

IFD UPDATE

IFD Statistics

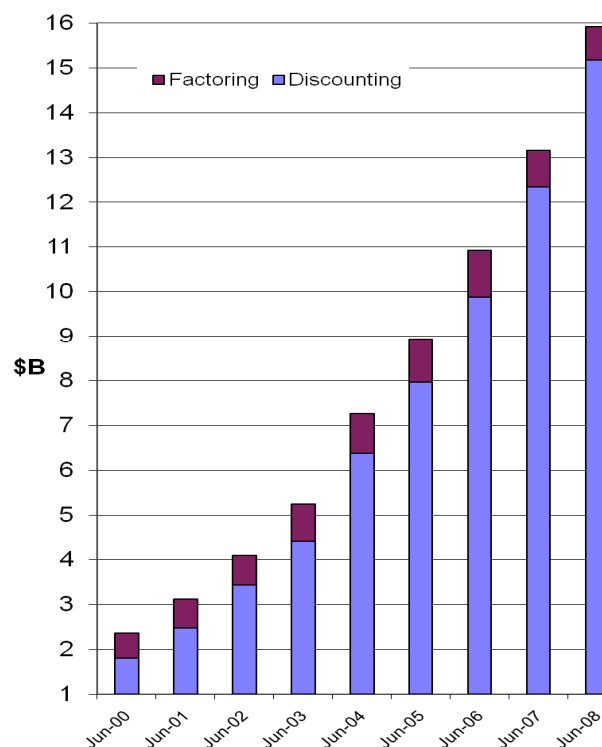
June Quarter 2008

Up to and including the December quarter 1999, IFD had 11 members who participated in the survey being; AGC, Cash Resources, Commonwealth Bank, Heller Financial Services, National Cash Flow Solutions, ORIX Factors (since acquired by Bank of Queensland), Scottish Pacific Business Finance, St George Business Finance and Key Factors. ANZ Banking started participating in the December 1999 quarter, Bank of Queensland from June 2000 quarter, Scottish Pacific Benchmark (previously Benchmark Debtor Finance) from March 2002 quarter, Oxford Funding and Bibby Financial Services from June 2003 quarter, HSBC Bank Australia from September 2004 quarter, BankWest Invoice Discounting from June 2005 quarter and Cashflow Finance Australia from September 2006. AGC ceased to participate in the June quarter 2002 but Westpac Debtor Finance is included in the survey.

AUSTRALIAN MARKET

Total factoring and discounting turnover in the June 2008 quarter was \$15.9 billion, an increase of \$2.8 billion (21%) on the same quarter last year, with factoring turnover of \$738 million and discounting of \$15.2 billion. Total turnover for the year to the end of March was \$60 billion and is on target to reach \$65 billion for calendar 2008.

