APPENDIX 4D

Cash Converters International Limited
ABN: 39 069 141 546

Half-year ended 31 December 2015

RESULTS FOR ANNOUNCEMENT TO THE MARKET

				31 December 2015	**31 December 2014**
Revenues from operations	Up	5.8%	to	$198,636,848	$187,745,183
Profit Before Tax and Contract termination expense *	Up	10.0%	to	$25,427,680	$23,121,478
Net Profit / (Loss) for the period	Up	N/A	to	$15,887,238	$(5,497,438)
Profit / (Loss) from operations after tax attributable to members	Up	N/A	to	$15,887,238	$(5,296,066)

	31 December 2015	**31 December 2014**
Basic Earnings Per Share	3.30 cents	(1.21) cents
Net tangible asset backing per ordinary shares	29.58 cents	30.70 cents
Weighted average number of shares – used as the denominator in calculating basic EPS	481,587,577	436,394,586
Number of Shares on issue at period end – used in NTA / Share	481,831,759	478,876,525

Dividend information	**Amount per security**	**Franked Percentage**
2016 Interim Dividend (Available for DRP) - Declared 26/02/2016	2.00 cents	100%
2015 Final Dividend - The directors did not declare a final dividend	-	-
2015 Interim Dividend - Paid 31/03/2015	2.00 cents	100%
2014 Final Dividend - Paid 30/09/2014	2.00 cents	100%

Record date for determining entitlements to the Interim Dividend and participation in the Dividend Reinvestment Plan	15 April 2016
Payment date for the Interim Dividend	29 April 2016

** Refer to Note 4 of the accompanying half year financial report*

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.

Dividends

The directors of the Company recommend an interim dividend of 2.0 (two) cents per share. The dividend will be 100% franked and will be paid on 29 April 2016 to those shareholders on the register at the close of business on 15 April 2016.

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.

Net tangible assets per security

For the current period (31 December 2015) the net tangible assets per security are $0.2958.
For the corresponding period (31 December 2014) they were $0.3070.

Details over entities over which control has been gained or lost

During the period the Group did not gain or lose control of any entities.

Details of associates and joint venture entities

The Group holds a 25% equity interest in Cash Converters Master Franchise for New Zealand which generates income from corporate stores, franchise contracts, financial services and software. The Group's share of the loss of $366,378 is reflected in the financial result for the period (December 2014: profit of $61,316).

Earnings per security

The basic earnings per share for this period are 3.30 cents per share;
The diluted earnings per share for this period are 3.24 cents per share;

The basic earnings per share for the previous period are (1.21) cents per share;
The diluted earnings per share for the previous period are (1.21) cents per share.

Audited accounts

Appendix 4D has been prepared in conjunction with the attached financial report.

Ralph Groom
Company Secretary
29 February 2016

CASH CONVERTERS INTERNATIONAL LIMITED
ABN 39 069 141 546

Half-Year Report
For the half-year ended 31 December 2015

In respect of the half-year ended 31 December 2015, 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 Stuart Grimshaw (chairman and non-executive director)
Mr Peter Cumins (managing director)
Mr Reginald Webb (non-executive director)
Mr Lachlan Given (non-executive director)
Mr Kevin Dundo (non-executive director)

The above named directors held office during and since the end of the half-year.

Dividends

No dividends were paid during the half-year. The directors of the Company recommend an interim dividend of 2.0 (two) cents per share. The dividend will be 100% franked and will be paid on 29 April 2016 to those shareholders on the register at the close of business on 15 April 2016.

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 2015 $**	**31 December 2014 $**	**Variance %**
Revenue	**198,636,848**	**187,745,183**	**+5.8**
EBITDA	**36,537,155**	**2,849,597**	**+1182.2**
Depreciation, amortisation and impairment *	(6,853,351)	(4,513,859)	+2.0
EBIT	29,683,804	(1,664,262)	N/A
Income tax	(9,540,442)	1,009,354	N/A
Finance costs	(4,256,124)	(4,641,158)	-8.3
Net (loss) / profit after tax	**15,887,238**	**(5,296,066)**	**N/A**

* This includes an impairment charge for the UK of $2,247,551 for the period (2014: Nil).

