



# CEO C F O

## Interviews & News!

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### 3P Networks Is Fulfilling Its Vision Of Bridging The Digital Divide And Providing The Triple Play Services Of TV, Voice And Broadband High-Speed Internet Access To Customers In The United States, Canada And The Caribbean



Telecommunications  
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Chris Farnworth  
CEO and Director

Interview conducted by:  
Lynn Fosse, Senior Editor  
CEO C F Ointerviews.com

#### BIO:

#### Chris Farnworth, CEO & Director

Mr. Farnworth is responsible for corporate development and driving revenue growth of several successful public and private high tech companies – 25 years international business experience.

As co-founder of 3P Networks, he has supervised the Company's technology selection, systems integration, and acquisition of programming, identification of new business opportunities, negotiation with vendors and long-term strategic planning of the group. His is also responsible for Business Development for ETV On Demand - an IPTV solution and content aggregator.

Along with other industry notables, Chris has served as a Director of the Wireless Communications Association International ("WCAI").

#### Company Profile:

*3P Networks Inc.* is a diversified, multi-service telecommunications company with interests in North America and the Caribbean. The Company is focused on aggregating subscribers, which provides the company with monthly recurring revenue on a single platform. 3P Networks provides custom bundling of emerging digital telecommunications "triple play" products, such as HD-TV; fixed and mobile wireless VoIP; and Broadband Internet connectivity, delivered to its subscribers in both underserved rural areas and urban high demand markets - all on a common platform.

Interview conducted by:  
Lynn Fosse, Senior Editor  
CEO C F Ointerviews.com

**CEO C F O:** Mr. Farnworth, what was your vision when you founded 3P Networks and where are you today?

**Mr. Farnworth:** "Our vision for 3P Networks was to bridge the digital divide and to provide the triple play services to subscribers overlooked by big Cable and Telco. 3P's systems will offer digital TV, voice and high-speed internet access to subscribers in Canada, the United States, and the Caribbean. We are fulfilling that vision through both acquisition and new builds. We are in the process of acquiring subscribers in the Caribbean and we are rolling out in underserved areas in western Canada and western United States,"

**CEO C F O:** Why have you chosen the particular geographic areas that you have?

**Mr. Farnworth:** "One of the main criteria is that we are looking to provide service in population growth areas and the

underserved areas in the Pacific Northwest and Western Canada fit. These are areas where the traditional incumbent Telco or the cable operators are only slowly providing a full range of services to their customers. The high growth communities around urban areas and the apartment and condo markets within them are our target. The potential customers here are just not getting the broadband high-speed internet access, VoIP telephony and digital TV because the incumbents are really focusing on the urban single family dwelling market."

**CEO C F O:** Do you do the commercial property or private homes, gated communities, apartments and condos?

**Mr. Farnworth:** "In North America, we are focused on multi-family dwellings that are both vertical and horizontal. There are many large greenfield projects in high rises and gated communities. In the Caribbean, our systems will serve both commercial and residential subscribers. The lack of competition there coupled with our state-of-the-art digital system means that we can become the primary provider in some of our territories where monopoly legacy systems are just beginning to face competition and the need to re-invest in their own systems to stave off competition."

**CEO C F O:** Is there much competition in the underserved areas in North America and why choose 3P?

**Mr. Farnworth:** "There is limited competition in the underserved areas in the triple play space. Obviously, video is there with satellite TV, but the large incumbent cable and telco operators do not look at these areas as being something that they can afford to go into because of

their large infrastructure cost. With our group, we have the ability because of our size to be able to go into the underserved areas, be they estate subdivisions, apartments, or condo complexes with a very cost effective method of delivering the full suite of services expected by consumers today. And one of the main advantages that 3P has over the incumbent is that we actually share part of the profit with developers or home owners associations. This is really unique and it is a business model that is not done by the traditional cable and telephone companies.”

**CEOCFO:** What do you need to put into a community or high-rise complex, in terms of hardware and infrastructure to make your system work?