TURNOVER
\$billion per quarter



Institute for Factors & Discounters

John Bills

Tel: (02) 9233 8205 Fax (02) 9232 5647 E-mail: john@afc.asn.au

7 August 2008

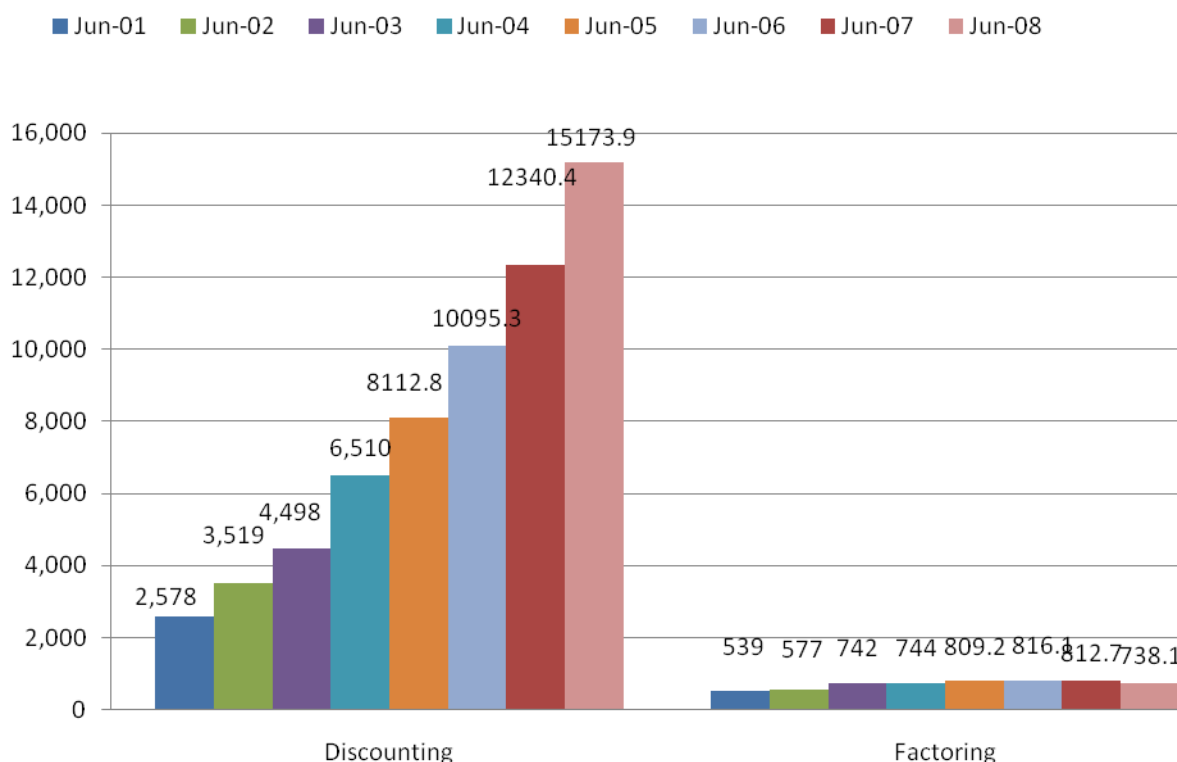
IFD/840

THE INSTITUTE FOR FACTORS AND DISCOUNTERS OF AUSTRALIA AND NEW ZEALAND INC.

Level 7, 34 Hunter Street, Sydney, NSW, 2000. GPO Box 1595, Sydney, NSW, 2001

Telephone: (02) 9233 8205 Facsimile: (02) 9232 5647

TURNOVER \$million per quarter



1. National Factoring and Discounting

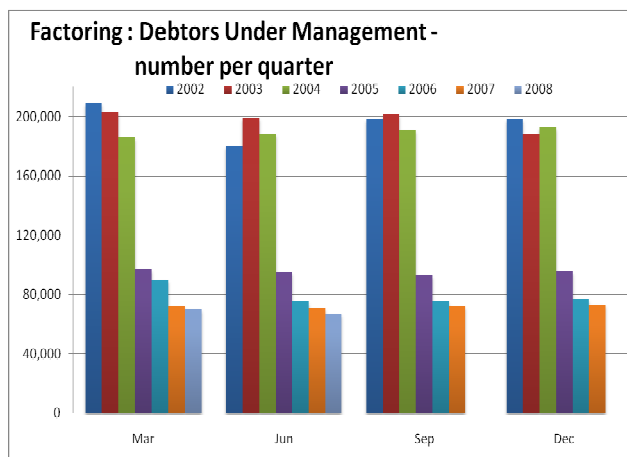
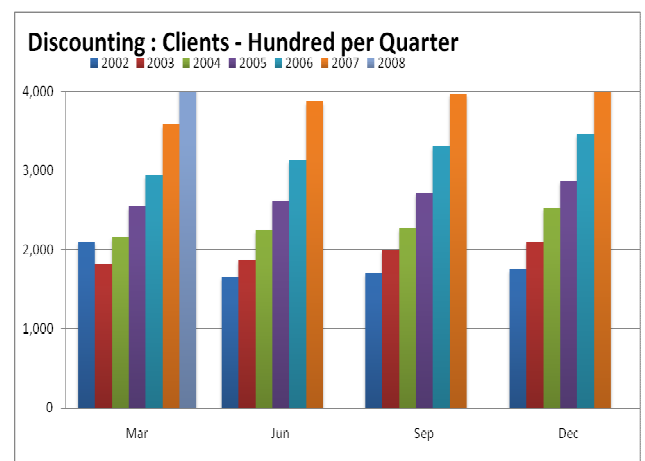
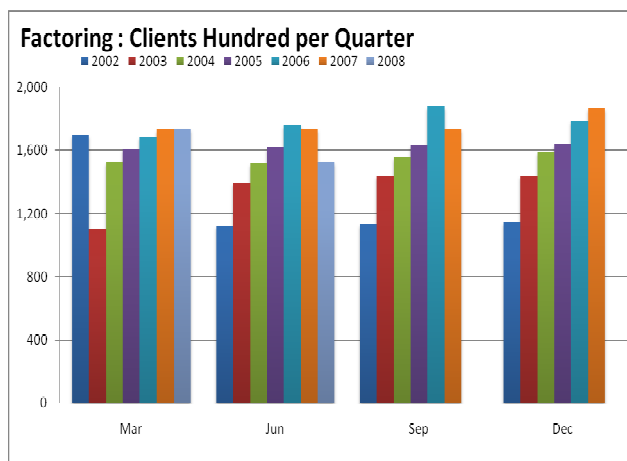
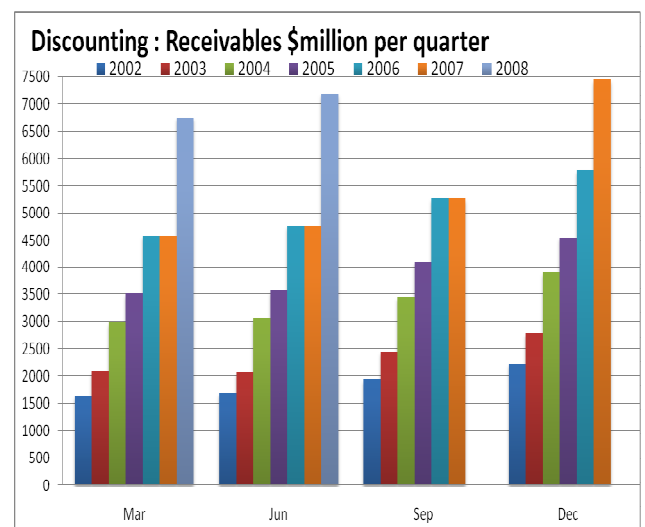
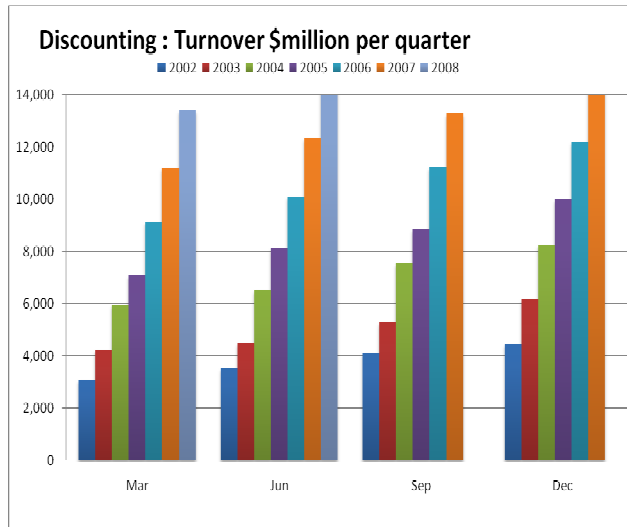
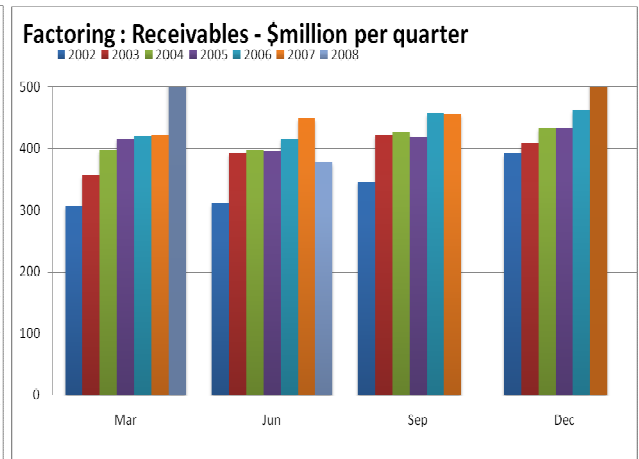
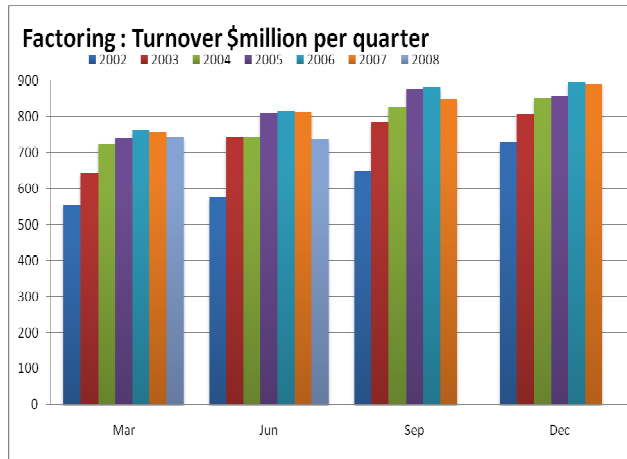
Table 1: National Factoring & Discounting Profile