Cash Converters International Limited is pleased to report growth in revenue of 5.8% on the previous corresponding period to $198.6 million. As illustrated in the table below, the normalised EBITDA profit for the period was $37.3 million, up 15.2% on the previous period. The statutory EBITDA profit for the period was $36.5 million.

Normalised EBITDA

The table below provides a normalised EBITDA with adjustments to the respective periods in order to better reflect the underlying performance of the Cash Converters business.

Normalised EBITDA	31 December 2015 $	31 December 2014 $	Variance %
Statutory EBITDA	**36,537,155**	**2,849,597**	**+1182.2**
Stamp duty on store acquisitions	-	385,595	-
Ausgroup provision benefit	-	(1,158,099)	-
Kentsleigh agency termination payment	-	29,628,270	-
Termination fees – bank facility	-	700,000	-
Strategy review costs	801,629	-	-
EBITDA normalised	**37,338,784**	**32,405,363**	**+15.2**
Divisional EBITDA (Normalised basis)	**31 December 2015 $**	**31 December 2014 $**	**Variance %**
Franchise operations	3,172,178	3,618,832	-12.3
Store operations	8,196,061	10,461,063	-21.7
Financial services - administration	6,844,283	6,078,141	+12.6
Financial services - personal loans	31,373,760	22,559,184	+39.1
Green Light Auto (before minority interest)	(1,147,779)	(828,055)	-38.6
Minority interest – Green Light Auto	-	201,372	-
Total before head office costs	**48,438,503**	**42,090,537**	**+15.1**
Corporate head office costs	(11,099,719)	(9,685,174)	+14.6
Total Divisional EBITDA	**37,338,784**	**32,405,363**	**+15.2**

Major highlights for the half-year include:

- Revenue growth of 5.8% to $198.6 million. The major drivers for revenue growth over the year included an increase in retail sales of $11.4 million, pawn interest of $1.4 million and financial services commission of $1.5 million
- The normalised Australian divisional EBITDA of $38.3 million was up 11.0%
- The normalised Australian personal loan division EBITDA of $30.8 million was up 20.5%
- The Australian personal loan book stood at $115.8 million as at 31 December 2015, up marginally on the previous year (2014: $115.7 million) and up 7.8% on 30 June 2015
- The growth of the online personal loan business in Australia continues to be very strong with the value of loans written increasing 42.5% to $44.6 million (2014: $31.3 million) for the six month period ending 31 December 2015
- The value of online cash advance in Australia has also been strong with the value of loans written increasing by 62.1% to $8.2 million (2014: $5.1 million) for the six month period ending 31 December 2015
- The Australian cash advance product produced an EBITDA result of $6.2 million, up 15.7% on last year's result of $5.4 million
- The Australian corporate store network EBITDA was $10.5 million, representing a 2.8% increase on the corresponding period (2014: $10.2 million)

New Strategy

On 29 February 2016 the Company announced a major change in strategy following a comprehensive review across all businesses. The Company will focus on building on its brand and network strengths in Australia, and significantly reduce its operations in the United Kingdom.

Cash Converters began a comprehensive review six months ago aimed at developing a new strategy to deliver sustainable growth and profits. Going forward, the focus will be on businesses with returns well above their cost of capital and leadership in customer service and satisfaction.

Australia already has industry leading market share, brand recognition and customer satisfaction. The Company will increase investment to build on these strengths. It will expand its national network continuing the successful mix of corporate and franchise stores. It will also increase capabilities to cater for the rapid growth in online lending demand.

The Company will broaden its current lending product range with the introduction of medium amount credit contract loans. These are government regulated and with loan periods of up to two years for amounts up to $5,000.

In the United Kingdom Cash Converters will 'go back to the basics' and return to its original role as a master franchisor. The Group will look to sell its corporate stores to franchisees within its network, and also divest the UK personal loan book. Once these sales are completed it will focus on servicing the needs of its franchisee network throughout the United Kingdom.

In Australia, Carboodle will cease operations with the current leasing book wound down. The business will look to transition to a new secured motor lending business, Green Light Auto Finance. This will operate as a low overhead, capital 'light' business supported by a funding platform from a third party.

