



26 November 2008

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

FINANCING FACILITIES

Cellnet (ASX : CLT) has today announced that, as outlined in its announcement on 31 October 2008 regarding the strategic direction of the Company, the cash resources of the Company have increased to the point where the AUD\$10 million term loan is no longer required.

Accordingly, the loan of \$10m is to be repaid early on 1 December 2008.

After repayment of the above term loan Group cash on hand will approximate \$5 million and this is expected to improve as the Company continues its orderly exit from its transactional stock holdings in the notebook and desktop distribution market.

As outlined in the announcement to the market on 31 October, the exit from this transactional business is expected see the release of approximately \$10million in working capital as inventory and debtors are realised.

As previously mentioned, the use of these additional cash resources expected to be released has yet to be decided on by the Board and could include growing the remaining parts of the business either organically or through acquisition. Considering the current state of the market this may be opportune but other possibilities include a return of capital to shareholders or a share buy back program.

The restructuring of the business, the establishment of warehousing facilities in China and a roll out of new product packaging is proceeding well and reduced cost benefits from these are expected to flow in the new year.

No earnings guidance for the current financial half year has been given.

Enquiries

Mr Sandy Beard : Chairman - (02) 9087 8000