

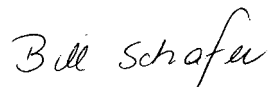
03 September 2009

Manager of Company Announcements  
ASX Limited  
Level 5, 123 Eagle Street  
Brisbane QLD 4000

**WBB Dividend Reinvestment Plan – Confirmation of Discount to  
Shares issued under the Plan**

We enclose copies of two letters (Full Participants and Partial & Non Participants) being sent to shareholders of the Company today - in respect of Wide Bay Australia Ltd's Dividend Reinvestment Plan.

Yours sincerely,



Bill Schafer  
Company Secretary

000001 000 WBB  
MR JOHN SMITH  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

Dear Shareholder

Wide Bay Australia Ltd has released our preliminary final results for 2008/09. A summary is contained in the attached announcement to the Australian Securities Exchange.

Our audited financial statements are being prepared and it is anticipated that our Annual Report will be mailed to shareholders who have opted to receive same in early October. A copy will also be available on our website under Company Reports.

The Board has declared a final fully franked dividend for 2008/09 of \$0.30 cents per share, scheduled to be paid on 2 October 2009, bringing total dividends for the year to \$0.60.

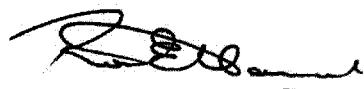
In respect of this final dividend, your Directors have resolved to retain the current 7.5 per cent discount applicable to the Dividend Reinvestment Plan ("the Plan").

As a Full Participant in the Plan, you do not need to take any action in respect of this discount unless you wish to vary your level of participation.

If you do wish to vary your participation in respect of this 2008/09 final dividend, visit our Share Registry's, Computershare Investor Service, website [www.investorcentre.com](http://www.investorcentre.com) – or you can write to Computershare at the address below. Your advice must be received prior to the Record Date of 18 September 2009.

Should you have queries in regard to the operation of the Plan please contact our Share Registry, Computershare Investor Services Call Centre on 1300 552 270 (domestic callers) +61 3 9415 4000 (overseas callers) or write to GPO Box 2975, Melbourne, VIC, 3001

Yours faithfully



Ron Hancock AM  
Managing Director

**RELEASE TO THE AUSTRALIAN SECURITIES EXCHANGE**  
**27 August 2009**

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**WIDE BAY AUSTRALIA LTD (WBB)**  
**2008-2009 PRELIMINARY FINAL RESULTS**

Mr Ron Hancock, Managing Director of Wide Bay Australia Ltd has today announced the society and group's performance for 2008/2009.

Wide Bay Australia, the chief entity itself, achieved an after tax profit of \$20.26 million, compared to \$18.41 million for 2007/2008 – an increase of 10.1% and a strong result given the challenges to maintain margins and increased wholesale funding costs.

Assets in the chief entity had grown from \$2.264 billion in 2008 to \$2.474 billion at 30 June 2009 – a growth of 9.3%.

He advised that a final fully franked dividend of 30 cents has been declared and will be paid on 2 October 2009 with the Board also resolving to continue the Dividend Reinvestment Plan which will provide a 7.5% discount.

As previously advised to the market, Mr Hancock said that Wide Bay Australia Ltd's wholly owned mortgage insurance captive, Mortgage Risk Management Pty Ltd ("MRM") has recently been restructured in the light of the deteriorating credit ratings of MRM's reinsurer, Radian Guaranty Inc ("Radian") and the unavailability of a suitable alternative. Radian had indicated that it was seeking to withdraw from international operations. MRM has now commuted its reinsurance arrangements with Radian, and a significant refund of unearned reinsurance costs will be received.

With MRM adjusting its operations and until the reinsurance industry re-emerges and a suitable reinsurer can be retained, Wide Bay Australia will use Genworth Financial and QBE Lenders Mortgage Insurance Limited as the society's preferred mortgage insurers.

While restructuring the captive's operations, he said the Board had also reviewed the holding of several investments by MRM, which had previously been held to maturity and retained at cost. Given the current economic conditions, he said this policy had been reviewed and a decision made to adopt fair value for these investments. Two independent experts were retained to assess and agree a fair value of those investments. As a result of this MRM has now made a provision for impairment losses for \$4.866 million which, together with a realised loss of \$803,415 incurred during the year in respect of a sale of an NAB Income Securities investment, has resulted in MRM showing a loss of \$2.38 million. Mr Hancock said the fair value calculation would be carried out regularly and adjustments made as applicable.

With respect to future trading of the captive, he said MRM had always adopted a ten year earning pattern for premiums received and there are still significant unearned premiums yet to be booked. As a result, he forecast that MRM will produce strong results over the next few years.

As a result of this restructuring and accounting changes to MRM, Mr Hancock advised that the consolidated after tax profit for the group was \$17.05 million - compared to \$18.16 million for the 2007/2008 financial year, a reduction of 6.1%.

**MORE/...**

## **CONT/...**

Wide Bay Australia also achieved loan approvals for the year of \$531 million - compared to \$518 million in 2007/2008.

Mr Hancock said the past six months had seen a strong improvement in growth in loans with lending for the last half year of \$322 million, reflecting a strong increase of demand driven to a large extent by the boost to the Government's First Home Buyer's Grant.

The society's loans portfolio has grown from \$1.996 billion at the 30 June 2008 to \$2.140 billion at 30 June 2009 – a growth of 7.2%.

He advised that Wide Bay continued to make limited use of brokers, with most broker lending attributable to Sydney and Melbourne branch operations.

He said funding for future lending activities is well in hand through wholesale facilities and access to the Reserve Bank's "Repo" facility. Costs of wholesale funding were at a significant increase to previous years and it was not expected that this would change for at least another 9 to 12 months.

