

THINKSMART

Macquarie Securities: WA Emerging Leaders Conference

Ned Montarello – Managing Director & CEO

Neil Barker – Group CFO

About Think**Smart**

Ned Montarello – Managing Director & CEO

Who Are We?

THINKSMART
The smart way to do business.

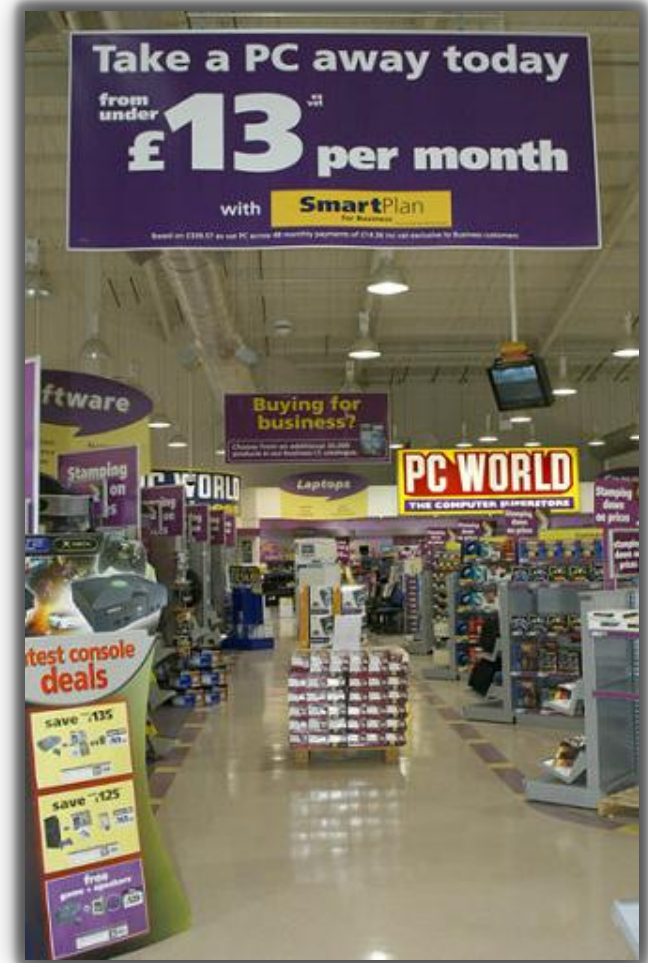
- International B2B finance specialist (ASX:TSM).
- Provides on-the-spot IT rental finance within the retail store environment
 - › Target niche 1-5 seat small businesses
 - › Shop in retail stores for computing
 - › Niche is “Nano-ticket” market – A\$500 – A\$10k transactions
- Operations centres in Australia and Europe (UK & Spain) employing circa 140 people.
- Partnered with leading international retailers and funders.
- Current access to PC retail markets worth over US\$32bn
- Current exposure to over 180m people and 11.7m SMEs.
- Rapidly expanding:
 - › Launch in Italy by end of 2007.
 - › Opening in New Zealand with JB Hi-Fi by end of 2007.
 - › Expect to recommence trading in France in 2008.



What is our Customer Value Proposition?

THINKSMART
The smart way to do business.

- B2B “rental finance” products targeted at SMEs for purchase of computer and office equipment. (Services both B2B and B2C in Australia).
- Branded “SmartPlan” in UK/Europe & “RentSmart” in Australia
- Delivered at point-of-sale in retail environments
- Utilizes proprietary “SmartCheck” IP
- Funders gain attractive exposure to a niche market
- Fills the gap between credit card & bank loan
 - › Micro businesses – 10 employees or less – 95+% of SMEs in these regions.



