

Bendigo Community Telco announces Annual Results 29th August, 2007

Announcement Highlights:

Measure	2007	2006	Change
Sales Revenue	\$23,534k	\$18,246k	29%
Earnings per share	12.39 cents	10.25 cents	21%
Final Dividend	6.5 cents per share	4.0 cents per share	63%
Interim Dividend	5.0 cents per share	4.5 cents per share	11%
Total Dividend	11.5 cents per share	8.5 cents per share	35%
Profit Before Tax	\$1,070.1k	\$858.9k	25%
Profit After Tax	\$692.3k	\$553.4k	25%

Statement

Unique in the telecommunications industry, Bendigo Community Telco sources the right technology for its customers; contributes financial benefits to the region's economy; secures access to effective and cost efficient infrastructure and technology; builds local capacity through customer and community partnerships; and sets its own local priorities whilst retaining local capital.

Bendigo Community Telco is another Bendigo business success story, building a sustainable business based on gaining the respect of local telecommunications customers, and rewarding them by sharing benefits with local groups and enterprises, shareholders and the wider community.

Customers who choose Bendigo Community Telco for their telecommunications services support local business, local jobs and the local community.

BCT Board Chairman Rob Hunt today announced the profits of the telco, saying,

"These dividends are confirmation of the success of our strategy and the power of capturing capital flows that only a locally-owned and operated company can offer. In terms of return on equity, our profit represents a solid return on the capital employed and the Directors' confidence moving forward."

Sales revenue increased 29% in 2006-07 and expenses also increased in line with revenue at 29%, maintaining margin from the previous year.

Earnings per share equalled 12.39 cents compared to 10.25 cents in the previous year.

Profit before tax increased by 24.6% to \$1,070.1k and after tax profit increased by 25.1% to \$692.3k.

BCT has 370 shareholders and at June 30 its share price on the BSX was grown to \$1.20 following listing at \$1.00 in September 2005 – and we would always welcome more local shareholders participating in this exciting local enterprise.

The Board declared a fully franked final dividend of 6.5 cents per share. This is in addition to the fully franked interim dividend of 5.0 cents per share paid to shareholders in April 2007. These dividends provide shareholders with a total fully franked dividend of 11.5 cents per share over the last year.

In October 2006, BCT made its first acquisition as part of its long term strategy to deliver ongoing community sustainability through telecommunications services and infrastructure.

The acquisition of Bendigo Communication increased BCT technical and service capabilities and is expected to generate further growth for the company over the coming years.

Mr Hunt says, "The merger brought together two highly complementary businesses and provides a brilliant platform to continue to grow our business."

"Directors are confident that Bendigo Communications represents a good investment for Bendigo Community Telco; this profit announcement gives shareholders confidence in that direction," he said.

Community initiatives such as the Strathfieldsaye Community Enterprise, Mt Alexander Community Grants programme, Echuca Community Enterprise and Empowering Eaglehawk have encouraged those communities to get behind the local Telco with over 500 customers now proudly participating.

Overall, the Community Enterprises and other community projects supported by the company returned over \$25,000 to our community during the year.

Chairman, Rob Hunt says, "The communities of the future are being shaped today. Bendigo Community Telco and our Business Continuity Centre are examples of what can be achieved in Bendigo – if we turn our minds to improving our own prospects by working together as a community."

Business customers continued to make good use of the company's Business Continuity Centre in Flora Hill, a unique world class community asset for a regional town.

Local ownership effectively gives Bendigo people a chance to set the priorities for the provision of telecommunications services in the Bendigo district – rather than waiting for such services to be provided by national carriers.

"We at Bendigo Community Telco are interested in the success of our customers and the local economy, not in just being a provider of telco products and services. We believe this makes us unique in the telco market," Mr Hunt said.

Staff numbers have grown to 50, and the company's commitment to providing a genuine personal customer service experience means it stands out from the competition.

"With our shareholder base now around 370, our aim is to continue to generate strong shareholder and community returns to benefit our local economy. Indeed our listing on the Bendigo Stock Exchange was the first for a local company in over 50 years – and demonstrates the importance of having a market place for SME's and community enterprises across Australia," Mr Hunt said.

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