

MONEY3 CORPORATION LIMITED

(ACN 117 296 143)

PRELIMINARY FINAL REPORT

30 June 2008

APPENDIX 4E

Registered Office and
Principal Place of business:

Level 1, 373-375 St Georges Road
North Fitzroy VIC 3068

COMMENTARY ON RESULTS FOR THE YEAR ENDED JUNE 2008

Highlights

The directors of Money3 are pleased to announce another year's successful results. Stable profits, increased demand and vibrant management have produced

- ⇒ Gross Revenue increased by 22% from \$6.4M to \$7.8M;
- ⇒ EBITDA up 10% from \$1.9M to \$2.1M;
- ⇒ Net Profit after tax of \$1.2M;
- ⇒ Loan Book Increased by 33% from \$8.1M at 30 June 2007 to \$10.8M at 30 June 2008; and

Opportunities from the Credit Crunch

With a worldwide tightening of credit affecting Australian finance, we have seen an increased demand for our products from customers who would otherwise have accessed the banks. This is particularly obvious in the Loan Centre where larger, secured loans are offered.

Meanwhile competitors whose balance sheets contain high debt are either closing branches or wanting to sell their complete enterprises. Either way Money3 will pick up new customers and possibly an expanded branch network.

Fortunately Money3 has minimal debt and is in a position to expand, funding it through either or both of equity and debt.

Full Year Results

With 33% increase in the Loan Book and 22% increase in revenue, the directors of Money3 are confident of sustainable growth in the current economic conditions.

The notable once off expenses were the increase in both bad-debt write off and employment expenses associated with changed management practices.

With the opening of a branch in Wodonga in April 2008, Money3 now has 13 branches operating in the short term small loans (less than \$5,000 and up to 6 months) and in addition, the Loan Centre handles all secured loans (those loans which are over \$5,000 and over 12 months duration).

Future

With 12 branches now trading profitably the contribution to profit from all branches will positively impact next year's results. The Loan Centre which manages the larger loans sourced from various brokers including our branch network will continue to drive the company's growth.

APPENDIX 4E

Preliminary Final Report to the Australian Stock Exchange

Name of Entity	Money3 Corporation Limited
ABN	63 117 296 143
Year Ended	30 June 2008
Previous Corresponding Reporting Period	Year ended 30 June 2007

Results for Announcement to the Market

	\$	Percentage increase /(decrease) over previous corresponding period
Revenue from ordinary activities	\$7,805,937	22%
Profit from ordinary activities after tax attributable to members	\$1,199,460	(1%)
Net profit for the period attributable to members	\$1,199,460	(1%)
Dividends (distributions)	Amount per security	Franked amount per security
Final Dividend	-	-
Interim Dividend	1.3 cents	1.3 cents
Record date for determining entitlements to the dividends (if any)	-	
Brief explanation of any of the figures reported above necessary to enable the figures to be understood:		
For an explanation of revenue and profit from continuing operations, see commentary on results included in the accompanying preliminary final report.		

Dividends

Date the dividend is payable	N/A
Record date to determine entitlement to the dividend	N/A
Amount per security	N/A
Total dividend	N/A
Amount per security of foreign sourced dividend or distribution	N/A
Details of any dividend reinvestment plans in operation	N/A
The last date for receipt of an election notice for participation in any dividend reinvestment plans	N/A

NTA Backing

	Current Period	Previous corresponding period
Net tangible asset backing per ordinary security (cents per share)	26.7	25.6

Control Gained Over Entities Having Material Effect

Name of entity (or group of entities)	N/A
Date control gained	N/A
Profit / (loss) from ordinary activities after tax of the controlled entity since the date in the current period on which control was acquired.	N/A
Profit / (loss) from ordinary activities after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period.	N/A

Loss of Control Gained Over Entities Having Material Effect

Name of entity (or group of entities)	N/A
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Details of Associates and Joint Venture Entities

Name of Entity (or group of entities)	N/A
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Foreign Entities Accounting Framework

For foreign entities provide details of which accounting standards have been adopted (e.g. International Accounting Standards)

N/A

Audit/Review Status

This report is based on accounts to which one of the following applies:

