

ASX RELEASE

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Upgrade of Earnings Guidance for FY2010

PIPE Networks Limited (ASX: PWK) has today upgraded its earnings guidance for the 2010 Financial Year. The Directors have confirmed the following:

	New Guidance	Previous Guidance	FY09 Actual
Revenue	\$94M - \$98M	\$92M - \$96M	\$50.4M
EBITDA	\$51.5M - \$53.5M	\$50M - \$51M	\$18.6M
NPAT	\$23M - \$25M	\$20.5M - \$21.5M	\$10.5M

This upgraded earnings guidance follows the launch of the Company's PPC-1 Submarine cable system earlier this month, and reflects improvements arising from a number of factors including:

- Stronger than expected contracted sales for the domestic business in the June and September quarters
- An excellent sales pipeline suggesting that, assuming conversion rate being constant, new monthly recurring revenue should be at the higher end of the initial budgeted range
- Management being confident of early commencement of additional new recurring revenue streams for PPC-1 of approx \$1m per annum (FY10 impact: \$0.5M)
- An expected saving from improvements in operating costs for PPC-1 of approx \$1m (FY10 impact: \$0.5M)
- Management being confident that PIPE will also realise approximately \$1m NPAT contribution from its 26.3% ownership in Vocus Group during the 2009/10 financial year.

Mr Bevan Slattery, Group CEO of PIPE Networks said the increase in the Company's earnings guidance arose from stronger than expected growth in both its domestic and international businesses, as well as some further operational cost reductions on PPC-1.

"We've been through a period of significant capital expenditure and infrastructure build-out," he said.

"I am delighted that shareholders are now reaping the rewards of our investment in our combination of domestic and international 'next generation' telecommunications infrastructure", he said.

"We are working hard to deliver top line revenue improvement as well as improve the operational efficiency of our service delivery.

“These areas, along with our strong focus on customer service and increasing network utilisation rates, are central to our continued success.”

ENDS

For more information: Bevan Slattery
Managing Director/CEO
T: 07 3233 9800
media@pipenetworks.com

About PIPE Networks

PIPE Networks Limited (ASX:PWK) is a leading facilities-based telecommunications service provider in Australia. The company owns the third largest metropolitan fibre optic network in Australia connecting to key strategic IT infrastructure locations.

Since its inception in 2002, the company has delivered sustainable revenue and profitability growth by offering reliable and cost effective dark fibre, managed ethernet, telehousing and peering products to internet service providers (ISPs), corporate customers and Government departments.

The company recently completed PIPE Pacific Cable (PPC-1) submarine cable system between Sydney and Guam through its subsidiary PIPE International which provides secured and fast international bandwidth from Australia to the USA and Asia.

For further information please visit www.pipenetworks.com.au or www.pipeinternational.com