THINKSMART

Full Year Results 2012

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Highlights

- Financial results have turned the corner with a return to profit in H212
- Loss after tax for FY12 of $1.4m, in line with guidance
- Strong results from the UK business with record levels of new business and a 26% growth in profit
- Transformational year for the Australian business with foundations for growth now in place
- Good progress on *Fido*: extended agreement with JB Hi-Fi marks a key milestone in the evolution of the product
- Australian rental product impacted by challenging consumer electronics sector in 2012
- Improved operational efficiency with enhanced asset quality and lower fixed costs following restructure
- Total cash assets of $18.6m, with $6.0m in available cash at 31 December 2012, and no corporate debt
- Outlook reaffirmed: significant double digit growth in new business volumes and for a return to full year profit in 2013

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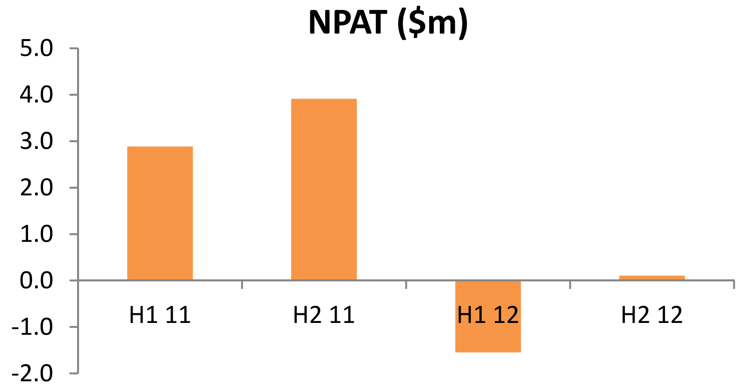
Financial Performance

Financial Performance

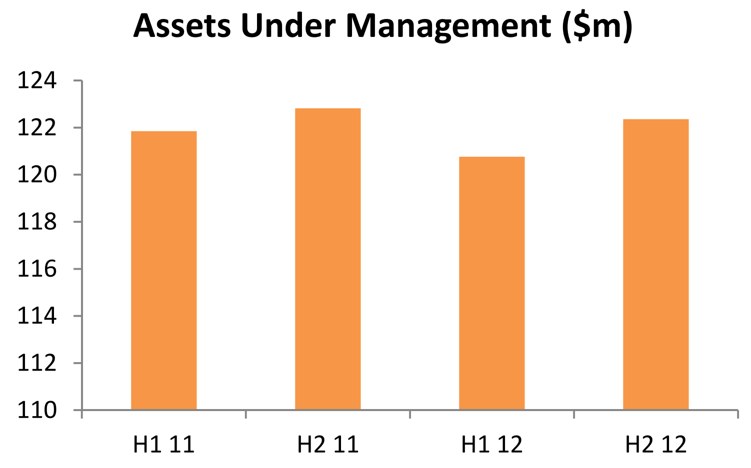
- NPAT loss of $1.4m is consistent with guidance
- Strong performance from the UK business – profit up 26% from FY11
  - New business volumes up 58% with positive take-up of *Infinity*
- Group results adversely impacted in 2012 by the Australian business
  - Costs of building a more profitable and sustainable business
  - Finalisation of securitisation funding platform and move to lease accounting
  - Launch of *Fido* to diversify the product set and customer base
- Challenging environment for electronic retailers in Australia
- Financial results have turned the corner – return to profit in H212
  - Full year profit expected in 2013



	FY 11	FY 12	%
Total Revenue	46.4m	39.7m	-14%
Net Profit After Tax	6.8m	-1.4m	-121%
EPS	5.2c	-0.9c	-117%

Assets Under Management

- Assets Under Management flat year-on-year at $122m, with growth of 2% in H212
- New originations increased by 15% due mainly to record levels of new business in the UK (up 58% year-on-year)
- New originations in Australia down by 13% due to the challenging retail environment, with rental product decline of 29% offsetting new *Fido* business
- Change in product mix evident in the broader reach – more customers are contracting at lower transaction values
  - *Infinity* ATV of $719 as 43% of originations (by value) are for tablet devices
  - Product deflation and some deep discounting of computing products impacted *RentSmart* ATV (down by 12% to $1,413)



