CASH CONVERTERS INTERNATIONAL LIMITED
A.B.N 39 069 141 546

Half-Year Report
For the half-year ended 31 December 2014

Directors' Report

Directors' report

In respect of the half-year ended 31 December 2014, the Directors of Cash Converters International Limited, the Company and parent entity, submit the following report in order to comply with the provisions of the Corporations Act 2001.

Directors

The following persons held office as Directors of the Company during or since the end of the half-year:

Mr Reginald Webb (Non-executive Director, Chairman)
Mr Peter Cumins (Managing Director)
Mr William Love (Non-executive Director)
Mr Joseph Beal (Non-executive Director)
Mr Lachlan Given (Non-executive Director)
Mr Stuart Grimshaw (Non-executive Director)
Mr David Carter (Non-executive Director)

The above named directors held office during and since the end of the half-year except for:

Mr William Love (Non-executive Director) – resigned 22 August 2014
Mr Joseph Beal (Non-executive Director) – resigned 22 August 2014
Mr Lachlan Given (Non-executive Director) – appointed 22 August 2014
Mr Stuart Grimshaw (Non-executive Director) – appointed 1 November 2014
Mr David Carter (Non-executive Director) – appointed 1 December 2014, deceased 27 January 2015

Dividends

The Directors of the company paid a fully franked final dividend of 2.0 (two) cents per share for the 2014 Financial Year on the 30 September 2014. The Directors of the Company recommend that an interim dividend of 2.0 (two) cents per share be paid on 31 March 2015 to those shareholders on the register at the close of business on 17 March 2015.

The Company's Dividend Reinvestment Plan (DRP) will apply to this dividend, providing shareholders with the option to reinvest all or part of the their eligible dividend at a discount of 2.5% of the price established by the 5 day volume weighted average price (VWAP) up to and including the record date.

Review of operations

Financial results summary (Statutory Reporting Basis)	31 December 2014	31 December 2013	Variance %
Revenue	**187,745,183**	**155,760,342**	**+20.5**
EBITDA	**2,849,597**	**21,731,131**	**-86.9**
Depreciation and amortisation	(4,513,859)	(3,801,175)	+18.7
EBIT	(1,664,262)	17,929,956	-109.3
Income tax	1,009,354	(4,010,072)	-125.2
Finance costs	(4,641,158)	(4,039,471)	+14.9
Net (loss) / profit after tax	**(5,296,066)**	**9,880,413**	**-153.6**

Cash Converters International Limited is pleased to report a growth in revenue of 20.5% to $187.7 million. The normalised EBITDA profit for the period was $32.4 million, up 31.4% on the previous period.

Directors' Report

Normalised EBITDA

During the half-year the termination of the Kentsleigh agency agreement was finalised. This termination, although earnings accretive and cash flow positive in future periods, the initial payment of $30.8 million has resulted in a charge to profit and loss during the period of $29.6 million (pre-tax). Under accounting standards this charge could not be capitalised, however, it is deductible for tax purposes.

The table below provides a normalised EBITDA with adjustments to provide a direct comparison with the previous corresponding period. Further information in relation to significant normalisation adjustments are provide elsewhere in the Directors' report.

Normalised EBITDA	**31 December 2014**	**31 December 2013**	**Variance %**
EBITDA	**2,849,597**	**21,731,131**	**-86.9**
Stamp duty on store acquisitions	385,595	1,827,508	-78.9
Ausgroup provision (benefit) / expense	(1,158,099)	1,101,197	-205.2
Kentsleigh agency termination payment	29,628,270	-	-
Termination fees – bank facility	700,000	-	-
EBITDA normalised	**32,405,363**	**24,659,836**	**+31.4**

Divisional EBITDA (Normalised basis)	**31 December 2014**	**31 December 2013**	**Variance %**
Franchise operations	3,618,832	3,179,386	+13.8
Store operations	10,461,063	6,870,046	+52.3
Financial services - administration	6,078,141	4,920,328	+23.5
Financial services - personal loans	22,559,184	18,288,097	+23.4
Green Light Auto (before minority interest)	(828,055)	(2,916,186)	+71.6
Minority interest – Green Light Auto	201,372	2,623,306	-92.3
Total before head office costs	**42,090,537**	**32,964,977**	**+27.7**
Corporate head office costs	(9,685,174)	(8,305,141)	-16.6
Total Divisional EBITDA	**32,405,363**	**24,659,836**	**+31.4**

Major highlights for the half-year include:

- Record breaking December lending performance in Australia for both the personal loan and cash advance loan products with $23.0 million (up 25.5%) and $24.2 million (up (7.7%) respectively, loaned out;
- Strong revenue growth compared to the previous corresponding period of 20.5% to $187.7 million (2013:$155.8 million). The major drivers for revenue growth over the period included an increase in personal loan income of $21.8 million (up 34%) and an increase in corporate store revenue of $9.7 million (up 11.5%);
- The personal loan book in Australia grew by 22.7%, from $94.3 million as at 31 December 2013 to $115.7 million as at 31 December 2014. The value of loans written in the month of December 2014 of $23.0 million was a record, up 25.5% on December 2013;
- The growth of the online personal loan business in Australia continues to be very strong with the value of loans written increasing to $31.3 million for the period, up 65.2% on the previous corresponding period. December 2014 was a record month with $7.6 million of loans written, up 24.9% on December 2014;
- The value of online cash advance and personal loans approved in the period increased 68.1% to $36.3 million; and
- The corporate store network in the UK and Australia has seen revenue grow by 11.5% to $93.6 million over the corresponding period. The combined EBITDA was $10.5 million, representing an increase of 52.3% on the corresponding period.