The Company has a 25 per cent interest in Cash Converters New Zealand and plans to use that as a platform for future growth in that market.

The Company expects to take into its full year 2016 financial results charges related to changes in the United Kingdom and Carboodle businesses. At the date of this report, Cash Converters is in the process of assessing the likely financial impact of these changes on the 2016 full year financial results and further clarity will arise as the plans are implemented over the remainder of the current financial year.

Financial services operations

Australia

The Australian personal loan book stood at $115.8 million as at 31 December 2015, up marginally on the previous year (2014: $115.7 million) and up 7.8% on 30 June 2015. Our online lending platform is performing strongly, with 39,741 (2014:27,578) loans made totalling $44.6 million, up 42.5% on the previous period. Online personal loans represent 42.2% of the total loan book as at 31 December 2015.

The Australian personal loan book produced an EBITDA of $30.8 million (2014:$25.5 million) up 20.5% 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 increased to 7.1% (2014: 6.3%), however, total net bad debts written off during the six month period ending 31 December 2015 were $21.1m compared to $30.3m for the corresponding period in 2014, representing a reduction of $9.2m.

The EBITDA for the Australian cash advance products increased by 15.7% to $6.2 million (2014: $5.4 million).

Cash Advance

- Total principal loaned decreased by 3.7% to $123.5 million (2014:$128.2 million)
- Average loan amount as at 31 December 2015 $406 (2014: $417)
- Total customer numbers increased by 10.4% to 627,069 (2014:568,072)

Personal Loans

- Total number of loans approved increased by 16.9% to 140,033 (2014:119,794)
- Total number of active customers increased by 36.6% to 186,994 (2014:136,935)
- Loan book slightly up to $115.8 million (2014:$115.7 million)

United Kingdom

The UK business incurred an impairment charge of £3.8 million ($7.6 million) in the financial year ending 30 June 2015. For the six months ending 31 December 2015 conditions have remained difficult in the UK especially in regard to our corporate store network which has performed behind plan and incurred further losses, which has resulted in a further impairment charge of £1.1 million ($2.2 million) being recognised during the current period. Further information in relation to UK Corporate Store performance is included below.

The UK personal loan book as at 31 December 2015 was £8.7 million. The UK personal loan book produced an EBITDA of £284K compared to a loss of £1.6 million as at 31 December 2014.

The UK cash advance business produced an EBITDA profit of £283K (2014:£370K) down 24% on the previous period.

Cash Advance

- Total principal loaned for the six month period ended 31 December 2015 increased 3.6% to £15.2 million (six month period ended 30 June 2015: £14.7 million)
- Average loan amount as at 31 December 2015 £181 (30 June 2015: £147)
- Total customer numbers increased by 5.1% to 188,639 (30 June 2015: 179,534)

Personal Loans

- Total number of loans approved for the six month period ended 31 December 2015 increased by 41.1% to 11,514 (six month period ended 30 June 2014: 8,163)
- Total principal loaned for the six month period ended 31 December 2015 increased by 54.6% to £6.7 million (six month period ended 30 June 2015: £4.4 million)
- Total number of active customers increased by 2.1% to 14,334 (30 June 2015: 14,040)
- Loan book decreased by 6.5% to £8.7 million (30 June 2015: $9.3 million)

Company owned store results

Australia

The corporate store network in Australia produced an EBITDA of $10.5 million (2014: $10.2 million) up 2.9% on the previous period.

The Corporate Stores experienced strong growth, on a like for like basis, in regard to retail sales and cash advance commissions, which were up 11.9% and 11.6% respectively on the previous corresponding period, and pawn broking interest which was up 0.7%.

United Kingdom

The UK corporate store network has struggled in tough trading conditions. The EBITDA for the period was a loss of £1.1 million compared to the previous corresponding period profit of £243K.

CCUK, with effect from 1 July 2015, has contracted the services of the Cox Group to manage the corporate store network. The Cox Group is a multi-store franchise business and has the relevant experience to improve the financial performance of the UK stores – the initial agreement is for three years. This arrangement brings together the expertise of a proven multi-store franchise operator with the capital and infrastructure support of the Company.

