

MEDIA RELEASE

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Pioneer delivers strong half-year results

Pioneer Permanent Building Society Limited (NSX: PBS) has delivered a positive result for the six months ending 31 December 2004 with a net profit before tax of \$1,277,839, an increase of 60% from the \$801,016 net profit reported in the previous corresponding period.

"This is a pleasing result placing us well to further grow our business and profitability," said Pioneer Chairman, Mr Clifford Flor.

Loan approvals for the period totalled \$72.5 million, a 71% increase over the same period in 2003, increasing our loan portfolio by \$15.4 million from 30 June 2004.

"Factors contributing to this have been the development of new and improved lending products for home buyers, steady growth in the property market, strong economic conditions in regional Queensland and our ability as a Building Society to tailor products to individual needs," he said.

"We are planning for this trend to continue into the second half of 2005."

The Society also experienced strong deposit growth with an additional \$23.1 million for the period, leaving a very high liquidity ratio and enabling management to increase loan activity in the Society's areas of operation.

The installation of a new computer system to further improve customer service and reduce operating costs was well advanced during the period and is expected to be commissioned by the year's end.

In line with the Board's policy to increase the reserves of Pioneer to allow for future growth and to strengthen the share value, an interim dividend has been declared of 4 cents per share fully franked, which is only approximately 50% of after-tax profits. This is an increase from the 2.5 cents paid for the 31 December 2003 half year. The dividend will be paid on 30 March 2005.

"With improving operations, a strong management team and a definite strategy in place, the Board is confident that shareholder value and returns will continue to grow."

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For more information:

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Pioneer Permanent Building Society Limited was established as a Mackay-based Building Society in 1967 and now has a network of over 50 Outlets across regional Queensland. The Society listed on The Stock Exchange of Newcastle Limited (NSX) in March 2004. Pioneer provides a full range of banking and financial services and continues to reinvest funds into the communities in which it operates.