Factoring	Jun Quarter 2007	Sept Quarter 2007	Dec Quarter 2007	Mar Quarter 2008	Jun Quarter 2008	Latest 12 Months
Turnover (\$M)	812.7	848.6	890.6	744.1	738.1	3221.4
Receivables (end of qtr -\$M)	448.8	455.8	449.0	413.8	377.7	
Number of Clients (end of qtr)	1,737	1,737	1,870	1,738	1,527	
Number of Debtors (end of qtr)	70,848	72,454	73,612	70,226	67,328	

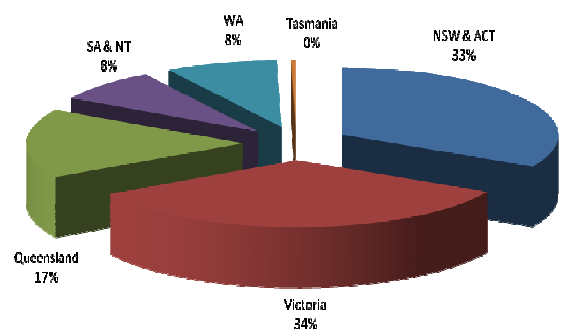
Discounting	Jun Quarter 2007	Sept Quarter 2007	Dec Quarter 2007	Mar Quarter 2008	Jun Quarter 2008	Latest 12 Months
Turnover (\$M)	12340.4	13273.5	14759.7	13396.6	15173.9	56603.7
Receivables (end of qtr-\$M)	6063.0	6279.3	6999.0	6741.1	7188.7	
Number of Clients (end of qtr)	3,875	3,967	4,051	4,150	4,353	

Total	Jun Quarter 2007	Sept Quarter 2007	Dec Quarter 2007	Mar Quarter 2008	Jun Quarter 2008	Latest 12 Months
Turnover (\$M)	13153.1	14122.1	15650.3	14140.7	15912.0	59825.1
Receivables (end of qtr-\$M)	6511.8	6735.1	7448.0	7154.9	7566.4	
Number of Clients (end of qtr)	5,612	5,704	5,921	5,888	5,880	

