26th February 2015

ASX Limited
Exchange Centre
20 Bridge Road
Sydney NSW 2000

Media Release December 2014 Half Year Results

Money3 Corporation Limited (Money3) has announced a profit before tax of $10,004,984 (2013:$4,432,883) for the half year to 31st December 2014. This represents a 126% increase on the prior year.

Key Highlights

- NPAT up 135% to $7.3m from $3.1M
- Diluted EPS up 66% to 5.61 cents from 3.38 cents
- Interim Dividend increase by 25% to 2.5 cents from 2.0 cents
- Gross Margin has increased to 31% from 23%
- Earned Revenue increased by 68% to $32.4M from $19.3M
- Earned Revenue from the secured division increased by 109% to $14.2M from $6.8M
- Debtors increased 44% to $104.9M from $72.7M
- Increased normalised FY15 forecast NPBT to $20.0M from $18.0M

Over recent years Money3 continues to transform itself from a short term lender to a scalable diversified financial services company focusing on short and medium term loans.

Money3 has a range of sustainable loan products that it offers to consumers who cannot access funding from traditional lenders and who want to move up the financial continuum to financial and social inclusion.

Funding

Money3 has benefited greatly in deploying the debt funding it had raised previously and has seen a positive impact on EPS growth. In December Money3, with the Paid acquisition in mind, raised $20m via a placement to sophisticated and institutional investors and a further $9.4M from existing shareholders in a share purchase plan completed in February 2015.

Cash Train

In December 2014 Money3 purchased several assets and businesses of Paid International Ltd. This acquisition has delivered well marketed brands, a substantial database, an improved complementary front end process that can be used on the existing Money3 system and staff with skills that were lacking in the existing digital arm of Money3. The integration of the business and staff into Money3 is proceeding well.

Regulations

The Consumer Credit Legislation Amendment (Enhancement) Act 2012 continues to be fine-tuned and will be reviewed by a three person government appointed panel in July 2015.

The reforms in this legislation included many protection mechanisms put forward by industry such as protected earnings amount, caps on fees and total amount to be repaid, stopping debt spirals. So good was the Credit Enhancement (2012) Act that bipartisan support in the last government was achieved and many parts of our law have been adopted in the UK and soon to be applied in NZ.

Money3 is committed to working with policymakers, researchers, Industry bodies, not for profit lenders and other key stakeholders to create an improved regulatory environment to ensure financial and social inclusion for all Australians.

Media Attention

There has recently been media articles on second tier lenders including Money3. Much of this commentary reflects a complete misunderstanding of the highly regulated nature of our lending activities.

At Money3 we strive at all times to ensure that we comply with the regulatory regime. Over recent years Money3 has acquired a number of the smaller industry participants and where necessary have implemented changes to ensure that lending practices fully comply with the regulatory regime and Money3's principle based lending practices.

Bad Debts

Bad debts for the period was 14.4% (2013:13.8%) of revenue up slightly on the same time last year and inside our acceptable range. Money3 continues to invest resources in improving the collection of receivables.

Dividends

Money3 has announced an interim dividend of 2.5 cents per share, up from 2.0 cents in the prior corresponding period.

The dividend will be paid on the 24th April 2015 to those shareholders on the register at the close of business on the 19th March 2015.

Outlook

Money3 is still seeing very strong demand for all its products and with funding in place will be looking for continual growth in the foreseeable future.

With this current momentum and run rate the Directors of Money3 are pleased to increase the full year normalised forecasts as follows:

- EBIT increase to $24.0M from $22.0M
- Net Profit before tax increase to $20.0M from $18.0M

Robert Bryant
Managing Director