

**BENDIGO COMMUNITY TELCO
CHAIRMAN'S ADDRESS
AGM 28 OCTOBER 2008**

It is with great pleasure that I welcome shareholders to our third Annual General Meeting since becoming a publicly-listed company which also marks our 8th year of operation.

Bendigo Community Telco continues to expand its market share, while engaging with our regional community, creating key opportunities for our customers while developing an infrastructure to match a market-driven expectation for sustainable and leading telecommunication services.

The development we now see in our business model, in our products and services and especially in our team of people is bearing good results for our shareholders.

We are pleased with the improvement in profitability over the year, with 13% improvement in sales revenue and a strong improvement in earnings per share. The final dividend has increased by 8% over the previous year's final dividend, and the total dividend paid and declared for financial year 2008 improved to 13 cents per share – a 13% improvement over 2007.

We now have 413 shareholders, who will have just received a final dividend of 7 cents per share fully franked. Over the year we have also seen an improvement in our share price, largely reflecting the improved performance of the company and, perhaps appropriately, acknowledging the improvement in shareholder returns over the past few years.

These results 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 which provides your Directors with confidence moving forward.

This year Bendigo Community Telco has operated in perhaps its toughest and most competitive environment. We have responded by further enhancing our governance structure and operational framework to prepare us for further growth in the future. We have continued to invest in a full range of products and services which has been enhanced by the "8 Star Service Charter" which has been designed to improve customer commitment by providing unbiased advice and delivering effective solutions.

Bendigo Community Telco means excellent investment value today, and with the momentum built by our team and our dynamic CEO Phil Lazenby, shareholders can expect continued value in the years ahead.

We appreciate the dedication our management team has displayed and the unity of our customers in providing an ongoing commitment for this important local business. We look forward to the future with a good deal of optimism and genuine enthusiasm. Certainly over the coming year we would welcome new customers who might join and therefore help us to enhance this important community-owned enterprise, as well as improve our ability to provide ongoing community support into the future.

I thank my fellow directors for their support over a very busy year and on behalf of the Board, I thank you, our shareholders, for your ongoing support.

The year ahead is an important one for Bendigo Community Telco and we are confident that there will be continued opportunity to deliver significant value to you, our shareholders, and to the wider Bendigo community.

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