Pioneer Credit achieves continued strong growth

Pioneer Credit Limited (ASX: PNC) has achieved continued strong growth, delivering profit after tax of $1.6 million for the six months to 31 December 2014. This has been achieved on the back of a 38% increase in Customer Payments.

The Company has also reaffirmed its Prospectus forecast of a profit after tax of $6.6 million for the year to 30 June 2015.

Half year results - key points

- **Customer Payments of $22.2 million, up 38% on prior corresponding period**
- **Profit after tax $1.6 million, ahead of expectations**
- **EBIT of $2.6m, ahead of $2.4m Prospectus forecast**
- **First sale of a "non-core" portfolio successfully executed**
- **Fully franked interim dividend payable of 1.75 cents per share**

The strong performance is a result of a continued focus on driving increases in Customer Payments by delivering consistent, outstanding customer service.

Managing Director Keith R. John said: "Very pleasingly, our team is achieving greater success in generating payments from portfolios that we have held for two years or longer, which is contributing to the Company's overall growth in revenue.

"We are confident that the achievements of the past six months have laid the foundations for continued improved performance over the remainder of the 2015 financial year and beyond."

In December 2014 Pioneer successfully executed its first sale of a non-core portfolio of accounts, partnering with one of Australia's leading retail debt brokerage firms.

"While this is a small transaction, it does demonstrate our ability to enter the secondary sale market where there is an opportunity to realise a superior gain than what can be achieved through longer term liquidation for portfolios that do not fit with our business model.

"We have reported this sale, and will report any subsequent sales, separate to our Customer Payments to ensure our shareholders are fully informed of the contribution of this new revenue stream to our business," Mr John said.

Dividend

The Board has declared an interim dividend of 1.75 cents per share, to be paid to shareholders on 17 April 2015. The record date for the dividend payment is 31 March 2015.

Outlook

Pioneer is pleased to reaffirm it is on track to achieve profit after taxation for FY15 of $6.6 million, as forecast in the Prospectus for the Company's Initial Public Offering (released April 2014).

The capital position of the Company remains robust and Pioneer remains focused on prudently managing capital and maintaining a disciplined purchasing strategy which will ensure the strategic objectives can be achieved without increasing its risk profile.

"We are excited about the future prospects for the year ahead and beyond, and we look forward to progressing with the launch of our first financial services product to our customer base in late 2015," Mr John said.

About Pioneer Credit

Pioneer is an Australian financial services provider, specialising in acquiring and servicing unsecured retail debt portfolios. These portfolios consist of people with financial obligations to Pioneer. These people become the cornerstone of Pioneer's business and are our customers.

We work closely with our customers who – for a range of reasons – have found themselves in financial difficulty. In a vast proportion of cases this has come about through a major life event such as loss of job, significant health issues, marriage breakdown or domestic violence.

A key goal at Pioneer as it works with its customers is to see them progress towards financial recovery, and through this process evolve as a 'new consumer'.

For further information about Pioneer see www.pioneercredit.com.au

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