

24 August 2012

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

**WBB Full Year Results and Confirmation of Suspension of the Dividend
Reinvestment Plan**

We enclose a copy of a letter being sent to shareholders of the Company in respect of Wide Bay Australia Ltd's Full Year Results and suspension of the Wide Bay Australia Ltd Dividend Reinvestment Plan.

Yours sincerely,



Bill Schafer
Company Secretary

24 August 2012

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THE SAMPLE HILL
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SAMPLEVILLE VIC 3030

Dear Shareholder

We are pleased to report on Wide Bay Australia Ltd's financial performance for 2011/2012.

A summary of our full-year results is contained in the attached announcement which has been released to the Australian Securities Exchange.

Our 2012 Annual Report, including the audited Financial Statements, is being prepared and will be distributed to those shareholders who have opted to receive same in due course. A copy will also be available on our website under Company Reports. A Notice of Annual General Meeting will also be sent to all shareholders in advance of the AGM which is scheduled for November.

The Directors have declared a final fully franked dividend for 2011/2012 of 25 cents per share payable on 25 September 2012 - bringing our full year dividend to 47.5 cents per share.

In view of the strength of our current and expected future capital position, the Board has also suspended the Wide Bay Australia Ltd Dividend Reinvestment Plan (DRP) until further notice. Accordingly, the DRP has been withdrawn for the final dividend payable in September and your dividend will be paid directly into your bank account as recorded on the Share Register as at the Record Date of 7 September 2012, or by cheque to the registered address. Please take this opportunity to review and, if necessary, update your banking details via our Share Registry, Computershare Investor Services website www.investorcentre.com/au – or you can write to Computershare at the address below. We encourage shareholders to elect to receive dividends directly into their bank account, as it is the fastest and most efficient mechanism to make payment.

Should you have queries in in regard to your shareholding 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

21 August 2012

Wide Bay Australia Ltd 2011-2012 Final Results

The Directors of Wide Bay Australia Ltd today confirmed the final consolidated results for 2011/12 as an after-tax profit of \$19.04 million compared with \$22.68 million for 2010/11.

The consolidated profit includes a contribution of \$0.5 million from the society's wholly owned lenders mortgage insurer, Mortgage Risk Management Pty Ltd ('MRM'), which delivered a \$2.3 million contribution for the previous year.

Managing Director, Mr. Ron Hancock said this year's result, apart from the decline in MRM's profit, was also affected by a slowdown in lending for the year, particularly during the first 6 months where loan approvals totalled \$132.4 million and the loan book showed a decline of \$48.6 million.

He noted that for the second six month period, loan approvals for the chief entity had increased to \$174.2 million and the loan book as at 30 June 2012 had stabilised at 31 December 2011 levels. Total outstanding loans as at 30 June 2012 were \$2.23 billion.

Overall, the year's results were good results in difficult economic circumstances.

He reaffirmed that Wide Bay Australia does not participate in any of the 'sub-prime' or 'low doc' lending that has recently been the subject of media discussion in relation to some lenders.

Mr. Hancock reported that recent interest rate reductions had seen the operating margin fall from time to time to levels below the Company's targeted margin of 2%.

He said this could generally be attributed to a timing difference, with most of the society's mortgages at variable rates. This had the impact of reducing the interest rates applicable to the bulk of the loan book immediately following a rate reduction, while rates applicable to term deposits reduced only when the deposits matured. The current operating margin stands at 1.9%.

In addition, while interest rates have fallen, competition for term deposits was still very strong and as a result applicable interest rates had not necessarily reduced to the same extent as lending rates. Overall growth of deposits for the year was 11.5%.

Mr Hancock said that throughout the year, Wide Bay has steadily reduced its reliance on wholesale funding, with retail deposits increasing from 61% of total funding as at 30 June 2011 to 69% as at 30 June 2012. Considerable unused capacity was available with warehouse funding.

He advised that as part of the restructuring of MRM, a major portion of the loans insured by MRM had been transferred to QBE Lenders' Mortgage Insurance Limited ('QBE') and this will have a significant positive impact on the society's future activities

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with the pending implementation of Basel III and given QBE's 'AA-' credit rating compared with MRM's 'BBB/A2'.

He said that with this transfer of risk to QBE, and subject to actuarial advice and regulatory approval, a significant portion of capital will be returned to Wide Bay.

As at 30 June 2012, capital stood at 13.37%, comprising 11.22% tier 1. The return of any capital from MRM will also form part of tier 1 for Wide Bay.

Mr. Hancock said that the Directors have declared a fully franked dividend of 25 cents per share bringing the total annual dividend to 47.5 cents per share. The dividend will be payable on 25 September 2012.

He advised that having regard to the current and expected future capital position, the Board had also resolved to suspend the Dividend Reinvestment Plan ('DRP').

Mr. Hancock said Wide Bay Australia has continued to review the society's branch network which, during the year, included the transfer from an agency to full branch facilities in Emerald; a relocation of the Gold Coast branch at Robina and the closure of a branch at Moranbah, due principally to the difficulties of retaining staff.

He said Wide Bay is continuing to develop its lending network and will take advantage of any opportunities available for expansion through acquisition.

With the recent promising outlook that has been emerging in the housing market and signs that conditions will continue to improve, we look forward to a positive impact on our results going forward.

ENDS

For further information, please contact:



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Managing Director

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