2. State Factoring and Discounting - Turnover



State Turnover – Percentage of Turnover



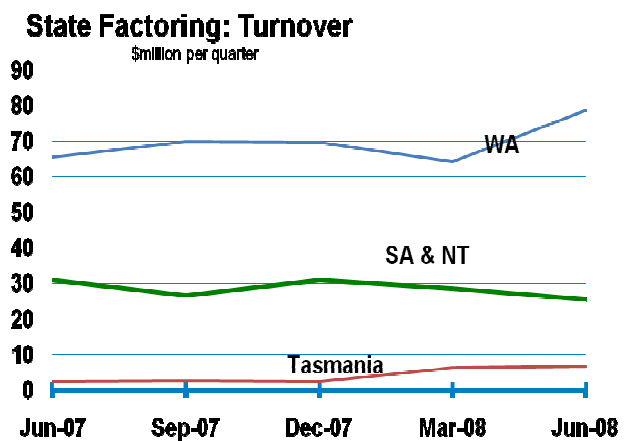
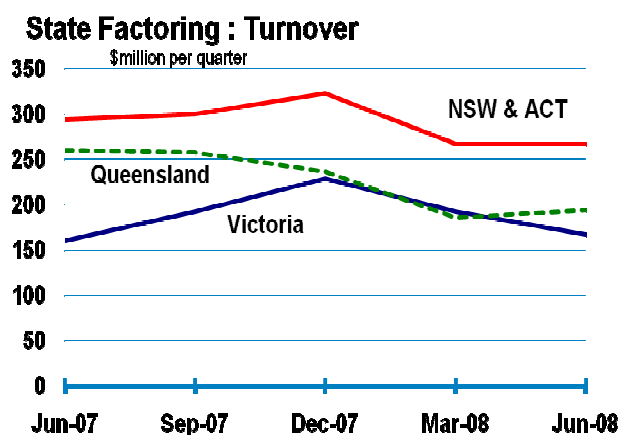
2. State Factoring and Discounting - Turnover

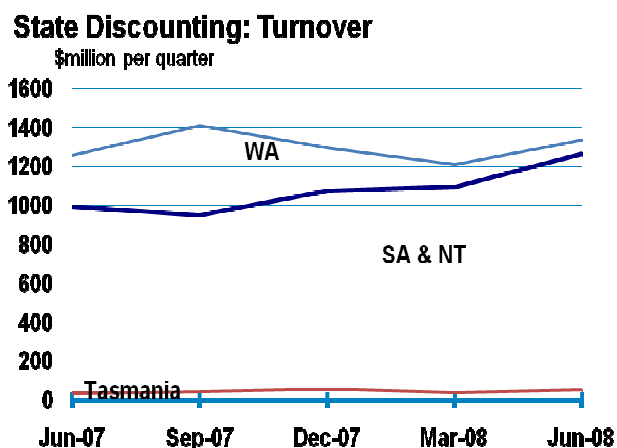
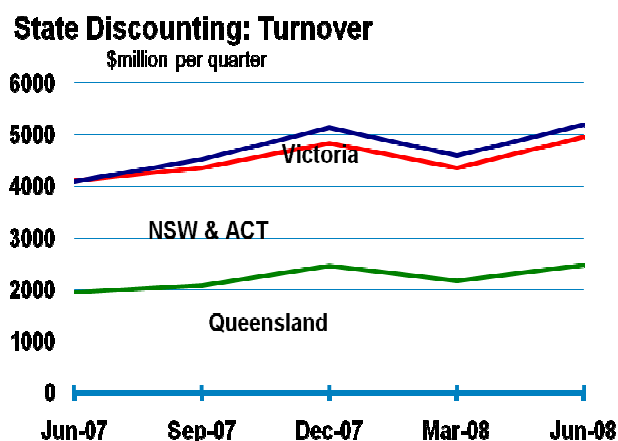
Table 2: State Factoring & Discounting Profile \$Million

Factoring	Jun-07	Sep-07	Dec-07	Mar-08	Jun-08
NSW & ACT	293.8	299.5	322.7	266.8	266.7
Victoria	160.3	192.6	228.9	192.9	166.7
Queensland	259.7	257.5	235.9	185.2	193.6
SA & NT	31.0	26.6	30.9	28.7	25.6
WA	65.5	69.8	69.7	64.2	78.7
Tasmania	2.4	2.6	2.5	6.3	6.8
National Factoring	812.7	848.6	890.6	744.1	738.1

Discounting	Jun-07	Sep-07	Dec-07	Mar-08	Jun-08
NSW & ACT	4108.3	4364.1	4846.9	4362.5	4962.9
Victoria	4094.1	4524.1	5136.4	4609.1	5200.7
Queensland	1947.0	2078.2	2448.9	2175.2	2468.2
SA & NT	963.3	924.7	1044.6	1067.1	1238.2
WA	1193.5	1339.5	1228.9	1147.5	1258.5
Tasmania	34.2	42.9	54.0	34.9	45.4
National Discounting	12340.4	13273.5	14759.7	13396.3	15173.9

