

## APPENDIX 4E

## Cash Converters International Limited

ABN: 39 069 141 546

Financial year ended 30 June 2014

## 'RESULTS FOR ANNOUNCEMENT TO THE MARKET'

				30 June 2014	30 June 2013
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Revenues from operations	Up	21.6%	to	\$ 331,668,907	\$ 272,722,719
Net profit for the period	Down	35.7%	to	\$ 21,132,289	\$ 32,869,972
Profit from operations after tax attributable to members	Down	26.4%	to	\$ 24,192,335	\$ 32,869,972

	30 June 2014	30 June 2013
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Basic Earnings Per Share	5.67 cents	8.09 cents
Net tangible asset backing per ordinary shares	22.98 cents	27.09 cents
Weighted average number of shares (used as the denominator in calculating basic EPS)	426,320,267	406,344,313
Number of Shares on issue at period end (used in NTA / Share)	428,886,124	423,861,025

Dividend information	Amount per security	Franked Percentage
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2014 Final Dividend (Available for DRP) - Declared 24/08/2014	2.00 cents	100%
2014 Interim Dividend - Paid 28/03/2014	2.00 cents	100%
2013 Final Dividend (Available for DRP) - Paid 27/09/2013	2.00 cents	100%
2013 Interim Dividend - Paid 29/03/2013	2.00 cents	100%

Record date for determining entitlements to the Final Dividend	16 September 2014
Final record date for participation in the Dividend Reinvestment Plan (DRP)	17 September 2014
Payment date for the Final Dividend	30 September 2014

*'This report should be read in conjunction with any announcements made in the period by the Company in accordance with the continuous disclosure requirements of the Corporations Act 2001 and the ASX Listing Rules'.*

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## ***Inclusions with appendix 4E***

Consolidated statement of profit or loss and other comprehensive income

Consolidated statement of financial position

Consolidated statement of changes in equity

Consolidated statement of cash flows

Reserves and retained earnings

Segment results

## Dividends

The directors of the Company paid a fully franked interim dividend of 2.0 (two) cents per share on 28 March 2014. The directors have also declared a final fully franked dividend of 2.0 (two) cents per share to be paid on 30 September 2014 to those shareholders on the register at the close of business on 16 September 2014.

The Company Dividend Reinvestment Plan (DRP) will apply to this dividend, providing shareholders with the option to reinvest all or part of their eligible dividends at a discount of 2.5% of the price established by the 5 day VWAP with the final election date for the DRP being 17 September 2014.

## Net tangible assets per security

For the current period (30 June 2014) the net tangible assets per security are \$0.2298

For the corresponding period (30 June 2013) they were \$0.2709.

## Details over entities over which control has been gained or lost

During the period the Group acquired; the trade and assets of 9 (nine) Cash Converters franchised stores, the trade and assets of Ribhurst Pty Ltd, (an entity previously engaged in providing administrative support to the personal loan business of the Group) and 80% of the equity in Green Light Auto Group Pty Ltd (GLA).

These transactions have been accounted for using the acquisition method of accounting.

The net assets acquired in the business combinations, and the goodwill arising, are as follows:

Corporate stores/Ribhurst	Fair Value recognised on acquisition
	\$
<b>Net assets acquired:</b>	
Cash and cash equivalents	129,634
Trade and other receivables	3,145,860
Plant and equipment	128,497
Inventories	879,181
Trade and other payables	(298,937)
<b>Fair value of net identifiable assets acquired</b>	<b>3,984,235</b>
<b>Consideration:</b>	
Consideration satisfied by cash	14,617,260
<b>Goodwill arising on acquisition</b>	<b>10,633,025</b>
<b>The cash outflow on acquisition is as follows:</b>	
<b>Net cash acquired with the stores</b>	<b>129,634</b>
<b>Cash paid</b>	<b>(14,617,260)</b>
<b>Net consolidated cash outflow</b>	<b>(14,487,626)</b>

In accordance with AASB3 'Business Combinations' the acquirer is required to fair value all acquired assets and liabilities, including separately identifiable intangible assets.