**Mr. Farnworth:** “We get our signals from the satellite providers just like our competitors except we get them in IPTV at our head end, then we deliver the signals to our subscribers through a local area network over Ethernet cable. We also carry the voice service and high-speed internet over the same cable. This is very different from traditional delivery methods using coax cable or Telco twisted pairs. We put everything over Ethernet. And just one cable can provide all the services, with full digital quality and plenty of bandwidth.”

**CEOCFO:** How does that compare quality-wise to traditional services?

**Mr. Farnworth:** “We are able to deliver a higher quality because we are in full digital and we are more secure, both for the subscriber and for our own revenue security. We are able to give full bandwidth to our subscribers, not a shared network locally, so they are not degraded by subs on-line in a building next door. We are actually giving everybody the full advantage of bandwidth behind a firewall and we provide a virtual PBX in which is very different than a voice provider offering VoIP service over the internet. We actually give subscribers a true dial tone service with cable-like quality of service.”

**CEOCFO:** Are most new communities

or complexes looking to incorporate a service like yours or do you have to convince them it is the smart thing to do?

**Mr. Farnworth:** “A year ago we had to go and convince them, but now many developers and most of the groups that we are dealing with understand that there has been quite a big shift in the way that their television, internet, and voice services can be delivered. We are seeing it especially in the underserved suburban estate and residential high rise markets, wherever you have long distances between the incumbent’s facilities and end users.”

**CEOCFO:** You have recently signed an agreement with Seven Drums; tell us more.

**Mr. Farnworth:** “This is an area that we have been looking at for quite some time.

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**- Chris Farnworth**

It is part of our philosophy to bridge the digital divide to communities that traditionally had not had access to the broadband, voice, and TV signals from traditional suppliers. We are working with the First Nations to be able to deliver to their native communities a very high quality bandwidth signal. In addition, they are also getting to share in some of the profits. It gives them a chance to also offset some of the cost on the native reserve. There are a lot of non-native families who are either renting or have leased land on First Nations reserves, so we are also planning to provide services to them sharing the profit with the native band.”

**CEOCFO:** You are rather diverse geographically; how do you keep track and handle the different geographies with the company your size?

**Mr. Farnworth:** “We have concentrated our efforts in the Pacific Northwest and the Caribbean and we are managing them with two operational teams. Each has their own profit center and their own goals. Our management philosophy is to hire strong middle managers and give them an incentive them to make a profit for the company and share in it as well. It makes for an effectively run company and a very cost-effectively run company.”

**CEOCFO:** What is the financial picture of the company?

**Mr. Farnworth:** “We just closed on our first major financing of \$12 million in August. and we have sufficient capital to carry us through and implement our current business plan. We are planning to move quickly into positive cash flow, because we are doing some major acquisitions that will bring the company significant numbers of subscribers and monthly recurring revenue.”

**CEOCFO:** Is there a lot of consolidation in the telecom industry?

**Mr. Farnworth:** “In certain traditional areas such as cable and voice there is, but with the newer technologies, such Wi-Fi and Wi-MAX there is a veritable ‘land rush’ to get spectrum or to buy licenses. Soon we will see more of this as the 700-megahertz band is

opened up. There are a lot more opportunities for smaller operators to take significant market share. At the moment we are looking acquisitions to expand our base, before we turn to new builds and follow on organic growth.”

**CEOCFO:** Why should potential investors be interested in 3P Networks?

**Mr. Farnworth:** “Right now we are undervalued. Obviously, the recent financing is going to give us an opportunity to increase shareholder value very quickly. It will give a great opportunity for upside to our investors. This is a growing business in a growing space and it is exciting. We are small enough that we can move rapidly on opportunities and as technology changes further, we will be able to move quickly to enhance our suite of products. 3P’s networks will not be that

large and they are independent of each other so that they are able to move quickly to upgrade them where there is customer demand. ”

**CEOCFO:** What should people remember most from this interview?

**Mr. Farnworth:** “We have one of the best management groups that has been put together in this industry. We are in an

exciting and growing space and we are flexible enough to be able to look at opportunities and move rapidly on them.”

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