Directors' Report

The Company recorded growth in revenue of 20.5% on the previous corresponding period to $187.7 million with the normalised EBITDA profit for the period increasing by 31.4% on the previous corresponding period to $32.4 million.

The Company recorded a statutory accounting loss of $5.3 million (normalised net profit $15.3 million) largely due to the accounting treatment required in relation to the termination of the agency agreements with our development agents Kentsleigh and Cliffview. These licences had been in place for approximately 10 years and provided for the development agents to develop and promote the cash advance (Cliffview) and the personal loan products (Kentsleigh) across the Cash Converters network. From the completion of the termination in mid-December, the Company will save approximately $5.7 million in commissions per annum based on the current value of loans written. The future savings from eliminating the commission payments are expected to be significant as the value of loans written continue to grow. The price for the termination of the agency agreements is $30.8 million (including GST) and represents an EBIT multiple on the commission savings of 5.4 times.

Cash Converters acquired the remaining 20% equity interest in Green Light Auto Group Pty Ltd ("GLA") during the period. Consequently the result includes an additional EBITDA loss of $223,170 that would otherwise have been charged to the minority shareholder.

The reported result was also impacted by the reversal of a provision of $1.1 million (pre-tax effect) towards an exit bonus payable in October 2014 to Ausgroup Pty Ltd ("Ausgroup"), an Australian company that has provided Cash Converters with specialist training support, compliance services and franchisee establishment support in the United Kingdom. In September 2014 Cash Converters terminated the agreement with Ausgroup in regard to commissions paid on personal loans resulting in the reversal of part of the provision. Upon expiration of the agreement with Ausgroup, with regards to cash advance loans, in October 2014 Cash Converters UK elected under the terms of the agreement to continue to pay commissions based on future cash advance loan performance over five years. The provision has been adjusted to reflect the expected outflows from the commission payments. From October 2014, Cash Converters UK, has been utilising internal resources to deliver the services previously provided by Ausgroup.

Financial services operations

The financial services business, UK and Australia combined, produced an EBITDA profit from the personal loans products of $22.6 million, up 23.4% on last year. The administration business for cash advance services produced a combined EBITDA of $6.1 million, up 23.5% on the previous period.

Australia

The Australian personal loan book has grown by 22.7% from $94.3m at 31 December 2013 to $115.7 million as at 31 December 2014.

A significant part of this growth has been generated by our online personal loan lending platform, with 27,578 loans made totalling $31.3 million. Online personal loans now represent 33.3% of the total loan book. The online business has considerable potential for further growth and contributes strongly to the development of the customer base. This view is supported by the fact that approximately 49% of all online customers are new to the Cash Converters loan product.

A large portion of the online growth has been driven by the launch of a new website platform which incorporates third party tools to expedite the customer application. The website launch was supported by mobile phone advertising to reach new customers which significantly boosted the applications from mobile devices.

The month of January, traditionally a quiet period for the personal loan product, has maintained a similar loan principal advanced to the corresponding period last year, with $13.9 million advanced this year and $14.1 million in January 2014.

The Australian personal loan book produced an EBITDA of $25.5 million (2013: $17.4 million) up 47% on the previous period.

The bad debt percentage of cumulative principal written off (less bad debts recovered) to cumulative principal advanced for the Australian business has increased to 6.3% as at 31 December 2014 from 5.7% as at 31 December 2013. Changes in lending criteria have been implemented by management during the period to reverse this trend.

The EBITDA for the Australian cash advance products increased 19%, to $5.4 million (2013: $4.5 million).

Directors' Report

Growth has come from the online cash advance business, with the value of loans written in the period being $5.1 million, up 88.8% on the previous six month period. Approximately 40% of online cash advance customers are new to Cash Converters.

Cash advance (first half of 2015FY compared to second half of 2014FY)

- Total principal loaned increased by 5.8% to $128.2 million
- Average loan amount increased from $413 to $417
- Total customer numbers increased by 6.0% to 568,072

Personal loans (first half of 2015FY compared to second half of 2014FY)

- Total number of active customers increased by 9.7% to 136,935
- Total principal loaned increased by 9.0% to $94.9 million

The Australian operation continues to be buoyed by the increase in new customer numbers, for both products, over the previous period.

UK

The UK personal loan book decreased by 8.4% in the first half, from £15.7 million at 30 June 2014 to £14.4 million at 31 December 2014. This was a result of the static loan outgoings and the planned running down of the loan book as the Company awaited the outcome of the rate cap review in the UK. The UK personal loan and cash advance business produced an EBITDA loss of $2.3 million.

During this period the Financial Conduct Authority announced the details of the rate cap which came into effect on 2 January 2015.

The rules propose the following:

- A rate cap of 0.8% of the outstanding daily balance
- A £15 cap on default fees
- 100% total cost of credit cap

As disclosed previously our modelling suggests that with a revamped product offering there is still the potential in the UK to sustain our financial services offering albeit on a reduced margin.

The bad debt percentage of principal written off to principal advanced for the UK was 17.5% up from 16.6% as at 30 June 2014. This percentage is likely to remain high as the impact of the legislation changes continue to impact the loan book.

Cash advance (first half of 2015FY compared to second half of 2014FY)

- Total principal loaned increased by 2.3% to £16.6 million
- Average loan amount increased from £135 to £143
- Total customer numbers increased by 22.0% to 168,629

Personal loans (first half of 2015FY compared to second half of 2014FY)

- Total number of loans approved decreased by 14.9% to 13,190
- Total principal loaned increased by 17.4% to £8.9 million

Company owned store results

The corporate store network in Australia produced an EBITDA profit of $10.2 million, up 64.3% on the previous period (2013: $6.2 million). Included in the result for this half were an additional nine ex-franchised stores which added an extra EBITDA of $1.7 million

Directors' Report

to this half-year result. Although total retail sales were flat for the like-for-like stores, pawn broking interest was up 17%, cash advance commission up 20%, and personal loan commission up 37%.

