

THINKSMART REVENUE UP 30% - ON TRACK TO ACHIEVE FULL YEAR PROSPECTUS FORECASTS

ThinkSmart Limited (ASX:TSM) today reported a half year profit before tax for the six months ended June 2007 of \$3.4m after allowing for IPO costs and amortisation of intangibles totalling \$4.7 million, up from \$0.1m, which sees it on track to achieve its full year prospectus forecasts.

A strong performance from existing territories in the UK, Australia and Spain saw a combined growth on a normalised basis on the previous corresponding period in settled volumes of 20.2% with total revenue increasing 30.4% to deliver an EBITDA margin growth of 400%.

ThinkSmart's sales and marketing strategies with its retail partners are driving increased penetration results across all territories with volumes from its new relationship with JB Hi-Fi in Australia continuing to be strong and at the upper end of expectations.

Margin improvements have been driven by increasing inertia revenues from the UK operations as well as increased insurance sales revenues in the UK and Australia.

"Better than expected volumes together with expense management have offset the earnings impact of a strong Australian dollar," said Ned Montarello, managing director and CEO.

"With trading conditions in all markets continuing to perform in line with our expectations, the Board remains confident that we will deliver our full year prospectus forecasts."

In Europe, ThinkSmart remains on track to launch into the Italian market in Q4 2007 having secured a funding agreement with Banco Santander for a scheduled roll out to DSG International's 12 PC City stores.

It is also in negotiations with a number of retailers in France that are expected to result in re-opening of that territory in 2008.

In Australia, ThinkSmart secured a new three year deal with the Officeworks group which should see increased volume contributions from September 2007 onwards. In addition it is planning to launch in the New Zealand market with JB Hi-Fi in late Q4 2007. Neither of these opportunities were included in its prospectus forecasts.

US negotiations with both funders and retailers continue to progress well with in principle agreement reached with funders and a major US retailer.

ThinkSmart Ltd
ABN 24 092 319 698

Head Office
Level 1, 1260 Hay Street
West Perth, 6005
WESTERN AUSTRALIA
P +61 8 9463 7500
F +61 8 9463 7419

European Head Office
7th Floor, Oakland House
Talbot Road, Old Trafford
Manchester, M16 0PQ
UNITED KINGDOM
P +44 161 333 2422
F +44 161 333 2426

ENDS

Further information:

Ned Montarello, Managing Director & CEO

Neil Barker, Group CFO

Phone: +61 (0)8 9463 7500

About ThinkSmart

ThinkSmart is a leading international financial services company that is focused on the delivery of B2B finance products through the retail environment. The business currently operates with market leading retailers and financial institutions in Europe and Australia where it has built a reputation for processing high volumes of low value business finance transactions both quickly and efficiently.



Appendix 4D

Half Year Report of

ThinkSmart Limited

For the Period Ended 30 June 2007

ABN 24 092 319 698

This Half Year Report is provided to the Australian Stock Exchange (ASX) under ASX listing Rule 4.2A.3

Current Reporting Period: Half Year ended 30 June 2007

Previous Corresponding Period: Half Year ended 30 June 2006



RESULTS FOR ANNOUNCEMENT TO THE MARKET

Revenue and Net Profit/(Loss)

		Percentage Change*		Amount \$'000
		%		
Revenue from ordinary activities	up	123%	to	\$17,818
Profit/(loss) from ordinary activities (before IPO costs) after tax attributable to members	up	10,556%	to	\$1,870
Net profit/(loss) attributable to members of the parent entity	down	8,996%	to	(\$1,561)

Dividends (Distribution)

No interim or final dividends were declared or paid for the year ended 31 December 2006.

No interim dividend was declared for the year ended 31 December 2007.

Net Tangible Assets Per Security

	30 June 2007	31 December 2006
	\$	\$
Net tangible assets per security	3.2 cents	-11.0 cents

* ThinkSmart owned only 50% of RentSmart UK during the previous corresponding period and the result to 30 June 2006 does not include revenues or expenses from this segment.

For a brief explanation of the figures above please refer to the Announcement in the results for the half-year ended 30 June 2007. The comments should be read in conjunction with the details and explanations provided herewith.

THINKSMART LIMITED

INTERIM FINANCIAL REPORT

30 JUNE 2007

THINKSMART LIMITED
CONTENTS

	Page
Directors' Report	2
Consolidated interim income statement	4
Consolidated interim balance sheet	5
Consolidated interim statement of cash flows	6
Statement in changes in equity	7
Notes to the interim financial statements	8
Directors' declaration	10
Audit report	11
Auditor's independence declaration	12

THINKSMART LIMITED

DIRECTORS' REPORT

The directors present their report together with the consolidated financial report for the half-year ended 30 June 2007 and the audit report thereon:

DIRECTORS

The directors of the company at any time during or since the end of the half-year are:

Non-executive

P Mansell

Chairman, aged 60, is a legal practitioner, joined the board on 12 April 2007.

