



SUPPLY NETWORK LIMITED

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9 February 2007

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

Dear Sir

Re: Forecast Earnings Half Year December 2006 and Dividend Announcement

The Directors advise that based on unaudited management accounts for the half-year to 31 December 2006 the anticipated net profit after income tax expense is \$113,000 or 0.5 cents per share. Group sales revenue for the period was \$17.3m, which is similar to the corresponding period last year.

The Chairman's address to the 2006 AGM detailed current difficult market conditions and management strategies. In a difficult market management's focus remains on improving sales performance and investigating short and long term opportunities for strategic growth.

The Board has previously advised that it expects full year results to be in line with last year. Following a continuation of the difficult market conditions in the first half, our current guidance is for full year earnings in the range of 1.5 to 2.0 cents per share. The Board remains confident that current action will deliver significantly improved results in future years.

Final half-year results will be released to the market in late February 2007.

At a time when the markets in which we operate are undergoing significant change and many parts suppliers are under stress it is important for your company to be prudent with cash flows and ensure we are well positioned to take advantage of strategic opportunities. Directors have resolved not to declare an interim dividend but expect a continuation of recent dividend policy at year end.

Yours faithfully

A handwritten signature in black ink, appearing to be 'Peter Gill', written in a cursive style.

Peter Gill
Company Secretary