

**ASX RELEASE**

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## **PIPE delivers impressive FY09 results**

**PIPE Networks Limited (ASX: PWK)** today announced a 46% increase in consolidated profit after tax for the year ended 30 June 2009 amounting \$10.5 million\*. This result includes the combined results of subsidiaries including costs associated with construction of an undersea submarine fibre optic cable from Sydney to Guam.

Key financial highlights include:

- Revenue up 46% to \$50.4M
- EBITDA up 43% to \$18.6M
- NPAT up 46% to \$10.5M
- Basic EPS up 26% to 19.89 cents per share
- Full franked dividend of 8.0 cents per share, up on FY08 by 1.0 cent
- Net operating cash flow up 40% to \$24.3M

Mr Bevan Slattery, Group CEO of PIPE Networks said “this strong result is testament to PIPE’s sound business model underpinned by growing demand, long term annuity contracts, our investment in high growth assets and continued focus on customer service. This growth was achieved despite the recent economic downturn”.

“Since its inception, backed by customer contracts, the company has invested heavily in building its domestic fibre optic network which is now over 1,300km in length. The network has been designed to meet the highest standards and provide PIPE services to as many strategic IT infrastructure locations as possible. Our key focus for FY10 and beyond is to provide on-net services to internet service providers (ISPs), corporate and government customers and reap the benefit from our existing robust networks”, Mr Slattery said.

“Whilst the company undertook some large capital investment programs over the past five years, shareholder returns have been our number one priority. Our balance sheet is stronger than ever supported by solid growth in our EPS to 19.9 cents (26% year on year growth) and NTA backing per security, which improved to 165.9 cents per share in FY09 (18% year on year growth)”, he said.

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\* Domestic operations results: Revenue \$48.2M, EBITDA \$19.7M, NPAT \$11.5M

Today PIPE International (Australia) Pty Ltd (100% owned subsidiary of PIPE Networks Ltd) also announced the 'first light' transmitted on PPC-1, a major milestone in the development of the Company's submarine cable system linking Sydney with Guam, with onwards connectivity to the US and Japan. The PPC-1 cable is scheduled to be launched on the 8<sup>th</sup> of October 2009 and will be the catalyst for a major positive change required in the competitive landscape in the Australian market for international transmission.

"Residual external funding requirements have been significantly reduced via the alignment of billing milestones with customer payments and strong cash generation from domestic operations. The Board will continue to consider the mix of funding sources in upcoming months so that we can deliver the optimum value for money to our shareholders", said Mr Slattery.

***ENDS***

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