



**Item:** ASX Announcement/Media Release  
**ASX Code:** CLH  
**Date:** 19 January 2010  
**Pages:** 2

### ***Disciplined Approach Pays Dividends for Collection House***

Leading Australian receivables manager Collection House Limited (ASX Code: CLH) is pleased to announce reported earnings for the six months to 31 December, 2009 will be significantly higher than for the previous corresponding period.

Managing Director and Chief Executive Officer Tony Aveling said after tax profit was likely to be at least 55 per cent higher than for the previous corresponding period, although the best measure of performance was pre-tax operating profit where a rise of over 30 per cent was anticipated.

“The key to growth in first half profit has been our discipline and sharp focus on the business,” Mr Aveling said.

“On the revenue side we elected to reduce bank indebtedness rather than pay too much for purchased debt in an environment where unemployment was rising and households were under pressure.

“Despite this and the withdrawal of Government stimulatory measures, we were still able to maintain revenues while keeping a tight rein on expenses and reducing funding costs.”

Mr Aveling said shareholders could expect the strong profit performance to support the declaration of an increased interim dividend when the Company reported its audited interim results on February 25, 2010.

#### **Key financial results – unaudited (\$ million)**

	1H 06/07	1H 07/08	1H 08/09	1H 09/10 (range)
Net Profit Before Tax	\$1.5	\$13.2	\$5.4	<b>\$6.7 to \$6.9</b>
Exceptional items	–	8.1	0.3	–
Underlying NPBT	\$1.5	\$5.1	\$5.2	<b>\$6.7 to \$6.9</b>
Taxation	(0.8)	(1.7)	(1.7)	<b>(1.4) to (1.4)</b>
Net Profit After Tax	\$0.7	\$3.4	\$3.4	<b>\$5.3 to \$5.5</b>
Revenue from continuing activities	\$42.1	\$47.7	\$52.9	<b>\$52.0 to \$53.0</b>
EBITDA*	\$17.0	\$21.9	\$25.0	<b>\$25.4 to \$25.9</b>
EBIT*	\$3.3	\$7.1	\$7.8	<b>\$9.0 to \$9.2</b>

\*Underlying



Looking ahead, Mr Aveling said Collection House was well placed to maintain momentum due to a number of favorable factors including:

- Available funding of \$22 million to grow the Purchased Debt Ledger book, comprising an undrawn limit of \$12 million plus a recently approved \$10 million increase in bank facilities;
- Improved collectability as unemployment eases and consumer confidence increases;
- Second half debt purchase forward commitments of \$14 million which already exceed the \$12 million spent in the entire first half;
- A continuing upward trend in customer arrangements which grew during the first half from \$105 million to \$118 million; and
- The eventual gain of profitable new commission clients following a recent increase in Sales and Marketing resources.

“Our track record over the past three years speaks for itself,” Mr Aveling said. “We are now poised to leverage that progress into a period of further sustained growth.”

For more information please contact:

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## **Collection House Limited - Overview**

Collection House is a public company which listed on the Australian Securities Exchange on 4 October 2000. The Collection House group of companies employs over 580 trained personnel in 12 Australasian sites.

The group focuses on providing receivables management, debt purchasing and debt collection services in all Australian states and territories and throughout New Zealand.

In February 2002, Collection House created the Financial Basics Foundation with the primary objective of educating Australian secondary students about the credit system and responsible financial practices.

More than 1500 secondary schools across Australia are now using the Foundation's programs which are provided free of charge. Collection House has contributed \$1.3 million toward this work since the Foundation's inception.

For further information about the company please visit [www.collectionhouse.com.au](http://www.collectionhouse.com.au)