

A man in a dark blue shirt stands in a modern office with large windows overlooking a city skyline. The text 'THINKSMART' is overlaid on the image.

THINKSMART

**2007 - Full Year Results Presentation:
26 February 2008**

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1. ThinkSmart Overview

- International B2B finance specialist (ASX:TSM).
- Provides on-the-spot finance for small businesses within the retail store environment for computer and office equipment.
- Products fill the gap between credit card & bank loan for Small businesses.
- Provides retail partners with highly attractive gross margin solution.
- Partnered with leading international retailers and funders.
- Currently operating in 4 countries - exposure to over 125m people and 8m small businesses.
- Targeted to be operating in 7 countries by the end of 2008 exposing the business to a further 360m people and 27m small businesses.
- Operations centres in Australia and Europe employing circa 150 people.



2. Prospectus Scorecard

- **Exceeded Prospectus forecasts:**
 - ✓ EBITDA - \$8.3m
 - ✓ NPAT - \$5.1m (pre amortisation and IPO costs)
 - ✓ Total Revenue - \$36.3m
 - ✓ New Customers – 28,584
 - ✓ Improved penetration of partners' businesses

- **Delivered new revenue lines not contemplated in prospectus forecasts:**
 - ✓ Secured relationship with Office Depot to launch in US market
 - ✓ Extended agreement with JB Hi-Fi
 - ✓ Resecured Officeworks for new 3 year term
 - ✓ Expanded into New Zealand
 - ✓ Introduced new revenue line via Warranty Support Programme with DSE
 - ✓ Scheduled to launch in Italy in March

3. Performance Update

Exceeded Full Year Prospectus Forecast

	FY Actual 2007	FY Forecast 2007
Settled volume	28,584	26,538
Total Revenue	\$36.3m	\$35.9m
EBITDA (pre IPO costs)	\$8.3m*	\$8.1m
NPAT (pre amortisation and IPO costs)	\$5.1m	\$5.0m
NPAT	\$0.7m	\$0.6m

* Save for \$400k negative FX impact, EBITDA would have been \$8.7m

3. Performance Update

Growth on Previous Corresponding Period (2006 normalised for UK)

	FY 2007	FY 2006	% change
Settled volume	28,584	22,283	+28%
Total Revenue	\$36.3m	\$26.8m	+35%
EBITDA (pre IPO costs)	\$8.3m	\$1.7m	+380%
EBITDA Margin (pre Corp Dev costs)	28%	13%	+118%

3. Performance Update

Territory Performance to Prospectus

	2007 Actual	2007 Prospectus	Difference
EBITDA			
- Europe	7.3	7.4	(0.1)
- Australasia	3.9	3.5	0.4
- Corporate Development	(2.3)	(2.8)	0.5
- Currency	(0.4)	-	(0.4)
- Spain Insurance	(0.2)	-	(0.2)
TOTAL EBITDA	8.3	8.1	0.2
SETTLEMENTS			
- Europe	16,901	17,595	-4%
- Australasia	11,684	8,943	+31%

3. Performance Update

Growth from Existing Territories*

Volume
Contribution

United Kingdom

- Revenue up 38% to £7.1m
- EBITDA up 664% to £2.5m
- EBITDA margin up 29% to 35%
- Gross margin up 11% to 72%
- Volumes up by 11%
- ATV 2% below forecast

46%



Australia

- Revenue up 43% to \$16.3m
- EBITDA up 62% to \$3.8m
- EBITDA margin up 2% to 23%
- Gross margin down 2% to 58%
- Volumes up by 55%
- ATV 5% below forecast

41%



Spain

- Revenue up 21% to €2.3m
- EBITDA up 100% to €0.45m
- EBITDA margin up 8% to 20%
- Gross margin up 1% to 31%
- Volumes up by 26%
- ATV 9% below forecast

13%



*growth compared to previous corresponding period.

4. Strategic Advantages

- **Third party funding model**
 - › Sourced from a number of Australian and international banks.
 - › Each transaction funded on terms agreed at inception - no refinancing risk.
 - › Interest rate risk on existing contracts rests with funders.
 - › Increasing rates offset by re-pricing to customer.

