

RELEASE TO AUSTRALIAN STOCK EXCHANGE LIMITED 4 April 2008

2008 Outlook and MPBS Update

Wide Bay Australia Ltd (Wide Bay) today confirmed that it maintains its expectation of a 12% increase in net profit after tax to \$18.2M for the financial year ending 30 June 2008.

Managing Director, Ron Hancock, said that while the Company had no exposure to bad debts or 'low doc' loans, there had been some impact on costs. However, these had been, in the main, recouped with recent loan interest rate increases. These adjustments, together with the anticipated impact of some early synergies from the Mackay Permanent Building Society Ltd (MPBS) acquisition, makes it possible to re-confirm the previously announced profit forecast.

On February 18, 2008, Wide Bay confirmed its intention to pay a fully franked dividend for the 30 June 2008 financial year-end of 66cps including the additional 4.206m shares issued in respect of the MPBS takeover.

Earlier forecasts relating to operational efficiency have also been confirmed with a cost-to-income ratio anticipated to be in the range of 54%-55%.

Mackay Permanent Building Society

The compulsory acquisition of MPBS has been finalised with 93% of shareholders accepting the 'share plus cash' offer.

"This is an excellent result to achieve such high acceptance levels and it reflects the confidence placed in Wide Bay by the MPBS shareholders and for the society's continued growth and expansion throughout the area of Mackay Permanent's operations", said Ron Hancock.

Wide Bay acquired effective control of MPBS operations on 10 January 2008, when the Wide Bay Board replaced the former MPBS directors. Wide Bay's management team has been active in its endeavours to integrate the operations of the two businesses. Significant transfer of responsibility and administrative function has already been effected to Wide Bay's Head Office in Bundaberg.

"As with all acquisitions involving highly advanced computer systems providing continuous online operations, the computer conversion has proved

the most challenging task”, Mr Hancock said. “However, our internal computer management team have been working extensively on the conversion and our current expectations are that the integration of the two systems will occur at the end of May and at that time, all administrative functions will be transferred to the Wide Bay Head Office”, said Mr Hancock.

MPBS retail branches have been reviewed and one branch in Rockhampton has already been closed and two further branches in the Mackay area, where duplication of services has occurred, are scheduled for closure later this year. It is now expected that Wide Bay will finish the year with 42 full branches and 17 agencies and, in particular, 40 branches covering the Queensland coast from the Gold Coast through to Cairns extending to the central highlands and west to Emerald.

Mr Hancock confirmed previous statements that it is expected that the acquisition of MPBS would be marginally accretive for the current financial year and that full synergies would be achieved in the 2008/09 financial year in the range of \$5-\$6M NPAT.

It was further stated that with the MPBS synergies being delivered, it was expected that earnings per share (EPS) for 2008/09 would be in the range of 80cps-84cps and based on a payout ratio of 90%, shareholders could expect a dividend of 72cps-74cps.

For further information, please contact:

Ron Hancock
Managing Director
Wide Bay Australia Ltd
Phone: 07 4150 4001 or 0408 781 154

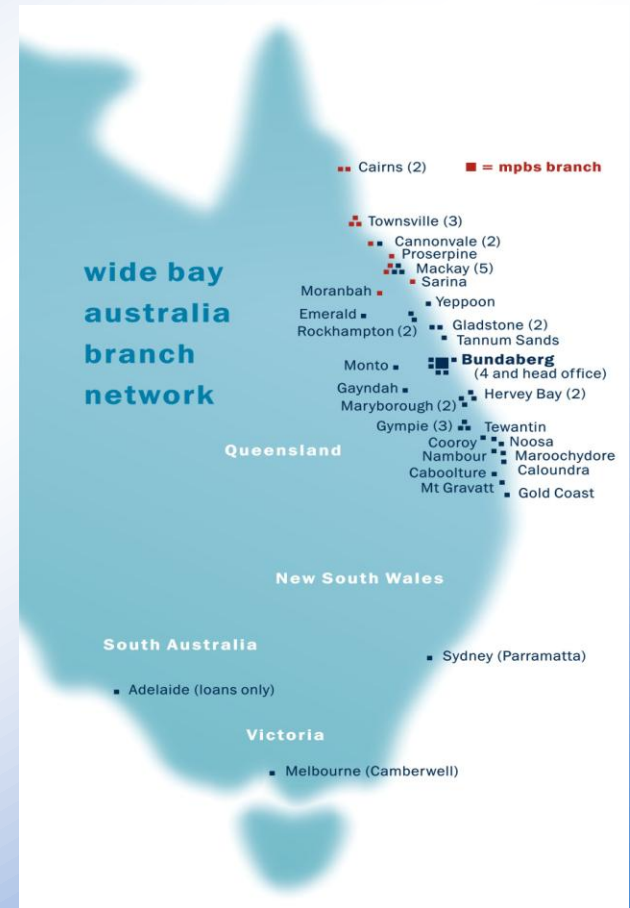
Frances McLeod
Director & Executive Manager
Wide Bay Australia Ltd
Phone: 07 4150 4002 or 0418 798 339

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Largest financial institution in Central/North Queensland