The corporate store network in the UK produced an EBITDA profit of $242,789, down 62.7% on the previous period (2013: $650,830). The main causes of the reduction were retail sales and scrap gold sales which were $1.0 million and $0.9 million respectively below the corresponding period last year. An improvement was made in operating overheads which were $0.6 million less than last year.

Green Light Auto (Trading as Carboodle)

The Carboodle brand was established by Green Light Auto Group Pty Ltd in 2010 ("GLA"). GLA is a licensed motor vehicle dealer providing customers who don't have access to main stream credit with a reliable and well maintained car (retail and commercial).GLA provides late model vehicles to its customers via a four year lease term including most running costs (insurance, maintenance, registration, roadside assistance etc.) for a weekly payment.

During the review period GLA entered into a referral and broker agreement with Aussie Car Loans (ACL) which will allow some ACL customers to be referred to GLA and allow GLA to have access to ACL's panel of lenders. GLA has also entered into an agreement with FleetPartners for the provision of high quality fully maintained, end of lease vehicles, for re-lease to GLA's customers. As part of this agreement FleetPartners have provided additional funding to GLA, secured against the existing leased vehicle fleet. GLA will use FleetPartners as the primary source for all future vehicles for lease and as a result of the financing the previous arrangement, with a more expensive third party financier, has been terminated. This resulted in finance termination costs of $700,000.

During the period the Company also completed the acquisition of the remaining 20% of the shares that it did not already own in GLA for a consideration of $450,000.

We now have a solid platform to grow the business going forward.

Trading Highlights

- Forward contracted lease payments are $25.2 million at the end of December 2014
- Total revenue for the six months to 31 December 2014 of $4.6 million

Outlook

The first half result was in line with Company expectations with normalised net profit of $15.3 million up 27.5% on the corresponding period in the prior year.

The Australian corporate store network performed strongly as did the Australian financial services division.

Australia experienced record lending volumes in December and this will result in continued earnings growth in the second half of the fiscal year.

The Company has also contracted the acquisition of an additional seven franchised stores in February 2015 which will see further growth in corporate store profit and the Company will also enjoy the benefit of the Kentsleigh/Cliffview transaction in the second half of 2015.

Managing Director Peter Cumins said "A very sound first half performance. The Company is now enjoying strong profit growth from two profit drivers, the Australian, corporate stores and financial services business. We now have clarity in the UK and will concentrate our efforts on taking advantage of a less competitive landscape post the rate cap implementation on 2 January 2015."

Directors' Report

Independent declaration by Auditor

The Auditor's independence declaration is included on page 25 of the half-year financial report.

On behalf of the Board. Signed in accordance with a resolution of directors pursuant to S306(3) of the Corporations Act 2001.

Peter Cumins
Managing Director

Perth, Western Australia
Date: 13 February 2015

Condensed consolidated statement of profit or loss and other comprehensive income
for the half-year ended 31 December 2014

	Notes	Half-year ended 31 December 2014 $	31 December 2013 $
Franchise fees	3a	5,409,163	5,190,098
Financial services interest revenue	3b	119,614,017	90,701,974
Sale of goods	3c	59,732,939	57,407,256
Other revenue	3d	2,989,064	2,461,014
Revenue		187,745,183	155,760,342
Cost of Sales	3e	(70,013,624)	(56,341,092)
Gross Profit		117,731,559	99,419,250
Administrative expenses	3f	(43,484,255)	(40,788,578)
Advertising expenses		(3,433,281)	(4,137,940)
Occupancy expenses	3g	(9,867,450)	(9,487,743)
Contract termination expense	4	(29,628,270)	-
Other expenses	3h	(33,245,253)	(29,698,339)
Finance costs	3i	(4,641,158)	(4,039,471)
Share of net profit of equity accounted investment		61,316	-
(Loss) / profit before income tax		(6,506,792)	11,267,179
Income tax benefit / (expense)		1,009,354	(4,010,072)
(Loss) / profit for the period		(5,497,438)	7,257,107
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		2,958,255	6,874,842
Other comprehensive income for the period		2,958,255	6,874,842
Total comprehensive income for the period		(2,539,183)	14,131,949
(Loss) / profit attributable to:			
Owners of the parent		(5,296,066)	9,880,413
Non-controlling interest		(201,372)	(2,623,306)
		(5,497,438)	7,257,107
Total comprehensive income attributable to:			
Owners of the parent		(2,337,811)	16,755,255
Non-controlling interest		(201,372)	(2,623,306)
		(2,539,183)	14,131,949
(Loss) / earnings per share			
Basic (cents per share)		(1.21)	2.32
Diluted (cents per share)		(1.21)	2.28

The accompanying notes form an integral part of the condensed consolidated statement of profit or loss and other comprehensive income

