



**SUPPLY NETWORK LIMITED**

ABN 12 003 135 680

141 - 151 Fairfield Road Guildford NSW 2161

PO Box 460 Fairfield NSW 2165

Telephone: 61 2 9892 3888 Fax: 61 2 9892 2399

3 February 2011

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

Dear Sir

**Re: Forecast Earnings Half-Year December 2010 and Dividend Announcement**

The Directors advise that based on unaudited management accounts for the half-year to 31 December 2010 consolidated sales revenue for the half-year was \$24.3m, which is an increase in the order of 13% on the corresponding period last year.

EBIT for the half-year is expected to be around \$1.78m, an increase of \$0.62m on the corresponding period last year.

Profit after income tax is expected to be around \$1.15m, an increase of \$0.45m on the corresponding period last year.

During the second half of the financial year, the group will incur additional operating costs as a consequence of decisions to open a new branch in Mackay servicing North Queensland, continued investment in new services in other markets and planned information technology upgrades.

Notwithstanding this and based on the strong half-year performance the Directors are pleased to advise an improved outlook for full year EBIT in the range of \$3.1 to \$3.3m, up from the \$3.0m guidance provided in the Chairman's Address at the Annual General Meeting.

Final half-year results will be released to the market in late February 2011.

Directors have declared a fully franked interim dividend of 2.0 cents per share with a record date of 17 March 2011, to be paid on 31 March 2011. This interim dividend represents a payout ratio of around 60% of the half-year earnings and will be paid on an expanded capital base.

The Supply Network Limited Dividend Reinvestment Plan (DRP) will operate in respect of this interim 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) traded during the five trading days immediately preceding and inclusive of the Record Date.

Yours faithfully

**Peter Gill**  
Company Secretary