



# Asta Funding, Inc.

Investor Fact Sheet

NASDAQ: ASFI  
www.astafunding.com  
March 2009

## Financial Data:

Share Price (3/6/09):	\$ 1.46	(Loss) Per Share (1 <sup>st</sup> QTR '09)	(\$0.55)
52-Week Price Range:	\$1.00-\$16.71	Net (loss) (QTR ended 12/31/08):	(\$7.8 million)
Shares Issued and Outstanding:	14,271,824	Insider Ownership:	26%
Market Cap:	\$20.8 million	Quarterly Dividend:	\$0.02 per share
Tangible Book Value Per Share (as of 12/31/08):	\$16.77	Fiscal Year End:	September 30

## Corporate Profile

Asta Funding, Inc. is a consumer receivable asset management company specializing in the purchase, management and liquidation of performing and non-performing consumer receivables. Asta generates revenues and earnings primarily through the purchase and collection of performing and non-performing consumer receivables that have typically been either charged-off by the credit grantors or not considered to be prime receivables. These receivables include MasterCard, Visa, other credit card accounts issued by banks, telecommunication accounts and other consumer loans issued by credit grantors. Asta may also purchase bulk receivable portfolios that include both distressed and non-conforming loans. Asta purchased consumer receivables with an aggregate face value of approximately \$1.6 billion for an aggregate cost of approximately \$49.9 million during fiscal 2008. Asta purchased consumer receivables with an aggregate face value of approximately \$10.9 billion for an aggregate cost of approximately \$440.9 million during fiscal 2007. Since 1999, Asta has purchased in excess of \$31 billion in receivables.

Asta takes a disciplined approach to portfolio acquisitions utilizing a combination of proprietary quantitative and qualitative methodologies, including its extensive database of historical portfolio collections. Asta then actively manages the liquidation of these portfolios, primarily through outsourcing collection activities to its large, national network of collection agencies and law firms, who are closely monitored and managed. This outsourcing model enables Asta to maintain a low fixed cost structure. In addition, the flexibility of its liquidation strategy maximizes Asta's portfolio collections.

## Industry Overview

The non-conforming and distressed consumer receivable market is a growing industry which is driven by increasing levels of consumer debt. Despite generally good economic conditions during the mid to late 1990's, credit card and other consumer receivable charge-offs have increased as overall consumer debt has increased. According to the United States Federal Reserve, American consumers had aggregate indebtedness of more than \$2.5 trillion as of December 2008, and that the size of the revolving credit market in the United States was in excess of \$976 billion as of December 2008, up from \$700 billion in December 2001.

Historically, originating institutions have sought to limit credit losses by performing recovery efforts in-house, outsourcing recovery activities to third-party collection agencies and selling their charged-off receivables for immediate cash. From the originating institution's perspective, selling receivables prior to or after charge-off yields immediate cash proceeds and represents a substantial reduction in the time period typically required for traditional collection and recovery efforts. Both non-conforming and distressed receivables are sold at substantial discounts to the balances owed on the receivables, with the purchase price varying depending on the amount that both the purchaser and seller anticipate recovering and the costs associated with recovering these receivables.

The market for buying non-conforming and distressed consumer debt portfolios has expanded due to a steadily increasing volume of delinquent and charged-off consumer debt coupled with a shift by originators or credit grantors toward selling their portfolios of non-conforming and distressed consumer loans.

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If you would like additional information about the Company, please contact Stephen Axelrod or Donald Weinberger at Wolfe Axelrod Weinberger Assoc. LLC, 317 Madison Avenue, Suite 515 New York, NY 10017, (212) 370-4500, (212) 370-4505 FAX, e-mail: [steve@wolfeaxelrod.com](mailto:steve@wolfeaxelrod.com) ~ website: [www.wolfeaxelrod.com](http://www.wolfeaxelrod.com)



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## Investment Considerations

- Disciplined portfolio acquisition criteria
- Flexible, active liquidation management strategy
- An industry leader in a fragmented market
- Franchise value through four decades of experience
- Outsourcing capabilities result in low fixed costs

## RECENT EVENTS

February 2009	Asta Funding Announces First Quarter Results for Fiscal Year 2009
February 2009	Asta Funding Reaches Agreements with its Lenders and Announces Cost Reduction Program
January 2009	Asta Funding Receives Letter from NASDAQ for Late Filing of Annual Report on Form 10-K
December 2008	Asta Funding Announces Reduction of Quarterly Dividend
August 2008	Asta Funding Reports Third Quarter and Nine Months Fiscal 2008 Results
June 2009	Asta Funding Announces Expanded Roles of Board Members
May 2008	Asta Funding to Host Investor Day
May 2008	Asta Funding Reports Second Quarter and Six Months Fiscal 2008 Results
May 2008	Stern Family Establishes \$8.2 million Subordinated Loan to Asta Finding
February 2008	Asta Funding Announces First Quarter Financial Results
January 2008:	Asta Funding Announces Management Appointments

## Recent Financial Results

### Consolidated Statements of Operations Data

#### Unaudited

#### ASTA FUNDING, INC. AND SUBSIDIARIES

#### CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	Three Months Ended December 31, 2008	Three Months Ended December 31, 2007
<b>Revenues</b>		
Finance income, net	\$ 18,416,000	\$ 34,135,000
Other income	32,000	140,000
	<u>18,448,000</u>	<u>34,275,000</u>
<b>Expenses</b>		
General and administrative	7,027,000	5,805,000
Interest expense (fiscal year 2009 - Related party — \$128,000)	3,170,000	5,941,000
Impairments	21,415,000	—
	<u>31,612,000</u>	<u>11,746,000</u>
(Loss) Income before equity in earnings in venture and income taxes	(13,164,000)	22,529,000
Equity in earnings (loss) in venture	17,000	(77,000)
(Loss) Income before income taxes	(13,147,000)	22,452,000
Provision for income taxes	(5,310,000)	9,138,000
Net (loss) income	<u>\$ (7,837,000)</u>	<u>\$ 13,314,000</u>
Net (loss) income per share — Basic	<u>\$ (0.55)</u>	<u>\$ 0.96</u>
Net (loss) income per share — Diluted	<u>\$ (0.55)</u>	<u>\$ 0.90</u>
<b>Weighted average number of shares outstanding:</b>		
Basic	14,271,824	13,918,158
Diluted	14,271,824	14,803,482

Note: Asta Funding's Fiscal Year Ends September 30

**Management**

Gary Stern  
Robert J. Michel  
Cameron Williams  
Mary Curtin

Chairman, President and CEO  
CFO  
COO  
Sr. Vice President

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The information contained herein was obtained from the management of Asta Funding, Inc., and other sources we believe to be reliable. This does not constitute a solicitation of the purchase or sales of securities. Wolfe Axelrod Weinberger Associates LLC is employed by Asta Funding, Inc. as investor relations counsel. This Fact Sheet contains statements relating to future results of the Company that are "forward-looking statements" as defined in the Private Security Litigation Reform Act of 1995. Actual results may differ materially from those projected as a result of certain risks and uncertainties, including but not limited to, the Company being able to purchase consumer receivable portfolios at favorable prices or on sufficiently favorable terms or at all, as well as other risks and uncertainties detailed from time to time in the filings of the Company with the Securities and Exchange Commission.