S Penglis

Non Executive Director, legal practitioner, aged 47, joined the board on 1 July 2000.

D Griffiths

Non Executive Director, aged 56, is an economist who joined the board on 28 November 2000.

C McDonald

Non Executive Director, aged 44, is a corporate analyst who joined the board on 22 July 2003. Mr McDonald resigned from the board on 11 April 2007.

Executive

N R Montarello

Managing Director, aged 46, joined the board on 7 April 2000.

REVIEW OF OPERATIONS

The period has seen the Group successfully list on the Australian Stock Exchange, raising \$13million in new equity, with investments made by some of Australia's leading institutions. The success of the initial public offering represents an endorsement of the Group's business model and strategic plan to deliver growth in both domestic and international markets.

Highlights for the half-year include:

- Net profit before tax (before IPO costs and intangibles amortisation of \$4.7 million) increasing from \$0.1million at 30 June 2006 to \$3.4million, on track to achievement of the Group 2007 forecast.
- Strong performance from existing territories in UK, Australia and Spain with combined normalised growth on previous corresponding period in settled volumes of 20.2% and total revenue increase of 32.4% delivering EBITDA margin growth of 142%. Volume growth has been achieved through new retailer relationships including JB HiFi in Australia, deepening existing retail relationships and continued focus on key relationships at the retail point of sale leading to increasing rates of penetration. In addition to inertia revenues from UK operations, total revenue has benefited from increased insurance revenues in UK and Australia.
- Negotiations with multiple retailers in France that is expected to result in recommencement of business in this territory during 2008.
- Progress in the development of opportunities in additional territories including the completion of due diligence for Italian operations with operations scheduled to commence during the final quarter 2007.
- Negotiations in US with both funders and retailers continue to progress well with in principle agreement reached with funders and a major US retailer.
- Completion of financial settlement in June 2007 to acquire 50% interest in UK operations previously held by HBoS for a total of £3.05million.
- Completion and implementation of rewrite of core intellectual property "SmartCheck" on schedule and within budget.

Since the end of the half year ThinkSmart has extended its existing funding relationship with Adelaide Bank for a further 5 years and expanded its Australian funding arrangements to include a leading international financier.

THINKSMART LIMITED
DIRECTORS' REPORT

**LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001**

The lead auditor's independence declaration is set out on page 11 and forms part of the director's report for the half-year ended 30 June 2007.

Signed in accordance with a resolution of the directors:



P Mansell
Director
Perth,

28/08/2007

Consolidated interim income statement
For the six months ended 30 June 2007

	Notes	Consolidated	
		30 June 2007 \$	30 June 2006* \$
Revenue		17,818,304	7,994,127
Employee benefits expense		(4,909,638)	(2,474,859)
Sales and marketing costs		(5,096,799)	(2,851,397)
Occupancy costs		(423,623)	(149,280)
Communication costs		(225,049)	(96,818)
Impairment of debts		(27,617)	(41,213)
Legal and Consulting costs		(225,627)	(182,668)
Credit bureau costs		(293,947)	(100,360)
Corporate development costs		(755,307)	(841,716)
Share Option Costs		(26,617)	-
Other expenses		(1,722,243)	(973,200)
EBITDA before capital raising costs		4,111,837	282,616
Finance costs		(443,498)	(39,725)
Depreciation expense		(265,459)	(129,197)
EBTA before capital raising costs		3,402,880	113,694
Amortisation of intangibles		(552,270)	-
Capital Raising costs		(4,184,790)	-
Profit/(Loss) Before Tax		(1,334,180)	113,694
Income tax (expense)/benefit		(229,201)	(96,144)
Profit/(Loss)		(1,563,381)	17,550
Profit/(Loss) for the period Attributable to Shareholders of the Company		(1,563,381)	17,550
Earnings per share			
Basic (cents per share)		-1.7 cents	0 cents
Diluted (cents per share)		-1.6 cents	0 cents

* ThinkSmart owned only 50% of RentSmart UK during the previous corresponding period and the result to 30 June 2006 does not include revenues or expenses from this segment.

The income statement is to be read in conjunction with the condensed notes to the consolidated interim financial report set out on pages 8 to 9.

