

## Enhanced financing arrangements position Pioneer Credit for future opportunities

The Directors of Pioneer Credit Limited (ASX: PNC) are pleased to announce that the Company has successfully negotiated a revised senior debt facility.

The new facility highlights the confidence the Company's long-term financier has in Pioneer's existing purchase debt portfolio (PDP) business as well as its future growth plans.

Key terms of the new facility include:

1. An increase in the facility limit from \$47m to \$60m
2. The removal of quarterly amortisation of the loan - saving ~\$10m in cash in FY16.

The Board sought to increase the facility limit as part of positioning the Company to capture future opportunities in the PDP market, as well as other corporate opportunities that may arise.

The Board has also increased its internal loan to value ratio (LVR) threshold from 40% to 50%, well below the bank's new covenant. The Board does not foresee increasing its internal thresholds beyond these levels.

Managing Director Keith John said: "The Board remains open to exploring all options for future growth, including potential acquisitions. While we are not in advanced discussions with any group at this stage, there is no doubt that the continued shakeout in equity markets and the economy more broadly is creating opportunities. We want to ensure we are in a position to capitalise on these as they arise.

"The increase in our facility is opportune given a continued long term outlook for record low interest rates, and the very cautious approach to leverage we have in the business, against the valuation of our portfolios."

Pioneer continues to focus on investing in PDP's from Australia's major financial institutions. The Company does not purchase telecommunication, utility or payday loan type accounts.

"We are on track to deliver our first financial offering to customers who have finalised their accounts, with the launch of a credit card during FY16," Mr John said.

At its Annual General Meeting on 29 October 2015, the Company anticipates launching its refreshed brand and corporate livery, focussed on its customers.

The business continues to trade to expectations, and as at the end of September has circa \$25m headroom in its debt facility and an expected free cash flow for FY16 (pre investment in PDP's) of at least \$30m. The company continues to guide to an investment in PDP's of at least \$42m and a Profit after taxation for FY16 of at least \$8.8m.

## 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 the great majority of cases this has come about through a significant life event such as loss of job, serious health issues, marriage breakdown or domestic violence.

A key goal at Pioneer, as we work with our customers, is to see them achieve financial recovery and evolve as a 'new consumer'.

For further information about Pioneer see [www.pioneercredit.com.au](http://www.pioneercredit.com.au)

## Investors/ Media:

Keith R. John  
Managing Director  
P: 08 9323 5001  
E: [krjohn@pioneercredit.com.au](mailto:krjohn@pioneercredit.com.au)

David Ikin  
Senior Counsel  
Professional Public Relations  
P: 08 9388 0944 / 0408 438 772  
E: [david.ikin@ppr.com.au](mailto:david.ikin@ppr.com.au)