

21 May 2010

THINKSMART
The smart way to do business.

Company Announcements
Australian Securities Exchange
Level 10, 20 Bond Street
SYDNEY NSW 2000

Dear Sir / Madam

The Board of ThinkSmart Limited advises that at the Annual General Meeting of Shareholders held today all resolutions were passed on a show of hands.

Proxy votes were cast as follows:

Resolution 1: Adoption of Remuneration Report

For	Discretionary	Abstain	Against
42,507,326	11,000	444,871	86,500

Resolution 2: Election of Mr Fernando de Vicente as Director

For	Discretionary	Abstain	Against
43,038,697	11,000	-	-

As previously advised on 7 April 2010 Peter Mansell retired from the ThinkSmart Board at the meeting. The Board thanked Peter for his contribution through ThinkSmart's first 3 years as a public company. Peter's experience has been invaluable through the Company's transition to public life and he leaves a strong legacy with the Board.

Attached is the Chairman's address delivered at today's meeting.

Yours faithfully



Neil Barker
Company Secretary
ThinkSmart Limited

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THINKSMART LIMITED
CHAIRMAN'S ADDRESS ANNUAL GENERAL MEETING
Friday, 21 May 2010 at 2.30pm

2009 was a positive year for ThinkSmart.

We made some sound strategic decisions in the latter half of 2008 to manage our business through what has been a very tough global retail trading period.

This saw us implement a suite of sustainable operating developments to improve scalability and reduce our cost of doing business.

It also saw us strengthen our global position, adding new funding and distribution relationships across Europe.

As a result, for the Financial Year ended 31st December 2009, ThinkSmart delivered a record full-year EBITDA (excluding nonrecurring items) of \$12.2 million, exceeding market expectations.

NPAT grew by 61% to \$5.2m, and Cash NPAT grew 54% to \$7.5m.

Gross Margins grew 4% which, in combination with a 14% reduction in our costs of doing business, saw us grow EBITDA Margin by 26%.

On a territory level, our 14 year old Australian business delivered exceptional growth with a 61% increase in EBITDA.

In the UK, where the economy has been trading deep in recession, we posted a very respectable 5% EBITDA growth and we also maintained profitability in our Spanish business.

ThinkSmart remains net debt free and we paid a final dividend of 2.0 cents per share fully-franked to shareholders last month, taking 2009's total dividends to 3.5 cents.

All in all, 2009 was a strong year in which we delivered a record profit. The model proved it's resilience through the challenges of the global economic downturn, and we also reinforced that ThinkSmart is, and continues to be, a growth company.

ON TRACK FOR GROWTH

During FY 2010, ThinkSmart is maintaining its target of a 20% growth in EBITDA, weighted to the second half, through a set of strategies that will see us continue to grow our distribution channels, improve our core product offerings and improve our product delivery, and assuming that there is not a material deterioration in macroeconomic settings in Australia or the UK.

Our business is executing well against these strategies and we have delivered strong like-for-like EBITDA growth through the first quarter of this calendar year.

More than 95% of the group's EBITDA is generated from its Australian and UK operations.

Australia has notably achieved a significant like-for-like gain in applications as a result of our enhanced consumer rental product. The business delivered above EBITDA expectation in the first quarter with April and May, whilst softer, still positive to budget and sound year-on-year growth.

In the UK we are seeing the benefits of our new funding agreement with Secure Trust Bank and a rebuilding of the business channel in the PC World stores which has contributed to a particularly strong May after a subdued first four months.

Across mainland Europe we've achieved strong like-for-like growth from a low base in Spain with our expanded distribution channels. In Italy we expect to quickly see the benefits of the addition of the 200 store Computer Discount chain to our retailer mix when it launches next month.

Although these markets currently account for less than 5% of our EBITDA, we are able to operate in them by leveraging our low cost operating base in the UK.

We have strong, secure funding and retail relationships and these territories present as solid opportunities for us to continue our strategy of expanding our distribution channels to position the business well for a future recovery in European markets.