(Tick one)

The accounts have been audited	<input type="checkbox"/>	The accounts are in the process of being audited	<input checked="" type="checkbox"/>
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If the accounts are subject to audit dispute or qualification, a description of the dispute or qualification: N/A

Attachments Forming Part of Appendix 4E

Attachment #	Details
1	Income Statement
2	Condensed Balance Sheet
3	Statement of Changes in Equity
4	Condensed Cash Flow Statement
5	Notes to the Preliminary Final Report

Signed By (Director/Company Secretary)	
Print Name	Kang Hong Tan
Date	28 August 2008

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008

	Consolidated Year ended 30 June 2008	Consolidated Year ended 30 June 2007
	\$	\$
Continuing Operations		
Revenue	7,801,611	6,325,346
Other income	4,326	74,474
Total revenue	<u>7,805,937</u>	<u>6,399,820</u>
Expenses from operating activities:		
Administration	767,008	959,569
Employment	2,930,168	2,109,306
Advertising and sales	335,077	398,873
Occupancy costs	499,202	442,367
Bad debts	1,130,740	573,637
Depreciation and amortisation	229,398	190,371
Loss on disposal of fixed assets	29,194	-
Interest expenses	84,174	10,568
Profit before tax	<u>1,800,976</u>	<u>1,715,129</u>
Income tax expense	<u>601,516</u>	<u>503,008</u>
Net profit attributable to members	<u>1,199,460</u>	<u>1,212,121</u>
Earnings per share (cents per share)		
Basic profit/(loss) from continuing operations	4.37 cents	4.71 cents
Diluted profit/(loss) from continuing operations	4.37 cents	4.47 cents

The above income statement should be read in conjunction with the attached notes.

CONDENSED BALANCE SHEET
AS AT 30 JUNE 2008

	Consolidated 30 June 2008	Consolidated 30 June 2007
	\$	\$
Current assets		
Cash and cash equivalents	591,200	893,328
Trade and other receivables	9,625,065	7,368,997
Other assets	39,915	62,459
Total current assets	10,256,180	8,324,784
Non-current assets		
Trade and other receivables	1,207,034	693,538
Property, plant & equipment	989,470	940,594
Intangible assets	88,273	63,000
Deferred tax assets	312,683	312,683
Goodwill	15,323,487	15,323,487
Total non-current assets	17,920,947	17,333,302
Total assets	28,177,127	25,658,086
Current Liabilities		
Trade and other payables	528,097	427,100
Deferred revenue	2,923,763	1,908,330
Borrowings	1,075,000	-
Hire purchase	78,981	34,037
Current tax payables	555,449	743,604
Other Provisions	180,461	158,534
Total current liabilities	5,341,751	3,271,605
Non-current liabilities		
Provisions	28,072	21,623
Total non-current liabilities	28,072	21,623
Total current liabilities	5,369,823	3,293,228
Net assets	22,807,304	22,364,858
Equity		
Issued Capital	21,144,955	20,893,237
Share Option Reserves	282,402	115,736
Accumulated profit	1,379,947	1,355,885
Total equity	22,807,304	22,364,858

The condensed balance sheet should be read in conjunction with the attached notes.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2008

	Issued capital \$	Retained earnings \$	Reserves \$	Total equity \$
Opening balance restated at 1 July 2006 as a result of adopting reverse acquisition under A-IFRS	4	498,339	-	498,343
Total recognised income and expense for the period	-	1,212,121	-	1,212,121
Transaction with shareholders in their capacity as shareholders:				
Fair value of shares issued pursuant to the acquisition of Money3 Trading Companies	16,767,000	-	-	16,767,000
Issue of shares to the public	4,500,000	-	-	4,500,000
Issue of shares to employees	100,000	-	-	100,000
Discount on shares issued to employees	80,000	-	-	80,000
Increase in equity compensation reserve	-	-	115,736	115,736
Initial public offer cost	(796,527)	-	-	(796,527)
Transfer to deferred tax reserve	242,760	-	-	242,760
Dividend paid	-	(354,575)	-	(354,575)
Closing balance at 30 June 2007	<u>20,893,237</u>	<u>1,355,885</u>	<u>115,736</u>	<u>22,364,858</u>
Opening balance at 1 July 2007	20,893,237	1,355,885	115,736	22,364,858
Total recognised income and expense for the period	-	1,199,460	-	1,199,460
Issue of shares on DRP	251,718	-	-	251,718
Increase in equity compensation reserve	-	-	166,666	166,666
Transfer to/(from) deferred tax reserve	-	-	-	-
Dividend paid	-	(1,175,398)	-	(1,175,398)
Closing balance at 30 June 2008	<u>21,144,955</u>	<u>1,379,947</u>	<u>282,402</u>	<u>22,807,304</u>

