wide bay
AUSTRALIA LTD
banking your way

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**WIDE BAY AUSTRALIA LTD (WBB) ISSUES
MARKET UPDATE PRIOR TO ANNUAL GENERAL MEETING.**

Mr John Humphrey, Chairman of Wide Bay Australia Ltd (Wide Bay), advised the following information on behalf of the Board of Directors in anticipation of the company's Annual General Meeting to be held in Bundaberg at 11.00am today:

Mr Humphrey said he was pleased to confirm the satisfactory completion of Wide Bay's recent capital raising whereby a Share Placement of $10 million was made to institutional investors and a Share Purchase Plan ("SPP") received very strong support from 1,490 existing shareholders for $14.7 million

He said that the original intention was to seek $10 million from existing shareholders, however in view of the strong support received for the SPP, the Board had resolved to accept the full amount of applications and not apply any scale-back.

The issue price for both the Share Placement and the SPP was $9.67 per share, with 2,555,799 ordinary shares being allocated in total.

Mr Humphrey advised that, as previously indicated to the market, the housing industry is still experiencing slow growth and that the building society anticipated this will continue for some time.

He said Wide Bay's Board and Management has further progressed the development of a commercial lending program and this will be launched in early 2011, providing diversification to the existing strong residential lending book. The Board believes this product will experience solid growth and provide opportunities for existing borrowers and regional Queensland communities.

Mr Humphrey announced that the building society is currently approaching $3 billion in assets and will continue to seek additional growth opportunities through mergers, acquisitions or partnership.

He advised that while it is difficult to predict a year end performance for the company at the present time, and despite the current economic situation and the slowing of the housing industry, Wide Bay's Board and Management are seeking a growth in profit for the year of around 10% - with the first half year result expected to be similar to that of the corresponding period in 2009/2010.

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Based on present payout policy, this would suggest a fully franked dividend of around 63 cents per share which is consistent with the previous twelve months.

Mr Humphrey said the Board considered this an excellent result given the additional shares issued under the recent capital raising, as well as the high take-up of the Dividend Reinvestment Plan as previously reported to the market.

ENDS

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