS BEING UNDERTAKEN



- Layers**
- Layer Control
 - DUCT
 - BASE
 - CADASTRE
 - CABLE MARK
 - CABLE RL
 - HANNOLE

- Assets**
- Asset Groups
 - Takers
 - Street-1-100000

Assets

No asset plans found for current dig location.

Map Search

Search Type: Street Address

Intersect

Street Address:

Suburb:

Postcode:

State: VIC

Where is the work taking place?



EN-004
This enquiry is set to be assessed manually.

Zoom: 0.15 km



Back [2of3] Map Next

Call Center Information

Caller ID: 116585
 Caller Name: Mr Frank Edwards
 Company: Central Agency
 Email: frank.edwards@centralagency.com
 Mobile: 01753 600000
 Work Pfx: 01753 600000

Location Information

Job No: 7999
 Address: Spring St
 Suburb: Melbourne
 State: VIC
 Postcode: 3000
 Side of Street: S
 Reference: 1000, Lincoln St
 Distance: 1000m
 Message: WORKS BEING UNDERTAKEN IN BOTH DIRECTIONS
 WORKS AND LITTLEWOODS STREET

MINUTE

ADDRESS

01753 600000
 frank.edwards@centralagency.com

Delivery Details

This material will be delivered by email at the following:

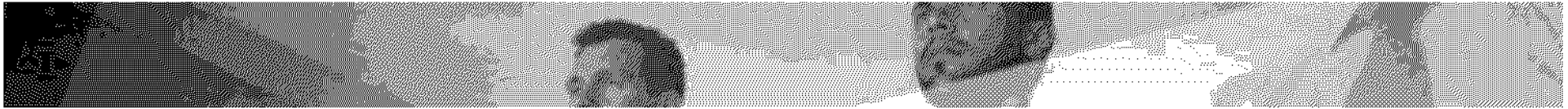
frank.edwards@centralagency.com

Over the Counter Details

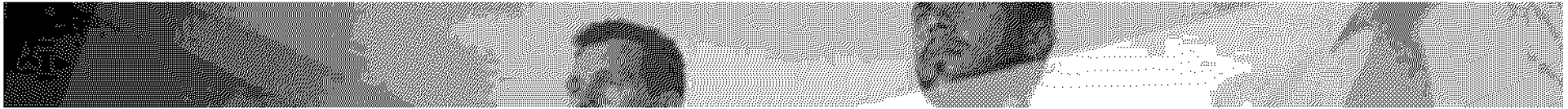
Summary

The job is confirmed to the customer response type if they agree below:

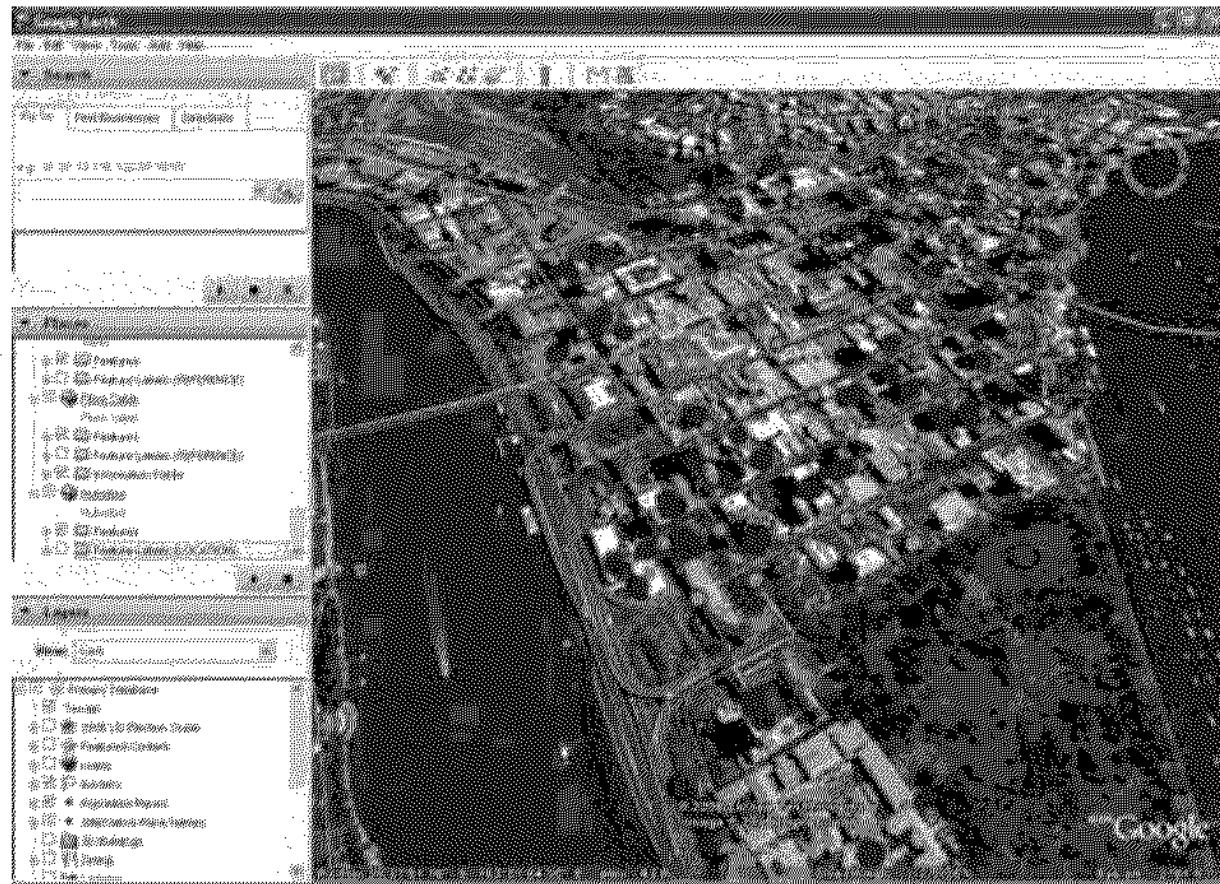
Contact company doing the works!