- **Continued support from long term funding relationships**
 - › **Australia:**
 - Adelaide Bank facility extended for 5 years in August 2007.
 - Second Australian funder commenced funding in December 2007.
 - › **United Kingdom:**
 - UK funding arrangements consolidated following JV buyout of HBoS. Agreement to 2011.
 - › **Spain & Italy:**
 - Funding with Banco Santander. Agreement to 2010 (Spain). 2011 (Italy)
 - › **North America:**
 - Funding agreement executed with top 20 US bank. Two year agreement from Stage 3 (national roll-out)



4. Strategic Advantages

- Softer retail trading environment increases partners' focus on ThinkSmart's contribution to retail margins:
 - › In 11 weeks to 29 December 2007, PC World like for like sales fell 10% (DSGi stock exchange release dated 3 January 2008).
 - › In the same period RentSmart UK like for like volumes increased 15%.
 - › RentSmart UK like for like unit sales growth exceeds PC World B2B unit sales growth by a factor of 2-3 times in 2007.
 - › RentSmart growth factor is higher when PC World growth is lower.

5. Growth Strategies

Expanding the International Footprint: USA

- ThinkSmart will have a staged launch in the US with Office Depot from Q2 2008.
- Secured three year agreement (from stage 3 roll-out) with Office Depot:
 - › One of the world's largest office equipment retailers
 - › 1,183 stores across North America
 - › US\$15bn turnover
 - › Office Depot Exclusive to ThinkSmart
- Funding
 - › Secured two year agreement (from stage 3 roll-out) with Top 20 US bank.
- Branding
 - › Product branded for Office Depot: "SmartWayLeasing – Powered by ThinkSmart"
- Market
 - › 300 million people.
 - › 23 million small businesses



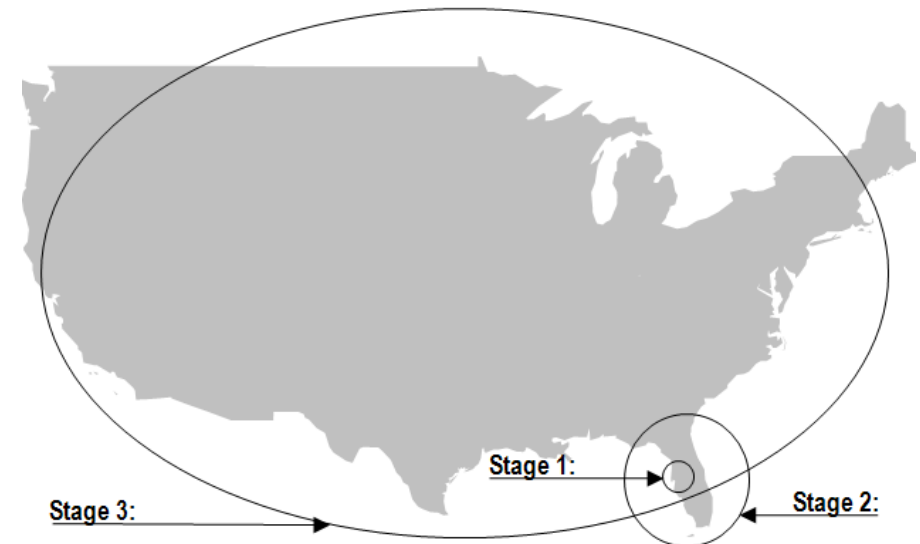
5. Growth Strategies

Roll-Out Strategy: USA

- **Stage 1**
 - › On track to roll-out across 21 stores in one district in Florida. Q2 2008
 - › Australian GM to head up US operations
 - › Fully automated online, in-store application process
 - › Support service delivered from UK call centre operation akin to strategy for servicing Spain, France & Italy
- **Stage 2**
 - › Roll out targeted to expand to circa 132 stores across Florida
- **Stage 3**
 - › Subsequent national expansion across all 1,183 stores. Targeted for Q1 2009
 - › Ongoing infrastructure will be rolled out with Stage 3

- **Financial Impact**

- › ThinkSmart confirms, consistent with expectation, US 2008 operating EBITDA of **-\$1.6m**
- › Not in prospectus forecasts



5. Growth Strategies

Continued Growth Through Existing Channels

■ UK

- › 2007: Proven performance in backdrop of soft trading conditions
- › Continuing double digit growth
- › Businesses have never been more aligned
- › Inertia revenue lines proven
- › Insurance model proven