As at 31 December 2015 there are 59 (2014: 58) corporate stores trading in the UK.

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 do not 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 two, three or four year lease term including most running costs (insurance, maintenance, registration, roadside assistance) for a weekly payment.

At 31 December 2015, 850 active leases were in place with forward contracted lease payments of $23.8 million. Total revenue for the six month period ending 31 December 2015 was $4.4 million. The EBITDA was a loss of $1,147,784 for the half-year compared to a loss of $1,528,058 for the previous corresponding period.

Australian regulatory environment

The government have established a review of the small amount credit contract (SACC) laws. The interim report was released in December 2015 with the panel requesting a response from interested parties by 22 January 2016. Cash Converters lodged a reply to the interim report by the requested date.

Banking facilities

The Company has executed a new securitisation facility with Fortress Finance under similar covenants to the Westpac facility and at a competitive interest rate. Transactional banking services have also been agreed with an alternative provider.

Queensland class action

On 31 July 2015, the Company was served with a writ lodged with the New South Wales Registry of the Federal Court of Australia by a Mr Sean Lynch commencing a class action proceeding on behalf of borrowers resident in Queensland who took out personal loans from the Company's subsidiaries during the period from 30 July 2009 to 30 June 2013.

The current proceeding relates to the brokerage fee charged to customers between 30 July 2009 and 30 June 2013. The brokerage fee system has not been used since 30 June 2013.

The proceeding relates to loans made only in Queensland to Queensland residents by Company subsidiaries based in Queensland, notwithstanding that the action has been commenced in New South Wales.

The proceeding will be vigorously defended.

Summary and Outlook

The Australian business continued to perform well in the six month period ended 31 December 2015 with normalised, underlying EBITDA up 11.0% to $38.3 million and we expect to see further growth in the remainder of FY 2016.

In commenting on the outlook for the Company and its industry sector, Peter Cumins said:

"We will now focus on markets where we already have a strong position, good growth prospects and relatively predictable operating and regulatory environments. In Australia we believe we can use our market and brand leadership to not only improve our financial performance, but also assist in the necessary reshaping of short-term lending into a reputable and credible segment within the overall financial services sector.

"Recent government data shows the short-term lending market in Australia is growing and the range of consumers accessing these products is broadening. This is driving demand for online and more sophisticated lending products. Cash Converters is well positioned to meet this demand and respond to industry changes," he said.

Independence declaration by Auditor

The Auditor's independence declaration is included on page 26 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: 29 February 2016

Condensed consolidated statement of profit or loss and other comprehensive income
for the half-year ended 31 December 2015

		Half-year ended	
		31 December	**31 December**
	Notes	**2015**	**2014**
		$	**$**
Franchise fees	3a	5,595,453	5,409,163
Financial services interest revenue	3b	118,842,104	119,614,017
Sale of goods	3c	70,974,053	59,732,939
Other revenue	3d	3,225,238	2,989,064
Revenue		198,636,848	187,745,183
Cost of sales	3e	(69,177,546)	(70,013,624)
Gross profit		129,459,302	117,731,559
Administrative expenses	3f	(49,245,766)	(43,484,255)
Advertising expenses		(4,376,043)	(3,433,281)
Occupancy expenses	3g	(11,187,057)	(9,867,450)
Contract termination expense	4	-	(29,628,270)
Impairment of non-current assets	6	(2,247,551)	-
Other expenses	3h	(32,352,703)	(33,245,253)
Finance costs	3i	(4,256,124)	(4,641,158)
Share of net profit of equity accounted investment		(366,378)	61,316
Profit / (loss) before income tax		25,427,680	(6,506,792)
Income tax benefit / (expense)		(9,540,442)	1,009,354
Profit / (loss) for the period		15,887,238	(5,497,438)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(330,084)	2,958,255
Other comprehensive income for the period		(330,084)	2,958,255
Total comprehensive income for the period		15,557,154	(2,539,183)
Profit / (loss) attributable to:			
Owners of the parent		15,887,238	(5,296,066)
Non-controlling interest		-	(201,372)
		15,887,238	(5,497,438)
Total comprehensive income attributable to:			
Owners of the parent		15,557,154	(2,337,811)
Non-controlling interest		-	(201,372)
		15,557,154	(2,539,183)
Earnings / (loss) per share			
Basic (cents per share)		3.30	(1.21)
Diluted (cents per share)		3.24	(1.21)

