

3 April 2009

COMPANY ANNOUNCEMENT

Profit Announcement

The Board of Hervey Bay & District Financial Services Limited wishes to advise that as a result of current economic circumstances, and specifically the squeeze on margin income, it is anticipated that there will be a reduction in the forecasted position for the company for the year ending 30 June 2009.

Despite continued business growth, revenue for the 6 months to 30 June 2009 is expected to be down about 20% on the previous six months. However, overall revenues for the full financial year ending 30 June 2009 are expected to be up about 15% on the previous year.

Whilst the forecasted position is expected to be lower, the anticipated overall operating loss for the financial year to 30 June 2009 is expected to be improved by about 10% on the previous year. To ensure management of anticipated cash flow impacts, the company has arranged a flexible overdraft facility with Bendigo Bank.

The Board will continue to closely monitor the position, and further commentary will be provided to the market as the position warrants.

Chris Riordan
Secretary