■ Spain

- › Continued store expansion
- › Insurance product roll out in January 2008
- › Strong year on year volume growth
- › Commencement of Inertia



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5. Growth Strategies

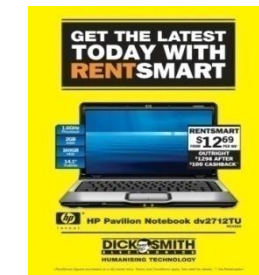
Continued Growth Through Existing Channels

■ Australia

- › Deepening Retail relationships – 90+% of volumes from top 4 retailers:
 - *JB Hi-Fi Group*: Strong first 11 months with JB Hi-Fi delivering above expectation performance in 07.
 - *Officeworks Group*: New 3 year agreement targeted to deliver increased penetration. Not in the prospectus forecasts post September 2007.
 - *Dick Smith Group*: Strong year of trade. Significant momentum in programme. Introduction of Warranty as new income line.
- › **Warranty Product**
 - Commences March 2008.
 - Compliments existing rental product
 - Low risk, high margin, commission based revenue stream.
 - Opportunity to expand globally.



the warranty group™



5. Growth Strategies

Expanding the International Footprint

Italy

- Soft Launch initially in 4 stores
- Across all 15 stores by end of March
- Not in prospectus forecasts
- Establishment costs incurred, staffed and ready to go



France

- In negotiations with multiple retailers: strong interest from several retail groups in B2B segment
- Retailer exclusivity will not be offered in this territory
- Not in prospectus forecasts
- Establishment costs incurred, staffed and ready to go



New Zealand

- Launched with JB Hi-Fi in New Zealand (4 stores)
- Expanded to 11 Hill & Stewart (JB Hi-Fi owned) stores in Dec 2007
- Not in prospectus forecasts
- Target to add more partners in 2008



6. 2008 Outlook


















- ✓ Maintain 2008 prospectus EBITDA forecast of \$16.7m before net operating result for North America operation.
- ✓ ThinkSmart confirms, consistent with expectation, US 2008 operating EBITDA expected to be -\$1.6m. Sees ThinkSmart trading in circa 132 Office Depot stores in Florida.
- ✓ Group trading result during January & February on Budget.
- ✓ Introduction of new product lines such as warranty and increased trading volumes from multiple territories, will have a positive impact in offsetting a strong Australian dollar on overseas earnings. (FX earnings translation impact estimated to be circa \$1.8m.)
- ✓ Warranty revenue in Australia commencing March 2008 and will be material for Australian EBITDA growth. In discussions to broaden offer to other retail partners globally.

Continued...

6. 2008 Outlook continued

- ☑ Italy – business will commence in early March 2008. Outlook for store growth is positive.
- ☑ France – remains a strong growth opportunity in 2008.
- ☑ NZ – currently operating in 15 stores with additional retailers to come on stream in 2008.
- ☑ Interest rates – Reducing rates in UK offset increasing rates in Australia.
- ☑ Average transaction values (ATV) in Europe impacted by weak USD and tight trading environment. Australia ATV impacted by retailer mix – higher volumes from retailers delivering lower average ATV which is factored into forecasts.

7. Appendix: Partners & Markets Snapshot

		# Stores	Launched	Contract to	Description	Funding Partner
United Kingdom		160+	2003	2011	Exclusive 2-way relationship Umbrella agreement for Europe	
Australia		350	1996	2011	Long-term exclusive working relationship	 Plus 1 undisclosed International Funder
					New relationship this year	
		77	2007	2011	Trading performance at the upper end of expectations	
	  	125	1998/99	2011	New agreement delivers revenue not forecast in prospectus	
New Zealand	 	15	2007	2011	Launched with JB Hi-Fi Group Targeting to add more partners in 2008	Stage 1 - low volumes and self funding Stage 2 – appoint NZ funder
Spain		36	2005	2011	Exclusive 2-way relationship	
Italy		15	2008	2013	Exclusive 2-way relationship	
France					Targeting to recommence in 2008	
USA		1,183	Launching 2008	2012	Exclusive Relationship	Top 20 US bank



THINKSMART

The smart way to do business.