

IPE Limited

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26 October 2016

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 2016 Annual General Meeting convened for 2.30 pm, Wednesday, 26 October 2016.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'S Jackson', with a long horizontal flourish extending to the right.

Sam Jackson
Company Secretary

IPE Limited
Annual General Meeting
26 October 2016 at 2.30 pm

Chairman's Address

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

Before that, I am pleased to advise that the company has reviewed its cash requirements, finalised its 2016 tax position and we have just announced to the ASX that 6.00 cents per share will be paid to shareholders on the 25th of November. The payment consists of a fully franked dividend of 2.20 cents per share and a return of capital of 3.80 cents per share.

We have also decided to continue the on-market buyback but will only seek to buy at prices that could add value to longer term shareholders as the Company winds down.

Managing Director's Address

SLIDE 4

The last year again saw strong cash-flows coming into the Company and then out to shareholders with \$19 million being paid. Of course this meant that the underlying portfolio continued to shrink and we were down to 28 exposures at 30 June with outstanding commitments dropping to \$1.5 million. We do not expect that all of the outstanding amount will be called in the

future with 50% likely to be cancelled as more funds wind-up.

NTA declined but, like last year, that was a result of the dividends and capital paid out and partially offset by increases in portfolio valuations.

We were also pleased to report the ATO confirmation that the capital amounts returned to shareholders during the year would not be classified as dividends.

SLIDE 5

At a high level, the fund portfolio changed slightly since the last AGM with the exit of three more funds – NBC II, Propel and Quadrant 2. FY17 could see up to six more funds finalised as they hold single investments or only escrow positions from past sales.

Currently, three of the funds, CM Capital 4, NBC III and Wolseley II represent about 65% of the total value of our private equity exposure so that concentration will be pivotal to any future value accretion.

CM 4 is a venture fund and most of its positions are minority holdings (typical of the venture sector after sequential rounds of funding) which means the timing of exits may not always be in that manager's control. In contrast, NBC has more control but a few of its investments are more recent and still need additional time to grow. Wolseley II has more mature investments and is well advanced in the exit paths for its remaining portfolio.

SLIDE 6

Some of the larger exposures in the portfolio are highlighted here. Of the top 5 at 30 June, Link has now been totally sold and half of the IVE Group holding was also sold down. Since 30 September NZ King Salmon listed on 19 October and Direct Capital was able to exit entirely.

Further to the comments I made about portfolio concentration, Threatmetrix is in CM4, Façade Access and IVE are held by Wolseley II and Degani and Disasko are NBC III investments.

SLIDE 7

Turning to the near term:

- The year has started well with about \$7.5 million flowing into the company since 30 June. The Company's cash balance now amounts to more than \$8 million and that has enabled the declaration today of 6.0 cents per share in a dividend and capital return to be paid on the 25th of November.
- Last year we announced the start of an on-market share buyback. Purchases have been modest, with none over the last six months as the share price has consistently been close to or above the prevailing NAV. Nevertheless we will retain the capacity to buy on-market to take advantage of any share price

weakness that could add value to remaining shareholders.

- Some years ago the decision to change the Company's strategy to a gradual wind-down was only made with the belief that it would produce greater value for shareholders (after ongoing costs) when compared with the alternatives such as a total sale of the portfolio or a merger with another company or a larger re-capitalisation. The Board has consistently re-tested that decision and has been quietly pleased with the results over the last few years.
- With the portfolio now much more concentrated and thus potentially more volatile, the decision on the optimal path forward has become more challenging but our focus remains on maximising value.
- We still feel that there is good value to shareholders in running off more of the portfolio but may consider testing secondary market appetite during 2017 for a few of the holdings if exit timings become less certain for some exposures.

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

Questions

IPE Limited

Annual General Meeting

26 October 2016

ASX Code: IPE

www.ipelimited.com.au

Agenda

- Opening by the Chairman - Geoff Brunsdon
- Review and outlook - Jon Schahinger (Managing Director)
- Questions
- Tabling of Reports
- Resolutions
 - Ordinary resolution on re-election of Geoff Brunsdon
 - Ordinary resolution on re-election of Tony Sims
 - Ordinary resolution on Remuneration Report
 - Ordinary resolution on further capital returns to shareholders
- Other business
- Closure

