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Investor Presentation
Results for 6 Months to 30 June 2014

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Results for 6 Months to 30 June 2014

- *Highlights*
- *About ThinkSmart*
- *Dixons Update*
- *Group Financial Results*
- *Building Long Term Value in the UK*
- *Summary & Guidance*

Highlights: 1 January to 30 June 2014



Group Results	<ul style="list-style-type: none">• \$11.3m NPAT resulting from Group Operations and sale of Australia and New Zealand businesses• \$38.5m available cash assets, no corporate debt• 7.06 cents earnings per share, (1.45 cents 2013)• Fully franked dividend of 3.6 cents per share paid on 19 February 2014
Australian and New Zealand Operations Sold 31 January 2014	<ul style="list-style-type: none">• \$15.7m gain on sale before associated costs and tax• \$9.8m NPAT from discontinued operations• \$32m generated in cash
Continuing Operations UK	<ul style="list-style-type: none">• \$1.6m NPAT from continuing activities up on same period 2013• \$3.7m NPBT following a good performance from UK Operations• \$0.5m reduction in Group corporate costs• \$0.4m interest earned on high cash balance
Guidance	<ul style="list-style-type: none">• NPAT - 1 July 2014 to 31 December 2014 of \$1.5m

Highlights: 1 January to 30 June 2014



Board Strategic Review

- Following the Board Strategic Review, ThinkSmart is now solely focused on the UK market. A large market of scale, 3x the size of Australia with 62 million consumers
- Year end changed to 30 June with effect from 30 June 2014 with ATO approval
- ThinkSmart Board looking at investment opportunities and may use some or all of funds generated from the disposal with funds not utilised returned to shareholders by way of buybacks, dividends or other form of capital management

Key Facts and Insights

- Dixons contract extended to May 2017 for both Business & Consumer Leasing
- Launch of new Consumer leasing proposition 'Upgrade Anytime' in mid May, delivered strong growth in volumes reversing declining trend
- New Dixons Carphone Group Plc, potential UK revenues of £10bn, increased distribution to 1,298 stores
- Appointed EY on Debt Advisory to facilitate a multi-funding platform to reduce UK funding costs

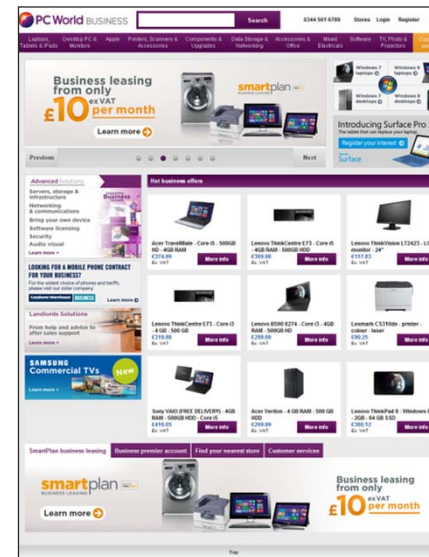
Investment in Capabilities for Growth

- Up weighted Executive Management with 2 additional new roles:
 1. Director of Product Strategy and Treasury
Jan-Bart van Roon, (previously Director of Product Strategy and Treasury, Royal Bank of Scotland NV)
 2. General Manager Credit and Operations
David Twigg, (previously General Manager of Operations and Credit, Home Retail Group plc)
- Successful transition of Group functions (IT and Finance from Perth to the UK), including recruitment of SmartCheck in house UK Development team

About: ThinkSmart (ASX:TSM)

ThinkSmart: 'is a leading international finance company, creating differentiation and competitive advantage - in Point of Sale finance'

- The company has an exclusive distribution agreement and partnership with the newly formed Dixons Carphone Group Plc, the leading electrical and telecommunications retailer and services company in Europe
- Formed in August 2014, from a merger between Dixons Retail plc and Carphone Warehouse Plc - the new company has increased UK distribution to 1,298 stores
- ThinkSmart is now looking to extend the model to new categories, sectors and distribution
- Propositions leverage ThinkSmarts sector leading software and processing IP for delivering fast finance solutions in today's complex retail channel