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 2015

	Notes	Consolidated 31 December 2015 $	Consolidated 30 June 2015 $
Current assets			
Cash and cash equivalents	10	49,168,787	52,378,665
Trade and other receivables		16,141,936	16,096,043
Personal loan receivables	5	139,665,467	131,886,047
Inventories		23,278,753	27,683,578
Current tax receivable		-	3,600,310
Other assets		13,349,351	11,936,995
Total current assets		241,604,294	243,581,638
Non-current assets			
Trade and other receivables		18,460,658	18,985,690
Investments in associates		5,921,231	6,287,609
Plant and equipment		25,304,798	25,357,910
Deferred tax assets		11,909,212	10,875,338
Goodwill	6	109,978,290	111,408,026
Other intangible assets		25,250,414	24,706,855
Total non-current assets		196,824,603	197,621,428
Total assets		438,428,897	441,203,066
Current liabilities			
Trade and other payables		26,261,078	26,449,716
Borrowings	8	57,396,769	60,705,129
Current tax payable		4,617,640	-
Provisions		6,191,627	25,672,716
Total current liabilities		94,467,114	112,827,561
Non-current liabilities			
Borrowings	8	65,888,267	66,436,795
Provisions		324,655	240,082
Total non-current liabilities		66,212,922	66,676,877
Total liabilities		160,680,036	179,504,438
Net assets		277,748,861	261,698,628
Equity			
Issued capital		205,967,917	205,399,340
Reserves		(2,485,989)	(2,080,407)
Retained earnings		74,265,884	58,378,646
Equity attributable to owners of the parent		277,747,812	261,697,579
Non-controlling interest		1,049	1,049
Total equity		277,748,861	261,698,628

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 2015

	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 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**
Balance at 1 July 2015	**205,399,340**	**10,696,672**	**(15,809,370)**	**3,032,291**	**58,378,646**	**261,697,579**	**1,049**	**261,698,628**
Profit for the period	-	-	-	-	15,887,238	15,887,238	-	15,887,238
Exchange differences arising on translation of foreign operations	-	(330,084)	-	-	-	(330,084)	-	(330,084)
Total comprehensive income for the period	**-**	**(330,084)**	**-**	**-**	**15,887,238**	**15,557,154**	**-**	**15,557,154**
Issue of shares	-	-	-	-	-	-	-	-
Issue of shares (DRP)	-	-	-	-	-	-	-	-
Share issue costs net of tax	-	-	-	-	-	-	-	-
Share-based payments	-	-	-	493,079	-	493,079	-	493,079
Shares issued on exercise of performance rights	568,577	-	-	(568,577)	-	-	-	-
Payment of dividends	-	-	-	-	-	-	-	-
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-
Balance at 31 December 2015	**205,967,917**	**10,366,588**	**(15,809,370)**	**2,956,793**	**74,265,884**	**277,747,812**	**1,049**	**277,748,861**

