



Record Growth In First Half Revenue And Profit

Money3 Corporation Limited (Money3) today announced a profit after tax of \$1,570,142 for the half year ended 31 December 2012, an increase of 51.33% on the previous year.

1H FY13 Financial Highlights:

Money3's total revenue earned for the half year ended 31 December 2012 was \$10,361,811 a 46.45% increase on the previous corresponding half year's revenue of \$7,075,450 and revenue from operating activities increase by 46.88% from \$6,991,239 to \$10,268,536.

Money3's net profit after tax for the half year ended 31 December 2012 was \$1,570,142 a 51.33% on the previous corresponding half year's profit of \$1,037,576.

Basic earnings per share have increased to 3.05 cents per share compared to the previous half of 2.46 cents per share.

Net tangible assets have increased to 38.2 (Dec 2011: 34.6) cents per share due to the increase in loans settled and the corresponding increase of trade receivables of 42.23% fully utilising proceeds from the share issue and increases in borrowings.

	Segment revenues		Segment results	
	Half year ended		Half year ended	
	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
	\$	\$	\$	\$
Secured Operations	2,192,365	1,520,870	1,286,308	1,088,684
Unsecured Operations	7,865,061	5,314,118	2,704,845	1,641,258
Corporate	304,385	240,462	(1,741,372)	(1,234,830)
	<u>10,361,811</u>	<u>7,075,450</u>	<u>2,249,781</u>	<u>1,495,112</u>
Income tax attributable to operating profit			(679,639)	(457,536)
Consolidated segment revenue and profit for the period	<u>10,361,811</u>	<u>7,075,450</u>	<u>1,570,142</u>	<u>1,037,576</u>

Branch Network

The Branch network is profitable and the existence of unmet demand and closure of competitors is providing organic growth. Having implemented the new loans management system in this half year and producing such strong results is testament to the commitment of branch personal.

Branch written income increased by 41% to \$8.11M, and earned income increased by 31% to 6.92M.

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Three new geographical sites are expected to be opened in April 2013, two in Sydney and one in Melbourne. Five current Money3 sites are to be rationalised and/or relocated as a result of competitor closure. This branch expansion will have minimal cost impact to Money3 and generate positive earnings in FY14. Money3 currently has 33 branches.

Web Centre

The importance of an online presence was evidenced since December 2012 with revenue being the equivalent of 3 branches in unsecured lending and as many leads being transferred to the secured lending teams. The investment in this section of the business is being returned many times over.

With the development of our integrated IT solution and the appointment of key personal to drive the call centre and web centre this division is both profitable in its own Loan Book and a successful lead generator for the Auto Division

The Auto Division

The Auto Division of Money3 has been experiencing some exceptional growth over the past 12 months with written sales up over 204% and earned income up 67 %.

This growth has come from the continued support of our branches, the web and the broker network.

The Westpac debt funding facility will be available for the growth of this division.

The Auto Division is broken into 3 focused areas:

Secured Loan Centre

Secured Loans Centre product caters for customers purchasing a vehicle between \$5,000 and \$35,000 over a period of 18 months to 4 years. This product has been running for over 5 years and the growth in the next 12 months will continue to be strong.

Micro Motors

A division created last August catering for secured car loans between \$2,000 and \$6,000 fits perfectly with the branch customers and those outside the Secured Loan Centre criteria. Month on month this division grows and provides for customers who are not ready for larger loans.

Car Rentals

The car rentals division allows customer to have access to a car even if they don't qualify for a car loan. Once a customer has proven themselves in this product Money3 can then offer the customer a loan to either purchase the rental car or a car of their choice.

This division has grown steadily and will be reengineered with focus on a national coverage.

The company currently has in excess of 250 cars on the road.

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Debt Funding

Money3 has mandated Westpac Banking Corporation (Westpac) to establish a \$20 million credit facility to expand its motor vehicle finance business.

Completion of the facility is subject to Westpac's conditions precedent and execution of all relevant legal documentation, and is expected by the end of April 2013. Money3 will keep the market informed of any further developments.

Equity Funding

A capital raising in November 2012 of \$4.3M through the issuance of a further 11.25 million MNY shares was used to pay back some debt and enable growth of our secured loan book till bank funding is approved. Support for this raising was strong and is a good indicator of how Money3 is now regarded in the investment community.

Relocation of Head Office

As a growing organisation and specifically to cater for growth in the Auto Division and Web Centre larger premises have been secured in Bundoora. The company expects to be operational by the end of March 2013.

Regulations

Consumer Credit Legislation Amendment (Enhancement) Act 2012 comes into effect for some provisions of the legislation on 1st March 2013 and the remainder on 1st July 2013. Most of the changes on March 1st are strengthening Responsible Lending Obligations while the changes on the 1st July 2013 introduce caps on fees and charges Australia wide. Money3 welcomes the certainty for the industry and consistency across the country.

Dividends

The Directors of the Company recommend that an interim dividend of 1.75 cents per share is to be paid on the 26 April 2013 to those shareholders on the register at the close of business on the 20 March 2013.

Outlook

In Australia there are in excess of 4 million people who are unable to access traditional bank credit. Money3 focuses on providing this demographic with sustainable credit products. This is not a fringe market.

With the focus on this underserved customer, we continue to develop innovate products that suit this market. Over the past 18 months we have introduced car rentals, small value car loans and longer term personal loans.

We now have certainty from the regulators, access to funding and committed well trained staff; we have the company well positioned to capitalise on expanding the operations via acquisitions and organic growth.

In the next 12 months we are planning to continue our expansion into NSW and other states with little or no presence.



Money3 is positive about the second half of the 2012/2013 financial year. Money3 expects all parts of the business to meet budgeted growth.

The dedication and valued efforts of Directors, Management and Staff are evidenced by the Company's impressive results. We take this opportunity to thank them for their collective efforts and would also like to thank our valued shareholders for your commitment.

Yours sincerely,

A handwritten signature in black ink, appearing to be "G. Sam", written over a light grey watermark.

Geoff Sam
Chairman
25 February 2013

A handwritten signature in black ink, appearing to be "Robert Bryant", written over a light grey watermark.

Robert Bryant
Chief Executive Officer
25 February 2013

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