ThinkSmart Revenue Channels

■ United Kingdom

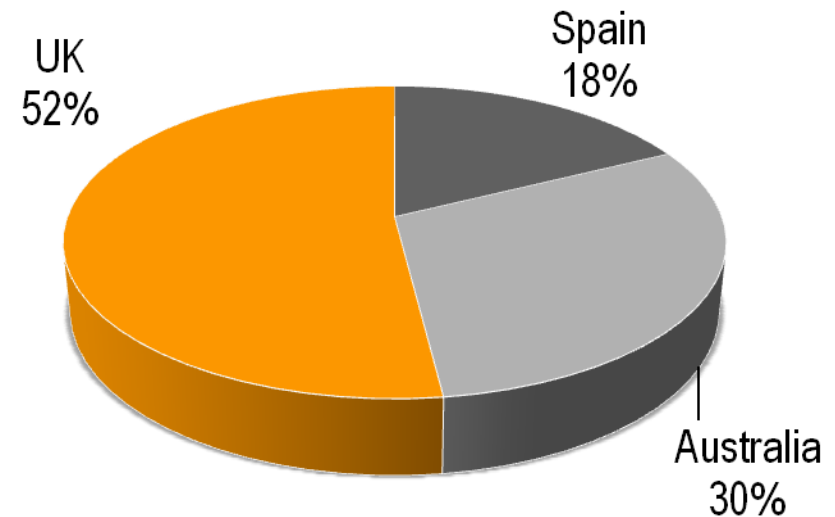
- › Partnered with DSG International, Europe's largest electrical retailer.
- › Distribution through its PC World Stores.
- › Fund contracts through Halifax Bank of Scotland

■ Spain

- › Partnered with PC City, Continental European computer retailing arm of DSG.
- › Funding through Banco Santander

■ Australia

- › Partnered with:
 - Woolworths Dick Smith Group (electronics, Powerhouse & Tandy);
 - JB Hi-Fi;
 - Coles Group's Officeworks and Harris Technology Stores.
- › Funding through Adelaide Bank + another International Financier



A\$45.6m total revenue (2008F)

ThinkSmart Financial Snapshot

- Market cap A\$170m
- Raised A\$13m in June 2007
- 2008F EBITDA A\$16.7m
- 2008F NPAT (pre-amortization) A\$11.7m
- Key metrics (current)
 - › EV/EBITDA ratio: 9.3x – 10.1x
 - › EV/EBIT ratio: 10.5x – 11.5x
 - › P/E ratio: 13.4x – 14.6x
- No net debt.



Investor **Value Proposition**

Investors Value Proposition

THINKSMART
The smart way to do business.

- Leading international footprint across Europe and Australia
- Exclusive and entrenched partnerships with market leading international retailers
- Platform for significant international (Europe) and domestic growth
- Compelling and highly profitable value proposition for retail partners, SME customer and wholesale funders
- Focused business model servicing low risk B2B market (Services both B2B and B2C in Australia).
 - › Credit risk limited to pre-agreed loss reserves;
 - › Non-recourse funding arrangements with leading banks
 - › ThinkSmart carries no inventory risk
- Proven track record of growth



Capital Idea

Improve your cash flow.
Rent this Acer Windows® Vista™ laptop for only £4.48* per week

Buying for business:

- Save your capital
- Spread your costs
- Improve your cash flow
- Be tax efficient*

SmartPlan: Rent your Technology TODAY!