SmartPlan Business Leasing –
Since 2003



Upgrade Anytime –
New Consumer Leasing
Proposition Launched mid May 2014

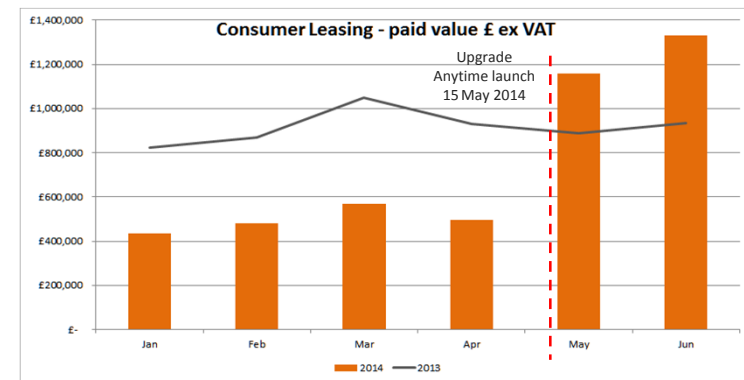
Dixons Update

Consumer Leasing: 'Strong Volume Growth of New Proposition Launch - Reversing Declining Trend'



Performance

- A contract is in place with the Dixons Carphone Group plc to 2017
- A soft launch of new proposition Upgrade Anytime in mid May 2014, has delivered strong growth in volumes, reversing declining trend
- Incremental growth has been universal across categories, 'Computing' and 'Tablets'
- New category group 'Large Screen Televisions' traded ahead of expectations
- Services attach rate is material
- Consumer leasing drives early upgrades in the replacement cycle of premium technology and builds long term customer relationships and value
- Significant customers repeats at 24 months, with higher transaction values than the first origination



'Strong Growth in Volumes of New Proposition Launch Reversing Declining Trend'

Dixons Update

Consumer Leasing: 'Addressable market increased by new features and inclusion of Large Screen Televisions'

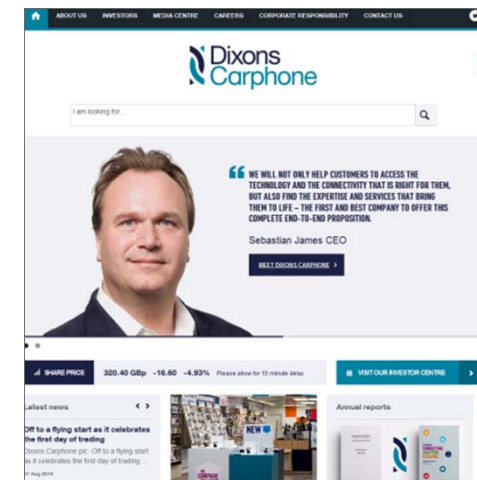


Key facts and Insight

- Infinity Leasing, ThinkSmarts consumer leasing proposition has been replaced by a new proposition - 'Upgrade Anytime'
- Upgrade Anytime was developed following customer insight, conducted in quarter 4, 2013
- Findings demonstrated leasing of technology continues to appeal strongly with UK consumers
- Insight recommendations shaped new features to match customer needs
- Upgrade Anytime differs from Infinity Leasing, in that:
 - Customers can upgrade early, from months 1 to 24
 - Services are optional
 - Large Screen Televisions are now included
- Additional insight conducted post launch demonstrates high levels of advocacy and strong appeal

Growth Opportunity

- Addressable market increased by new features and inclusion of 'Large Screen Televisions'
- Renewed Partner focus with potential 'above the line' promotional marketing to generate incremental volumes
- Partner UK distribution has increased to 1,298 stores, from the £3.7bn merger of Dixons Retail Plc and Carphone Warehouse Plc - forming the Dixons Carphone Group Plc, a company with potential UK revenues of £10bn



