

IPE Limited

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25 October 2017

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 2017 Annual General Meeting convened for 2.30 pm, Wednesday, 25 October 2017.

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
25 October 2017 at 2.30 pm

Chairman's Address

Over the last few years we have been able to declare a dividend or capital return on the date of the AGM. However with a much smaller portfolio we haven't enjoyed the benefit of significant recent cash-flows so there has been no declaration this year.

I'll ask Jon Schahinger, the Company's Managing Director, to provide a brief review of the Company's activities and he'll be able to provide some comment on the main drivers of future cash-flows.

Managing Director's Address

SLIDE 4

The last year again saw reasonably strong cash-flows coming into the Company and then out to shareholders with more than \$13 million being paid. This was the result of further exits in the portfolio which is now about half the size of a year ago – down to 15 exposures at 30 June.

Outstanding commitments also roughly halved to \$0.8 million with about 80% of that change due to cancellations rather than calls. I expect that about 75% of the remaining \$0.8 million will also end up being cancelled as more funds terminate. (Archer 4 has about \$600k outstanding but has made no calls since March 2015).

Of course, with the cash paid out, NTA declined but, like last year, that was largely a result of the dividends and returns of capital.

Subsequent to year-end 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

During the year we terminated interests in three more funds – managed by Catalyst, Direct Capital and Ironbridge while Pacific Equity Partners III made its final distribution in early October.

Currently, two of the funds, CM Capital 4 and NBC III represent about 75% of the total value of our private equity exposure so that concentration will be pivotal to any future value accretion.

The two Wolseley funds have no investments remaining and are moving to wind-up while Pacific Equity Partners IV and Quadrant 1 both only have single exposures.

SLIDE 6

The larger exposures in the portfolio are highlighted here. The top two are in the CM4 portfolio (and both are USD denominated), the next two are part of NBC III, the fifth is in the Archer 4 fund and the exposures are scattered across a range of industry sectors.

Overall we continue to believe that our portfolio has the potential for growth in value but the timing of material exits and cash-flow to IPE is difficult to predict. Since 30 June we have only benefited from one exit – the sale of Datacastle – which provided a very modest amount of cash.

SLIDE 7

- When the Company started its wind-down strategy there were about 90 underlying investments but we are now down to 13. As we saw on the previous slide the five largest equate to more than 70% of the portfolio value and with this concentration comes the potential for greater risk and volatility.
- That volatility may be exacerbated (positively or negatively) by the US dollar exposure provided via the CM 4 (Threatmetrix and Piedmont) and Pacific Equity Partners IV (the sole investment is American Stock Transfer) portfolio companies.

- We are acutely conscious that the portfolio and Company market-cap are relatively small in value and we continually evaluate the merits of the run-off strategy. There are a few obvious questions, most of which we have touched on many times in the past so I'll pass back to the Chairman to invite questions and discussion.

Questions



IPE Limited

Annual General Meeting

25 October 2017

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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

	FY17	FY16
Net profit / (loss) after tax	\$(1.03)m	\$2.05m
NTA (pre tax)	\$0.106	\$0.220
Net debt	nil	nil
Dividends / Capital returns	9.90cps	14.00cps
	\$13.4m	\$19.0m
Undrawn private equity commitments	\$0.8m	\$1.5m
Cash balance	\$1.35m	\$1.04m
No. of underlying investments	15	28
No. of new investments	nil	nil

Remaining Portfolio *

No. of Funds	Value	Undrawn
7	\$12.8m	\$0.8m



**As at 12 October 2017 through 6 private equity managers*

Largest exposures (as % of total private equity assets)

30 June 2017

1. ThreatMetrix	20.5%	Anti-fraud software provider
2. Piedmont Pharma	14.7%	Human and animal pharmaceuticals
3. Degani	13.4%	Café chain and coffee roasters
4. Didasko	12.9%	Higher education provider
5. QSR (Craveable)	9.9%	Fast food operator
Totals	71.4%	

Outlook

- Portfolio now much less diversified
 - potentially more volatile NTA
 - 40% of portfolio exposure in US\$ denominated assets
- Cash inflow from the remainder of the portfolio difficult to predict
 - Exit planning in place for most assets but timing and completion uncertain
- Ongoing assessment by the Board:
 - Value uplift greater than ongoing costs?
 - Can the Company create other potential value for shareholders?
 - Continue to run down or explore a secondary sale of the remaining portfolio?
- No significant tax credits available for payments to shareholders
- If needed, will ask the ATO for a class ruling well before the end of FY18

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. Brunson	68,121,089 97.9%	169,595 0.2%	343,660 0.5%	952,052 1.4%
Re-election: T. Sims	68,112,415 97.9%	185,933 0.3%	335,996 0.5%	952,052 1.4%
Remuneration report	66,712,429 97.1%	663,070 1.0%	437,234 0.6%	873,663 1.3%
Further capital returns	68,648,865 98.7%	54,335 0.1%	23,664 0.0%	859,532 1.2%

1. Reports

The Financial Report for the period ended 30 June 2017 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
	97.9%	0.2%	0.5%	1.4%

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
	97.9%	0.3%	0.5%	1.4%

3. Remuneration Report

Ordinary Resolution:

“That, the Remuneration Report included in the Annual Report for the period ended 30 June 2017 (set out in the Directors’ Report) is adopted.”

Proxies:	For	Against	Abstain	Open
	97.1%	1.0%	0.6%	1.3%

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 2018 to 31 December 2018 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
	98.7%	0.1%	0.0%	1.2%

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

The information contained in this presentation has been prepared with all reasonable care by IPE Limited (ABN 48 107 843 381) who accepts no responsibility or liability for any errors, omissions or misstatements. It is provided as general securities information only and is not in any way intended to constitute a securities investment recommendation or financial advice.