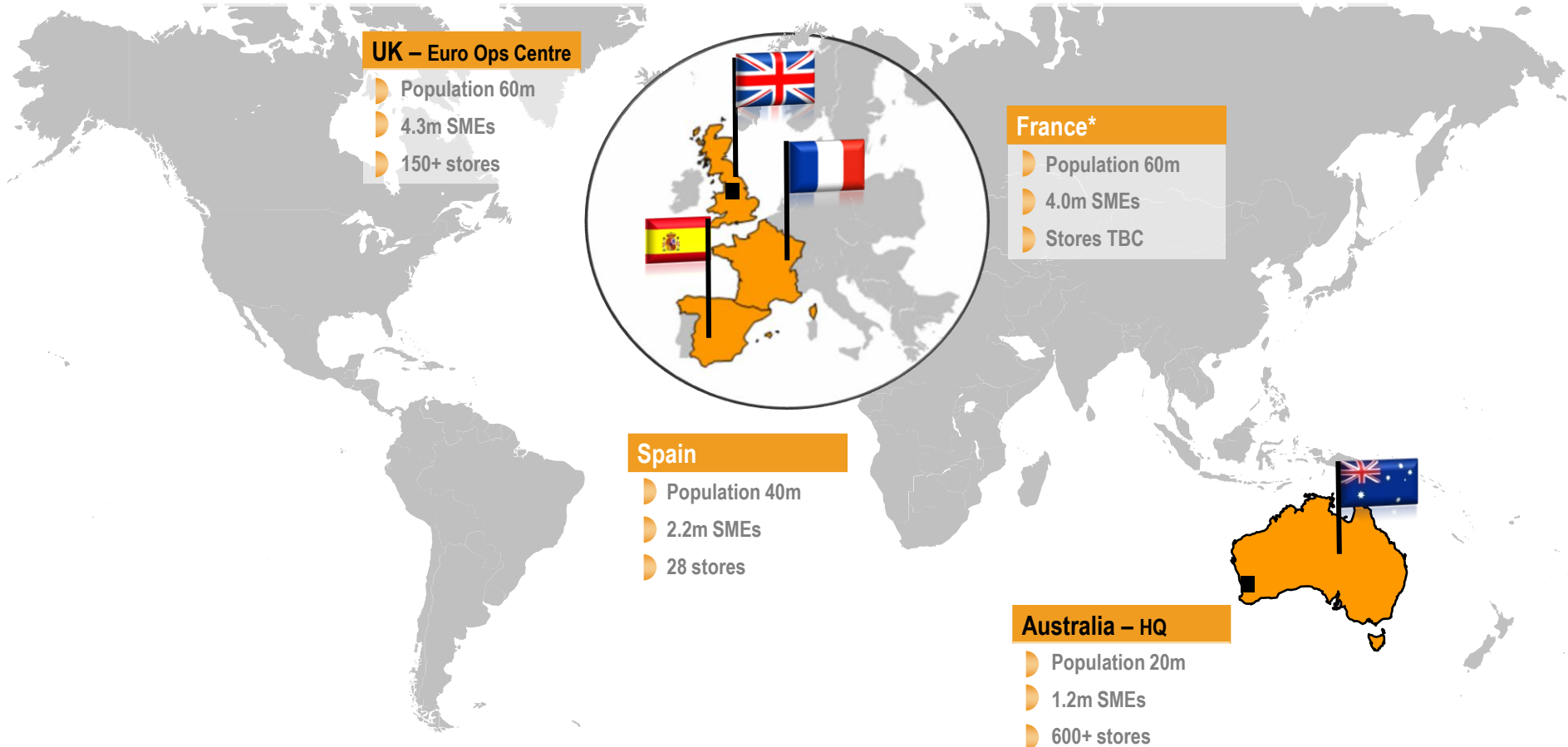
Available in-store NOW!

PC WORLD **PC WORLD**
The Smart Plan **Business**

*Based on the Acer 5020 - 4067M (21.5" 512MB RAM)



Leading international footprint









- ▶ Today we are exposed to over 180m people and 11.7 m SMEs in 3 countries
- ▶ In each market we operate in exclusive relationships with leading retail partners





* Note: Infrastructure, and funding in play in France. Currently sourcing new distribution channels.

