



8 June 2012

Australian Stock Exchange Limited  
20 Bridge Street  
Sydney NSW 2000  
By: e-lodgement  
Attention: Company Announcements Office

### **Full Year Forecast and Dividend**

Cellnet advises that it anticipates the full year pre-tax operating result to be a loss of approximately \$200,000 for the financial year ending 30 June 2012. This result is solely attributable to the Company's venture into online retail and reflects all operating and investment losses. The core business remains strong and profitable.

A summary of the expected pre-tax result is as follows:

<b>Details</b>	<b>Retail Sales \$000s</b>	<b>Online Sales \$000s</b>	<b>Total \$000s</b>
Forecast segment revenue 2012	58,000	600	58,600
<b>Forecast segment net operating result before tax 2012</b>	<b>1,300</b>	<b>(1,500)</b>	<b>(200)</b>
Actual segment revenue 2011	74,586	83	74,669
<b>Actual segment net operating profit before tax 2011</b>	<b>1,117</b>	<b>0</b>	<b>1,117</b>

The Board has resolved to exit from the online retail segment by 30 June 2012 and is currently in discussions with interested parties in this regard.

#### **Online Retail**

The online retail segment was viewed as an avenue for further growth and diversification utilizing the infrastructure available to the Company. However, whilst fully operational, the necessary scale for profitability has not been achieved, margins have been more aggressive than anticipated, and expected repeat customer numbers have not been achieved. In order to obtain the necessary scale, the further level of investment required is considered an unnecessary risk and distraction for the Company from its core business.

#### **Forecast 2012 / 2013**

With the core business remaining strong, the Board advises that at this stage it expects full year earnings before tax for the 2013 financial year to be approximately \$1.5 million.

#### **Dividend**

The Board is pleased to announce a special dividend of \$0.10 cents per share which will be fully franked and payable on 29 June 2012. The details of the dividend payment are as follows:

Ex-Dividend Date	14 June 2012
Record Date	20 June 2012
Payment Date	29 June 2012

**Alexander Beard**  
Chairman