Dixons Carphone Group plc distribution has increased to 1,298 stores

Dixons Update

SmartPlan Business Leasing: 'Solid Performance - New Originations Up +4%'



Performance

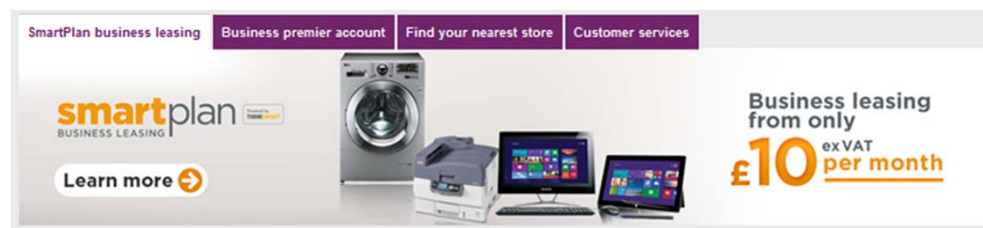
- New Origination volumes up +4% year on year
- February to April Successful 'Spring Business Campaign', with new originations up driven by Partner promotional focus

Key facts and Insight

- A contract extension has been agreed with the Dixons Carphone Group Plc to 2017
- New trial underway to include 'White Goods' an additional core product category for our Partner with scale

Growth Opportunity

- A new refreshed SmartPlan Business Leasing proposition will be launched in quarter 4 this year
- Increased customer appeal is expected from the introduction of new features shaped by customer insight
- Renewed Partner focus and dedicated ThinkSmart Field Team



'H1 Solid Performance – New Originations Up +4%'

Group Financial Results



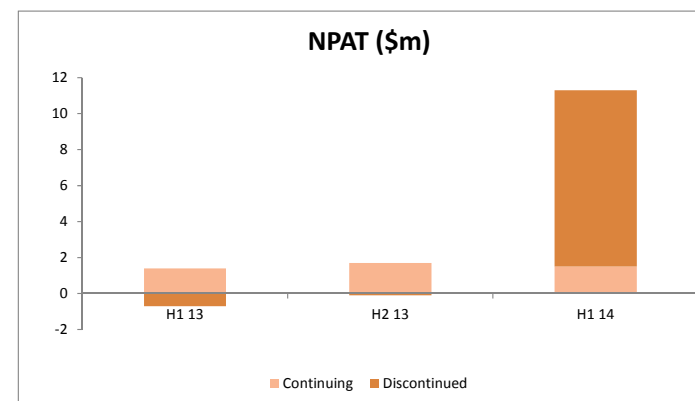
DEVELOPING
COMPETITIVE
ADVANTAGE
for our retail partners



Group Financial Results: 1 January to 30 June 2014



- NPAT of \$11.3m
 - NPAT includes \$9.8m after tax for discontinued operations
 - Continuing operations \$1.6m being up 15% on same period 2013
- Consistent performance for recovering UK market – profit of \$3.7m before tax
 - Infinity volumes to mid May continued declining trend
 - Successful launch of 'Upgrade Anytime' delivered strong growth positively impacting volumes from 15 May
 - SmartPlan Business Leasing volumes inline with expectations
 - Working with partner to refocus, realign and broaden the business (SmartPlan) offer in Dixons, towards the end of 2014
- Discontinued Operations performance – profit of \$13.3m before tax
 - Operating loss after tax of \$0.1m for month of January
 - Gain on Sale of Australian and New Zealand business was \$15.7m with associated completion and restructure costs being \$2.3m
 - Tax on the gain being \$3.5m reduced NPAT to \$9.8m
- Group Corporate costs reduced by \$0.5m to \$1.8m on a like for like comparison. In addition \$0.4m was earned in bank interest