Total	Jun-07	Sep-07	Dec-07	Mar-08	Jun-08
NSW & ACT	4402.1	4663.6	5169.6	4629.3	5229.6
Victoria	4254.4	4716.7	5365.3	4802.0	5367.4
Queensland	2206.7	2335.7	2684.8	2360.4	2661.8
SA & NT	994.3	951.3	1075.5	1095.8	1263.8
WA	1259.0	1409.3	1298.6	1211.7	1337.2
Tasmania	36.6	45.5	56.5	41.2	52.2
National Factoring & Discounting	13153.1	14122.1	15650.3	14140.4	15912.0





3. State Factoring and Discounting – Receivables

Table 3: State Factoring & Discounting Profile \$Million

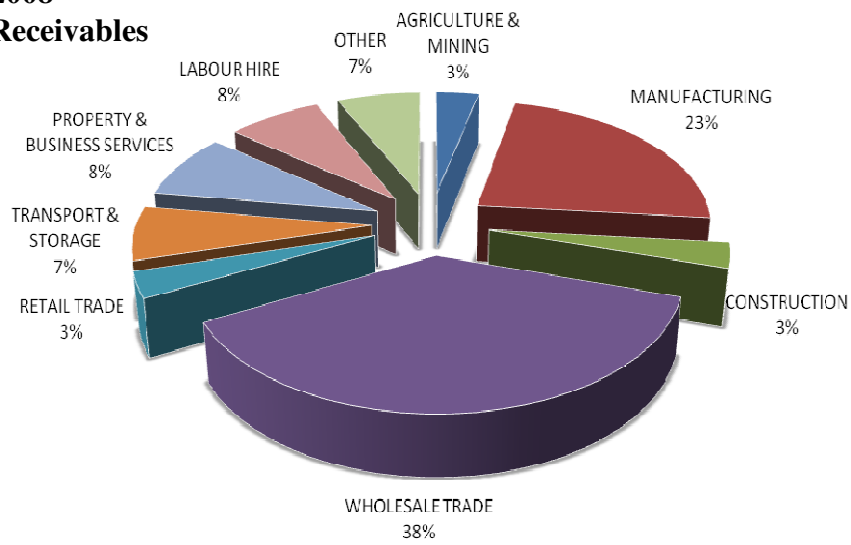
Factoring	Jun-07	Sep-07	Dec-07	Mar-08	Jun-08
NSW & ACT	155.0	211.5	169.7	143.6	132.4
Victoria	96.3	91.7	112.2	103.3	83.3
Queensland	145.5	111.4	114.3	110.0	101.6
SA & NT	12.5	10.6	14.8	14.9	12.9
WA	38.2	29.2	36.8	38.9	42.6
Tasmania	1.3	1.4	1.2	3.1	4.9
National Factoring	448.8	455.8	449.0	413.8	377.7

Discounting	Jun-07	Sep-07	Dec-07	Mar-08	Jun-08
NSW & ACT	1840.7	2003.1	2202.3	2164.2	2273.3
Victoria	2147.7	2403.1	2674.8	2476.0	2638.2
Queensland	1083.7	947.4	1087.1	1035.1	1085.5
SA & NT	480.9	453.4	488.4	505.5	625.0
WA	494.8	454.4	523.3	546.4	543.6
Tasmania	15.2	17.9	23.1	20.9	23.1
National Discounting	6063.0	6279.3	6999.0	6748.1	7188.7

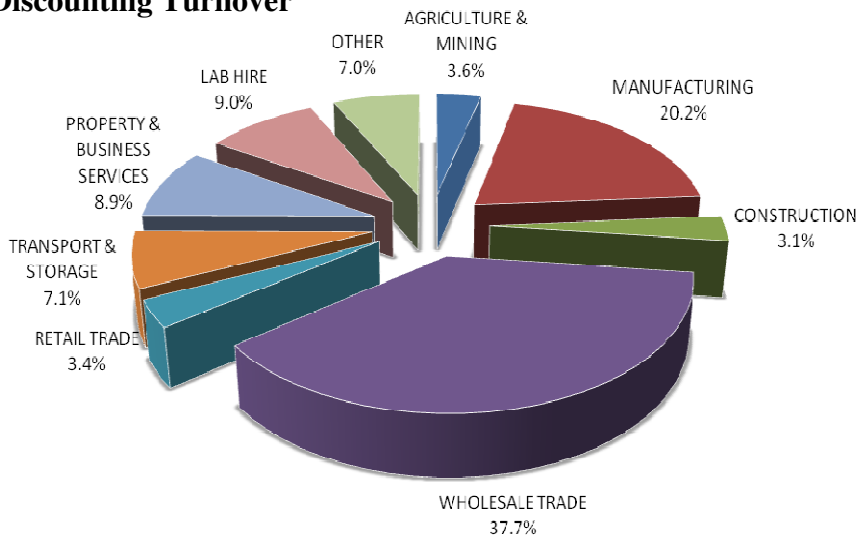
Total	Jun-07	Sep-07	Dec-07	Mar-08	Jun-08
NSW & ACT	1995.7	2214.6	2372.0	2307.8	2405.7
Victoria	2244.0	2494.8	2787.0	2579.3	2721.5
Queensland	1229.2	1058.8	1201.4	1145.1	1187.1
SA & NT	493.4	464.0	503.2	520.4	637.9
WA	533.0	483.6	560.1	585.3	586.2
Tasmania	16.5	19.3	24.3	24.0	28.0
National Factoring & Discounting	6511.8	6735.1	7448.0	7161.9	7566.4