ENTRY INTO THE CONSUMER RENTAL MARKET IN THE UK

I will detail more on our core growth strategies for 2010 in a moment, but first I want to take some time to talk to the opportunity we are now presented with to enter into the consumer rental market in the UK.

As you would be aware, earlier this week we signed a 5 year, exclusive agreement with DSG International, to launch a consumer rental product in its stores.

With sales in the UK of over A\$7bn in 2009, DSG dominates the UK high street through its PC World and Currys stores. It is also one of the largest electrical retailers across Europe.

Last week, DSG reported that second half sales were up 8% for the group. In addition, it also plans to accelerate its Megastore and 2-in-1 format store openings which will further extend our reach this year.

When we launched consumer rental in Australia four years ago it was a catalyst for new growth, giving us access to a previously untapped market. We've experienced a 51% compound annual growth rate in consumer volumes over this period and consumer now accounts for more than 70% of Australian new business volumes.

Translating that type of experience to the UK and understanding the size of the retail opportunity over there really begins to put this contract into perspective.

For the last 7 years we have provided our B2B rental product through DSG's 180+ PC World stores. Historically, about 20% of the footfall through these stores has been business, so that's been the slice of the pie we've been able to reach.

However, under our new agreement, not only will we now have the opportunity to access the other 80% of foot traffic through the PC World stores with a consumer rental product, but it will also see us access the Currys superstore chain, which has 500+ stores selling computing, brown goods and white goods.

Our experience in assessing and managing credit risk on individuals and small businesses in the UK since 2003 ensures we are well qualified to manage the credit risk of a consumer portfolio.

The entry into Consumer in the UK has the opportunity to be significant for ThinkSmart. We believe the immediate impact of this will be the potential to increase our UK market fourfold, and the opportunity exists to grow from there.

We are currently targeting to rollout initially through the PC World chain of stores late in the second half of this year.

The timing of the role out is dependent on the completion of a major IT project to integrate our application system into DSG's "Eclipse" till system – scheduled for completion in September and critically upon securing a consumer funder to underwrite the customer contracts. Negotiations with prospective funders are underway.

We're excited by the growth opportunities Consumer in the UK presents. This is a strategy that we are keen to deploy in all our European territories.

2010 GROWTH STRATEGIES

Clearly the full impact of consumer will not be felt until 2011, and our growth in 2010 will be driven not only by our fundamentals of organic improvements and the contribution from our strong recurring income lines, but also from three core strategies. These are to expand our distribution channels, improve our product and improve our delivery. I'll address each of these now and start with how we are expanding our distribution channels:

Expanding Distribution

In Australia, we currently operate with three of the four major retailing groups: JB Hi-Fi, Woolworths' Dick Smith, and Wesfarmers' Officeworks stores. Although we did not add any new retail partners to this group in 2009, we significantly grew our distribution channels through our successful strategy on the Internet. Through our online application system we grew our Internet channel to now account for up to 27% of new contracts each month, with customers applying online for credit before visiting a store.

In 2010 we are focused on delivering further improvements in this strategy in Australia, and are expanding components of the strategy to our UK and European businesses.

The UK and Europe remain for us a largely Greenfield opportunity, and we are currently expanding our distribution relationships there.

We already operate in some part with 4 of the 6 leading electrical retailers on the Continent and are targeting to have 3 to 4 retail partnerships in each mainland European territory within the next 18 months.

In the UK we remain exclusive in our relationship with DSG and benefit from their market dominance. Through our consumer initiative we will have the potential to significantly expand our distribution in this market.

Late last year in Spain we added Fnac and Phone House to our distribution channels, joining PC City; and just last month in Italy we added Computer Discount, the largest independent computer retailer in the country, alongside our existing relationship with UniEuro/PC City.

On the funding front too, we have entered into new funding relationships with Société Générale in Spain and Secure Trust Bank in the UK. The relationships are contracted to 2011 and 2013 respectively and provide continuity of funding to support our key retailer relationships.

Currently, Mainland Europe accounts for less than 5% of our EBITDA and, off the back of the market recoveries and our significantly increased distribution networks, we are looking to build on that.

This strategy positions the business well for the future recovery in European markets, and leverages ThinkSmart's existing low cost operating base.