The consolidated statement of changes in equity should be read in conjunction with the attached notes.

**CONDENSED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008**

	Year ended 30 June 2008	Year ended 30 June 2007
	\$	\$
Cash flows from operating activities		
Receipts from customers	6,670,870	6,318,428
Payments to suppliers and employees	(4,212,872)	(3,656,135)
Interest received	4,326	74,474
Interest paid	(84,174)	(10,568)
Income Tax paid	(789,671)	(151,758)
	1,588,479	2,574,441
<i>(Increase) decrease in operating assets:</i>		
Net funds advanced to and repayments from customers for loans	(1,754,131)	(3,476,485)
Net cash used in operating activities	(165,652)	(902,044)
Cash flows from investing activities		
Payment for property, plant and equipment	(257,643)	(539,444)
Sale of property, plant and equipment	89,000	-
Payment for purchase of business combination, net of cash acquired	-	(772,899)
Payment for Computer System	(25,273)	(47,000)
Net cash used in investing activities	(193,916)	(1,359,343)
Cash flows from financing activities		
Proceeds from the issue of shares	-	4,600,000
Payments – IPO expenses	-	(723,696)
Repayment of Hire Purchase	(93,882)	(31,090)
Proceeds of borrowings	1,075,000	-
Dividend paid	(923,679)	(354,575)
Repayment of Directors' loans	-	(450,000)
Net cash provided by financing activities	57,439	3,040,639
Net increase/(decrease) in cash held	(302,129)	779,252
Cash at the beginning of the period	893,329	114,077
Cash at the end of the period	591,200	893,329

The condensed cash flow statement should be read in conjunction with the attached notes.

**NOTES TO THE PRELIMINARY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

INTRODUCTION

The preliminary final report covers Money3 Corporation Limited and its controlled entities. This report is based on financial statements that are in the process of being audited.

NOTE 1. Basis of preparation of preliminary final report

This preliminary financial report does not include all of the notes of the type normally included in an annual financial report. This preliminary final report has been prepared in accordance with the measurement and recognition requirements of Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001.

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (IFRS). Compliance with the Australian equivalents to IFRS (AIFRS) ensures that the financial report complies with International Financial Reporting Standard and other mandatory professional reporting requirements.

The accounting policies and methods of computation adopted in the preparation of the preliminary financial report are consistent with those adopted and disclosed in the company's annual financial report for the year ended 30 June 2007 and the half year ended 31 December 2007.

NOTE 2. Contributed equity

	Consolidated 30 June 2008		Consolidated 30 June 2007	
	shares	\$	shares	\$
Issued and paid-up ordinary share capital				
Balance at the beginning of the period	27,275,000	20,893,237	2,000,000	20
Shares issued during the period:				
- to acquire Money3 Trading Companies	-	-	20,075,000	16,766,984
- to the public	-	-	5,000,000	4,500,000
- to employees			200,000	180,000
- DRP	401,856	251,718	-	-
	<u>27,676,856</u>	<u>21,144,955</u>	<u>27,275,000</u>	<u>21,447,004</u>
Transaction cost relating to share issues		-		(796,527)
Deferred tax assets	-	-	-	242,760
	<u>27,676,856</u>	<u>21,144,955</u>	<u>27,275,000</u>	<u>20,893,237</u>

NOTE 3. Segment information

Segment information is not provided as the Company operates in one business segment being the short term cash loan industry and one geographical segment being Victoria, Australia.