

30 September 2010

The Manager Companies
Company Announcements Office
ASX Limited
Level 4, Stock Exchange Centre
20 Bridge Street
Sydney NSW 2000

Market Update – Half Year Forecast

The Board of Cellnet advises that the net profit for the half year ending 31 December 2010 is expected to be between \$1.4m and \$1.6m. This is an increase of between \$0.5m and \$0.7m from the previous comparative period result of \$0.9m. No full year guidance is provided at this stage.

This improved net profit forecast is the result of increased sales through an expanded customer base in both Australia and New Zealand. The Company has experienced improved sales in July and August and with the recent signing of new customer contracts in Australia and New Zealand, sales are expected to remain strong.

CEO Stuart Smith said that “expanding our customer base is as a result of the effort put into our customer service and quality product offering. We have some great brands and products which, together with our improved on-line capability, have made it easy for customers to do business with us. Having an efficient, flexible and scalable operation ensures higher volumes are cost effectively absorbed into existing capacity and infrastructure available to us.”

Alexander Beard
Chairman
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Stuart Smith
CEO
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Cellnet is a leading distributor of flash memory, mobile phone accessories and retail products across Australia and New Zealand. Cellnet distributes products on behalf of a number of the world's leading vendors and in doing so, deliver the best products for today's business, corporate and consumer retail environments. For further information please visit www.cellnet.com.au