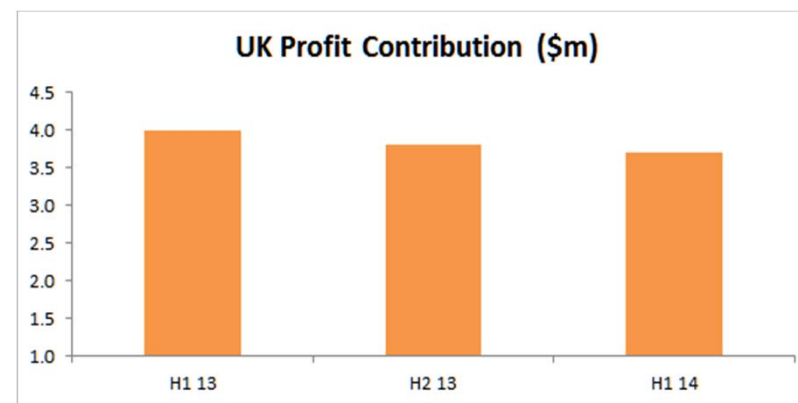


	FY 13	FY 14	%
Total Revenue	37.7m	28.7m	-24%
Net Profit After Tax	2.3m	11.3m	391%
EPS	1.45	7.06	387%

Includes continuing and discontinuing operations
FY13 is 12 months, FY14 is 6 months

UK Operations:

- Consistent performance in recovering UK market – profit of \$3.7m before tax
- New originations totalling A\$14.7m are down 9% on a constant currency basis due in part to:
 - Infinity volume LFL growth down as focus was on launch of new Upgrade Anytime product
 - Upgrade Anytime created an uplift in volumes from launch, 15 May; too late in the period to reverse the trend for 6 months to 30 June
 - Upgrade Anytime extended product offer to include TVs
 - SmartPlan volumes were up 4% on prior year as Dixons begins to increase focus on B2B market
- UK average transaction values (ATVs) have increased by +14%, rising from £663 to £756:
 - 2014 saw an increase in repeat business for Infinity (>30% customers upgrading after 2 years). ATV for repeat business higher than the original deal
 - The new TV category has positively impacted the overall ATV
- Cash flow generation up to \$3.6m from \$1.5m during same period in 2013 (+140%)
- ThinkSmart Business Leasing product continues to grow, being \$1.5m up 18% on a constant currency basis. Includes some costs associated with the Kingfisher trial and development work in preparation to add new distribution and categories
- Operating costs as a percentage of revenue have fallen as the business model becomes more efficient and continues to leverage scalability

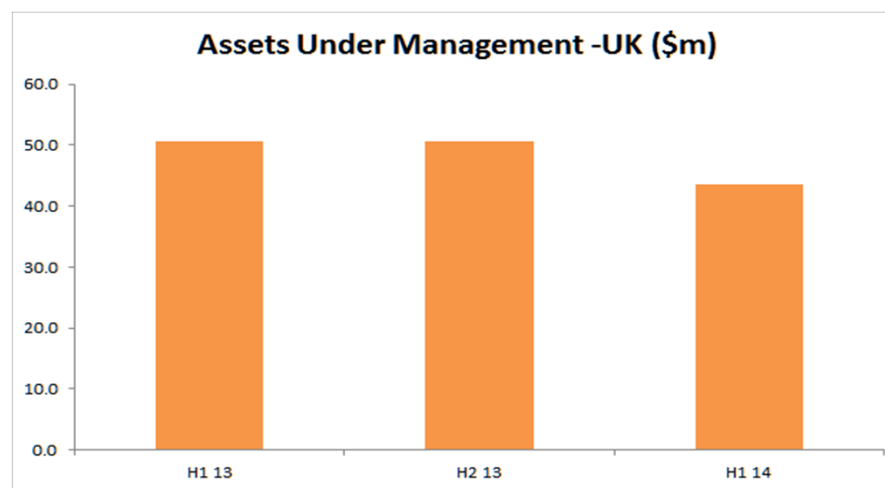


	FY 13	H1 13	H1 14	%	Constant FX (%)
Segment Revenue	18.8m	9.5m	11m	16%	5%
Profit Contribution ¹	7.8m	4m	3.7m	-7%	-16%
Closing AUM	50.7m	50.7m	43.6m	-14%	-22%
New Originations	25.9m	14.7m	14.7m	0%	-9%