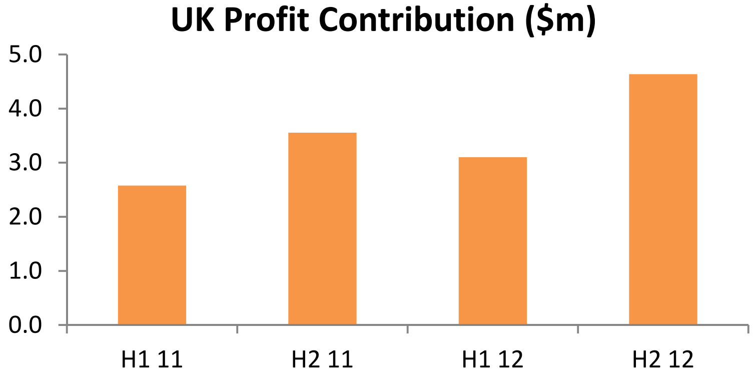
	FY 11	FY 12	%
Closing Assets Under Mgmt [1]	122.8m	122.4m	0%
New Originations [2]	42.6m	48.8m	15%
Active Customers	78.8k	103.6k	31%
Average Transaction Value [2]	$1,501	$1,044	-30%

1 Assets Under Management represent the total rental and loan receivables in UK and Australia

2 2011 restated to exclude originations from territories exited in 2011

Strong performance from the UK

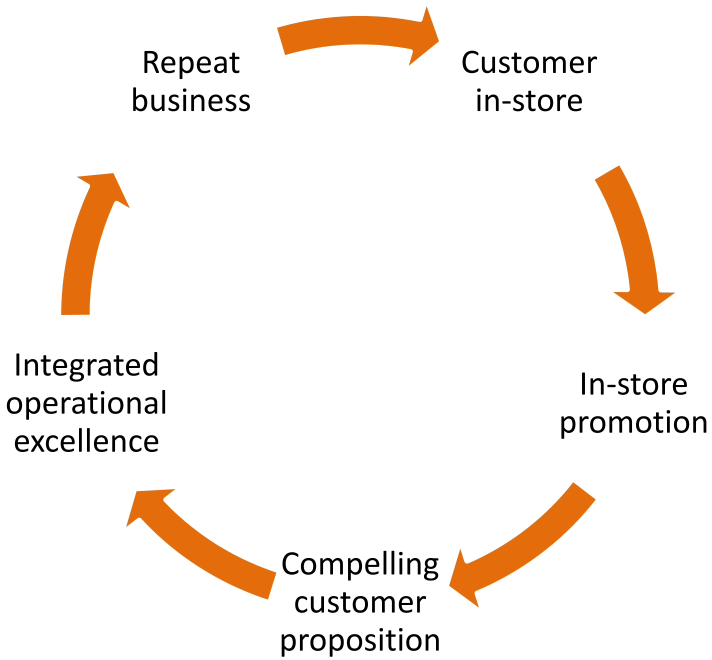
- Strong growth across all key metrics
  - Levels of new originations up 58% on FY11
  - Profit contribution up 26% on FY11
  - Cash generation up 72% on FY11
- Growth driven by *Infinity* product (B2C) with positive trajectory through the year: 61% of *Infinity* 2012 volumes generated in H212
- Valuable and mutually beneficial partnership with Dixons, which continues to increase its market share in the UK
- Continuing trial of ThinkSmart Business Leasing product
- Operating costs flat year on year, despite growth in volumes
  - Benefits of scalable model: efficiencies have been invested in the consumer proposition and marketing to help drive further volume growth

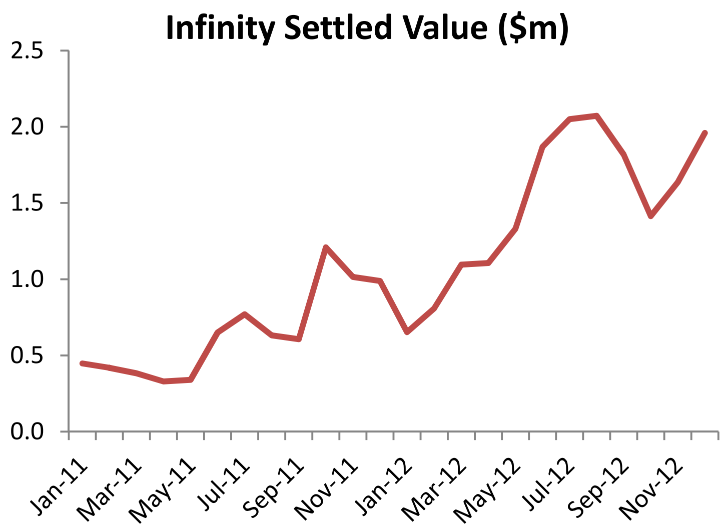


	FY 11	FY 12	%
Segment Revenue	14.8m	18.9m	28%
Profit Contribution [1]	6.1m	7.7m	26%
Closing AUM	35.5m	46.8m	32%
New Originations	16.7m	26.4m	58%