BY INDUSTRY:

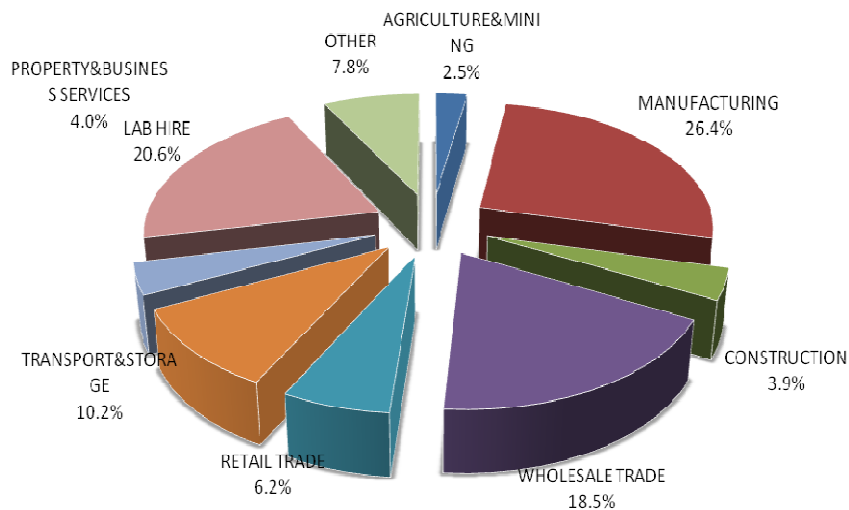
**June Quarter 2008
Percentage of Receivables**



**June Quarter 2008
Percentage of Discounting Turnover**



**June Quarter 2008
Percentage of Factoring Turnover**



4. Historical Data on Factoring and Discounting by Quarter

Table 4.1		Turnover - \$m	
Quarter	Factoring	Discounting	Total
Dec-03	806.0	6,158.9	6,964.9
Mar-04	725.5	5,948.8	6,674.3
Jun-04	744.5	6,510.3	7,254.8
Sep-04	827.4	7,544.6	8,372.0
Dec-04	853.7	8,264.7	9,118.4
Mar-05	740.3	7,078.7	7,819.0
Jun-05	809.2	8,112.8	8,922.0
Sep-05	875.7	8,848.3	9,724.0
Dec-05	857.6	9,986.5	10,844.1
Mar-06	764.1	9,139.4	9,903.5
Jun-06	816.1	10,095.3	10,911.4
Sep-06	883.4	11,220.1	12,103.5
Dec-06	896.5	12,194.6	13,091.1
Mar-07	757.7	11,202.5	11,960.2
Jun-07	812.7	12,340.4	13,153.1
Sep-07	848.6	13,273.5	14,122.1
Dec-07	890.6	14,759.7	15,650.3
Mar-08	744.1	13,396.3	14,140.4
Jun-08	738.1	15,173.9	15,912.0

Table 4.2		Number of Clients	
Quarter	Factoring	Discounting	Total
Dec-03	1,438	2,101	3,539
Mar-04	1,529	2,161	3,690
Jun-04	1,520	2,249	3,769
Sep-04	1,556	2,272	3,828
Dec-04	1,590	2,531	4,121
Mar-05	1,610	2,550	4,160
Jun-05	1,619	2,624	4,243
Sep-05	1,636	2,720	4,356
Dec-05	1,637	2,865	4,502
Mar-06	1,686	2,943	4,629
Jun-06	1,763	3,130	4,893
Sep-06	1,877	3,315	5,192
Dec-06	1,788	3,469	5,257
Mar-07	1,730	3,580	5,310
Jun-07	1,737	3,875	5,612
Sep-07	1,737	3,967	5,704
Dec-07	1,870	4,051	5,921
Mar-08	1,738	4,150	5,888
Jun-08	1,527	4,353	5,880

Quarter	Factoring	Discounting	Total
Dec-03	408.8	2,794.8	3,203.6
Mar-04	397.7	2,983.9	3,381.6
Jun-04	397.3	3,067.0	3,464.3
Sep-04	426.8	3,453.9	3,880.6
Dec-04	433.4	3,902.3	4,335.7
Mar-05	417.1	3,513.6	3,930.7
Jun-05	396.4	3,568.5	3,964.9
Sep-05	418.8	4,104.7	4,523.5
Dec-05	434.0	4,555.4	4,989.4
Mar-06	421.5	4,581.5	5,003.0
Jun-06	416.1	4,757.7	5,173.8
Sep-06	457.7	5,262.3	5,720.0
Dec-06	463.1	5,784.7	6,247.8
Mar-07	422.2	5,555.4	5,977.6
Jun-07	448.8	6,063.0	6,511.8
Sep-07	455.8	6,279.3	6,735.1
Dec-07	449.0	6,999.0	7,448.0
Mar-08	413.8	6,748.1	7,161.9
Jun-08	377.7	7188.7	7566.4

