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CREDIT CORPORATION (PNG) LIMITED

HALF YEARLY PROFIT RELEASE 30 JUNE 2011

The half yearly financial results to 30 June 2011 for the Credit Corporation (PNG) Limited group were released today by the Chairman Mr Garth McIlwain.

	30 June 2011	30 June 2010
Cash operating profit:	K39.08 million	K34.50 million

Group core business financing and property rental activity continues to produce good results. Financing volumes in Papua New Guinea, Fiji, Vanuatu and the Solomon Islands have continued to achieve budget levels.


Property rentals in Papua New Guinea are progressively increasing as tenancies expire and new leases are executed at the higher rental levels in the market. Both Credit House and the Era Dorina Estate remain fully tenanted.

Once again a negative adjustment has been booked against the group profit and loss account due to a further decrease in the Bank of South Pacific Limited share price recorded by the Port Moresby Stock Exchange.

During the half-year the BSP share price reduced from K7.90 to K6.65 per share. The sum of K51.92 million has been booked to reflect the reduced market value of this long term strategic investment.

Following the adjustment for the reduced BSP share portfolio value a book loss of K21.53 million is recorded for the half year.

A dividend totalling K25.31 million was paid to shareholders during August. This is a 16% increase on the dividend payment of K21.79 million paid during August 2010. During the half year the Credit Corporation group continued to maintain very strong capital and funding positions. The Board is confident that the operating results for the second half 2011 will exceed those recorded herein and the group will maintain its pre eminent status as one of the largest locally owned corporations operating in the South Pacific with total assets of K826.31 million.


Garth McIlwain
Chairman
Port Moresby
14 September 2011

"The Pacific's Financier"