Exclusive & entrenched partner relationships

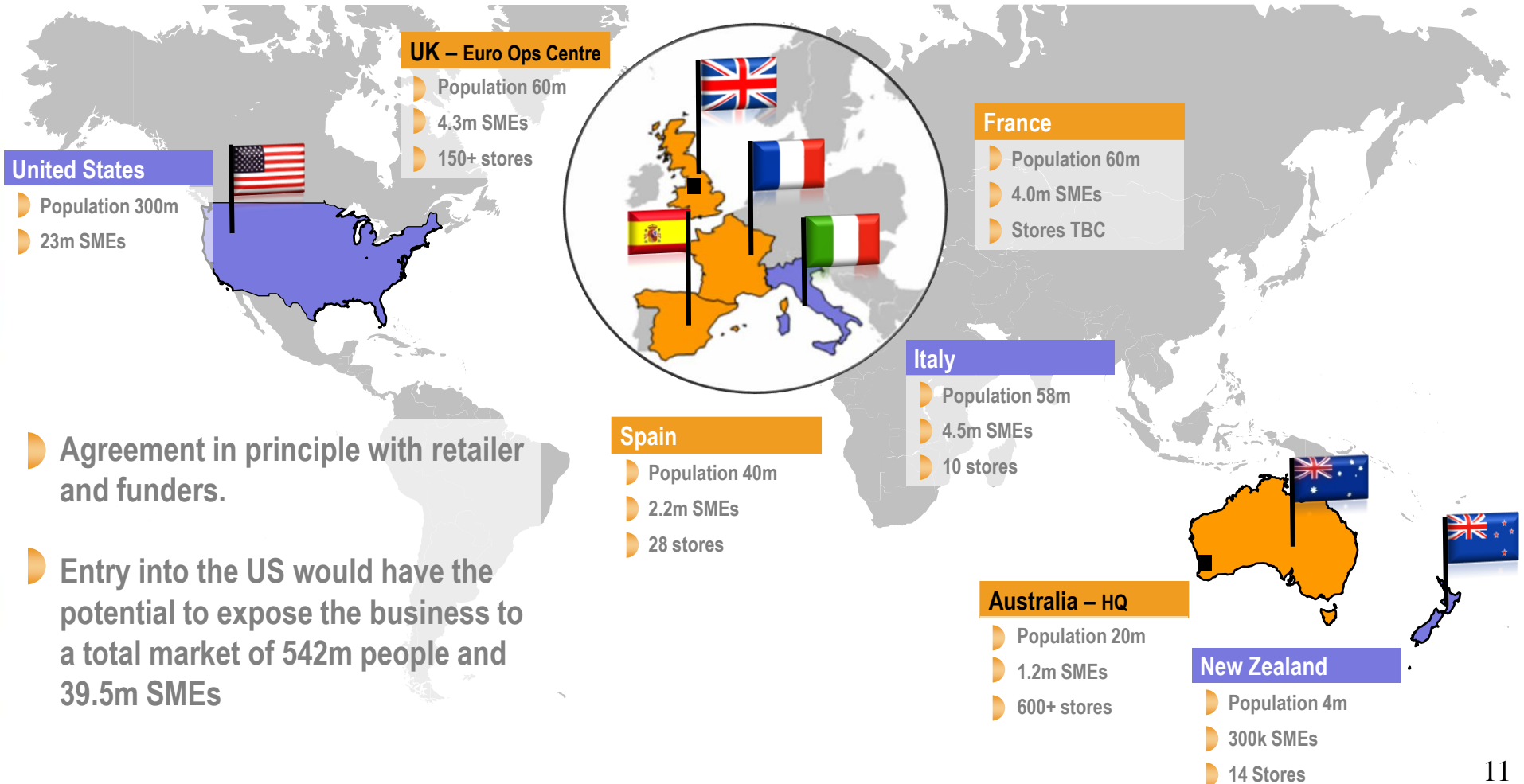
UNITED KINGDOM	#Stores	Launched	Contract to	% 2006 Vol.	Funders	Description
	160+	2003	2011	52%		<ul style="list-style-type: none"> • Exclusive 2-way relationship • Umbrella agreement for Europe

AUSTRALIA	#Stores	Launched	Contract to	% 2006 Vol.	Funders	Description
  	350	1996	2011	34%	 Undisclosed International Funder	<ul style="list-style-type: none"> • Long-term exclusive working relationship
 	77	2007	2011			<ul style="list-style-type: none"> • New relationship this year. • Trading performance at the upper end of expectations
 	120	1998/99	2011			<ul style="list-style-type: none"> • New agreement delivers revenue not forecast in prospectus.

SPAIN	#Stores	Launched	Contract to	% 2006 Vol.	Funders	Description
	28	2005	2011	13%		<ul style="list-style-type: none"> • Exclusive 2-way relationship

Significant International Growth

ThinkSmart plans to be exposed to over 242m people and 16.5 m SMEs by the end of 2007



Product Offers Compelling & Highly Profitable Value Proposition For All Parties

THINKSMART
The smart way to do business.

