



SUPPLY NETWORK LIMITED

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28 July 2010

The Manager
Companies Announcement Office
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Sir

Re: Forecast Earnings June 2010 and Dividend Announcement

The Directors advise that based on unaudited management accounts for the year ended 30 June 2010 profit after income tax is expected to be \$1.6m, which is an increase in the order of 5.0% on last year's result.

EBIT for the year is expected to be around \$2.6m, which is an increase in the order of 5.0% on last year and is at the top end of our previously announced forecast range of \$2.4m to \$2.6m.

Consolidated sales revenue for the period was \$43.1m, which is an increase in the order of 7.0% on last year.

Final results will be released to the market in late August 2010.

Directors have declared a fully franked final dividend of 2.0 cents per share payable on 24 September 2010 to shareholders registered on 10 September 2010. This final dividend is the same as last year and will be paid on an expanded capital base.

Directors confirm that the Dividend Reinvestment DRP (DRP) will be operating in respect of the final dividend. Subject to the rules of the DRP shares will be issued at a discount of 5% to the volume weighted average market price of shares (on an ex-dividend basis) during the five trading days immediately preceding and inclusive of the Record Date.

Shareholders should note that the Board has also varied and modified the Rules of the DRP. The DRP has been used actively by the Company in recent years as an effective capital management tool, including suspending and recommencing its operation as required by the particular circumstances. The Board regards the ability to continue to use the DRP in this manner as important.

The current Rules specify that, if the DRP is suspended, shares which are Participating Shares become Non-Participating Shares. If the DRP is recommenced, as was the case last year, shareholders are required to make a new election should they wish to continue their participation in the DRP.

The Board has amended the Rules so that in future the holdings of shareholders will become Participating Shares if and when the DRP is recommenced after a period of suspension provided they were Participating Shares at the time the DRP was suspended.

The Board believes that these amendments (primarily the inclusion of a new clause 12.5 in the Rules dealing with the effect on participation of the recommencement of the DRP), together with other minor variations to the Rules, increase flexibility for the Company and enhance the convenience of the DRP for shareholders.

The DRP Information Booklet, which contains the amended Rules of the DRP, is available from the Shareholder Information section of the Supply Network Limited website at www.supplynetwork.com.au/shareholder.html. Shareholders should seek independent professional advice if they have doubt about any aspect of the changes to the DRP or their operation.

Yours faithfully

Peter Gill
Company Secretary