At the time the financial statements were authorised for issue, the group had not yet completed the accounting for the acquisitions. In particular, the independent valuations of separately identifiable intangible assets have not been finalised. The business combination above is therefore prepared provisionally subject to these valuations being completed.

Goodwill arose in the business combination because the cost of the combination included a control premium paid to acquire the stores. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of the stores. These benefits are not recognised separately from goodwill as the future economic benefits arising from them cannot be reliably measured.

For tax purposes the tax values of the assets are required to be reset based on market values and other factors. Any adjustments to the fair value of these assets has been reflected in the Plant, Property & Equipment figure of \$128,497

Included in the net profit for the period is \$427,360 attributable to the additional business generated by the 9 stores and \$130,294 from cost savings realised through the acquisition of Ribhurst Pty Ltd.

<b>Green Light Auto Group Pty Ltd</b>	<b>Fair Value recognised on acquisition</b>
	<b>\$</b>
<b>Net assets acquired:</b>	
Cash and cash equivalents	3,833,411
Trade and other receivables	6,275,349
Deferred tax asset	266,708
Inventories	2,109,064
Plant and equipment	582,876
Trade and other payables	(25,165,359)
<b>Fair value of 100% net identifiable liabilities acquired</b>	<b>(12,097,951)</b>
Non-controlling interest - at date of control	(12,097,951)
Non-controlling interest - at date of legal acquisition	(2,419,590)
<b>Consideration:</b>	
Consideration satisfied by Cash	-
Deemed consideration	-
Goodwill arising on acquisition	-
<b>Recognised amount of non-controlling interest</b>	<b>12,097,951</b>
<b>The cash inflow on acquisition is as follows:</b>	
<b>Net cash acquired with the business</b>	<b>3,833,411</b>
<b>Cash paid</b>	<b>-</b>
<b>Net consolidated cash inflow</b>	<b>3,833,411</b>

The valuation of the acquisition of Green Light Auto Group Pty Ltd has been finalised and it has been determined that no other separately identifiable intangible assets are present.

Included in the net profit (after non-controlling interests and intercompany eliminations) for the period is a profit of \$71,831.

## Details of associates and joint venture entities

During the period, the Group invested in the New Zealand Cash Converters Master Franchisor. The Group acquired a 25% equity interest in all aspects of the New Zealand enterprise, including corporate stores, franchise contracts, financial services and software. Cash consideration of AUD\$5.5m was paid on 23<sup>rd</sup> January 2014. The Group's share of the loss of \$41,465 is reflected in the financial result for the year.

Also during the year, the Group entered into a Joint Venture with EZCORP Inc. to launch Cash Converters in South America and Mexico. As consideration, valued at US\$720k, for its 20% interest in the Joint Venture, the Group granted a master license to the Joint Venture for Latin America and provided information technology services, training and management support. As at the reporting date there has been no trading activity by the Joint venture. The value of the consideration has been determined as being 20% of the Net tangible assets of the Joint Venture (US\$3.6m) at the reporting date.

## Chairman's and Managing Director's review

For a commentary on the results for the period please refer to the Chairman and Managing Director's review lodged with this appendix.

## Earnings per security

The basic earnings per share for this period are 5.67 cents per share;  
The diluted earnings per share for this period are 5.56 cents per share;

The basic earnings per share for the previous period are 8.09 cents per share;  
The diluted earnings per share for the previous period are 7.92 cents per share;

## Audited accounts

Appendix 4E has been prepared from accounts that are currently in the process of being audited.

