

PORT MORESBY STOCK EXCHANGE
WEDNESDAY 31 MARCH 2010
CREDIT CORPORATION (PNG) LIMITED
FINANCIAL RESULTS
YEAR ENDED 31 DECEMBER 2009

The Chairman of the Board of Directors Mr. Garth McIlwain today released the consolidated financial results for the Credit Corporation (PNG) Limited group for the year ended 31 December 2009.

After tax cash operating profit from group core business activity - financial services and property - returned a 11.82% increase when compared to the 2008 result:-

	31 December 2009	31 December 2008
After tax cash operating profit:	K33.12 million	K29.62 million

This is a pleasing result particularly when the economic uncertainties created by the global financial crisis are considered.

Financing activity business volumes exceeded budget across all group locations – Fiji, Solomon Islands, Vanuatu and in Papua New Guinea. Real estate rental revenues from the Era Dorina estate exceeded budget projections. Credit House remains fully tenanted. Significant capital expenditure is currently underway for the upgrade of air conditioning, lift capacity, foyer and facade to ensure Credit House remains the premier executive tower in Port Moresby city.

As recorded in my half yearly release 30 June 2009 the value of the group's long term strategic shareholding in Bank of South Pacific Limited (BSP) required a negative adjustment to the profit and loss account. The sum of K58.54 million was booked against the profit and loss account due to the decrease in the value of BSP shares on the Port Moresby Stock Exchange. During 2009 BSP share trades dropped from 99 toea to 85 toea. However this negative adjustment was partly compensated by a positive adjustment of K46.00 million due to the regular three year revaluation of the Company's prime Port Moresby real estate port folio.

Following these revaluation adjustments group net after tax profit of K22.18 million is recorded for 2009.

Total shareholders equity remains strong. After providing for the payment of a dividend to shareholders totaling K15.49 million during August 2009 group shareholders equity increased by 0.56% to K618.16 million. This significant level of capital continues to place the Credit Corporation group amongst the largest locally owned corporations operating in Papua New Guinea and the Pacific.

The Credit Corporation group has a very strong level of cash liquidity and established cash flow and is extremely well placed to meet the business demands anticipated during 2010.

Garth McIlwain
Chairman
31 March 2010