IPE Limited

IPE Limited
ABN 48 107 843 381
c/o Pomona Australia Pty Limited
Level 9, 1 Castlereagh Street
Sydney NSW 2000 Australia

28 October 2015

The Manager, Listings
Company Announcements Office
Australian Securities Exchange
Level 4, Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

AGM Presentation Materials

Pursuant to ASX Listing Rule 3.13.3, attached is the Chairman's Address, Managing Director's Address and the Managing Director's presentation to members to be given at the Company's 2015 Annual General Meeting convened for 2.30 pm, Wednesday, 28 October 2015.

Yours sincerely,

SJackson

Sam Jackson
Company Secretary

IPE Limited
Annual General Meeting
28 October 2015 at 2.30 pm

Chairman's Address

I'll ask Jon Schahinger, the Company's Managing Director, to provide a review of the Company's activities.

Before that, I am pleased to advise that the company has reviewed its cash requirements, finalised its 2015 tax position and we have just announced to the ASX that 5.50 cents per share will be paid to shareholders on the 2nd of December. The payment consists of a partially franked dividend of 1.00 cent per share and a return of capital of 4.50 cents per share.

We shall still have surplus cash after that payment and have concluded that an on-market buyback would add value to longer term shareholders as the Company winds down, by creating additional market liquidity and a reduction in the number of issued shares. An announcement of the buyback of up to 10% of the issued shares has also been released to the ASX.

SLIDE 3

Managing Director's Address

Thank you Geoff and good afternoon everyone.

SLIDE 4

The last year continued to provide a favourable environment for private equity exits with resultant strong cash-flows coming into the Company and then out to shareholders.
The portfolio got smaller and its risk profile also reduced with outstanding commitments dropping to just over $2.5 million. As a consequence we decided that the debt facility was no longer needed as a back-stop and it was cancelled.
We were also pleased to report the ATO confirmation that the capital amounts returned to shareholders were not dividends.

SLIDE 5

Once again, although cash inflows were strong, the accounting profit was more modest at $2.00 million after tax.

NTA did decline but, like last year, that was primarily a result of the dividends and capital paid to shareholders and partially offset by increases in portfolio valuations.

The other significant metric was the reduction in the number of underlying investments as our managers took advantage of a favourable exit environment.

SLIDE 6

At a high level, the fund portfolio has changed only slightly since the last AGM. Two funds, HPEF II and Archer 3, have now terminated so exposure is now through 14 funds run by 10 different managers and with less than 40 underlying investments. We expect further fund terminations over the course for FY16 as final assets are sold and wind-up procedures completed. There were no new investments as all funds completed their investment programs in the prior year.

Since 30 June the Company's undrawn commitments have reduced by a further $1 million and now stand at a very manageable $1.6 million.

SLIDE 7

Some of the larger exposures in the portfolio are highlighted here. These were the top five at 30 June and three of them were also in the list last year. Of the other two, Veda Advantage was totally sold and Vitaco was just out of the top five this year but in September was partially sold into an IPO at an increased value.

<u>ive</u> is the new name of the Wolseley II asset previously known as Bluestar and the re-branding reflects its strategy of offering its clients services across much of the communication spectrum. Printing still remains its core and the business continues to report strong earnings as many small competitors leave the sector and customers seek a strong stable supplier.

Threatmetrix is in the venture capital CM 4 portfolio and continues to grow its client base and revenues. It is a software developer focussing on preventing cyber crime and enhancing data security. The company began life in Australia but is now based in the US and has also attracted funding from US venture capitalists. CM 4 owns about 18% of the business.

The Link Group, in the PEP portfolios, would be well known to all of the investors here today as a share registry and superannuation administration business. After a significant transaction earlier in the year the company listed yesterday and the price closed about 11% above the IPO price which in turn was well above the 30 June carrying value. Only about 30% of the holding was sold into the IPO with the remainder expected to come out over the next year.

Facade Access (also in the Wolseley portfolio) designs and manufactures building maintenance units and is the world leader for very tall buildings. It operates under the CoxGomyl and the recently acquired Manntech brands. The acquisition of that German business should significantly enhance its appeal to a range of engineering acquirers.

HealtheCare is in the Archer 4 portfolio and now operates 16 hospitals in NSW, Queensland, Victoria and Tasmania, two more than last year. It has been expanding by acquisition but also by new development and enhancement of existing centres. It's always been well managed and we expect a very attractive return when the current sale process is completed.

SLIDE 8

Turning to the near term outlook:

- The year has started well with cash continuing to flow back to the Company from the sales of escrowed listed stock in iSentia and the Spotless Group (from the Quadrant and PEP funds) followed by the September IPO of Vitaco which is a co-investment in the portfolio. October has kept up the momentum, with the IPO of the Link Group and the takeover of Energy Developments generating more cash.

- The Company's cash balance will then amount to more than $11 million and that has enabled the declaration today of 5.50 cents per share in a dividend and capital return to be paid on the 2nd of December and the announcement of an on-market share buyback.

- Our focus remains on maximising value for shareholders. The Board continually reviews the outlook for the portfolio against the backdrop of the secondary private equity market, which generally trades at discounts to the NAV. We currently feel that there is more value to shareholders in running off more of the portfolio than formally engaging in a secondary portfolio sale but that may change in the future as the portfolio gets even smaller. We are also conscious of the Company's fixed costs and look to make savings wherever possible. You may have picked up from the Annual Report that the non-executive directors offered to reduce their fees, which have now declined by 25%.

- The portfolio remains in a sound position and continues to include many investments that are well run and well positioned to ensure strongly competitive processes when they are eventually put up for sale. When we assess the merits of the top 20 assets in the portfolio there appears to be much more potential for value upside than downside in any sale processes (assuming reasonable stability in financial markets) which should augur well for more cash flowing to shareholders over the remainder of this financial year.

I shall now hand back to the Chairman to invite questions to the Board.