Condensed consolidated statement of financial position
as at 31 December 2014

	Notes	Consolidated 31 December 2014 $	30 June 2014 $
Current assets			
Cash and cash equivalents		43,190,919	26,843,072
Trade and other receivables		35,367,052	33,542,353
Personal loan receivables	**5**	126,596,461	123,677,192
Inventories		25,174,931	25,561,710
Current tax asset		3,231,105	-
Other assets		12,487,484	10,578,199
Total current assets		246,047,952	220,202,526
Non-current assets			
Trade and other receivables		14,864,198	14,814,904
Investments in associates and joint ventures		6,275,242	6,213,926
Plant and equipment		23,623,609	22,586,763
Deferred tax assets		15,520,507	13,543,414
Goodwill		108,678,354	110,726,057
Other intangible assets		24,433,213	21,899,866
Total non-current assets		193,395,123	189,784,930
Total assets		439,443,075	409,987,456
Current liabilities			
Trade and other payables		26,184,485	26,794,208
Borrowings	**7**	61,647,687	59,942,763
Current tax payable		-	9,737,589
Provisions		4,980,680	4,638,888
Total current liabilities		92,812,852	101,113,448
Non-current liabilities			
Borrowings	**7**	66,325,061	64,019,148
Provisions		195,586	148,539
Total non-current liabilities		66,520,647	64,167,687
Total liabilities		159,333,499	165,281,135
Net assets		280,109,576	244,706,321
Equity			
Issued capital		203,264,771	156,679,067
Reserves		(7,300,082)	(6,503,189)
Retained earnings		84,143,838	98,025,142
Equity attributable to owners of the parent		280,108,527	248,201,020
Non-controlling interest		1,049	(3,494,699)
Total equity		280,109,576	244,706,321

The accompanying notes form an integral part of the condensed consolidated statement of financial position

Condensed consolidated statement of changes in equity

for the half-year ended 31 December 2014

	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
	$	$	$	$	$	$	$	$
Balance at 1 July 2013	**151,708,656**	**(2,629,872)**	**-**	**1,715,775**	**90,835,176**	**241,629,735**	**1,049**	**241,630,784**
Profit for the period	-	-	-	-	9,880,413	9,880,413	(2,623,306)	7,257,107
Exchange differences arising on translation of foreign operations	-	6,874,842	-	-	-	6,874,842	-	6,874,842
Total comprehensive income for the period	**-**	**6,874,842**	**-**	**-**	**9,880,413**	**16,755,255**	**(2,623,306)**	**14,131,949**
Issue of shares (DRP)	2,199,526	-	-	-	(2,199,526)	-	-	-
Share-based payments	-	-	-	380,352	-	380,352	-	380,352
Shares issued on exercise of performance rights	368,394	-	-	(368,394)	-	-	-	-
Payment of dividends	-	-	-	-	(6,276,786)	(6,276,786)	-	(6,276,786)
Acquisition of non-controlling interests	-	-	-	-	-	-	(832,060)	(832,060)
Balance at 31 December 2013	**154,276,576**	**4,244,970**	**-**	**1,727,733**	**92,239,277**	**252,488,556**	**(3,454,317)**	**249,034,239**
Balance at 1 July 2014	**156,679,067**	**3,062,875**	**(11,662,250)**	**2,096,186**	**98,025,142**	**248,201,020**	**(3,494,699)**	**244,706,321**
Loss for the period	-	-		-	(5,296,066)	(5,296,066)	(201,372)	(5,497,438)
Exchange differences arising on translation of foreign operations	-	2,958,255	-	-	-	2,958,255	-	2,958,255
Total comprehensive income for the period	**-**	**2,958,255**	**-**	**-**	**(5,296,066)**	**(2,337,811)**	**(201,372)**	**(2,539,183)**
Issue of shares	45,030,000	-	-	-	-	45,030,000	-	45,030,000
Issue of shares (DRP)	2,381,129	-	-	-	(2,381,129)	-	-	-
Share issue costs net of tax	(1,192,196)	-	-	-	-	(1,192,196)	-	(1,192,196)
Share-based payments	-	-	-	758,743	-	758,743	-	758,743
Shares issued on exercise of performance rights	366,771	-	-	(366,771)	-	-	-	-
Payment of dividends	-	-	-	-	(6,204,109)	(6,204,109)	-	(6,204,109)
Acquisition of non-controlling interests	-	-	(4,147,120)	-		(4,147,120)	3,697,120	(450,000)
Balance at 31 December 2014	**203,264,771**	**6,021,130**	**(15,809,370)**	**2,488,158**	**84,143,838**	**280,108,527**	**1,049**	**280,109,576**

The accompanying notes form an integral part of the condensed consolidated statement of changes in equity

Condensed consolidated statement of cash flows

for the half-year as at 31 December 2014

	Notes	Consolidated Half-year ended 31 December 2014 $	31 December 2013 $
Cash flows from operating activities			
Receipts from customers		114,381,319	97,064,940
Payments to suppliers and employees		(124,304,784)	(115,344,497)
Payment for Contract Termination		(30,053,870)	-
Interest received		267,805	375,264
Interest received from personal loans		49,316,077	40,201,112
Net increase in personal loans		(12,762,886)	(13,344,406)
Interest and costs of finance paid		(4,641,158)	(4,039,471)
Income tax paid		(13,342,314)	(9,109,871)
Net cash flows used in operating activities		(21,139,811)	(4,196,929)
Cash flows from investing activities			
Net cash paid for acquisitions of controlled entities		-	(2,532,455)
Cash acquired in relation to Green Light Auto		-	3,833,411
Acquisition of intangible asset		(1,593,568)	(835,849)
Proceeds from sale of plant and equipment		-	74,000
Purchase of plant and equipment		(3,328,354)	(2,643,514)
Instalment credit loans repaid by franchisees		158,299	220,298
Net cash flows used in investing activities		(4,763,623)	(1,884,109)
Cash flows from financing activities			
Dividends paid – members of parent entity		(6,204,109)	(6,276,786)
Repayment of borrowings		(14,243,899)	(24,841,526)
Proceeds from borrowings		18,225,261	64,953,293
Borrowing Costs		-	(1,180,825)
Capital element of finance lease and hire purchase payments		(196,498)	(252,831)
Payment for change in ownership of a controlled entity	10	(450,000)	-
Issue of shares by controlling entity		45,030,001	-
Share issue costs		(1,703,152)	-
Net cash flows provided by financing activities		40,457,604	32,401,325
Net increase / (decrease) in cash and cash equivalents		14,554,170	26,320,287
Cash and cash equivalents at the beginning of the period		26,843,072	20,729,330
Effects of exchange rate changes on the balance of cash held in foreign currencies		1,793,677	3,714,552
Cash and cash equivalents at the end of the period	9	43,190,919	50,764,169