Ralph Groom  
Company Secretary  
21 August 2014

## Consolidated statement of profit or loss and other comprehensive income

	2014	2013
	\$	\$
Franchise fees	10,814,182	10,306,090
Financial services interest revenue	202,932,785	168,882,887
Sale of goods	112,218,737	93,018,548
Other revenues	5,703,203	515,194
<b>Revenue</b>	<b>331,668,907</b>	<b>272,722,719</b>
Cost of Sales	(118,868,721)	(94,157,676)
<b>Gross Profit</b>	<b>212,800,186</b>	<b>178,565,043</b>
Administrative expenses	(80,545,397)	(64,372,146)
Advertising expenses	(7,691,909)	(5,117,850)
Occupancy expenses	(19,520,946)	(15,038,017)
Other expenses	(64,382,820)	(43,457,089)
Finance costs	(8,577,184)	(2,915,734)
Share of net loss of equity accounted investment	(41,465)	-
<b>Profit before income tax</b>	<b>32,040,465</b>	<b>47,664,207</b>
Income tax expense	(10,908,176)	(14,794,235)
<b>Profit for the year</b>	<b>21,132,289</b>	<b>32,869,972</b>
<b>Other comprehensive income</b>		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange differences on translation of foreign operations	5,692,747	3,398,557
Other comprehensive income for the year	5,692,747	3,398,557
<b>Total comprehensive income for the year</b>	<b>26,825,036</b>	<b>36,268,529</b>
<b>Profit attributable to:</b>		
Owners of the company	24,192,335	32,869,972
Non-controlling interest	(3,060,046)	-
	<b>21,132,289</b>	<b>32,869,972</b>
<b>Total comprehensive income attributable to:</b>		
Owners of the company	29,885,082	36,268,529
Non-controlling interest	(3,060,046)	-
	<b>26,825,036</b>	<b>36,268,529</b>
<b>Earnings per share</b>		
Basic (cents per share)	5.67	8.09
Diluted (cents per share)	5.56	7.92

## Consolidated statement of financial position

	2014	2013
	\$	\$
<b>Current assets</b>		
Cash and cash equivalents	26,843,072	20,729,330
Trade receivables	33,542,353	13,031,595
Personal loan receivables	123,677,192	109,279,232
Inventories	25,561,710	21,783,101
Other assets	10,578,199	8,587,646
<b>Total current assets</b>	<b>220,202,526</b>	<b>173,410,904</b>
<b>Non-current assets</b>		
Trade and other receivables	14,814,904	14,476,490
Plant and equipment	22,586,763	22,534,872
Deferred tax assets	13,543,414	5,627,598
Goodwill	110,726,057	98,771,899
Other intangible assets	21,899,866	22,423,074
Investments in associates	6,213,926	-
Other financial assets	-	4,000,000
<b>Total non-current assets</b>	<b>189,784,930</b>	<b>167,833,933</b>
<b>Total assets</b>	<b>409,987,456</b>	<b>341,244,837</b>
<b>Current liabilities</b>		
Trade and other payables	26,794,208	20,048,464
Borrowings	59,942,763	70,538,531
Current tax payables	9,737,589	4,662,548
Provisions	4,638,888	3,870,515
<b>Total current liabilities</b>	<b>101,113,448</b>	<b>99,120,058</b>
<b>Non-current liabilities</b>		
Borrowings	64,019,148	389,521
Provisions	148,539	104,474
<b>Total non-current liabilities</b>	<b>64,167,687</b>	<b>493,995</b>
<b>Total liabilities</b>	<b>165,281,135</b>	<b>99,614,053</b>
<b>Net assets</b>	<b>244,706,321</b>	<b>241,630,784</b>
<b>Equity</b>		
Issued capital	156,679,067	151,708,656
Reserves	(6,503,189)	(914,097)
Retained earnings	98,025,142	90,835,176
Equity attributable to owners of the company	248,201,020	241,629,735
Non-controlling interests	(3,494,699)	1,049
<b>Total equity</b>	<b>244,706,321</b>	<b>241,630,784</b>

### \* Note on Current Borrowings

Under the Company's securitisation facility with Westpac, Class A notes (Bank Bills) are issued that fund the eligible personal loan receivables originated by CCPF. These loan receivables generally have a maturity of less than twelve months and the notes are secured on those receivables. Collections received in relation to these receivables are used to repay the notes on a monthly basis as they are received and additional Class A notes may be issued under the terms of the funding arrangement. The notes have been presented as a current liability because the company does not have the unconditional right to defer settlement of the liability for at least twelve months after the reporting date. The facility is available for three years and during the ordinary course of business will be available for this period.