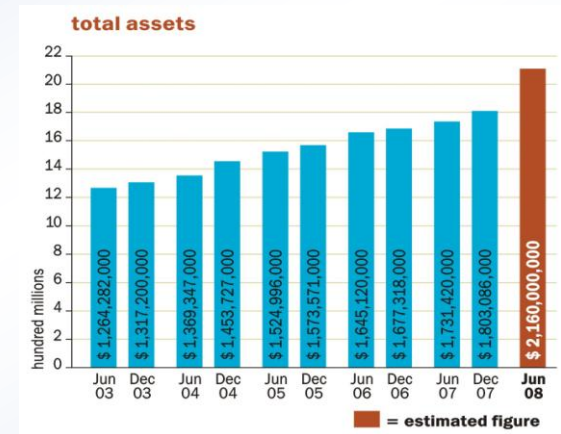
- Commenced operations in 1966
- A combination of 5 Queensland regional building societies
 - Gympie and North Coast Building Society
 - Maryborough Permanent Building Society
 - Burnett Permanent Building Society
 - Port Curtis Permanent Building Society
 - Mackay Permanent Building Society Ltd (on completion of takeover)
- Being a combination of local regional building societies have established a very strong parochial base
- Comprising a network of branches and agencies
 - 57 in Queensland from Gold Coast to Cairns - inland including Emerald and the coalfields of the Central Highlands
 - 1 branch in Sydney and 1 branch in Melbourne
 - 1 lending outlet in Adelaide
- Diversified business model
 - Retail banking
 - Margin lending
 - Commercial lending
 - In-house mortgage insurance
 - 25% equity in strong financial planning network
- Diversified range of associated products
 - Insurance
 - Credit cards
 - General financial products



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General Parameters and Strengths of Wide Bay (including MPBS)

- Assets in excess of \$2.1 billion - consistent regular growth over the last 3 years
- Loans \$2 billion (30/6/08)
- Wide Bay Australia's loan book prior to MPBS comprised in excess of 99% residential loans, of which in excess of 98% are fully covered by lenders mortgage insurance. It is anticipated the merged group will comprise residential loans in excess of 97% with in excess of 97% fully covered by lenders mortgage insurance. (MPBS did not insure all loans less than 80% LVR)
- No sub prime, low doc or reverse mortgages whatsoever
- Limited exposure to broker introduced business comprised less than 12% of total approvals for the last 12 months
- Strategic partner with Professional Investment Services and Australian Loan Company Limited - residential and margin lending. Primarily accountancy practices
- Currently rated BBB- investment grade rating by Standard and Poors - subject to review on completion of MPBS merger
- Approximately 58% of funding from retail deposit base, with 42% accessed through securitisation and warehouse programs
- 7 public securitisation issues to date totaling \$1.94 billion
- \$600 million facility currently in place, estimated to provide funding for the current calendar year. Subject to review on an ongoing basis
- A strong IT platform capable of adjustments and expansion as required, headed by a highly regarded manager with 33 years experience with Wide Bay
- State of art loan processing system enabling all loan processing and mortgage documentation, including settlements, to be carried out in-house from Head Office



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A diversified and developing profile

- A consistent steady growth in net profit over the years
- A high dividend payout ratio of up to 90% providing growing dividends as per graph
- A range of products providing diversification and spread of income:

Margin/Commercial lending

- One of four approved lenders for the Aviva Navigator platform for margin loan products
- Margin loans limited to Managed Funds and normally only in the 50% LVR range. No individual equities
- A spread of residential lending throughout provincial Queensland and diversification to Melbourne, Sydney and Adelaide
- Limited commercial lending (secured by property)

Financial Planning

- 25% stake in Financial Technology Securities Pty Ltd - A financial planning company operating throughout Queensland and recently established in Melbourne and Albury
- A 25% stake also held by Aviva, the 5th largest insurance group in the world.
- Business from financial planning incorporates residential lending and margin loans providing an excellent return on capital

Lenders Mortgage Insurance

- Wholly owned lenders mortgage insurance company, established in 1999
- Net profit after tax for 2007 was \$2.23 million and 6 mths to Dec 2007 \$1.47 million
- A reinsurance structure in place with Radian Insurance Inc based in USA
- Currently the parent rated AA-
- APRA regulated and controlled, meeting their standards for concessional risk weighting for capital purposes
- Internally capitalised

- A broad range of cross selling of financial products using Prosper – a customer service system assisting and facilitating product selling



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A team approach – a special culture

- A stable, experienced team
- Senior managers across all aspects of business
- Infrastructure capable of managing a significantly larger business
- Succession planning in place across all business units
- Board Renewal Policy adopted and ratified at last AGM
- Staff share plan for all staff has been in place since issuing shares in 1992, which encourages staff commitment and interest

Wide Bay Management Experience

Title	Experience
Managing Director	41 years
Director / Executive Manager	34 years
Operations and IT Manager	33 years
Training Manager	31 years
Administration Manager	29 years
Marketing Manager	23 years
Branch Development Manager	13 years
Manager – Structured Finance, Products and Interstate Operations	13 years
Chief Financial Officer	8 years
Loans Manager	7 years
Internal Auditor	6 years