The accompanying notes form an integral part of the condensed consolidated statement of cash flows

Notes to the condensed consolidated financial statements
for the half-year as at 31 December 2014

1. Significant accounting policies

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's annual financial report for the financial year ended 30 June 2014, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

Comparative financial information

Certain comparative information within the statement of financial position has been reclassified to allow comparability with current period presentation.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

- AASB 1031 'Materiality' (2013)
- AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'
- AASB 2013-3 'Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets'
- AASB 2013-4 'Amendments to Australian

Impact of the application of AASB 1031 'Materiality' (2013)

The revised AASB 1031 is an interim standard that cross-references to other Standards and the Framework for the Preparation and Presentation of Financial Statements (issued December 2013) that contain guidance on materiality. The AASB is progressively removing references to AASB 1031 in all Standards and Interpretations, and once all these references have been removed, AASB 1031 will be withdrawn. The adoption of AASB 1031 does not have any material impact on the disclosures or the amounts recognised in the Group's condensed consolidated financial statements.

Impact of the application of AASB 2013-5 'Amendments to Australian Accounting Standards – Investment Entities'

To qualify as an investment entity, a reporting entity is required to:

- obtain funds from one or more investors for the purpose of providing them with investment management services;

Notes to the condensed consolidated financial statements

for the half-year as at 31 December 2014

1. Significant accounting policies (continued)

- commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- measure and evaluate performance of substantially all of its investments on a fair value basis.

Consequential amendments have been made to AASB 12 and AASB 127 to introduce new disclosure requirements for investment entities.

As the Company is not an investment entity (assessed based on the criteria set out in AASB 10 as at 1 January 2014), the application of the amendments does not have any material impact on the disclosures or the amounts recognised in the Group's condensed consolidated financial statements.

Impact of the application of AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'

The Group has applied the amendments to AASB 132 for the first time in the current year. The amendments to AASB 132 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.

The amendments have been applied retrospectively. As the Group does not have any financial assets and financial liabilities that qualify for offset, the application of the amendments has had no impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements. The Group has assessed whether certain of its financial assets and financial liabilities qualify for offset based on the criteria set out in the amendments and concluded that the application of the amendments does not have any material impact on the amounts recognised in the Group's condensed consolidated financial statements.

Impact of the application of AASB 2013-3 'Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets'

The Group has applied the amendments to AASB 136 for the first time in the current year. The amendments to AASB 136 remove the requirement to disclose the recoverable amount of a cash generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU.

Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by AASB 13 'Fair Value Measurements'.

The application of these amendments does not have any material impact on the disclosures in the Group's condensed consolidated financial statements.

Notes to the condensed consolidated financial statements

for the half-year as at 31 December 2014

2. Segmental information

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the Managing Director of CCIL) in order to allocate resources to the segment and to assess its performance.

Information reported to the consolidated entity's Managing Director for the purposes of resource assessment and assessment of performance is focussed on the nature of the service and category of customer. The consolidated entity's reportable segments under AASB 8 are therefore as follows:

<u>Franchise operations</u>

This involves the sale of franchises for the retail sale of second hand goods and the sale of master licences for the development of franchises in countries around the world.

<u>Store Operations</u>

This involves the retail sale of second hand goods at corporate owned stores in Australia and the UK.

<u>Financial service – personal loans</u>

This segment includes the Cash Converters Personal Finance – instalment loans business.

<u>Financial service – administration</u>

This segment includes the Cash Converters Personal Finance – the cash advance administration platform.

<u>Vehicle Leasing</u>

This reporting segment reflects the revenues from the Carboodle brand by way of lease interest, and the fully maintained vehicle product offering.

Information regarding these segments is presented below. The accounting policies of the reportable segments are the same as the consolidated entity's accounting policies.

Segment profit represents the profit earned by each segment without the allocation of central administration costs and directors' salaries, interest income and expense in relation to corporate facilities, and tax expense. This is the measure reported to the Managing Director (chief operating decision maker) for the purpose of resource allocation and assessment of segment performance.

Notes to the condensed consolidated financial statements

for the half-year as at 31 December 2014

2. Segmental information (continued)

The following is an analysis of the consolidated entity's revenue and results by reportable operating segment for the periods under review.

For the half year ended 31 December 2014	Franchise Operations	Store Operations *	Financial Services - Administration *	Financial Services - Personal Loans *	Vehicle Leasing	Corporate Head Office	Total
Interest revenue	808,999	28,867,064	4,890,017	83,270,198	1,777,739	-	119,614,017
Other revenue	8,242,430	64,642,572	2,753,032	-	2,836,952	2,004,026	80,479,012
Gross revenue	9,051,429	93,509,636	7,643,049	83,270,198	4,614,691	2,004,026	200,093,029
Less intercompany sales	(2,888,861)	(6,025,437)	(2,753,032)	-	-	(948,321)	(12,615,651)
Segment revenue	6,162,568	87,484,199	4,890,017	83,270,198	4,614,691	1,055,705	187,477,378
External Interest revenue	-	44,318	1,298	176,879	9,335	35,975	267,805
Total revenue	**6,162,568**	**87,528,517**	**4,891,315**	**83,447,077**	**4,624,026**	**1,091,680**	**187,745,183**
EBITDA	**3,618,832**	**9,636,393**	**1,822,141**	**(1,988,416)**	**(1,528,055)**	**(8,912,670)**	**2,648,225**
Depreciation and amortisation	(125,243)	(3,077,654)	(1,581)	(429,192)	(74,975)	(805,214)	(4,513,859)
EBIT	**3,493,589**	**6,558,739**	**1,820,560**	**(2,417,608)**	**(1,603,030)**	**(9,717,884)**	**(1,865,634)**
Interest expense	-	(6,903)	-	(1,585,115)	(470,826)	(2,578,314)	(4,641,158)
Profit/(Loss) before tax	**3,493,589**	**6,551,836**	**1,820,560**	**(4,002,723)**	**(2,073,856)**	**(12,296,198)**	**(6,506,792)**
Income tax expense							1,009,354
Operating loss after tax							**(5,497,438)**
Loss attributable to outside equity interests							201,372
Loss attributable to members of CCIL							**(5,296,066)**