1. Segment contribution before allocation of corporate overheads

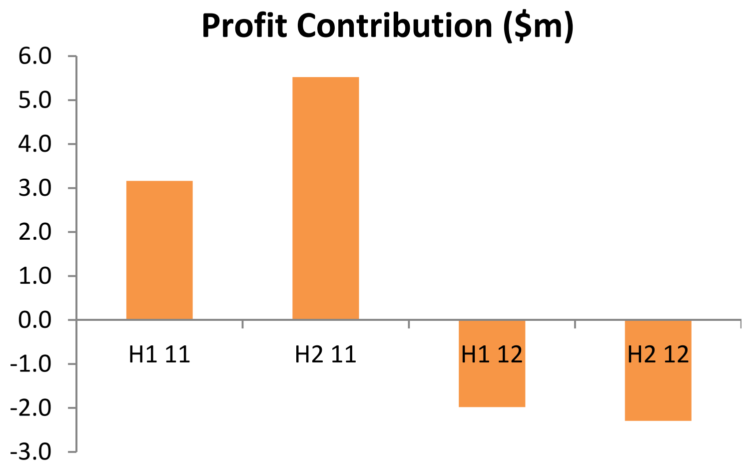
Growth from *Infinity* product





Challenging year for Australian business

- Difficult year of transformation has been exacerbated by a challenging trading environment
- Two key strategic developments finalised during 2012 – (i) move to securitisation funding model and the implementation of lease accounting, and (ii) launch of payment plan product, *Fido*
- Value of new rental originations down by 29% in FY12
- *Fido* contributed $3.0m of new originations in the last four months of 2012 – and $1.2m in January 2013
- Financial result includes the cost of establishing and launching *Fido*
- Restructure completed in November which aligned the cost base to new business volumes



	FY 11	FY 12	%
Segment Revenue	30.1m	20.6m	-32%
Profit Contribution [1]	8.7m	-4.3m	-149%
Closing AUM	87.3m	75.6m	-13%
New Originations	25.9m	22.4m	-14%

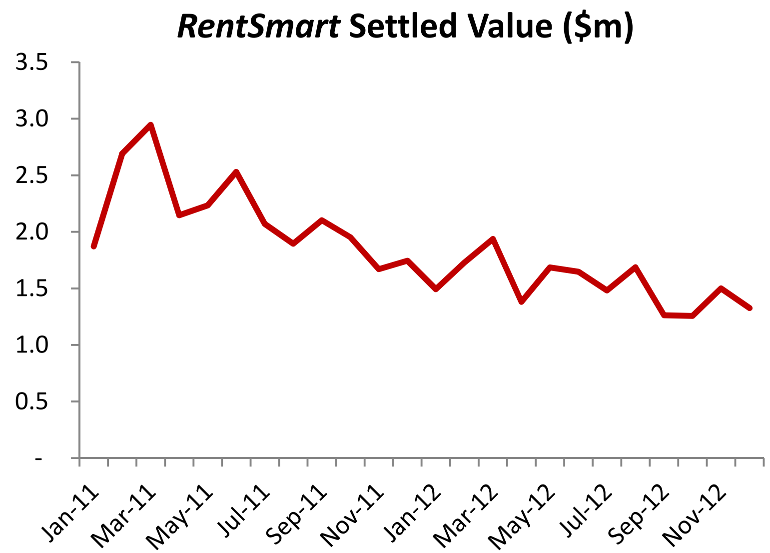
1. Segment contribution before allocation of corporate overheads

RentSmart in 2012

- Difficult trading conditions have impacted *RentSmart* sales in 2012:
  - Product: lower priced computing products and higher sales of tablets
  - Retailer: significant disruption during 2012, including the sale of Dick Smith, leading to deeper discounting

- No change to the attractive margins from the rental product

- End of term inertia income remains a valuable component of the rental product economics