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Sharemarket Profile

- Shares on issue 29.305 million
- Share price performance
 - 12 month high \$13.25
 - 12 month low \$9.00
 - As at 25 March 2008 \$9.25
- Market capitalisation \$271.07 million
- Price/earnings ratio:
 - 2007A 18.67x
 - 25 March 2008 14.4x
- Dividend yield:
 - Based on proj 66c (2008) 7.14%



Financial Indicators - Past 2 Years

	<u>30 June</u> <u>2006</u>	<u>30 June</u> <u>2007</u>	
Net Profit after tax – actual	\$14.48m	\$16.27m	↑12.38%
Earnings per share	57.5c	64.8c	↑12.7%
Ordinary Dividends	51.5c	60.0c	↑16.5%
Loans Portfolio	\$1.43bn	\$1.55bn	↑8.6%
Total Assets	\$1.65bn	\$1.73bn	↑5.2%
Shareholders' Equity	\$88.36m	\$92.52m	↑4.7%
Cost to Income ratio	56.7%	53.6%	↓3.1%
Loan Approvals	\$417.0m	\$485.2m	↑16.36%
Market Capitalisation	\$212.57m	\$299.97	↑41.11%

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Financial Indicators – Forecast

	Actual	Forecast	
	<u>30 June</u>	<u>30 June</u>	
	<u>2007</u>	<u>2008</u>	
Net Profit after tax	\$16.27m	\$18.22m	↑12%
Earnings per share	64.4c	72.9c	↑13.2%
Ordinary Dividends	60.0c	66.0c	↑10.0%*
Loans Portfolio	\$1.55bn	\$1.94bn	↑25.2%
Total Assets	\$1.73bn	\$2.18bn	↑26.0%
Shareholders' Equity	\$92.52m	\$140.0m	↑51.3%
Cost to Income ratio (excl MPBS)	53.6%	53.9%	↑0.3%
Loan Approvals	\$485.2m	\$520m	↑7.17%
Market Capitalisation	\$299.97m		

*Forecast has been adjusted to reflect estimate of recent interest rate fluctuation

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Mackay Permanent Building Society

- Wide Bay Australia obtained control of MPBS on 10th January 2008, restructuring the Board to include the existing Wide Bay Australia Board
- Significant synergies and savings have been identified which are estimated to be positive for 2008 and fully accretive for 2008/09
- 2008/09 forecast earnings per share in the range of 80 – 84 cents
- Profit and synergies 2008/09 in the range of \$5 – 6 million after tax
- Dividends estimated at 73 – 74 cents (fully franked)
- Compulsory acquisition complete. 93% of MPBS shareholders accepted the share offer with 4.2 million shares being issued
- Mackay administration functions are being progressively transferred to WBA Head Office, including full financial reporting from 1st April 2008
- All branch staff retained at Mackay branches to be integrated with Wide Bay branches
- Duplicated Rockhampton branch at Stockland Rockhampton now closed and 2 branches located at shopping centre in Mackay to be closed prior to December 08 (expiry of lease)
- All other branches and agencies anticipated to be re-branded by end of July
- Integration of computer system proceeding satisfactorily with approximately 30,000 account holders now notified of new account numbers. ATM's are being integrated with the Wide Bay system, but retail transactions are currently operated on individual systems
- Mackay systems enabled to be controlled and operated by Head Office
- Full integration of the computer systems targeted 31st May 2008
- Advertising on TV, radio and press for WBA loans has commenced in Cairns and Townsville
- We are very pleased with the overall result and in particular the manner in which our Senior Management Team have applied themselves to their relevant departments to achieve a total anticipated implementation by 31st May 2008, only 20 weeks from the time of gaining control and access to relevant information (which was previously denied by the past Board of Directors)

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Future Corporate Strategy

- Continue with mortgage insuring RMBS with rated captive mortgage insurer – MRM Pty Ltd.
- Develop the Margin Loan Product with Financial Technology Securities Pty Ltd
- Grow Margin Lending with Accredited Financial Planners
- Continue with policy of full documentation and not offering sub-prime, low-doc loans, or reverse mortgages
- Continue to grow operational areas through the expansion of branch network on a controlled basis
- Develop new branches of MPBS in Townsville and Cairns
- Grow Financial Planning Business Interstate
- Develop as a preferred lender of Navigator Platform
- Utilise ANZ Warehouse Trusts for funding of lending growth of RMBS and margin lending portfolio
- Monitor further acquisition opportunities

Corporate Directory

- **Ron Hancock – Managing Director**
 - (07) 4150 4001
 - rhancock@widebayaust.com.au
- **Frances McLeod – Executive Manager/Director**
 - (07) 4150 4002
 - fmcleod@widebayaust.com.au
- **Bill Schafer – Chief Financial Officer**
 - (07) 4150 4075
 - bschafer@widebayaust.com.au
- **Registered Office**
 - Level 5, Wide Bay Australia House
16-20 Barolin Street
Bundaberg QLD 4670
Telephone (07) 4150 4000
Facsimile (07) 4153 7714
Email widebay@widebayaust.com.au
Website www.widebayaust.com.au