* Store Operations EBITDA includes $825k expense attributed to the Kentsleigh agency agreement termination, ref Note 4
Financial Services - administration EBITDA includes $4.3 million expense attributed to the Cliffview agency agreement termination, ref Note 4
Financial Services - personal loans EBITDA includes $24.6 million expense attributed to the Kentsleigh agency agreement termination, ref Not 4

Notes to the condensed consolidated financial statements

for the half-year as at 31 December 2014

2. Segmental information (continued)

For the half year ended 31 December 2013	**Franchise Operations**	**Store Operations**	**Financial Services - Administration**	**Financial Services - Personal Loans**	**Vehicle Leasing**	**Corporate Head Office**	**Total**
Interest revenue	145,270	22,094,368	5,103,718	61,602,373	1,756,245	-	90,701,974
Other revenue	8,905,114	61,701,935	1,955,668	-	2,321,590	1,264,617	76,148,924
Gross revenue	9,050,384	83,796,303	7,059,386	61,602,373	4,077,835	1,264,617	166,850,898
Less intercompany sales	(3,014,905)	(5,369,647)	(1,955,668)	-	-	(1,125,600)	(11,465,820)
Segment revenue	6,035,479	78,426,656	5,103,718	61,602,373	4,077,835	139,017	155,385,078
External Interest revenue	-	18,406	2,132	175,753	11,690	167,283	375,264
Total revenue	**6,035,479**	**78,445,062**	**5,105,850**	**61,778,126**	**4,089,525**	**306,300**	**155,760,342**
EBITDA	**3,179,386**	**6,870,046**	**4,920,328**	**18,288,097**	**(2,916,186)**	**(11,233,846)**	**19,107,825**
Depreciation and amortisation	(124,637)	(2,508,596)	(2,339)	(400,312)	(82,088)	(683,203)	(3,801,175)
EBIT	**3,054,749**	**4,361,450**	**4,917,989**	**17,887,785**	**(2,998,274)**	**(11,917,049)**	**15,306,650**
Interest expense	-	(16,974)	-	(1,480,895)	(575,663)	(1,965,939)	(4,039,471)
Profit/(Loss) before tax	**3,054,749**	**4,344,476**	**4,917,989**	**16,406,890**	**(3,573,937)**	**(13,882,988)**	**11,267,179**
Income tax expense							(4,010,072)
Operating profit after tax							**7,257,107**
Loss attributable to outside equity interests							2,623,306
Profit attributable to members of CCIL							**9,880,413**

Notes to the condensed consolidated financial statements

for the half-year as at 31 December 2014

2. Segmental Information (continued)

The following is an analysis of the consolidated entity's assets by reportable segment:

	31 December 2014 $	30 June 2014 $
Franchise operations	22,213,689	22,086,355
Store operations	156,083,857	155,957,914
Financial services – administration	19,294,797	18,171,602
Financial services – personal loans	176,440,478	159,336,472
Vehicle Leasing	16,425,050	15,759,263
Total of all segments	**390,457,871**	**371,311,606**
Unallocated assets	48,985,204	38,675,850
Total assets	**439,443,075**	**409,987,456**

Unallocated assets include various corporate assets including cash held at a corporate level that has not been allocated to the underlying segments.

The following is an analysis of the consolidated entity's liabilities by reportable segment:

	31 December 2014 $	30 June 2014 $
Franchise operations	2,003,015	2,591,445
Store operations	15,040,715	12,841,108
Financial services – administration	4,363,264	4,866,524
Financial services – personal loans	98,231,514	93,003,169
Vehicle Leasing	11,572,931	6,492,422
Total of all segments	**131,211,439**	**119,794,668**
Unallocated liabilities	28,122,060	45,486,467
Total liabilities	**159,333,499**	**165,281,135**

Unallocated liabilities include consolidated entity borrowings not specifically allocated to the underlying segments.