SME CUSTOMERS

- ✓ On-the-spot approval
- ✓ No requirement for financials
- ✓ Repayments up to 100% tax deductible
- ✓ Upgrade path to new technology
- ✓ Affordable monthly repayments
- ✓ Good for cash flow
- ✓ Off-balance sheet
- ✓ Bundle all equipment and services into one contract

RETAILERS

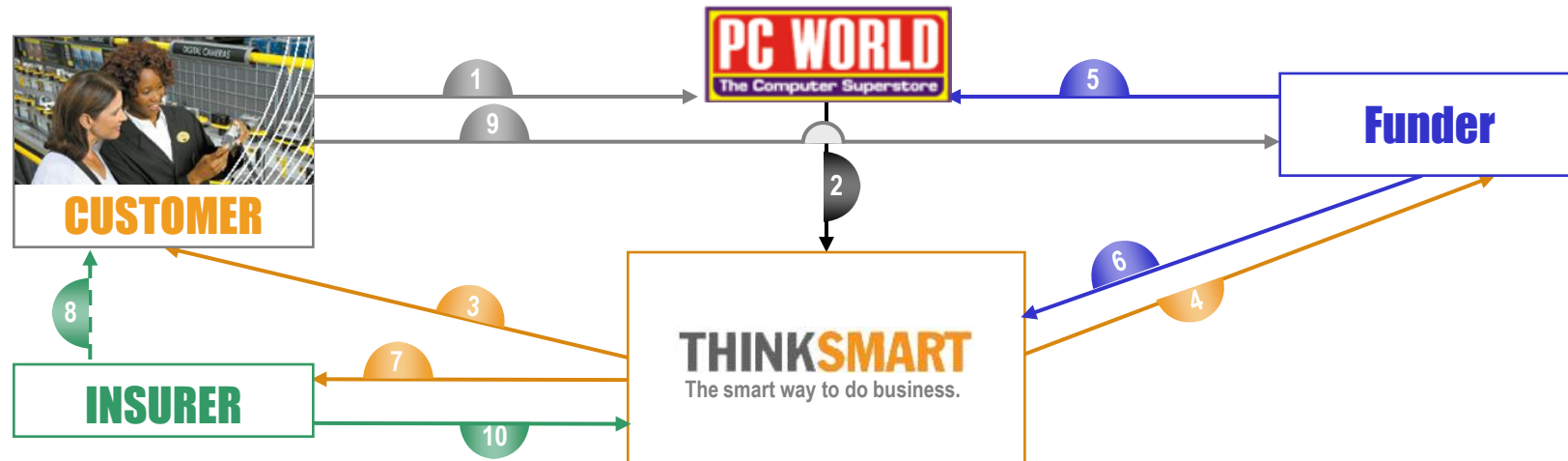
- ✓ Gross profit vehicle
- ✓ Bigger sales
- ✓ Higher profit margin products (best brands plus warranty etc)
- ✓ ThinkSmart sales management
- ✓ Attractive rebate
- ✓ Reduces need to discount
- ✓ Fast in-store process
- ✓ No requirement to disclose APR

FUNDERS

- ✓ Access to a niche market
- ✓ Attractive margin
- ✓ Less risky than consumer business

Income Channels (start of term and over life)