Despite economic conditions, the level of loan arrears is on par with previous years. Bad debts for the period showed a surplus of \$1,467, reflecting an adjustment of provisions from 2008.

Mr Hancock said a constant focus for Wide Bay Australia is on operating margin which is targeted at 2%. He said this goal was generally attained throughout the year and is currently marginally above 2%

Cost-to-income for Wide Bay Australia, the chief entity, was consistent during the year at 55.5% for 2009 and 55% for 2008. Mr Hancock stated that these results are an exceptional achievement when compared to the industry.

The society's branch structure in Queensland incorporates coverage from Robina on the Gold Coast to Cairns in the North. Former Mackay Permanent Building Society Limited branches in Cairns have been relocated to more prominent and busier locations and all others were rebranded.

Mr Hancock said he is confident of a strong performance for the ensuing 12 months with a steady lending program in a slowly improving market. He said that based on budget forecasts, which include a solid result from MRM, the Board is targeting an increased profit for the year in the range of 15% to 20%.

## **ENDS**

For further information, please contact:

**Ron Hancock AM**  
**Managing Director**

Phone 07 4150 4001 or Mobile 0408 781 154

Email [rhancock@widebayaust.com.au](mailto:rhancock@widebayaust.com.au)

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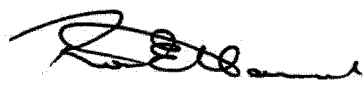
In respect of this final dividend, your Directors have resolved to retain the current 7.5 per cent discount applicable to the Dividend Reinvestment Plan ("the Plan") - a convenient way shareholders can increase their shareholding.

Participation in the Plan is optional - you may join, modify your participation or leave at any time. Shares issued under the Plan rank equally with existing shares. They are allotted free of brokerage and credits continue to be available in respect of franking. The actual discount amount is determined on the weighted average ex-dividend market price in the five trading days immediately following the Record Date (or if there has been no trading during this time at the average market price calculated on the last 5 sales). The Record Date is the date used to identify those shares traded and registered prior to ex-dividend.

As a Partial or non-Participant in the Plan, you have an opportunity to take advantage of this discount - by electing to participate or by increasing your current participation - by completing the attached Application Form and returning it prior to the Record Date of 18 September 2009. Applications received after the Record Date **will not qualify**.

Full Terms & Conditions of the Plan are available on our website [www.widebayaust.com.au](http://www.widebayaust.com.au) under Shareholder Information. Should you have queries in regard to the operation of the Plan please contact our Share Registry, Computershare Investor Services Call Centre on 1300 552 270 (domestic callers) +61 3 9415 4000 (overseas callers) or write to GPO Box 2975, Melbourne, VIC, 3001

Yours faithfully

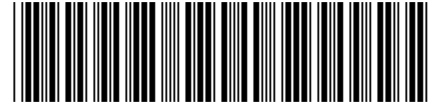


Ron Hancock AM  
Managing Director

**All correspondence to:**  
Computershare Investor Services Pty Limited  
GPO Box 2975 Melbourne  
Victoria 3001 Australia  
Enquiries (within Australia) 1300 552 270  
(outside Australia) 61 3 9415 4000  
Facsimile 61 3 9473 2500  
web.queries@computershare.com.au  
www.computershare.com.au

000001 000 WBB  
MR JOHN SMITH 1  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

Securityholder Reference Number (SRN)



I 1234567890

I ND

## Dividend Reinvestment Plan

Use a black pen.  
Print in CAPITAL letters  
inside the grey areas.

A	B	C
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1	2	3
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Where a choice is required,  
mark the box with an 'X'

X
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### A Dividend Reinvestment Plan (DRP)

X
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**ALL** Please mark this box with an 'X' if you wish all of your holding to participate in the company's DRP.

X
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**PART**

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Show the number of securities you wish to participate in the company's DRP.

### B Sign Here - This section must be signed for your instructions to be executed.

I/We authorise you to act in accordance with my/our instructions set out above. I/We acknowledge that these instructions supersede and have priority over all previous instructions in respect to my/our securities. Where I/we have indicated participation in the Dividend Reinvestment Plan, I/we hereby agree to be bound by the Terms and Conditions of the Dividend Reinvestment Plan.

Individual or Securityholder 1

--

Director

Securityholder 2

--

Director/Company Secretary

Securityholder 3

--

Sole Director and Sole Company Secretary

Date - Day

Month

Year

	/		/		
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Note: When signed under Power of Attorney, the attorney states that they have not received a notice of revocation. Computershare Investor Services Pty Limited needs to sight a certified copy of the Power of Attorney.

D1001



## How to complete this form

### **A** Dividend Reinvestment Plan (DRP)

Complete this section if you wish to have your cash dividends reinvested in the form of more company securities.

If you wish to reinvest all of your securities in the company's DRP, please cross the box marked ALL.

If you wish to reinvest part of your securities in the company's DRP, please show the number of securities that you wish to participate.

Please note that an election to participate fully in the Dividend Reinvestment Plan will override any instruction on the registry record regarding direct payment of cash dividends into a nominated account.

This instruction only applies to the specific holding identified by the SRN/HIN and the name appearing on the front of this form.

### **B** Signature(s)

If you have chosen to have your cash dividends fully or partially reinvested into company securities and you have completed Section A, you must sign this form as follows in the spaces provided:-

Joint Holding: where the holding is in more than one name, all of the securityholders must sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

D1001

WBB

Please return the completed form to:

Computershare Investor Services Pty Limited  
GPO Box 2975  
Melbourne VIC 3001  
Australia



**RELEASE TO THE AUSTRALIAN SECURITIES EXCHANGE**  
**27 August 2009**

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