



**SUPPLY NETWORK LIMITED**

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29 January 2015

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

Dear Sir

**Re: Earnings forecast half year December 2014, 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 2014 consolidated sales revenue was \$42.4m, which is an increase of 5.0% on the corresponding period last year.

Earnings before interest and tax (EBIT) for the half-year are expected to be around \$4.1m (December 2013 \$4.3m).

Profit after income tax is expected to be around \$2.8m (December 2013 \$2.9m).

Final half-year results will be released to the market in late February 2015.

During the first half-year we continued to experienced strong competition in some key market segments, which impacted on sales growth and margins in those segments. Also, operating cost increases following the opening of Dunedin and Toowoomba branches and the relocation of Brisbane branch have impacted on the results in the first half and will continue to impact in the second half. Further operating cost increases are anticipated in the second half as a result of the planned relocations of Perth and Sydney branches and preparations for the setup of our new national distribution centre, these being the major investment commitments in our current three year plan.

At present the Directors expect sales revenue for the second half to be in line with the first half and full-year EBIT to be in the range of \$7.5m to \$8.0m.

Directors have declared a fully franked interim dividend of 4.0 cents per share, with a record date of 18 March 2015, to be paid on 31 March 2014.

The Director's advise that the Supply Network Limited Dividend Reinvestment Plan will be operating in respect of the 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) during the five business days subsequent to and inclusive of the ex-dividend date. The Directors also advise that the issue price will be capped at \$2.00 per share.

The latest date for DRP election notices or variations to be received by the Share Registry is the 20 March 2015.

The Directors are reviewing advice on capital management opportunities to release shareholder value from our substantial franking credit balance. An announcement on this review will be made in the next 1-2 months.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Peter Gill', written over a white background.

**Peter Gill**  
Company Secretary