Notes to the condensed consolidated financial statements

for the half-year as at 31 December 2014

3. Revenue and expenses

		2014	2013
		$	$
3a	**Franchise fees**		
	Weekly franchise fees	3,898,171	3,759,604
	Initial fees	16,456	18,488
	Advertising levies	243,300	242,500
	Training levies	193,730	196,200
	Computer levies	1,057,506	973,306
		5,409,163	5,190,098
3b	**Financial services interest revenue**		
	Instalment credit loan interest	632,681	51,772
	Personal loan interest	62,999,345	49,157,589
	Loan establishment fees	20,403,147	14,016,099
	Licence fees	6,793	6,442
	Pawn broking fees	13,407,378	9,947,990
	Cheque cashing commission	617,555	733,943
	Financial services commission	19,769,379	15,031,894
	Vehicle lease interest	1,777,739	1,756,245
		119,614,017	90,701,974
3c	**Sale of goods**		
	Retail sales	58,872,275	56,595,339
	Retail wholesales	426,857	488,034
	Vehicle trade sales	433,807	323,883
		59,732,939	57,407,256
3d	**Other revenue**		
	Bank interest	267,805	375,264
	Other vehicle revenue	2,395,756	1,988,770
	Other	325,503	96,980
		2,989,064	2,461,014
3e	**Cost of Sales**		
	Sale of goods	35,104,638	32,788,485
	Personal loan bad debts	32,506,152	21,555,908
	Cash advance bad debts	1,717,330	991,541
	Franchise fees bad debts	3,032	(8,315)
	Recovery of bad debts	(2,237,260)	(2,154,609)
	Vehicles	2,919,732	3,168,082
		70,013,624	56,341,092
3f	**Administrative expenses**		
	Employee benefits	39,437,984	37,054,527
	Share based payments	758,743	380,352
	Superannuation expense	2,203,170	1,953,134
	Motor vehicle/travel costs	1,084,358	1,400,565
		43,484,255	40,788,578

Notes to the condensed consolidated financial statements

for the half-year as at 31 December 2014

3. Revenues and expenses (continued)

		2014 $	2013 $
3g	**Occupancy expenses**		
	Rent	6,425,741	5,982,976
	Outgoings	2,848,582	2,773,195
	Other	593,127	731,572
		9,867,450	9,487,743
3h	**Other expenses**		
	Legal fees	1,212,660	997,851
	Area agent fees/commission	13,161,785	12,254,103
	Professional and registry costs	2,073,413	1,994,528
	Auditing and accounting services	423,623	236,563
	Bank charges	2,235,682	2,184,955
	(Profit)/Loss on disposal of plant and equipment	1,373	(797)
	Other expenses from ordinary activities	9,622,858	8,229,961
	Depreciation	2,782,576	2,710,058
	Amortisation	1,731,283	1,091,117
		33,245,253	29,698,339
3i	**Finance costs**		
	Interest	4,611,835	4,005,266
	Finance lease charge	29,323	34,205
		4,641,158	4,039,471

4. Contract termination expense

During the period the Group settled on contracts to effect the termination of agency agreements (“Licenses”) with development agents Kentsleigh Pty Ltd and Cliffview Pty Ltd (“Development Agents”). These Licenses have been in place for approximately ten years and provided for the Development Agents to develop and promote the cash advance (Cliffview) and personal loan lending products (“Kentsleigh”) across the Cash Converters Australian store network, as well as complete other services such as compliance audits, marketing and training in relation to these products.

The consideration for these services has been an ongoing commission payable to the Development Agents in respect of every loan written, for the 2014 financial year the payments amounted to $6.9m, and would have been forecast to grow in parallel to the growth of the financial services business in Australia if the termination had not been effected.

Cash consideration of $30.8m was paid to the Development Agents, $29.6m. is recorded as Contract Termination expenses in the statement of profit and loss and other comprehensive income. $840k relates to the acquisition of agency agreements held between Kentsleigh and 4 franchisees. These agreements will continue to generate income for the group as commission continues to be paid by the franchisees on a monthly basis. The consideration for these agreements is recorded as an intangible asset in the statement of financial position. As the agreements have no expiry date and the group has no reasonable basis to assume the commissions will cease to be paid, it has been determined the intangible asset has an indefinite life.

Notes to the condensed consolidated financial statements
for the half-year as at 31 December 2014

5. Personal loans receivables

	31 December 2014 $	30 June 2014 $
Personal short term loans	174,557,451	166,944,852
Allowance for impairment losses	(34,431,250)	(31,135,507)
Deferred establishment fees	(13,529,739)	(12,132,153)
Net personal loan receivables	**126,596,462**	**123,677,192**

6. Issuances and repurchases of equity securities

During the current period, 376,002 ordinary shares were issued as a result of the exercise of performance rights. An additional 2,214,399 shares were issued pursuant to the Company's Dividend Reinvestment Plan (DRP). On the 8th December the group completed a capital raising via the placement of 47,400,000 new ordinary shares, at 95 cents per share, to institutional and sophisticated investors. Cash Converters' major shareholder EZCORP Inc. participated in the placement to its pro-rata interest of 31.88%. The total number of ordinary shares on issue is 478,876,525 as at 31 December 2014.

Balance at the beginning of the period	428,886,124
Shares issued during the period	49,990,401
Balance at end of the period	478,876,525

7. Borrowings

	31 December 2014	30 June 2014
Current	$	$
Loans - working capital	2,000,000	-
Loans - Sales & Leaseback (i)	2,748,159	-
Securitisation/Warehousing Facilities (ii)	56,654,240	59,613,840
Hire purchase and lease liabilities	245,288	328,923
	61,647,687	**59,942,763**
Non-current		
Loans (i)	-	5,000,000
Loans - Sales & Leaseback	7,129,205	-
Bond	59,072,210	58,945,692
Hire purchase and lease liabilities	123,646	73,456
	66,325,061	**64,019,148**

Notes to the condensed consolidated financial statements
for the half-year as at 31 December 2014

7. Borrowings (continued)

(i) The $2 million drawn on the group's working capital facility at the reporting date was repaid on the 5th January 2015

(ii) On the 21 November 2014, the group's wholly owned subsidiary, Green Light Auto Group Pty Ltd (GLA), entered into a partnership with FleetPartners. As an intrinsic part of this partnership FleetPartners purchased the current fleet of vehicles owned by GLA on a sale and leaseback. The net effect of this arrangement facilitated the termination of the securitisation facility the entity previously held with FCCD (Australia) Pty Ltd (Fortress). The early termination of the facility incurred termination costs of $700,000. The term of the FleetPartners agreement is matched to the remaining term of the corresponding GLA lease with its customer.
At 31 December 2014 the balance of the facility with FleetPartners was $9,877,364.