Quarter	NSW/ACT	Vic	QLD	SA & NT	WA	TAS	Total
Dec-03	331.7	197.3	176.6	38.2	55.1	7.1	806.0
Mar-04	301.7	167.4	166.2	35.8	48.6	5.8	725.5
Jun-04	306.6	156.3	192.0	34.8	50.7	4.1	744.5
Sep-04	339.1	179.1	214.9	36.2	54.2	4.0	827.4
Dec-04	351.2	195.2	207.7	29.0	67.7	2.9	853.7
Mar-05	303.6	163.3	188.4	30.6	52.7	1.9	740.3
Jun-05	326.7	193.1	210.3	24.4	52.8	1.9	809.2
Sep-05	364.5	198.0	219.4	25.2	66.6	2.0	875.7
Dec-05	337.2	210.2	227.1	23.9	57.2	2.0	857.6
Mar-06	296.4	172.8	199.4	45.3	48.4	1.8	764.1
Jun-06	308.9	168.2	242.9	44.2	50.3	1.6	816.1
Sep-06	334.8	182.9	267.1	35.9	60.7	2.0	883.4
Dec-06	334.3	194.2	261.5	37.7	66.3	2.5	896.5
Mar-07	284.7	157.7	217.6	35.6	60.6	1.5	757.7
Jun-07	293.8	160.3	259.7	31.0	65.5	2.4	812.7
Sep-07	299.5	192.6	257.5	26.6	69.8	2.6	848.6
Dec-07	322.7	228.9	235.9	30.9	69.7	2.5	890.6
Mar-08	266.8	192.9	185.2	28.7	64.2	6.3	744.1
Jun-08	266.7	166.7	193.6	25.6	78.7	6.8	738.1

Quarter	NSW/ACT	Vic	QLD	SA & NT	WA	TAS	Total
Dec-03	1,974.9	2,558.5	853.7	375.8	396.0	0.0	6,158.9
Mar-04	2,006.4	2,216.3	955.5	418.7	352.0	0.0	5,948.8
Jun-04	2,158.3	2,412.1	1,045.4	479.8	414.6	0.0	6,510.3
Sep-04	2,502.5	2,781.3	1,192.1	543.1	525.7	0.0	7,544.6
Dec-04	2,550.1	3,114.4	1,361.3	608.8	630.2	0.0	8,264.7
Mar-05	2,173.3	2,622.5	1,229.5	497.1	556.3	0.0	7,078.7
Jun-05	2,660.7	2,899.2	1,296.8	538.7	717.4	0.0	8,112.8
Sep-05	2,710.2	3,371.8	1,451.3	565.9	749.1	0.0	8,848.2
Dec-05	3,057.5	3,803.2	1,530.5	668.6	926.7	0.0	9,986.5
Mar-06	2,902.3	3,332.5	1,410.1	662.7	811.3	20.5	9,139.4
Jun-06	3,236.9	3,694.2	1,539.8	720.1	867.1	37.2	10,095.3
Sep-06	3,558.4	4,278.6	1,621.5	782.7	940.9	38.0	11,220.1
Dec-06	3,888.0	4,444.0	1,820.1	872.7	1,137.8	32.0	12,194.6
Mar-07	3,723.8	3,821.9	1,767.6	805.6	1,052.5	31.1	11,202.5
Jun-07	4,108.3	4,094.1	1,947.0	963.3	1,193.5	34.2	12,340.4
Sep-07	4,364.1	4,524.1	2,078.2	924.7	1,339.5	42.9	13,273.5
Dec-07	4,846.9	5,136.4	2,448.9	1,044.6	1,228.9	54.0	14,759.7
Mar-08	4362.5	4609.1	2175.2	1067.1	1147.5	34.9	13,396.3
Jun-08	4962.9	5200.7	2468.2	1238.2	1258.5	45.4	15,173.9

Quarter	NSW/ACT	Vic	QLD	SA & NT	WA	TAS	Total
Dec-03	2,306.6	2,755.8	1,030.3	414.0	451.1	7.1	6,964.9
Mar-04	2,308.1	2,383.7	1,121.7	454.5	400.6	5.8	6,674.3
Jun-04	2,464.9	2,568.4	1,237.4	514.6	465.3	4.1	7,254.8
Sep-04	2,841.6	2,960.4	1,407.0	579.3	579.9	4.0	8,372.0
Dec-04	2,901.3	3,309.6	1,569.0	637.8	697.9	2.9	9,118.4
Mar-05	2,476.9	2,785.7	1,417.8	527.7	609.0	1.9	7,819.0
Jun-05	2,987.4	3,092.3	1,507.1	563.1	770.2	1.9	8,922.0
Sep-05	3,074.7	3,569.8	1,670.7	591.1	815.7	2.0	9,723.9
Dec-05	3,394.7	4,013.4	1,757.6	692.5	983.9	2.0	10,844.1
Mar-06	3,198.7	3,505.3	1,609.5	708.0	859.7	22.3	9,903.5
Jun-06	3,545.8	3,862.4	1,782.7	764.3	917.4	38.8	10,911.4
Sep-06	3,893.2	4,461.5	1,888.6	818.6	1,001.6	40.0	12,103.5
Dec-06	4,222.3	4,638.2	2,081.6	910.4	1,204.1	34.5	13,091.1
Mar-07	4,008.5	3,979.6	1,985.2	841.2	1,113.1	32.6	11,960.2
Jun-07	4,402.1	4,254.4	2,206.7	994.3	1,259.0	36.6	13,153.1
Sep-07	4,663.6	4,716.7	2,335.7	951.3	1,409.3	45.5	14,122.1
Dec-07	5,169.6	5,365.3	2,684.8	1,075.5	1,298.6	56.5	15,650.3
Mar-08	4,629.3	4,802.0	2,360.4	1,095.8	1,211.7	41.2	14,140.4
Jun-08	5,229.6	5,367.4	2,661.8	1,263.8	1,337.2	52.2	15,912.0