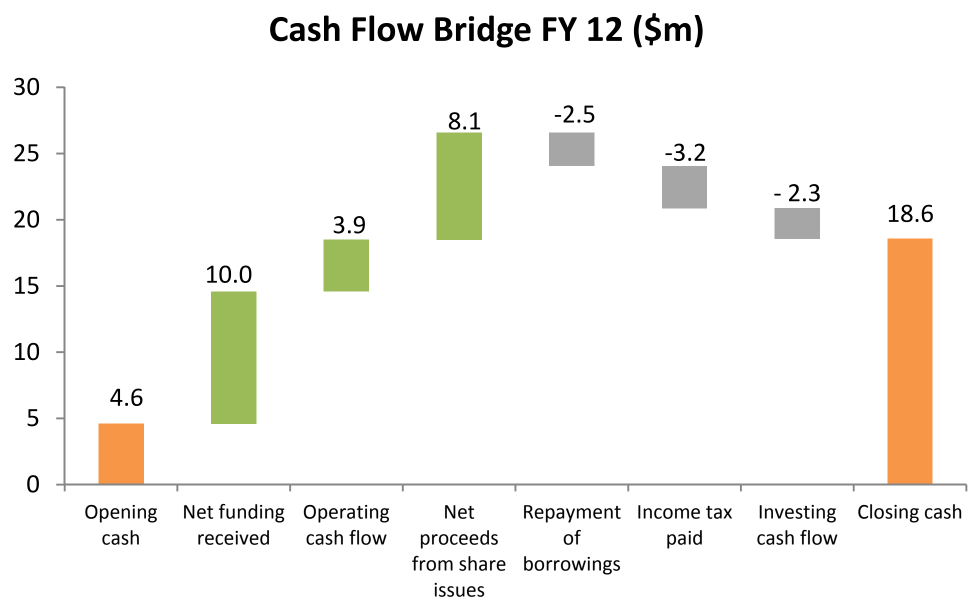
Balance sheet

- Balance sheet reflects the transition to securitisation in Australia
  - Lease receivables of $62.4m in respect of rental products
  - Cash invested in funding arrangements of $12.6m
- No corporate borrowings – fully repaid in H212
  - Restructured securitisation programme in H212 to reduce subordination with the proceeds used to repay corporate borrowings
  - Available cash at the end of December of $6.0m
  - Undrawn corporate facilities of $5.8m
- Opportunity to improve the capital efficiency of our funding platforms
  - Improving asset quality and loss performance is expected to lead to lower levels of subordination
- Equity raising completed in March 2012 raising $8.1m (net)

Consolidated Balance Sheet ($000s)	31-Dec-11	31-Dec-12	Change %
Cash and cash equivalents	4,610	18,568	303%
Trade and other receivables	9,930	2,803	-72%
Lease receivables	66,425	62,414	-6%
Goodwill and intangibles	14,228	17,707	24%
Other assets	12,988	13,453	4%
Total Assets	**108,181**	**114,945**	
Trade and other payables	6,903	6,641	-4%
Borrowings	2,427	-	-100%
Other interest bearing liabilities	53,722	54,363	1%
Other liabilities	4,863	5,920	22%
Total Liabilities	**67,915**	**66,924**	
Total Equity	**40,266**	**48,021**	

Cash Flow

- Closing cash of $18.6m includes investments in funding arrangements of $12.6m and available cash of $6.0m
- Operating cash generation of $3.9m
- Significant investment during the period in sales and marketing to support new product launches
- Investment in infrastructure continues with $2.3m invested in the establishment of new funding facilities and the development of online capability
- No dividend declared in respect on FY12



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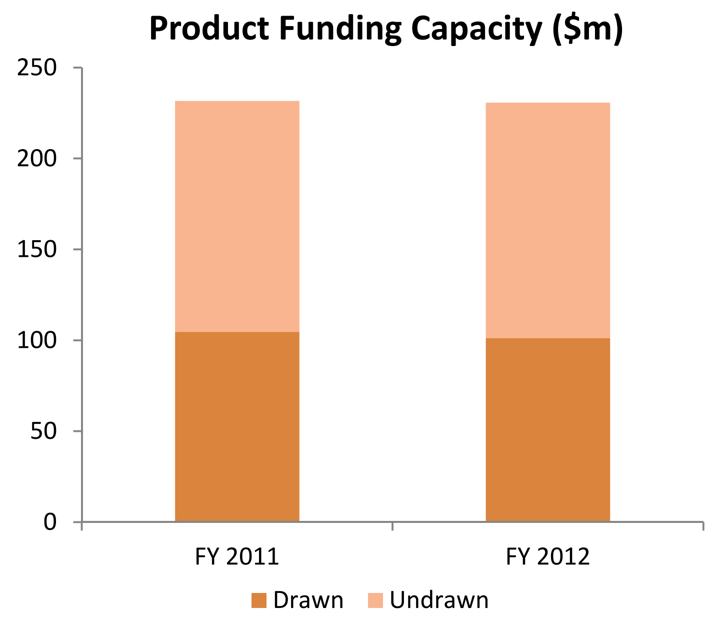
Well Placed for Growth

