



East Gosford, 24 February, 2009: The Board of East Gosford & Districts Financial Services Ltd would like to advise that further to the results in Annexure 3A provided to the BSX on 16.2.09 the following comment is provided for the market as per Listing Rule 3.1.

Revenue is well below budget at East Gosford and Kincumber **Community Bank**[®] branches which has severely impacted on income for the first six months of the financial year. Lisarow branch continues to perform in line with expectations.

The reason for the drop in revenue relates directly to a squeeze on margins due to funding mix and the maturity of higher rated term deposits which is having a negative effect on revenue growth.

The Board is closely monitoring and discussing position with Bendigo Bank regularly. We expect revenue growth to gradually improve over the next few months as these high-rate term deposits mature.

Further commentary will be provided to the market as position warrants.

Michael Bell
SENIOR MANAGER & COMPANY SECRETARY