

Money3 Continues Expansion

The Directors of Money3 are pleased to announce a solid first half of the 2011/2012 financial year, delivering \$7,075,450 in revenue and \$1,037,576 of net profit after tax.

In the first half of the year the company incurred a significant number of one off costs which have impacted on the result which is 16.2% below last year, similar costs are not expected to be incurred in the second half. The costs include:

- Legal and professional fees regarding legislation issues \$125,000
- New branch roll out costs \$154,000

The Directors have resolved to pay a dividend of 1.75 cents per share which is unchanged to the previous half. The record date for the dividend is the 16th March 2012 and is payable on the 27th April 2012.

Financial Review

Money3's revenue for the half year ended 31 December 2011 was \$7,075,450 a 5.61% increase on the previous corresponding half year's revenue of \$6,699,571.

Money3's net profit after tax for the half year ended 31 December 2011 was \$1,037,576 compared to the previous corresponding half year's profit of \$1,239,270.

Basic earnings per share have decreased to 2.46 cents per share compared to the previous half of 3.90 cents per share. This decrease is largely due to the additional shares issue as part of the rights issue in February 2011.

Funds that were raised in February 2011 via a rights issue have been used to expand branch operations, acquire PFC and write longer term loans resulting in the loans receivable increasing by \$2.7m.

Net tangible assets have increased to 34.6M from 33.4M.

Review of operations

Money3 has continued to expand and consolidate its business over the six months ended 31 December 2011. In the first six months the Company opened 9 new stores, 4 Greenfield sites and 5 via the acquisition of Personal Finance Co. The Company will see the benefits from these branches in the second half of the year. The company is looking to continue its expansion in the next 6 months and in March 2012 will be opening a new store in Moonah (Tasmania), a vehicle rental office in Thomastown and launching a new web centre.

The company has also set up a rental division and launched its first product in October 2011 being the vehicle rental product. The Company expects that the rental division will complement our customers' needs and is expecting significant growth in this product.

Money3 is currently in the middle of rolling out its new IT platform and expects phase one to be completed by June 2012. The system roll out has been a distraction in the short term but in the longer term will provide huge benefits for the Company.

Regulatory Environment

Money3 welcomed the recommendations made by 2 Committees on Phase 2 reforms in the Consumer Credit and Corporations Legislation (Enhancements) Bill 2011 in early December 2011.

Both Committees concluded that the proposed fee caps are unworkable. The Senate committee report said "Like the Parliamentary Joint Committee, however, the committee is concerned that these provisions do not strike the right balance between consumer protection and industry viability. Further, in some cases, there appear to be unintended consequences from the provisions which may hurt consumers. There is also concern that some of the provisions may be ineffectual."

The Committees have recommended that the Government revisit key aspects of its reform package with further industry consultation.

Money3 intends to keep working with the Government and all stakeholders to achieve solutions that will be viable for the industry and provide protection for consumers.

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Outlook

The outlook for the second half of the 2011/12 financial year is positive. The company expects to see strong growth for the vehicle financing and personal loan business. The company will also look for new branch expansion opportunities and is currently opening a new store in Tasmania and its first vehicle rental store in Melbourne. The company is continuing to review acquisition opportunities as they come forward, and are being assessed to grow Money3 in the financial services sector in the best interests of all stakeholders.



Geoff Sam OAM
Chairman



Robert Bryant
CEO and Executive Director

Melbourne
28 February 2012

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