

ASX ANNOUNCEMENT

26 April 2016

Collection House Limited (CLH) Market Update

Further to the half year update released to the market on 17th February 2016, Collection House Limited (the Group) is pleased to provide a further update on performance.

Purchased Debt Ledger (PDL) collections and acquisitions

An improving trend in PDL collections has been sustained throughout the quarter ending March. This has been a result of the restructure of operational reporting lines in November 2015 and the adjustment of collection strategies, in response to our early identification of emerging unfavourable economic trends.

The Group has also been successful in further PDL acquisitions, with new transactions secured during the half and further wins expected. Some key sellers are increasingly receptive to considerations beyond prices paid, such as market sustainability and compliance.

Collection Services growth

As anticipated, the challenging economic conditions provide a growth driver to the Collection Services business in the long term, and demand for the Group's quality and ethical collection services remains strong in the market.

This month, the newly created Government Services Collection Centre opened in a secure location within the new Newstead headquarters. This growing new division includes a number of new and existing government contracts. In FY17, this division is expected to generate \$4 - \$5 million in revenue for the Group.

Consumer Services

The financial brokerage "Cashflow Financial Advantage" has been successfully piloted over the past 18 months, and will be re-branded under the consumer brand "ThinkMe" and launched to the external market in mid-2016. Growth in the financial brokerage remains strong. The initiative of assisting customers through the journey of financial recovery is part of the Group's DNA; and serves as another example of the long planned diversification of the Collection House Group.

The Group expects the "ThinkMe" initiative to be positive to earnings going forward.

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CEO recruitment

CEO succession is progressing well and the Board expects to commence formal interviews with an identified short list of candidates within the next 2-3 weeks. It is anticipated that a formal appointment announcement will be made this financial year. The Board is committed to an orderly and effective transition, and current CEO Matt Thomas, will be available to support this process post June 2016 as required.

For more information please contact:

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Collection House Group - Overview

Collection House Limited

Debt collection and receivables management



CLH Legal Group

Legal services including insolvency administration



Lion Finance

Debt purchasing and recovery



ThinkMe

Licensed intermediary for the provision of credit



Collective Learning & Development

Credit management and related training services



Midstate CreditCollect Pty Ltd

Debt collection services, specialising in Local Government



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