Initial transaction – UK example

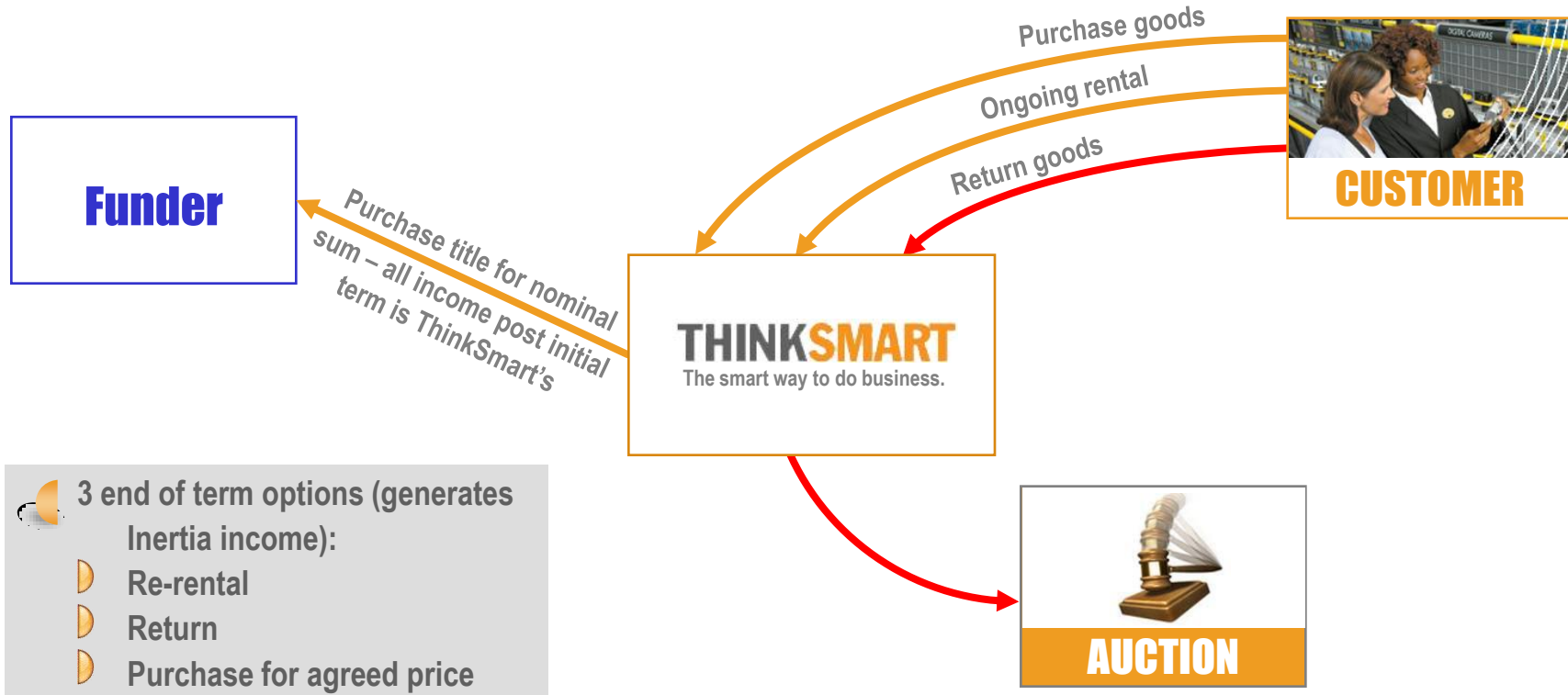


- 1 Customer chooses PC
- 2 Retailer contacts ThinkSmart
- 3 ThinkSmart approves customer (post credit check)
- 4 ThinkSmart establishes contract for funder
- 5 Funder pays retailer invoice price
- 6 Funder pays ThinkSmart brokerage
- 7 ThinkSmart pays insurance premium to Insurer
- 8 Insurer bears all underwriting risk throughout contract term
- 9 Customer pays monthly rental to funder via ThinkSmart
- 10 Insurer pay commissions to ThinkSmart throughout contract term

Happens within minutes via SmartCheck while the customer is in-store

Income Channels (end of term)

End of term transactions (sources of Inertia income)