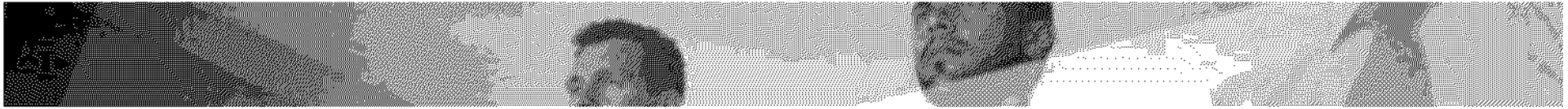


LIVE GOOGLE EARTH DEMO

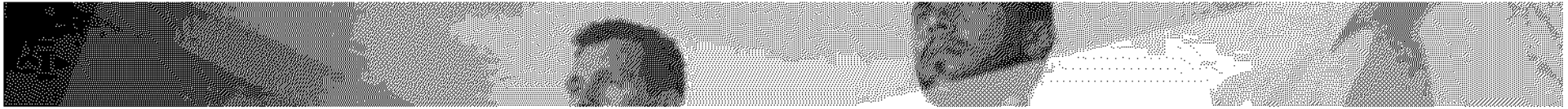


EXIT TO GOOGLE EARTH





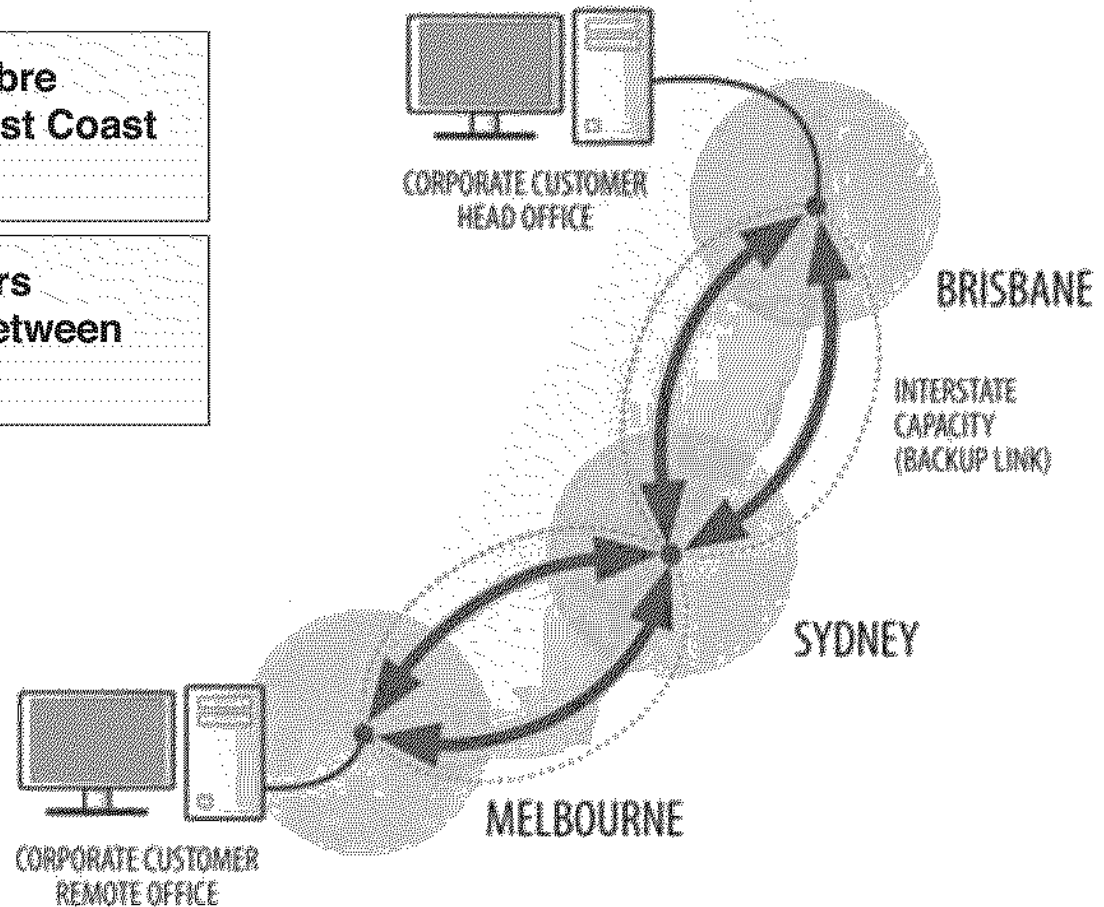
NEW PRODUCTS



INTERCAPITAL TRANSMISSION INTERCONNECTING 'THE ISLANDS'

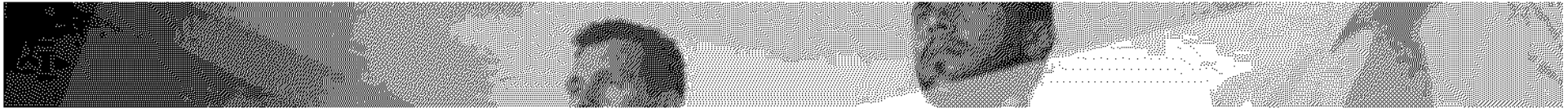
Intercapital Network

- Leveraging the 'metro' fibre networks to create an East Coast network
- Able to provide customers seamless connectivity between east coast DC's



A New Intercap Network

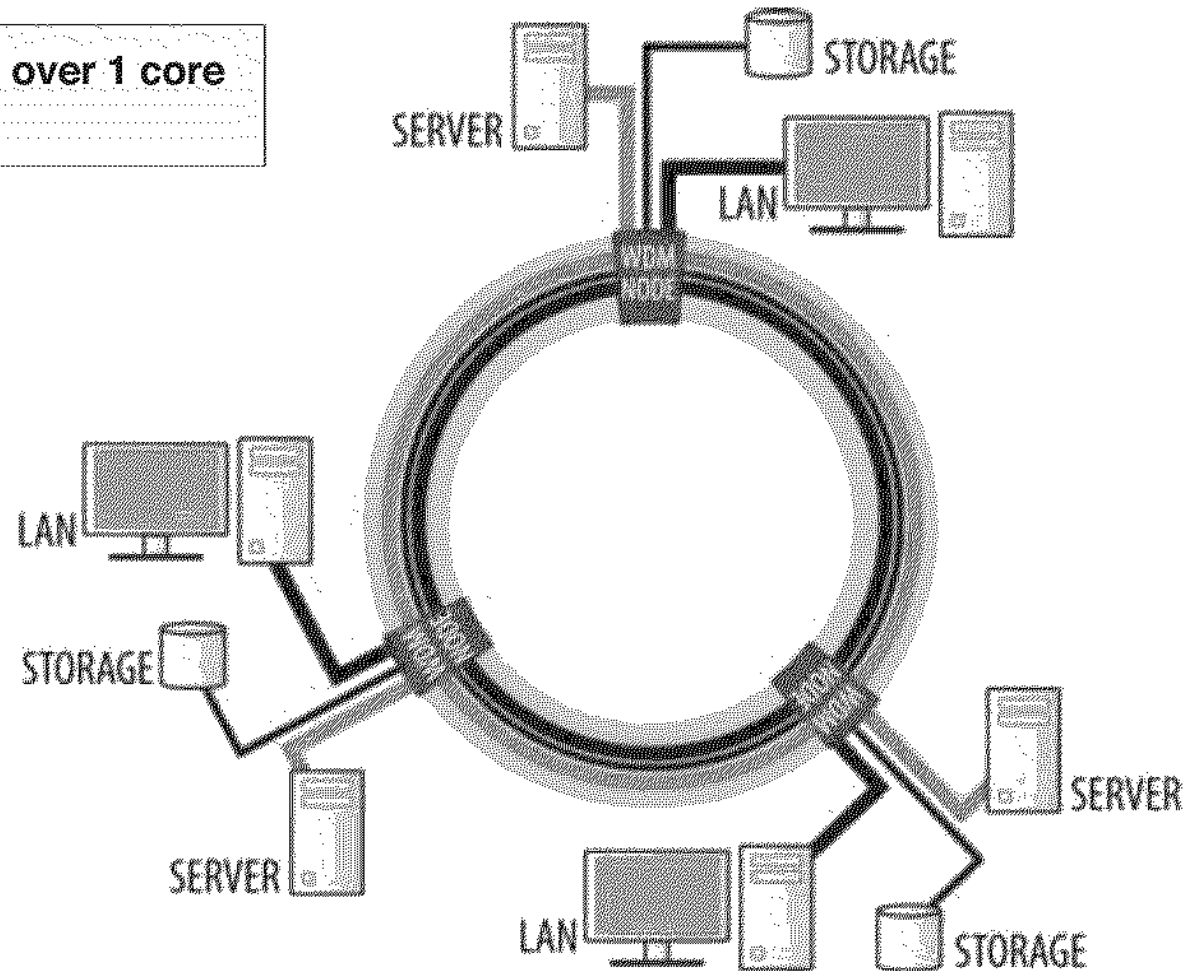
- **Immediately available to all current customers and switch locations in Brisbane, Sydney and Melbourne**
- **Initially 2 Gigabit/sec between Sydney, Brisbane and Sydney, Melbourne with full path diversity**
- **Implemented QoS enabled MPLS backbone using Foundry Network MLX-4 MPLS switching platform scalable to 1.5 terabits/second - that's means scalability, reliability and redundancy**
- **Advanced Customer Premises Equipment that allow near zero touch support of the end user, reducing overheads and increasing reliability and responsiveness**
- **Significant Capex and Opex, however expect product to break even by EoFY**
- **Live - NOW**