Building long term value

Foundations in place: Funding

- Significant funding facilities in place meaning that funding is sufficient to meet volume expectations in 2013
- Terms likely to improve as lower losses lead to lower capital requirements
- Existing agreements with multiple funders provide the flexibility to add new products into existing facilities



Foundations in place: Positive launch of *Fido*

- Value of new *Fido* business: $3.0m in last four months of 2012
  - Funded value of $1.2m in January 2013
  - Attractive return on investment

- Encouraging early performance across a range of important metrics
  - Broad and expanding range of categories
  - Good loss experience
  - High repeat business potential

- Successful January promotion in JB Hi-Fi indicative of the positive feedback received from both retailers and customers

***Fido*: Indicative Return on Investment**

	$
Funded value	2,000
Average term	18 months
Subordination from ThinkSmart	411
Gross contribution[1]	**171**
Return on Investment	**42%**

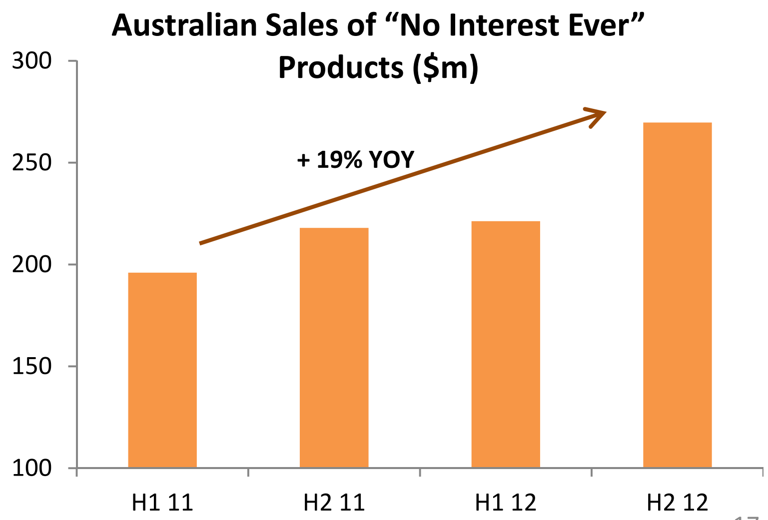
1. Contribution excludes overhead costs and indirect marketing costs

Fido – prospects are transformational

- High growth sector of consumer finance
  - Only one equivalent “no interest ever” product in Australia
  - Highly attractive to both retailers and customers

- Retailer acquisition will be the key source of *Fido* growth
  - Multiple sectors targeted for expansion in 2013

- Steady growth in *Fido* volumes expected
  - In 2013, first full year of trading, *Fido* is expected to generate higher origination values than *RentSmart*
  - Positive profit contribution in 2013 due to low fixed costs and highly scalable model



RentSmart in 2013

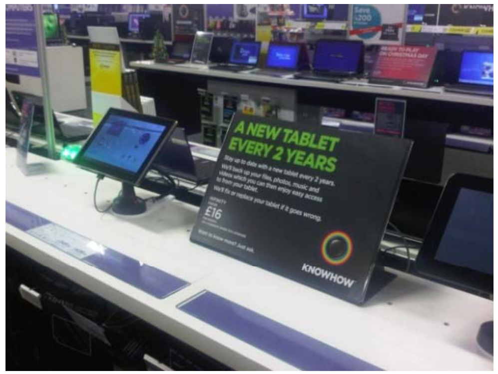
- Success of *Infinity* in the UK illustrates the potential of rental products when product, retailer and market forces combine
- Continuing relevance to retailers evidenced by the extension of the operating agreement with JB Hi-Fi to late 2015
- Strategic product review is underway and is designed to increase the appeal of *RentSmart* product and build volumes
  - Opportunities to increase the volume of business transacted online and to drive more repeat business
- Outlook is for *RentSmart* volumes to be flat year-on-year

