



**SUPPLY NETWORK LIMITED**  
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29 January 2014

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

Dear Sir

**Re: Earnings forecast half year December 2013, full year guidance and dividend announcement**

The Directors are pleased to advise that based on unaudited management accounts for the half-year to 31 December 2013 consolidated sales revenue was \$40.4m, which is an increase of 23.4% on the corresponding period last year.

Earnings before interest and tax (EBIT) for the half-year is expected to be around \$4.3m.

Profit after income tax is expected to be around \$2.7m.

Final half-year results will be released to the market in late February 2014.

Our strong performance for the first half is the result of continuing sales growth and ongoing cost management.

In the second half of the financial year we plan to open two new branches in regional areas and relocate our Brisbane branch to a larger facility with improved customer access. These new projects will increase Group operating costs without materially adding to revenue in the second half of this financial year. In addition, as a consequence of the recent significant depreciation of the Australian dollar, we are experiencing increasing product costs and over the next 6-12 months this will put downward pressure on our gross margins and our cashflows from operations.

After considering these circumstances, the Directors are pleased to update their full year forecast to revenue in the region of \$80m and EBIT in the region of \$8.0m.

Directors have declared a fully franked interim dividend of 4.0 cents per share, an increase of 0.5 cents per share on last year's interim dividend, with a record date of 2 April 2014 and to be paid on 16 April 2014.

The Director's advise that the Supply Network Limited Dividend Reinvestment Plan will not operate in respect of the interim dividend

Yours faithfully

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

**Peter Gill**  
Company Secretary