CODENAME: FLEXWAVE
MANY SERVICES – ONE FIBRE

Flexwave Overview

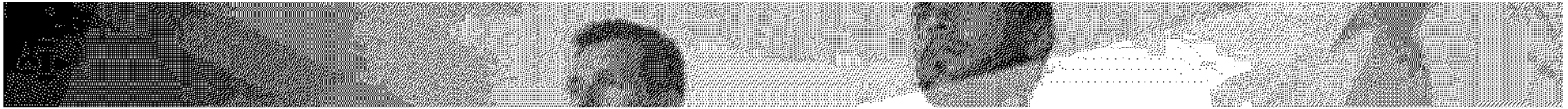
- Allows many services over 1 core of fibre



Flexwave Overview

- **Allows many services over 1 core of fibre**
- **Support Gigabit Ethernet, SDH, Fibre Channel, ESCON and other services**
- **Works up to 80km**
- **Support loops that allow for diversity and 50 millisecond failover**
- **Fibre Multiplier – no longer two fibres per service**
- **Equipment being trialled and final vendor to be announced in coming weeks**

•Live - Q4 2007



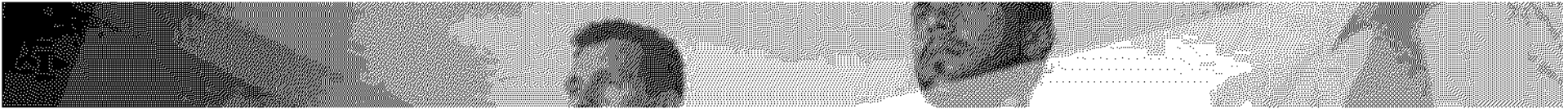
Codename: Next E

It's Metro Ethernet Jim, but not as we know it...

- Live - Q1 2007

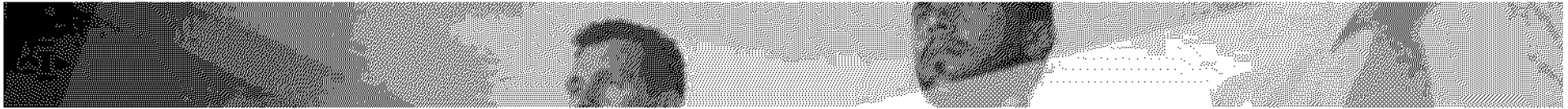
IN SUMMARY

- **2005/6 was the year of rapid expansion**
- **2006/7 is the year of leverage**
- **Strong cash flows and underpinning profits allow the company to invest in products that will deliver further profit in the medium term**
- **Company continually reviewing guidance will provide a guidance update once the impact of new products and services are able to be more accurately quantified**



Thank you

This concludes our presentation



BRISBANE

Level 17
127 Creek Street
Brisbane
QLD, 4000

SYDNEY

Suite 9
135 King Street
Sydney
New South Wales, 2000

MELBOURNE

Suite 8
499 St Kilda Road
Melbourne
Victoria, 3004

ADELAIDE

Suite 2
132 Franklin Street
Adelaide
South Australia, 5000

HOBART

Suite 2
29 Elizabeth Street
Hobart
Tasmania, 7000

PIPE NETWORKS

Phone: 1800 GO PIPE
Fax: 1800 GO PIPE
Email: sales@pipenetworks.com
Web: www.pipenetworks.com