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

	Notes	Consolidated Half-year ended 31 December 2015 $	31 December 2014 $
Cash flows from operating activities			
Receipts from customers		138,568,040	114,381,319
Payments to suppliers and employees		(131,519,955)	(124,304,784)
Payment for contract termination		-	(30,053,870)
Payment for class action settlement expense		(23,128,219)	-
Interest received		328,066	267,805
Interest received from personal loans		50,527,189	49,316,077
Net increase in personal loans		(21,114,653)	(12,762,886)
Interest and costs of finance paid		(4,256,124)	(4,641,158)
Income tax paid		(2,371,824)	(13,342,314)
Net cash flows provided by / (used in) operating activities		7,032,520	(21,139,811)
Cash flows from investing activities			
Acquisition of intangible asset		(2,914,403)	(1,593,568)
Proceeds from sale of plant and equipment		602	-
Purchase of plant and equipment		(3,087,424)	(3,328,354)
Instalment credit loans repaid by franchisees		43,082	158,299
Net cash flows used in investing activities		(5,958,143)	(4,763,623)
Cash flows from financing activities			
Dividends paid – members of parent entity		-	(6,204,109)
Repayment of borrowings		(5,384,514)	(14,243,899)
Proceeds from borrowings		1,398,024	18,225,261
Capital element of finance lease and hire purchase payments		(143,757)	(196,498)
Payment for change in ownership of a controlled entity		-	(450,000)
Issue of shares by controlling entity		-	45,030,001
Share issue costs		-	(1,703,152)
Net cash flows provided by / (used in) financing activities		(4,130,247)	40,457,604
Net increase / (decrease) in cash and cash equivalents		(3,055,870)	14,554,170
Cash and cash equivalents at the beginning of the period		52,378,665	26,843,072
Effects of exchange rate changes on the balance of cash held in foreign currencies		(154,008)	1,793,677
Cash and cash equivalents at the end of the period	10	49,168,787	43,190,919

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

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 2015, 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.

Amendments to AASBs and the new interpretations that are mandatorily effective for the current reporting period

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.

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

- AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'

Impact of the application of AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'
Completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations.

The adoption of amending Standards does not have any impact on the disclosures or the amounts recognised in the Group's condensed consolidated financial statements.

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.

2. Segmental information (continued)

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

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

Vehicle leasing
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.

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 2015	**Franchise operations**	**Store operations**	**Financial services - administration**	**Financial services - personal loans**	**Vehicle leasing**	**Corporate head office**	**Total**
Interest revenue	807,068	30,712,939	4,396,357	81,482,943	1,442,797	-	118,842,104
Other revenue	9,116,735	75,907,037	2,854,941	-	2,696,832	1,221,705	91,797,250
Gross revenue	9,923,803	106,619,976	7,251,298	81,482,943	4,139,629	1,221,705	210,639,354
Less intercompany sales	(3,721,733)	(5,753,898)	(2,854,941)	-	-	-	(12,330,572)
Segment revenue	6,202,070	100,866,078	4,396,357	81,482,943	4,139,629	1,221,705	198,308,782
External Interest revenue	-	52,220	475	262,408	2,022	10,941	328,066
Total revenue	**6,202,070**	**100,918,298**	**4,396,832**	**81,745,351**	**4,141,651**	**1,232,646**	**198,636,848**
EBITDA	**3,172,178**	**8,196,061**	**6,844,283**	**31,373,760**	**(1,147,779)**	**(11,901,348)**	**36,537,155**
Depreciation and amortisation	(112,995)	(3,058,522)	(1,092)	(383,014)	(60,974)	(989,203)	(4,605,800)
Impairment	-	(2,247,551)	-	-	-	-	(2,247,551)
EBIT	**3,059,183**	**2,889,988**	**6,843,191**	**30,990,746**	**(1,208,753)**	**(12,890,551)**	**29,683,804**
Interest expense	-	(1,234)	-	(1,465,961)	(371,546)	(2,417,383)	(4,256,124)
Profit/(loss) before tax	**3,059,183**	**2,888,754**	**6,843,191**	**29,524,785**	**(1,580,299)**	**(15,307,934)**	**25,427,680**
Income tax expense							(9,540,442)
Operating profit after tax							**15,887,238**
Profit attributable to outside equity interests							-
Profit attributable to members of CCIL							**15,887,238**

2. Segmental information (continued)

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, refer to Note 4
Financial services - administration EBITDA includes $4.3 million expense attributed to the Cliffview agency agreement termination, refer to Note 4
Financial services - personal loans EBITDA includes $24.6 million expense attributed to the Kentsleigh agency agreement termination, refer to Note 4

2. Segmental information (continued)

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

	31 December 2015 $	30 June 2015 $
Franchise operations	14,497,631	16,079,365
Store operations	108,712,598	116,808,665
Financial services – administration	18,866,119	18,856,029
Financial services – personal loans	236,628,332	232,389,279
Vehicle leasing	14,369,609	14,738,476
Total of all segments	**393,074,289**	**398,871,814**
Unallocated assets	45,354,608	42,331,252
Total assets	**438,428,897**	**441,203,066**

