



SUPPLY NETWORK LIMITED

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28 January 2008

The Manager
Companies Announcement Office
Australian Stock Exchange
20 Bridge Street
SYDNEY NSW 2000

Dear Sir

Re: Forecast Earnings Half Year December 2008 and Dividend Announcement

The Directors advise that based on unaudited management accounts for the half-year to 31 December 2008 the anticipated profit after income tax expense is \$735,000 (2.9 cents per share) an increase of \$70,000 (10%) on the same period last year.

EBIT for the half year is expected to be around \$1.2m, which is an increase of \$122,000 (11%) on the same period last year.

Consolidated sales revenue for the period was \$20.2m, which is an increase of 5.2% on the same period last year.

Final results will be released to the market in late February 2009.

Directors have declared a fully franked interim dividend of 1.0 cent per share payable on 3 April 2009 to shareholders registered on 12 March 2009. This is in line with last year's interim dividend.

Directors confirm that the Dividend Reinvestment Plan will be reactivated and operating in respect of the interim dividend. Further information on the DRP will be distributed to shareholders shortly.

As indicated at the Annual General Meeting, a significant decline in the Australian dollar and a competitive market will place downward pressure on gross margins and profitability in the second half. At the AGM Directors provided a full year forecast EBIT of around \$2.0m. In the present circumstances there is uncertainty in the market and the Directors will provide further guidance as second half performance becomes known.

The Directors also advise that additional bank facilities of up to \$2.5m have been arranged to finance the anticipated increase in the value of our stock over the course of this financial year as a result of the decline in the value of the Australian and New Zealand currencies.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Peter Gill', written over a white background.

Peter Gill
Company Secretary