Consolidated interim balance sheet

As at 30 June 2007

	Notes	Consolidated	
		30 June 2007 \$	31 December 2006* \$
Current Assets			
Cash and cash equivalents		5,575,440	2,756,194
Trade and other receivables		5,675,255	4,797,035
Inventories		62,060	27,185
Other		1,292,304	576,483
Total Current Assets		12,605,059	8,156,897
Non-Current Assets			
Plant and equipment		1,344,491	1,322,055
Intangibles and Goodwill		10,655,161	12,061,258
Deferred tax assets		1,204,868	1,218,226
Total Non-Current Assets		13,204,520	14,601,539
Total Assets		25,809,579	22,758,436
Current Liabilities			
Trade and other payables		6,400,134	13,848,956
Borrowings		1,570,404	797,714
Provisions		738,062	409,681
Total Current Liabilities		8,708,600	15,056,351
Non-Current Liabilities			
Other		155,385	171,668
Borrowings		1,888,574	2,728,991
Deferred tax liability		1,558,099	2,051,170
Total Non-Current Liabilities		3,602,058	4,951,829
Total Liabilities		12,310,658	20,008,180
Net (Liabilities)/Assets		13,498,921	2,750,256
Equity/(Deficiency)			
Issued Capital	8	22,206,689	9,842,393
Reserves		(863,733)	(811,485)
Accumulated losses		(7,844,035)	(6,280,652)
		13,498,921	2,750,256

* Restated – refer Note 4.

The balance sheet is to be read in conjunction with the condensed notes to the consolidated interim financial report set out on pages 8 to 9.

Consolidated interim statement of cash flows
For the six months ended 30 June 2007

	Notes	Consolidated	
		30 June 2007 \$	30 June 2006 \$
Cash Flows from Operating Activities			
Receipts from customers		16,826,246	8,839,904
Payments to suppliers and employees		(14,417,206)	(9,237,793)
Interest received		65,296	20,393
Interest and other costs of finance paid		(287,930)	(23,283)
Net cash provided by operating activities		2,186,406	(400,779)
Cash Flows from Investing Activities			
Payments for plant and equipment		(287,895)	(104,987)
Payment for acquisition of subsidiary		(7,733,466)	-
Net cash used in investing activities		(8,021,361)	(104,987)
Cash Flows from Financing Activities			
Hire purchase and lease finance repaid		(20,949)	(18,820)
Proceeds from exercise of options		-	1,368,866
Proceeds from share issue		12,391,031	-
Payments for IPO costs		(2,997,885)	-
Proceeds / (Repayment) of borrowings		37,821	(231,180)
Net cash used in financing activities		9,410,018	1,118,866
Net increase in cash and cash equivalents		3,575,063	613,100
Cash and cash equivalents at beginning of the financial year		2,000,378	698,021
Net Cash and cash equivalents at the end of the financial year		5,575,441	1,118,866

The statement of cash flows is to be read in conjunction with the condensed notes to the consolidated interim financial report as set out on pages 8 to 9.

Statement of Changes in Equity for the 6 months ended 30 June 2007

	Fully paid ordinary shares \$	Equity settled employee benefits reserve \$	Foreign currency translation reserve \$	Option buy-back reserve \$	Accumulated Losses \$	Attributable to equity holders of the parent \$	Minority interest \$	Total \$
Balance at 1 January 2006	6,723,526				(6,406,835)	316,691		316,691
Profit for the period					17,550	17,550		17,550
Total recognised income and expense					(6,389,285)	334,241		334,241
Recognition of share-based payments								
Issue of shares under share option plan	1,368,866					1,368,866		1,368,866
Balance at 30 June 2006	8,092,392				(6,389,285)	1,703,107		1,703,107
Balance at 31 December 2006	9,842,393	37,434	(227,847)	(621,072)	(9,207,104)	(264,930)	88,734	(176,196)
Correction of error Note 4)					2,926,452	3,015,186	(88,734)	2,926,452
Restated balance at 31 December 2006	9,842,393	37,434	(227,847)	(621,072)	(6,280,652)	2,750,256	0	2,750,256
Exchange differences arising on translation			(78,865)			(78,865)		(78,865)
Loss for the period					(1,563,381)	(1,563,381)		(1,563,381)
Total recognised income and expense			(78,865)		(1,563,381)	(1,642,246)		(1,642,246)
Recognition of share-based payments		26,617				26,617		26,617
Issue of shares	12,364,296					12,364,296		12,364,296
Balance at 30 June 2007	22,206,689	64,051	(306,712)	(621,072)	(7,844,033)	13,498,921	0	13,498,921

The statement of changes in equity is to be read in conjunction with the condensed notes to the consolidated interim financial report as set out on pages 8 to 9.

THINKSMART LIMITED
DIRECTORS' DECLARATION

1. Reporting entity

ThinkSmart Limited (the "Company") is a company domiciled in Australia. The consolidated interim financial report of the Company as at and for the six months ended 30 June 2007 comprises the Company and its subsidiaries (together referred to as the "consolidated entity") and the consolidated entity's interests in associates and jointly controlled entities.