Improve Product

The second major growth strategy relates to the continual improvements in our core products.

In the first two months of 2010, we also rolled out new product developments in Australia, the UK and Spain, each based around delivering the end user customer additional value added services as a part of their core rental.

The goal of these developments has been to improve customer acquisition and retention through the provision of high value service offerings that the customer benefits from over the life of their contract.

In Australia, for example, this sees that in addition to the core financial benefits gained from the RentSmart product, customers now also benefit from free online data transfer and data backup; remote data access; a free loan laptop; and the last three months payment free when they upgrade. In all this provides more than \$500 worth of high added value benefits to the customer over their contract life on an average \$2,000 deal.

We've seen an early positive impact from these changes in all territories and are continuing to evolve our products through 2010.

Improve Delivery

The third key strategy relates to how we are improving the delivery of our product through the implementation of our new “QuickSmart” in store application portal. Using QuickSmart in stores moves the application process away from being phone based, to fully online and streamlines the generation of customer documentation.

It delivers benefits for us on three fronts:

Firstly it makes for an easier, quicker experience for the salesperson in store. The simpler it is for them, the more they will offer it to customers.

Secondly, it streamlines the application experience for the customer and sees them complete the transaction and leave the store faster.

And thirdly it delivers significant operating efficiencies for ThinkSmart. In Australia we’ve experienced more than a 300% efficiency gain per call centre operator and a 20% reduction in our cost of doing business.

In 2010, the business is moving to QuickSmart implementations in mainland Europe, as well as integrating the system into DSG’s “Eclipse” till system in the UK. The Eclipse till platform is used through the PC World and Currys stores and the integration into this platform will not only deliver significant processing efficiencies to the UK business, but will also provide the platform for delivering our consumer product across the network.

NEW BOARD & MANAGEMENT APPOINTMENTS

As we prepare the business for growth, we have also made a couple of key appointments – one to our board, the other to our executive team – both of whom will provide significant value to this business.

Last month we appointed Fernando de Vicente, the former International Managing Director of DSG International PLC, as a non-executive director on our board.

I’ve worked closely with Fernando over the past 5 years and he has an intimate understanding of our business and is already adding significant value as we enter a new phase of planned growth in Europe with the DSG group.

Fernando is currently the Executive Chairman of Body Bell Group, one of Spain’s largest speciality retailers, having joined from DSG in April. In his nine years at DSG Fernando was one of the rising stars in the business, having initially been Financial Director and then MD of the Spanish operation. He was promoted to have responsibility for Southern Europe before taking up the role of International Managing Director, with responsibility for DSG’s Central & Southern European operations, a A\$3 billion business with 350 stores across six countries.

I’d formally like to welcome Fernando to the board.

I'd also like to again thank Peter Mansell, who is retiring from the board today. Peter's experience has been invaluable and he leaves a strong legacy with the board. And I'd like to congratulate David Griffiths, on his recent appointment to deputy chair.

In addition to our movements on the board, joining our executive team we have appointed Anthony Baum, who is the current Group Executive of Wealth and Third Party Banking at Bendigo Adelaide Bank. Anthony will join us in September in the newly created role of Chief Operating Officer.

Anthony has had a long association with our business through his time at Adelaide Bank. He has nearly 20 years experience in the banking sector, having previously been responsible for Adelaide Bank's Wealth Management businesses. He was Chief General Manager of Financial Markets for Adelaide Bank; and also served as the Bank's Group Treasurer. He joined the Bank in 2000 from BNP Paribas in London.

Anthony clearly brings significant experience in financial services to the ThinkSmart Group and will play an important role in managing the growth of our business in addition to helping expand the scope of our funding operations.

Anthony is here with us today. Welcome Anthony.

Before I conclude my presentation, I'd finally like to thank all our staff across Australia, New Zealand and Europe for their continued hard work and enthusiasm. We remain confident that the strategies we are pursuing this year will position this business strongly for continued growth.

I'd also like to thank our shareholders for their continued support. We remain committed to driving value for shareholders and believe the strategies that are in train will contribute significantly to realising the full value in this business.