

MARKET ANNOUNCEMENT

24 July 2006

Pioneer Permanent Building Society Limited advises that the following announcement was released to the media and ASX by Mackay Permanent Building Society Limited on 21 July 2006.

"MACKAY PERMANENT BUILDING SOCIETY PROPOSAL FOR PIONEER PERMANENT BUILDING SOCIETY LIMITED

In response to a number of enquiries from shareholders and media, Mackay Permanent Building Society Limited (Mackay) advise that they expect to meet with the Pioneer Board and General Manager as soon as possible to discuss a friendly proposal which Mackay believe is in the interests of Pioneer employees, customers and shareholders.

Mackay are now working with PricewaterhouseCoopers Securities Limited on such a proposal.

Mackay want to ensure Pioneer's existing commitment to the Mackay community is maintained and ensure a continuation of superior local service delivery in an increasingly competitive banking market".

The Pioneer Board advises that it has not invited the recent approaches by Wide Bay Australia Ltd and Mackay Permanent Building Society Ltd, however it is required by law to consider all reasonable offers in the interests of shareholders.

Larry Voltz
Company Secretary