The consolidated annual financial report of the consolidated entity as at and for the year ended 31 December 2006 is available upon request from the Company's registered office at Level 1, 1260 Hay Street, West Perth or at www.thinksmartworld.com.

2. Statement of compliance

The consolidated interim financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards AASB 134 *Interim Financial Reports* and the Corporations Act 2001.

The consolidated interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the consolidated entity as at and for the year ended 31 December 2006.

This consolidated interim financial report was approved by the Board of Directors on 28 August 2007.

3. Significant Accounting Policies

The accounting policies applied by the consolidated entity in this consolidated interim financial report are the same as those applied by the consolidated entity in its consolidated financial report as at and for the year ended 31 December 2006.

4. Estimates

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Except as described below, in preparing this consolidated interim financial report, the significant judgements made by management in applying the consolidated entity's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 31 December 2006.

Finalisation of acquisition accounting

During the six months ended 30 June 2007 management finalised its provisional determination of intangibles acquired as part of a business combination transaction at 1 December 2006, resulting in a reduction in value of intangible assets attributed to distribution network of \$1.4 million, a reduction in deferred tax liability of \$0.4 million and an increase in goodwill of \$1.0 million.

There has been a positive adjustment in retained earnings as a result of an error in the acquisition accounting at 31 December 2006, the correction of which increases goodwill by \$2,837,718 with an adjustment to retained earnings of \$2,926,452 and minority interest of (\$88,734). There was no impact on the current or prior period profit.

THINKSMART LIMITED
DIRECTORS' DECLARATION

5. Financial risk management

The consolidated entity's financial risk management objectives and policies are consistent with that disclosed in the consolidated financial report as at and for the year ended 31 December 2006.

6. Segment reporting

For the six months ended 30 June

The consolidated entity operates predominantly in one industry being the arranging of rental finance for equipment, and in two geographical areas, Australia and Europe.

Geographical Segments	Revenue from external customers		Segment result	
	30 June 2007	30 June 2006*	30 June 2007	30 June 2006*
	\$	\$	\$	\$
Australia	7,676,459	5,875,713	1,781,329	756,035
Europe	10,141,845	2,118,414	2,403,475	199,375
Total	17,818,304	7,994,127	4,184,804	955,310

* ThinkSmart owned only 50% of RentSmart UK during the previous corresponding period and the result to 30 June 2006 does not include revenues or expenses from this segment. Unallocated expenses includes corporate development expenditure and amortisation of intangibles.

7. Income tax expense

The consolidated entity's consolidated effective tax rate in respect of continuing operations for the six months ended 30 June 2007 was -17 percent. The difference to the prima facie tax rate of 30% is primarily a result of certain capital raising costs being not allowable as a tax expense.

8. Share Capital

	Number	\$
<i>Fully Paid Ordinary Shares</i>		
Balance at 1 January 2006	20,333,336	6,723,526
Issue of new shares following exercise of options	912,577	1,368,867
Balance at 30 June 2006	21,245,913	8,092,393
	Number	\$
<i>Fully Paid Ordinary Shares</i>		
Balance at 1 January 2007	22,245,913	9,842,393
Share split 4:1 on 1 June 2007	66,737,739	-
New shares issues on 1 June 2007	6,046,512	12,364,296
Balance at 30 June 2007	95,030,164	22,206,689

THINKSMART LIMITED
DIRECTORS' DECLARATION

A total of 6,046,512 additional shares were issued on 1 June 2007 for total consideration of \$13,000,000.80 resulting in a net increase in the value of share capital of \$12,364,296 after capital raising costs, net of tax benefit.

The directors declare that:

- a) In the directors' opinion, there are reasonable grounds to believe that the company will be able to repay its debts as and when they become due and payable; and
- b) In the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with Accounting Standard AASB 134 *Interim Financial Reporting* and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the Directors



P Mansell
Director
Perth,

28/07/2007



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of ThinkSmart Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half year ended 30 June 2007 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

D P McComish
Partner

Perth
28 August 2007



Independent auditor's review report to the members of ThinkSmart Limited

Report on the financial report

We have reviewed the accompanying half-year financial report of ThinkSmart Limited, which comprises the consolidated interim balance sheet as at 30 June 2007, income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, a description of accounting policies and other explanatory notes and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 30 June 2007 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of ThinkSmart Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of ThinkSmart Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2007 and of its performance for the half-year ended on that date; and



- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001.

A handwritten signature in black ink, appearing to read 'KPMG'.

KPMG

A handwritten signature in black ink, appearing to read 'D P McComish'.

D P McComish
Partner

Perth
28 August 2007