1. Segment contribution before allocation of corporate overheads

UK Assets Under Management:

- UK Assets Under Management decreased 12% on a constant FX basis
- New originations decreased by 9% on a constant FX basis:
 - Infinity/Upgrade Anytime down 18% to GBP4.5m
 - SmartPlan up 4% to GBP2.8m
 - TBL volumes up 18% to GBP1.6m
- Active customers have reduced due to the reduction in Infinity volumes
- ATVs increased 14% on a constant FX basis



	FY 13	H1 14	%	Constant FX
Closing Assets Under Mgmt	50.7m	43.6m	-14%	-12%
New Originations	25.9m	14.7m	-43%	-42%
Active Customers	58.3k	53.2k	-9%	-9%
Average Transaction Value	\$1,221	\$1,367	12%	14%

Consolidated Balance Sheet:

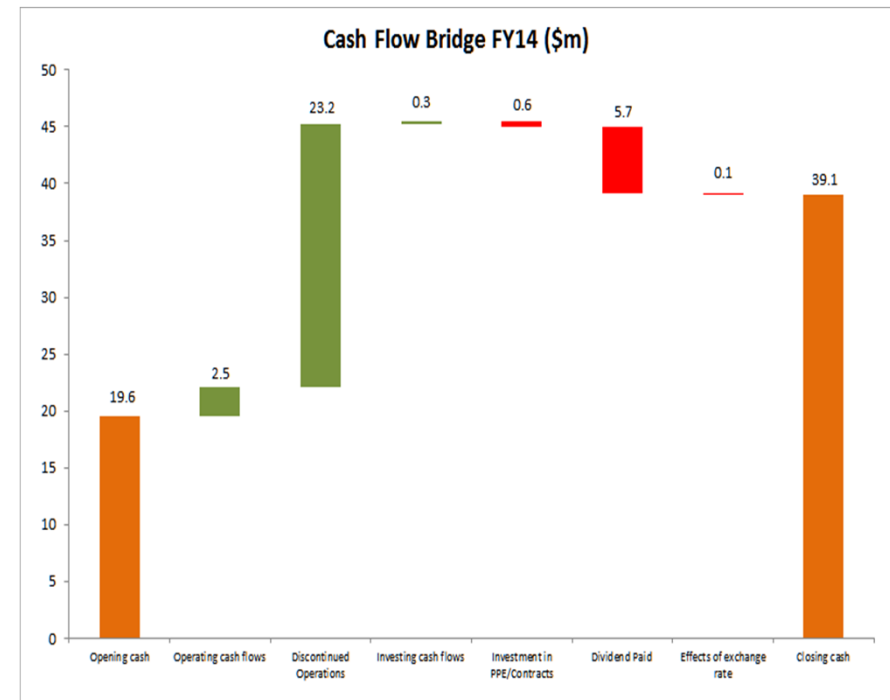
- Balance sheet reflects the sale of the Australian and New Zealand operations on 31 January 2014
- Cash at 30 June 2014 includes \$30.5m from Sale
- UK assets under management are “not included on balance sheet” with revenue accounted for as brokerage income
- No corporate borrowings
- Available cash at the end of June 2014 of \$38.5m up from \$7.4m at 31 December 2013



Consolidated Balance Sheet	31-Dec-13	30-Jun-14	Change %
Cash and Cash Equivalents	7,569	39,070	416%
Trade and other receivables	1,154	1,092	-5%
Deferred Tax Assets	4,810	342	-93%
Plant and Equipment	155	236	52%
Goodwill and Intangibles	16,613	16,216	-2%
Other Assets	10,486	10,546	1%
Assets held for sale	66,617	0	
Total Assets	107,404	67,502	-37%
Trade and other payables	2,264	3,247	-30%
Deferred service income	5,533	4,975	11%
Tax Payable	4,520	100	4420%
Other liabilities	360	233	55%
Liabilities held for sale	41,108	0	
Total Liabilities	53,785	8,555	-84%
Total Equity	53,619	58,947	10%