(iii) During the period the group completed negotiations to increase the securitisation/warehousing facility with Westpac Banking Corporation by $10m and extended the term by 12 months. At 31 December 2014, the Group's $70 million securitisation/warehousing facility with Westpac Banking Corporation, secured against eligible personal loan receivables, was drawn to $56.9 million (30 June 2014 - $54.3 million).

8. Dividends

	2014		2013	
	Cents per share	Total $	Cents per share	Total $
Recognised amounts				
Fully paid ordinary shares				
Final dividend:	2.00	8,585,238	2.00	8,476,312
Unrecognised amounts				
Fully paid ordinary shares				
Interim dividend:	2.00	9,577,531	2.00	8,526,055

9. Reconciliation of cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand in banks net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial period as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	Consolidated	
	31 December 2014 $	31 December 2013 $
Cash and cash equivalents	43,190,919	50,764,169
Bank overdrafts	-	-
	43,190,919	50,764,169

Notes to the condensed consolidated financial statements

for the half-year as at 31 December 2014

10. Business Combinations

During the period, the valuations of the store acquisition business combinations, that took place during the previous financial year, were finalised. As a result of these valuations, the following changes were reflected in the current period financial statements

	Debit / (Credit)
Goodwill	(2,978,000)
Reacquired rights intangible asset	1,406,822
Customer relationships intangible asset	1,241,836
Amortisation of intangibles (P&L)	329,342

Also during the period the Group acquired the remaining 20% equity of Green Light Auto Group Pty Ltd, of which it previously held 80%. The cash consideration transferred was $450,000.

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

11. Contingent Liability

As previously disclosed to the Australian Securities Exchange, a class action has been commenced against the Company and three subsidiaries alleging that lending in New South Wales between 1/7/2010 and 30/6/2013 was based on an unlawful model and therefore borrowers are entitled to damages. There have been no significant developments in the matter between 30 June 2014 and 31 December 2014. The Company remains satisfied that these loans were made in a lawful manner. The potential financial impact cannot be reliably estimated at this stage.

12. Subsequent events

The Directors recommend an interim dividend of 2.0 cents per share. This dividend will be 100% franked and will be paid on 31 March 2015. The financial effect has not been reported in this financial report.

On 6th February 2015 the group completed the acquisition of one NSW franchised store. The store has been purchased from an existing franchisee for cash consideration of $1.6m, including assets of $568k. The acquisition represents and EBIT multiple of 3.5 times on current earnings and an EBIT multiple of 2.2 excluding assets acquired.

Agreements were signed during the period to effect the acquisition of six franchised stores in Victoria. The settlement date is scheduled for 26 February 2015. The cash consideration is $10.8m and includes $3.5m of assets. The acquisition price represents an EBIT multiple of 3.7 times on current earnings and an EBIT multiple of 2.5 times excluding acquired assets.

During the period the Financial Conduct Authority (FCA) in the UK release their policy statement in respect of a rate cap on high cost short term credit. The policy statement defines the changes that took effect from 2 January 2015. The policy contains three key aspects; an initial cost of credit cap of 0.8% per day (interest on principal advanced), a total cost of credit cap of 100% of the amount of credit advanced and a fixed charge cap on default fees of £15 per loan. Cash Converters UK has implemented a new loan product to meet the requirements of the legislation. Whilst it is too early to make any clear predictions on the full impact the legislation will have on the business, early indicators show that new customer volumes have not been negatively impacted and the cash advance outgoings are maintaining the prior year levels.

Notes to the condensed consolidated financial statements

for the half-year as at 31 December 2014

12. Subsequent events (continued)

Aside from the matters discussed above, the Directors are not aware of any matter or circumstance that has significantly affected or may significantly affect the operations of the economic entity or the state of affairs of the economic entity in subsequent financial periods.

13. Financial Instruments

The fair value of the Group's financial assets and liabilities are determined on the following basis.

Financial assets and financial liabilities that are measured at fair value on a recurring basis

Subsequent to initial recognition, at fair value financial instruments are grouped into levels 1 to 3 based on the degree to which the fair value is observable. Levels are defined as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets of liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included with level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At 31 December 2014 and December 2013 the Group had no material financial assets and liabilities that are measured on a recurring basis.

Financial assets and financial liabilities that are not measured at fair value on a recurring basis (but where fair value disclosures are required)

At 31 December 2014 and 31 December 2013, the carrying amount of financial assets and financial liabilities for the Group is considered to approximate their fair values.

Directors' Declaration

Directors' declaration

The directors declare that:

(a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

(b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to S303(5) of the Corporations Act 2001.

On behalf of the Directors

Peter Cumins
Managing Director

Perth, Western Australia
Date: 13 February 2015

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The Board of Directors
Cash Converters International Limited
Level 18 Citibank House
37 St Georges Terrace
Perth WA 6000 Australia

13 February 2015

Dear Directors

Cash Converters International Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Cash Converters International Limited.

As lead audit partner for the review of the financial statements of Cash Converters International Limited for the half year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Peter Rupp
Partner
Chartered Accountants

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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Independent Auditor's Review Report to the members of Cash Converters International Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Cash Converters International Limited, which comprises the condensed consolidated statement of financial position as at 31 December 2014, and the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 8 to 24.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Cash Converters International Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Cash Converters International Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Cash Converters International Limited is not in accordance with the Corporations Act 2001, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Peter Rupp
Partner
Chartered Accountants
Perth, 13 February 2015