## Consolidated statement of changes in equity

	Issued capital	Foreign currency translation reserve	Non-controlling interest acquisition reserve	Share-based payment reserve	Retained earnings	Attributable to owners of the parent	Non-controlling interest	Total
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance as at 1 July 2012</b>	<b>116,812,467</b>	<b>(6,028,429)</b>	-	<b>2,661,625</b>	<b>73,186,248</b>	<b>186,631,911</b>	<b>1,049</b>	<b>186,632,960</b>
Profit for the year	-	-	-	-	32,869,972	32,869,972	-	32,869,972
Exchange differences arising on translation of foreign operations	-	3,398,557	-	-	-	3,398,557	-	3,398,557
<i>Total comprehensive income for the year</i>	-	<b>3,398,557</b>	-	-	<b>32,869,972</b>	<b>36,268,529</b>	-	<b>36,268,529</b>
Issue of shares	32,725,011	-	-	-	-	32,725,011	-	32,725,011
Share issue costs (net of tax)	(775,582)	-	-	-	-	(775,582)	-	(775,582)
Share-based payments	-	-	-	2,000,910	-	2,000,910	-	2,000,910
Shares issued on exercise of performance rights	2,946,760	-	-	(2,946,760)	-	-	-	-
Payment of dividends	-	-	-	-	(15,221,044)	(15,221,044)	-	(15,221,044)
<b>Balance at 30 June 2013</b>	<b>151,708,656</b>	<b>(2,629,872)</b>	-	<b>1,715,775</b>	<b>90,835,176</b>	<b>241,629,735</b>	<b>1,049</b>	<b>241,630,784</b>
Profit for the year	-	-	-	-	24,192,335	24,192,335	(3,060,046)	21,132,289
Exchange differences arising on translation of foreign operations	-	5,692,747	-	-	-	5,692,747	-	5,692,747
<i>Total comprehensive income for the year</i>	-	<b>5,692,747</b>	-	-	<b>24,192,335</b>	<b>29,885,082</b>	<b>(3,060,046)</b>	<b>26,825,036</b>
Issue of shares (DRP)	4,602,017	-	-	-	(4,602,017)	-	-	-
Share-based payments	-	-	-	748,805	-	748,805	-	748,805
Shares issued on exercise of performance rights	368,394	-	-	(368,394)	-	-	-	-
Payment of dividends	-	-	-	-	(12,400,352)	(12,400,352)	-	(12,400,352)
Acquisition of non-controlling interests	-	-	(11,662,250)	-	-	(11,662,250)	(435,702)	(12,097,952)
<b>Balance at 30 June 2014</b>	<b>156,679,067</b>	<b>3,062,875</b>	<b>(11,662,250)</b>	<b>2,096,186</b>	<b>98,025,142</b>	<b>248,201,020</b>	<b>(3,494,699)</b>	<b>244,706,321</b>



## Consolidated statement of cash flows

	2014	2013
	\$	\$
<b>Cash flows from operating activities</b>		
Receipts from customers	202,319,838	219,344,268
Payments to suppliers and employees	(233,665,612)	(215,209,109)
Interest received	597,450	375,894
Interest received from personal loans	87,713,601	60,554,860
Net increase in personal loans	(30,753,427)	(32,909,734)
Interest and costs of finance paid	(8,577,184)	(2,915,734)
Income tax paid	(13,344,332)	(17,244,620)
Net cash flows provided by operating activities	4,290,334	11,995,825
<b>Cash flows from investing activities</b>		
Net cash paid for acquisitions of controlled entities	(10,654,215)	(35,867,903)
Acquisition of investment	(5,491,059)	-
Acquisition of intangible asset	(2,108,162)	(1,992,127)
Proceeds from sale of plant and equipment	76,273	37,000
Purchase of plant and equipment	(4,191,059)	(5,617,686)
Amounts advanced to third parties	(15,000,000)	(9,150,000)
Instalment credit loans repaid by franchisees	394,270	1,127,495
Net cash flows used in investing activities	(36,973,952)	(51,463,221)
<b>Cash flows from financing activities</b>		
Dividends paid – members of parent entity	(12,400,351)	(17,398,357)
Proceeds from borrowings	76,252,631	82,384,338
Repayment of borrowings	(26,323,211)	(53,740,317)
Borrowing Costs	(1,265,170)	-
Capital element of finance lease and hire purchase payments	(487,196)	(456,354)
Proceeds from issue of shares	-	32,725,011
Share issue costs	-	(1,107,975)
Net cash flows provided by financing activities	35,776,703	42,406,346
<b>Net increase in cash and cash equivalents</b>	3,093,085	2,938,950
<b>Cash and cash equivalents at the beginning of the year</b>	20,729,330	16,415,161
Effects of exchange rate changes on the balance of cash held in foreign currencies	3,020,657	1,375,219
<b>Cash and cash equivalents at the end of the year</b>	26,843,072	20,729,330