Cash Flow:

- Strong cash backing, no debt
- Total cash assets of \$39m with \$30.5m being received as part of the sale
- Operating cash generation of \$2.5m, up from \$0.8m in H1 2013. UK operations contributed \$3.6m for the year before inter company payments
- Investment in infrastructure continues at reduced levels with \$0.6m invested in the establishment of new funding facilities and IT infrastructure
- Special Dividend of \$5.7m being 3.6 cents fully franked declared on 31 January 2014 and paid on 19 February 2014



Well Positioned For Growth

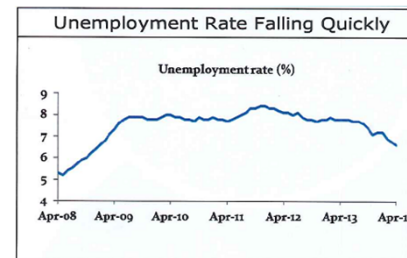
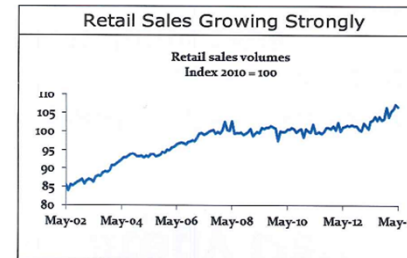


WE'RE IN A GREAT PLACE
... the UK is the right environment to grow our business



UK: A Growth Market

- Large market of 62m Consumers
- Significant growth potential in resurgent market
- UK economy in best shape for more than 6 Years, growth is revised up to 3.2%
- Retail sales growing strongly
- Unemployment Rate Falling Quickly to 6.4% Lowest Since 2008
- Consumer confidence at a high, rising 4x faster than the global average last year
- Supportive to business with the lowest company tax in G7, 20% by 2015

