



Wide Bay Australia Ltd
ABN 40 087 652 060
AFSL No. 239686
*formerly Wide Bay Capricorn
Building Society Ltd*

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29 February 2008

Company Announcements
Australian Stock Exchange Limited

Dear Sir/Madam

Please find enclosed for release to the market a copy of the welcoming letter to former Mackay Permanent Building Society Shareholders who accepted Wide Bay Australia's share offer.

We confirm that the letter is being sent to all security holders Friday, 29 February 2008.

Please contact this Office should you require further information or assistance.

Yours faithfully

BILL SCHAFER
Company Secretary





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Dear Shareholder

On behalf of the Board of Directors of Wide Bay Australia Ltd, I am pleased to welcome you as a shareholder.

On January 21, 2008, when our offer for Mackay Permanent Building Society Limited (MPBS) shares closed, Wide Bay Australia held a controlling interest in 94.79% of MPBS shares with 91.09% of MPBS shareholders accepting our share offer.

We are currently proceeding to compulsory acquisition of the remaining shares.

The overall acceptance level was an outstanding result and we appreciate your confidence in our operations. If this is an indication of the level of support that we can expect, particularly from the Mackay region, we will be very pleased.

Wide Bay Australia has reported a solid trading result for the six months ended 31st December 2007. Full details are contained in our Half Year Report which was delivered to the ASX on 25th February 2008 and those shareholders who have elected to receive one should receive their copy in the next two weeks.

Despite challenging trading conditions, we delivered an after tax profit of \$8.23m (2006: \$8.06m). This result is in accordance with forecasts and expectations.

Lending was strong at \$266m compared to \$226m for the previous corresponding period, an increase of 17.7%. Demand for loans was steady over the period and this trend is continuing with January 2008 recording a strong result when compared to prior years.

Our cost to income ratio increased from 53.6% in 2006/07 to 55.3% for the period under review which is as a result of the increased cost of wholesale funding which occurred from August 2007 onwards.

The high acceptance of the share offer has ensured that we have maintained a strong capital adequacy position and substantially greater than the minimum requirements of the Australian Prudential Regulation Authority (APRA).



The merger process is proceeding smoothly and our management team have identified synergies over and above those previously estimated. For the current financial year, the acquisition will be earnings positive and we are forecasting MPBS profits and synergies impact in the 2008/09 financial year in the range of \$5m-\$6m after tax. We expect the full integration to be completed during the current financial year.

Current forecasts are that profits for 2008/09 (including the merged entity) will achieve earnings per share in the range of 80-84cps.

The Board has resolved to pay a 33cps dividend on March 21, 2008. At this stage, the Board also intends to pay a final dividend of 33cps, providing a fully franked dividend of 66cps for the 2008 financial year (2007 – 60 cps).

Both Wide Bay Australia and MPBS customers will benefit from the merger with access to an increased range of financial services plus an extensive network of branches, agencies and ATM's extending from Robina on the Gold Coast along the whole Queensland coast to Cairns and inland to Emerald and the Central Highlands. Wide Bay Australia also has branches in Parramatta, Sydney and Camberwell, Melbourne and a loans office in Adelaide

Our focus for the next few months will be to continue the strong lending program and growth of the loan book. Our policy of non-involvement with higher risk 'low doc' sub prime loans or reverse mortgages has proven to be a correct decision by the directors. Almost all, of the WBB loan book (comprised of approximately 98.3% residential loans) carries full mortgage insurance.

With our present structure and the focus on achieving strong business results and the integration and extraction of synergies from the MPBS merger, your Board is confident that our steady growth will continue.

As a new shareholder you can find out more about Wide Bay Australia by visiting our website www.widebayaust.com.au. You can also download copies of our Half Year Report, company announcements or manage your shareholding on-line.

Yours faithfully



Ron Hancock
Managing Director