Table 5 – Debtor Finance Index

	\$m Turnover in 12 Months to End of Quarter			Index
	Factoring	Discounting	Total	
Dec-00	2078.3	8883.6	10961.9	100
Mar-01	2124.6	9557.2	11681.8	106.6
Jun-01	2188.0	10246.2	12434.2	113.4
Sep-01	2230.4	10632.7	12863.1	117.3
Dec-01	2280.9	11232.3	13513.2	123.3
Mar-02	2323.3	11863.3	14186.6	129.4
Jun-02	2360.5	12804.2	15164.7	138.3
Sep-02	2410.3	14014.6	16424.9	149.8
Dec-02	2511.3	15180.0	17691.3	161.4
Mar-03	2597.9	16337.3	18935.2	172.7
Jun-03	2763.8	17315.7	20079.5	183.2
Sep-03	2898.9	18487.1	21386.0	195.1
Dec-03	2975.0	20182.8	23157.8	211.3
Mar-04	3059.4	21901.2	24960.6	227.7
Jun-04	3061.4	23914.0	26975.4	246.1
Sep-04	3103.4	26162.6	29266.0	267.0
Dec-04	3151.1	28268.4	31419.5	286.6
Mar-05	3165.9	29398.2	32564.1	297.1
Jun-05	3230.6	31000.8	34231.4	312.3
Sep-05	3278.9	32304.5	35583.4	324.6
Dec-05	3282.9	34026.3	37309.2	340.4
Mar-06	3306.6	36087.1	39393.7	359.4
Jun-06	3313.5	38069.5	41383.0	377.5
Sep-06	3321.2	40441.3	43762.5	399.2
Dec-06	3360.1	42649.4	46009.5	419.7
Mar-07	3353.7	44712.5	48066.2	438.5
Jun-07	3350.3	46957.6	50307.9	458.9
Sep-07	3315.5	49011.0	52326.5	477.4
Dec-07	3309.6	51576.1	54885.7	500.7
Mar-08	3296.0	53770.2	57066.2	520.6
Jun-08	3221.4	56603.7	59825.1	545.8

DEFINITIONS

Invoice Discounter – Company buying the debt

Factor – Company buying the debt

Client – Business selling the debt

Debtor – Party liable for paying the debt

Debt – Trade debts payable by the debtors

Invoice Discounting: The sale by a business (the Client) and the purchase by the Discounter of trade debts on a continuing basis. The Client retains the sales accounting functions and is responsible for collection of the debts. The Debtors are usually unaware of the involvement of the Discounter.

Factoring: The sale by a business (the Client) and the purchase by the Factor of trade debts on a continuing basis. The Factor will carry out some part of the sales accounting function, as agreed between the Client and the Factor. The Debtors are aware that the debts have been assigned to the Factor, and that payment must be made to the Factor to discharge the debt.

Turnover: The face value of Debts purchased (including GST).

Receivables: The total of amounts due from Debtors at a point in time.

Net Payments: The balance of payments and charges made to Clients at a given point in time.

SECTORAL DEFINITIONS

Agriculture & Mining: Includes all clients engaged in providing related services such as sheep shearing, aerial agricultural services, harvesting or forest protection, mineral exploration on own account, in provision of services to mining or mineral exploration, and mining enterprises under development.

Manufacturing: Includes all clients engaged in manufacturing products, where ‘manufacturing relates to the physical or chemical transformation of material or components into new products’.

Construction: Includes all clients engaged in special trade construction such a plumbing, earthmoving and dredging, painting etc.

Wholesale Trade: Includes all clients engaged in the resale of goods to retailers or other wholesalers, or to institutional (including Government), professional or other business users.

Retail Trade: Includes all clients engaged in the resale of goods to final consumers for personal or household consumption.

Transport & storage: Includes all clients engaged in providing terminal and storage facilities; services related to transport, booking, travel, forwarding, material handling etc.

Property & Business Services: Includes all clients engaged in valuing, purchasing, selling, renting, leasing or managing real estate; developing or subdividing land; scientific research and meteorological services; providing technical, legal, accounting and other business services; and renting and hiring equipment (except cars, trucks and other transport equipment).

Other: All clients engaged in enterprises not elsewhere classified.