



30 November, 2006

ADELAIDE BANK OUTLOOK STATEMENT

Adelaide Bank Limited today announced revised 2007 financial year earnings guidance.

Growth in cash EPS before significant items is now expected to be in the range of 6 to 9 percent compared with the previous target of 10 percent.

Competition in the banking sector, in particular the mortgage markets, has continued to intensify this financial year – as a consequence the mortgage portfolio is being repriced at a faster rate than had been expected when the 2007 financial year budgets were formulated in May.

Adelaide Bank has a stated strategic objective of expanding into other business lines and to continually developing new initiatives to diversify the Bank's revenue streams.

While our EPS growth rate in the short term will be dampened by our investment in initiatives to generate stronger EPS growth in the medium term, these investments will result in future dividend growth at a faster rate than if we did not make the investments.

The Bank's Margin Lending and Portfolio Funding businesses are two examples of the more recent initiatives. These businesses have made a significant contribution to the Bank's profit growth and their contribution for the 2007 financial year is in line with or exceeding expectations.

**Further comment can be obtained from Mr. McPhee at Adelaide Bank.
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