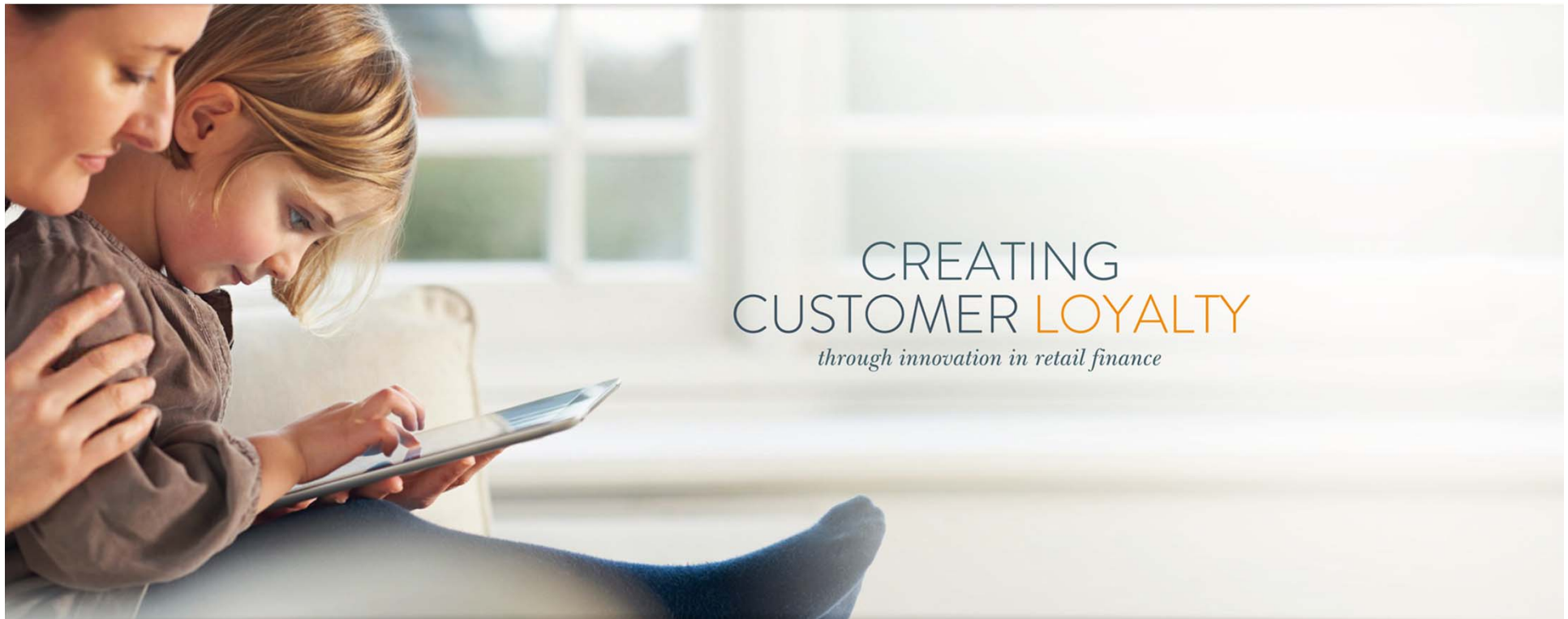


Building Long Term Value in UK



Distribution Network	<ul style="list-style-type: none"> • 10 year+ partnership with newly enlarged Dixons Carphone Group plc now extended to 2017 in both B2B and B2C • Next phase of trial extended to B&Q Retail with dedicated resources now seconded from Kingfisher • Clear potential to scale the model and extend to new categories, sectors and distribution
Operational Capabilities	<ul style="list-style-type: none"> • Market leading IP capability being further developed to enhance functionality and scale capability • Appointment of high caliber executives with extensive banking, treasury, credit and risk management experience, with further new talent to be added to support growth ambition • Continued focus on managing risk and compliance with the Regulator ,including meeting new standards set by Financial Conduct Authority (FCA) • Credit Matrix and process development • UK in house software development team enlarged and capabilities broadened and increased
Asset Quality	<ul style="list-style-type: none"> • Continuous improvement in bad debt management and performance
Product Diversification	<ul style="list-style-type: none"> • Upgrade Anytime: Successful launch and customer research creating above the line marketing opportunities • SmartPlan: plan to refresh and extend to broader B2B base • New categories: Opportunities to broaden offer in newly enlarged Dixons Carphone Group plc • Development of new partners led by customer insight, New Product Development and lower cost of funds
Funding Platform	<ul style="list-style-type: none"> • Strong and supportive funding partner with GBPE60m facility • Move to multi-funder model via SPV Receivables funding which will reduce cost of funds but will impact short term profit due to lease accounting
Investment	<ul style="list-style-type: none"> • Continued review of M&A, investment and growth opportunities in strategically aligned businesses

Summary & Guidance



Summary & Guidance: 2014



- Clear focus to build long term value in the UK, initially organically through product and market development with newly enlarged market leading technology retailer with contract extended to 2017 for both B2B and B2C
- Work underway to exploit the clear potential to broaden distribution to new sectors, retailers and customers
- Significantly strengthened executive team impacting development of the operating model, new product development and funding platform
- Process and Systems development with early benefits seen towards the end of this year
- Potential funding partners to support existing strong relationship to support growth and reduce cost of funds
- Very strong UK economy and a positive outlook for continued growth in retail sales, building consumer confidence and further reductions in unemployment
- Following the sale of the Australian and New Zealand operations, the Board is looking at investment opportunities and may use some or all of funds generated from the disposal with funds not utilised returned to shareholders by way of buybacks, dividends or other form of capital management
- Guidance for the 6 months to 31 December 2014 in the region of \$1.5m NPAT from existing operations



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