## RESERVES AND RETAINED EARNINGS

### (a) Reserves

	2014	2013
	\$	\$
Foreign currency translation reserve (i)	3,062,875	(2,629,872)
Share-based payment reserve (ii)	2,096,186	1,715,775
Non-controlling interest acquisition reserve (iii)	(11,662,250)	-
<b>Balance at the end of the financial year</b>	<b>(6,503,189)</b>	<b>(914,097)</b>

#### (i) Foreign currency translation reserve

	2014	2013
	\$	\$
Balance at the beginning of the financial year	(2,629,872)	(6,028,429)
Translation of foreign operations	5,692,747	3,398,557
<b>Balance at the end of the financial year</b>	<b>3,062,875</b>	<b>(2,629,872)</b>

Exchange differences relating to the translation from the functional currencies of the Group's foreign controlled entities into Australian Dollars are brought to account by entries made directly to the foreign currency translation reserve.

#### (ii) Share-based payment reserve

	2014	2013
	\$	\$
Balance at the beginning of the financial year	1,715,775	2,661,625
Arising from share-based payment	748,805	2,000,910
Shares issued on exercise of performance rights	(368,394)	(2,946,760)
<b>Balance at the end of the financial year</b>	<b>2,096,186</b>	<b>1,715,775</b>

The share-based payment reserve arises due to the grant of share-based payments by the Company under the Executive Performance Rights Plan.

#### (iii) Non-controlling interest acquisition reserve

	2014	2013
	\$	\$
Balance at the beginning of the financial year	-	-
Arising from acquisition of non-controlling interest	(11,662,250)	-
<b>Balance at the end of the financial year</b>	<b>(11,662,250)</b>	<b>-</b>

The non-controlling interest acquisition reserve records the acquisition of non-controlling interest in Green Light Auto Group Pty Ltd

**(b) Retained earnings**

	2014	2013
	\$	\$
<b>Balance at the beginning of the financial year</b>	<b>90,835,176</b>	<b>73,186,248</b>
Net profit attributable to members of the parent entity	24,192,335	32,869,972
Issue of shares (Dividend Reinvestment Plan)	(4,602,017)	-
Dividends provided for or paid	(12,400,352)	(15,221,044)
<b>Balance at the end of the financial year</b>	<b>98,025,142</b>	<b>90,835,176</b>