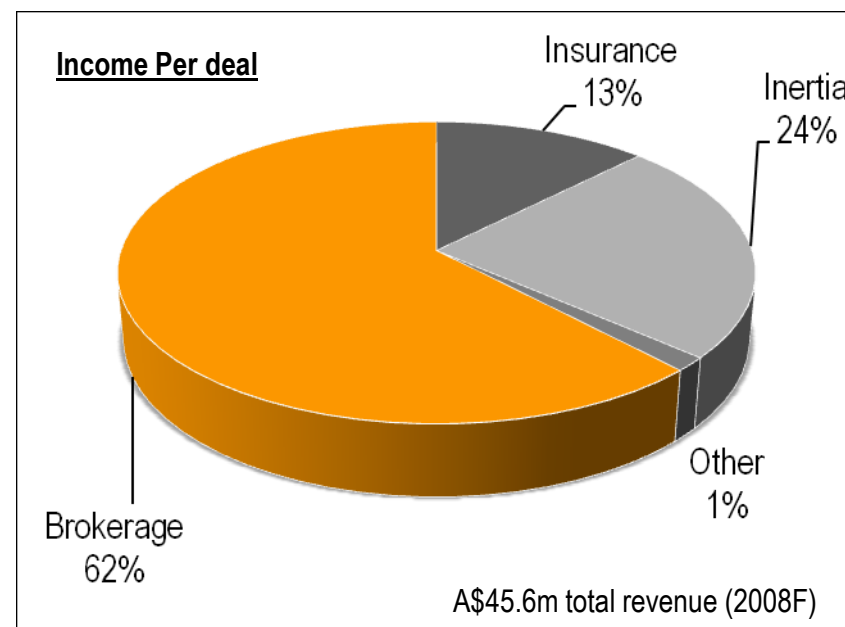
- 3 end of term options (generates Inertia income):
 - Re-rental
 - Return
 - Purchase for agreed price

Income & **Financial** Performance

Neil Barker – Group CFO

Income Channel Split

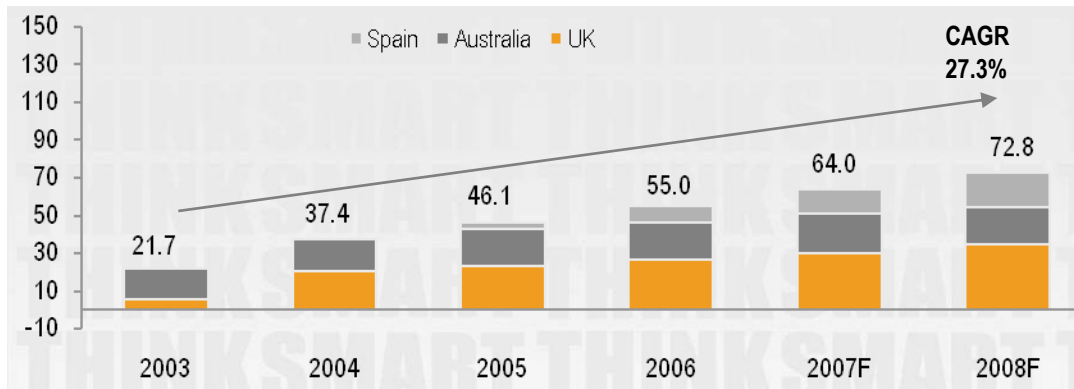
- Income sources come from:
 - Brokerage - Paid at start of contract
 - Insurance – paid over the life of the contract
 - Inertia – Earned at the end of the contract
 - Other – Arrears Fees and charges



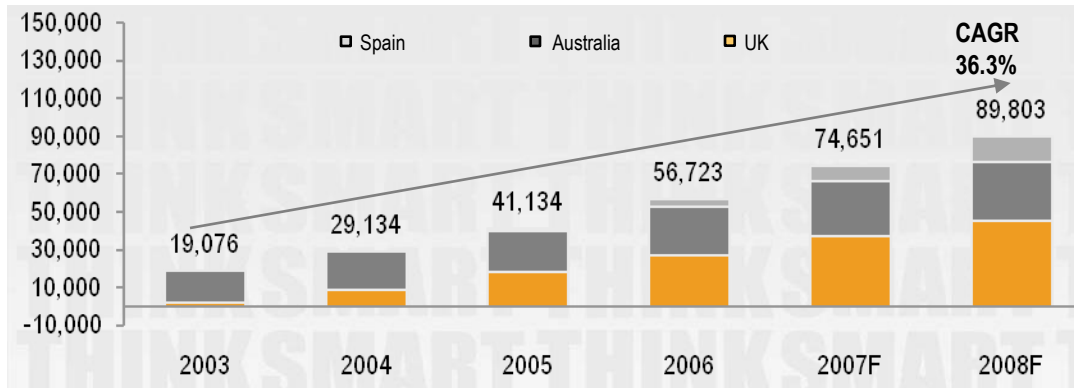
Key Point: 67% of 2008F EBITDA from contracts already written

