



**SUPPLY NETWORK LIMITED**

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30 January 2006

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

Dear Sir

**Re: Forecast Earnings Half Year December 2005 and Dividend Announcement**

The Directors advise that based on unaudited management accounts for the half-year to 31 December 2005 the anticipated net profit after income tax expense is \$178,000 or 0.8 cents per share. Group sales revenue for the period was \$17.5m, which is similar to the corresponding period last year.

Final results will be released to the market in late February 2005.

Tougher local market conditions, as indicated in our announcement in November 2005, and price deflation in some segments of our product range have put pressure on revenue growth and profitability in the short term.

Recent long-term investments in new Multispares outlets and additional warehousing capacity are developing in line with expectations. These investments have added to our fixed operating costs and have impacted on profitability in the period.

Improvements to stock management practices have continued resulting in reduced stock levels and positive cashflow from operations in the period to December 2005.

Directors have declared a fully franked interim dividend of 0.75 cent per share, payable on 3 March 2006 to shareholders registered on 15 February 2006.

Yours faithfully

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

**Peter Gill**  
Company Secretary