## SEGMENT RESULTS

For the year ended 30 June 2014	Franchise Operations	Store Operations	Financial Services - Administration	Financial Services - Personal Loans	Vehicle Leasing	Corporate Head Office	Total
Interest revenue <sup>(i)</sup>	853,851	50,715,277	9,975,616	137,692,194	3,695,847	-	202,932,785
Other revenue	17,598,736	121,208,375	4,340,267	481	5,013,278	3,995,921	152,157,058
Gross revenue	18,452,587	171,923,652	14,315,883	137,692,675	8,709,125	3,995,921	355,089,843
Less intercompany sales	(6,189,157)	(11,096,393)	(4,340,267)	-	-	(2,392,569)	(24,018,386)
Segment revenue	12,263,430	160,827,259	9,975,616	137,692,675	8,709,125	1,603,352	331,071,457
External Interest revenue <sup>(ii)</sup>	-	49,136	4,142	312,817	31,116	200,239	597,450
<b>Total revenue</b>	<b>12,263,430</b>	<b>160,876,395</b>	<b>9,979,758</b>	<b>138,005,492</b>	<b>8,740,241</b>	<b>1,803,591</b>	<b>331,668,907</b>
<b>EBITDA</b>	<b>6,633,516</b>	<b>15,615,352</b>	<b>10,410,310</b>	<b>39,835,270</b>	<b>(4,038,694)</b>	<b>(19,914,394)</b>	<b>48,541,360</b>
Depreciation and amortisation	(260,518)	(5,234,532)	(4,242)	(828,594)	(179,179)	(1,416,646)	(7,923,711)
<b>EBIT</b>	<b>6,372,998</b>	<b>10,380,820</b>	<b>10,406,068</b>	<b>39,006,676</b>	<b>(4,217,873)</b>	<b>(21,331,040)</b>	<b>40,617,649</b>
Interest expense	-	(27,638)	-	(2,971,665)	(1,076,393)	(4,501,488)	(8,577,184)
<b>Profit/(Loss) before tax</b>	<b>6,372,998</b>	<b>10,353,182</b>	<b>10,406,068</b>	<b>36,035,011</b>	<b>(5,294,266)</b>	<b>(25,832,528)</b>	<b>32,040,465</b>
Income tax expense							(10,908,176)
<b>Operating profit after tax</b>							<b>21,132,289</b>
Loss attributable to non-controlling interest							3,060,046
<b>Profit attributable to members of CCIL</b>							<b>24,192,335</b>
For the year ended 30 June 2013	Franchise Operations	Store Operations	Financial Services - Administration	Financial Services - Personal Loans	Vehicle Leasing	Corporate Head Office	Total
Interest revenue <sup>(i)</sup>	348,586	39,697,768	13,440,134	113,433,653	-	1,962,746	168,882,887
Other revenue	21,325,187	96,367,349	4,249,388	18,457	-	338,652	122,299,033
Gross revenue	21,673,773	136,065,117	17,689,522	113,452,110	-	2,301,398	291,181,920
Less intercompany sales	(8,418,809)	(6,166,898)	(4,249,388)				(18,835,095)
Segment revenue	13,254,964	129,898,219	13,440,134	113,452,110	-	2,301,398	272,346,825
External Interest revenue <sup>(ii)</sup>		61,623	6,832	157,273		150,166	375,894
<b>Total revenue</b>	<b>13,254,964</b>	<b>129,959,842</b>	<b>13,446,966</b>	<b>113,609,383</b>	<b>-</b>	<b>2,451,564</b>	<b>272,722,719</b>
<b>EBITDA</b>	<b>6,387,128</b>	<b>9,100,109</b>	<b>14,196,639</b>	<b>42,460,724</b>	<b>-</b>	<b>(15,108,666)</b>	<b>57,035,934</b>
Depreciation and amortisation	(256,030)	(4,499,995)	(10,759)	(611,964)		(1,077,245)	(6,455,993)
<b>EBIT</b>	<b>6,131,098</b>	<b>4,600,114</b>	<b>14,185,880</b>	<b>41,848,760</b>	<b>-</b>	<b>(16,185,911)</b>	<b>50,579,941</b>
Interest expense		(25,266)		(744,333)		(2,146,135)	(2,915,734)
<b>Profit/(Loss) before tax</b>	<b>6,131,098</b>	<b>4,574,848</b>	<b>14,185,880</b>	<b>41,104,427</b>	<b>-</b>	<b>(18,332,046)</b>	<b>47,664,207</b>
Income tax expense							(14,794,235)
<b>Operating profit after tax</b>							<b>32,869,972</b>
(Profit)/Loss attributable to non-controlling interest							-
<b>Profit attributable to members of CCIL</b>							<b>32,869,972</b>

(i) Interest Revenue comprises of personal loan interest, cash advance fee income, pawn broking interest from customers and commercial loan interest from 3rd parties

(ii) External interest revenue is interest received on bank deposits