

18th March 2011

Dear Shareholder,

HALF YEARLY REPORTING PERIOD

FORMAL NOTIFICATION TO SHAREHOLDERS

Matters Subsequent to the end of the Reporting Period

On 22nd February 2011 the company's franchise partner Bendigo & Adelaide Bank Limited announced that commencing 1st April 2011 two income streams (Term Deposits greater than 90 days and Fixed Rate Home Loans) will have their trailing commission cut from 0.5% to 0.375%. This reduction in commission rate is expected to have a material effect on the expected revenue and profits of the company in the 2011/2012 financial year. The board estimates that the change will reduce income by \$42,720 based on current budgets and it will continue to monitor budgets to ensure maximisation of returns to shareholders and the community. Further confirmation of the financial effect will be available in the 2011 annual report.

There are no other matters or circumstances that have arisen since the end of the half year reporting period that have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company.

Yours sincerely

Michael Keenan
Chairperson
Goodwood/Highgate Community Financial Services Ltd