Foundations in place: Distribution network

- Managing retailer relationships for mutual success is a core strength of the business
- JB Hi-Fi deal renewed and now expires in second half of 2015
  - Operating agreement extended to include both *RentSmart* and *Fido*
- Retailer acquisition will be the key source of *Fido* growth in 2013
  - Maximising business levels from existing retail partners
  - Acquiring new retailers from existing sectors
  - Acquiring new retailers in new sectors

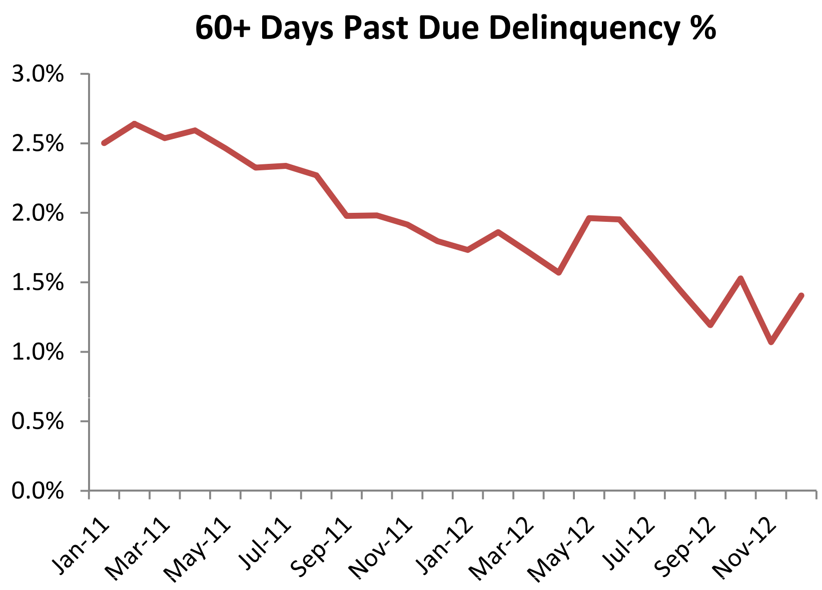
Dixons case study

- Exclusive arrangement with Dixons, the largest electronic retailer in the UK:
  - $6 billion annual group sales
  - Over 500 stores in UK and Ireland
- Long-term and established partnership which runs to 2015
  - Original contract has already been renewed three times
- Successful relationship with aligned goals – Dixons focussed on building its value added services business
- Strong results in 2012 with *Infinity* providing year-on-year growth of 129%



Foundations in place: Improving asset quality

- Credit performance continues to improve – over the last two years the level of arrears has reduced by over 40%
  - Positive early results from *Fido* portfolio with homeowners making up the majority of customers
- Results include the benefits of the on-going investment programme to enhance in-house underwriting capability
- Positive trend expected to continue for at least a further 12 months as the benefits of the investment fully materialise and positive credit scoring is implemented
- Significant benefits from improving loss rates – in profitability and future capital efficiency



Priorities for 2013

- Acquisition of new *Fido* retailers
- *RentSmart* product review
- Expand online distribution

- Maintain momentum in Dixons
- Expand distribution and categories
- Diversify sources of funding

Expand B2B businesses

Operational efficiency

Resource management

Significant medium term growth potential

Lease accounting	• 2013 financial results will include income from business written in 2012 and 2013
Volume growth – Australia	• On track to build a valuable position in the established and fast-growing Australian payment plan market
Volume growth - UK	• Maintain the existing growth momentum – 2013 expected to provide further growth in sales volumes and profit contribution
Scalable business model	• Investment in operational capability largely complete • New products can be launched with a small fixed investment

Summary and guidance for 2013

- Goals are unchanged: to build a leading international financial services business which provides innovative products at point-of-sale in partnership with multi-channel retailers
- 2012 was a difficult but transformational year; the foundations for sustainable growth have been established and the business returned to profit in H212
- Clear set of business priorities: to diversify and expand our products and customer base
- Strong momentum set to continue in the UK with continued growth in 2013 in both sales volume and profit
- Promising launch of *Fido*; increasing the number of distribution partners is an important priority for 2013
- Outlook is for significant double digit growth in new business volumes and for a return to full year profit in 2013. Profits expected to be weighted to H213 due to the steady build up of volumes and the seasonality of the business