Proven track record of growth

Growth in settled value (A\$m)



ThinkSmart Customers - active accounts



- Solid engagement between PC World and ThinkSmart drives strong volume growth
- Dedicated channel management structure ensures a focused sales unit with each retail partner
- PC City Spain recognises the strong value proposition and drives growth via increased penetration and increased store numbers

PCP Growth

- Growth on previous corresponding period (H1 2006 normalised for UK)

	H1 2007	H1 2006	% change
Settled volume	13,991	11,638	+20.2
Total Revenue	\$17.8m	\$13.7m	+30.4
EBITDA (pre IPO costs)	\$4.1m	\$0.6m	+552
EBITDA Margin	23.1%	4.6%	+400

Forecast On Track

- On Track to Achieve Full Year Prospectus Forecast

	H1 2007	FY Forecast 2007
Settled volume	13,991	26,538
Total Revenue	\$17.8m	\$35.9m
EBITDA (pre IPO costs)	\$4.1m	\$8.1m
NPAT (pre amortisation and IPO costs)	\$2.3m*	\$5.0m
EPS (pre amortisation and IPO costs)	2.5 cents*	5.2 cents

* H1 result includes non recurring interest of \$250k on deferred HBoS settlement which completed on 11 June 2007.

Attractive Financial Profile

- Strong earnings visibility for 2008.
- Growing EBITDA margins
- High fixed cost leverage
- Low capital intensity
- Significant cash flow generation available to fund new territory expansion
- High return on equity
- Scale and efficiency benefits of UK operations hub and European expansion beginning to come through
- Strong correlation between accounting earnings and cash generation




Growth **Strategies**

Ned Montarello – Managing Director & CEO

Strong Growth in Existing Territories*

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H1 2007 Vs. H1 2006

		Volume Contribution	
UK	<ul style="list-style-type: none">- Revenue up 32% to £3.3m- EBITDA up 1,108% to £0.9m- EBITDA margin up 815% to 27.6%- Gross margin up 14% to 67.3%.	47%	
Australia	<ul style="list-style-type: none">- Revenue up 39% to \$7.7m- EBITDA up 121% to \$1.9m- EBITDA margin up 58% to 24.8%- Gross margin unchanged at 59.2%.	39%	
Spain	<ul style="list-style-type: none">- Revenue up 25% to €1.3m- EBITDA up 74% to €0.4m- EBITDA margin up 39% to 34.5%- Gross margin up 2% to 46.3%.	14%	

*growth compared to previous corresponding period.

Continued Growth & Expansion in Australasia



■ Australia: Growth from distribution and cross Tasman expansion:

JB Hi-Fi

- A strong start since February 2007.
- Valued relationship has developed quickly.
- 58 stores online, further 30 by end of 08.
- 7 Clive Anthonys stores contributing from Q4 2007.



Officeworks & Harris Technology

- New 3 year agreement targeted to deliver increased penetration.



New Zealand

- Planned launch with JB Hi-Fi in for Q4 2007
- Not previously in prospectus forecasts
- Initially only operating with 3 JB Hi-Fi stores and 11 Hill & Stewart (JB Hi-Fi owned) stores.



Expanding the International Footprint

- UK & Spain**
- further store growth and penetration
 - Inertia income / insurance income



- Italy**
- On track Q4 2007 launch with PC City
 - Funding agreement secured with Banco Santander
 - 12 stores to launch.



- France**
- In negotiations with prospective new retailers: strong interest from several retail groups in B2B segment.
 - Retailer exclusivity will not be offered in this territory.



- United States**
- Agreement in principle with retailer and funders.
 - Not in prospectus forecasts.



- Other**
- Goal is to roll out 1 new territory each year in Europe.
 - Prospective future territories include Sweden, Poland, Greece & Czech Republic via DSG relationship



Summary

- **Unique market positioning delivered through SmartCheck IP**
- **On track to meet Prospectus expectations**
- **Low cost base with opportunity to leverage through growth**
- **Strong cash flow generation, low capital demand**
- **Strong continued growth from existing territories**
- **Strong, long term partnerships with leading players**
- **Significant growth opportunities presented in new territories**

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