Review & Outlook

Financial Summary as at 30 June

	FY16	FY15
Net profit / (loss) after tax	\$2.05m	\$2.00m
NTA (pre tax)	\$0.22	\$0.32
Net debt	nil	nil
Dividends / Capital returns	14.00cps	10.00cps
	\$19.0m	\$13.7m
Undrawn private equity commitments	\$1.5m	\$2.6m
Cash balance	\$1.0m	\$4.9m
Debt facility available	n/a	n/a
No. of underlying investments	28	42
No. of new investments	nil	nil

Remaining Portfolio *

No. of Funds	Value	Undrawn
11	\$22.1m	\$1.5m



**As at 30 September 2016 through 10 private equity managers*

Largest exposures (as % of total private equity assets)

30 June 2016		30 Sept 2016	
1. IVE Group	11.9%	Threatmetrix	13.2%
2. Facade Access	10.8%	Facade Access	12.3%
3. ThreatMetrix	10.4%	Degani	8.8%
4. Link Group	9.8%	Didasko	7.5%
5. Degani	7.3%	NZ King Salmon	6.6%
Totals	50.2%		48.4%

FY 2017

- Started well – cash inflows of \$7.5m:
 - Cash from Wolseley II – Nexus, Abergeldie and IVE Group shares
 - Cash from PEP III – final sale of Link shares
 - Cash from Ironbridge – sale of BBQSAM
 - IPO of NZ King Salmon on 19 October – cash about to come
- The Company today announced a capital return and dividend of 6.00 cps
- Also decided that the on-market buyback would remain in place
- Cash inflow over the remainder of FY17 more difficult to predict
- Ongoing assessment by the Board:
 - Continue to run down or explore a secondary sale of the remaining portfolio?
 - Value uplift greater than ongoing costs?
 - Can the Company create other potential value for shareholders?
- Will again ask the ATO for another class ruling well before the end of FY17

Questions?

Tabling of Reports & Other Business

Proxy count

<i>Resolution</i>	<i>For</i>	<i>Against</i>	<i>Abstain</i>	<i>Open proxy</i>
Re-election: G. Brunsdon	64,450,924 98.3%	81,243 0.1%	66,253 0.1%	1,018,759 1.6%
Re-election: T. Sims	64,450,924 98.3%	81,243 0.1%	66,253 0.1%	1,018,759 1.6%
Remuneration report	61,927,525 97.6%	428,272 0.7%	451,561 0.7%	1,069,821 1.7%
Further capital returns	64,471,699 98.3%	99,335 0.2%	50,804 0.1%	995,341 1.5%

1. Reports

The Financial Report for the period ended 30 June 2016 and the Reports of the Directors and the Auditor are laid before the meeting for questions or comments.

No resolution on this item is required by the Constitution.

2.1 Re-election of Geoff Brunsdon



Ordinary Resolution:

“That, Geoffrey N. Brunsdon, a Non-Executive Director retiring in accordance with section 60.1 of the Constitution, being eligible, is re-elected as a Non-Executive Director of IPE Limited.”

Proxies:

For	Against	Abstain	Open
98.3%	0.1%	0.1%	1.6%

2.2 Re-election of Tony Sims



Ordinary Resolution:

“That, Anthony M Sims, a Non-Executive Director retiring in accordance with section 60.1 of the Constitution, being eligible, is re-elected as a Non-Executive Director of IPE Limited.”

Proxies:	For	Against	Abstain	Open
	98.3%	0.1%	0.1%	1.6%

3. Remuneration Report

Ordinary Resolution:

“That, the Remuneration Report included in the Annual Report for the period ended 30 June 2016 (set out in the Directors’ Report) is adopted.”

Proxies:	For	Against	Abstain	Open
	97.6%	0.7%	0.7%	1.7%

4. Further capital returns to shareholders

Ordinary Resolution:

“That for all purposes, including for the purpose of Part 2J.1 of the Corporations Act 2001 (Cth), approval is given for the Company to reduce its share capital during the period from 1 January 2017 to 31 December 2017 by conducting one or more equal capital reductions up to a total amount not exceeding \$15,000,000. The reductions of capital contemplated under this resolution would be effected by the Company paying to each registered holder of ordinary shares in the Company, on dates and at times to be specified by the Company’s Board of Directors, the pro rata amount of each capital reduction per ordinary share.”

Proxies:	For	Against	Abstain	Open
	98.3%	0.2%	0.1%	1.5%

Other Business

Is there other business that any shareholder wishes to raise?

Thank you

A copy of this presentation has been lodged with the ASX and will be available on the Company website at www.ipelimited.com.au

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