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 2015 $	30 June 2015 $
Franchise operations	1,726,639	2,448,768
Store operations	18,655,604	17,287,960
Financial services – administration	5,507,612	5,510,500
Financial services – personal loans	105,431,790	105,462,805
Vehicle leasing	9,213,028	9,786,525
Total of all segments	**140,534,673**	**140,496,558**
Unallocated liabilities	20,145,363	39,007,880
Total liabilities	**160,680,036**	**179,504,438**

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

3. Revenue and expenses

		31 December 2015 $	31 December 2014 $
3a	**Franchise fees**		
	Weekly franchise fees	3,889,799	3,898,171
	Initial fees	34,407	16,456
	Advertising levies	243,300	243,300
	Training levies	196,200	193,730
	Computer levies	1,231,747	1,057,506
		5,595,453	5,409,163

3. Revenue and expenses (continued)

		31 December 2015	31 December 2014
		$	$
3b	**Financial services interest revenue**		
	Instalment credit loan interest	618,756	632,681
	Personal loan interest	61,352,656	62,999,345
	Loan establishment fees	18,628,829	20,403,147
	Licence fees	8,604	6,793
	Pawn broking fees	14,809,555	13,407,378
	Cheque cashing commission	683,968	617,555
	Financial services commission	21,296,939	19,769,379
	Vehicle lease interest	1,442,797	1,777,739
		118,842,104	119,614,017
3c	**Sale of goods**		
	Retail sales	70,312,048	58,872,275
	Retail wholesales	404,550	426,857
	Vehicle trade sales	257,455	433,807
		70,974,053	59,732,939
3d	**Other revenue**		
	Bank interest	328,066	267,805
	Other vehicle revenue	2,409,383	2,395,756
	Other	487,789	325,503
		3,225,238	2,989,064
3e	**Cost of sales**		
	Sale of goods	43,539,960	35,104,638
	Personal loan bad debts	24,424,318	32,506,152
	Cash advance bad debts	1,787,453	1,717,330
	Franchise fees bad debts	11,005	3,032
	Recovery of bad debts	(3,338,955)	(2,237,260)
	Vehicles	2,753,765	2,919,732
		69,177,546	70,013,624
3f	**Administrative expenses**		
	Employee benefits	45,217,187	39,437,984
	Share based payments	493,079	758,743
	Superannuation expense	2,563,764	2,203,170
	Motor vehicle/travel costs	971,736	1,084,358
		49,245,766	43,484,255
3g	**Occupancy expenses**		
	Rent	7,260,769	6,425,741
	Outgoings	3,123,670	2,848,582
	Other	802,618	593,127
		11,187,057	9,867,450

3. Revenue and expenses (continued)

		31 December 2015 $	31 December 2014 $
3h	**Other expenses**		
	Legal fees	1,203,442	1,212,660
	Area agent fees/commission	10,127,206	13,161,785
	Professional and registry costs	2,400,399	2,073,413
	Auditing and accounting services	467,905	423,623
	Bank charges	2,463,956	2,235,682
	(Profit)/Loss on disposal of plant and equipment	6,362	1,373
	Other expenses from ordinary activities	11,077,633	9,622,858
	Depreciation	3,104,651	2,782,576
	Amortisation	1,501,149	1,731,283
		32,352,703	33,245,253
3i	**Finance costs**		
	Interest	4,222,929	4,611,835
	Finance lease charge	33,195	29,323
		4,256,124	4,641,158

4. Contract termination expense

During the half-year ended 31 December 2014, 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 ("Kentsleigh") lending products 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.

Cash consideration of $30,800,000 was paid to the Development Agents, of which $29,628,270 is recorded as Contract Termination expenses in the statement of profit or loss and other comprehensive income given that it relates to a payment to terminate the underlying contract, with any future services completed internally in future periods as far as required. An amount of $746,130 relates to the acquisition of agency agreements held between Kentsleigh and four 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 that the intangible assets has an indefinite life.

5. Personal loan receivables

	31 December 2015 $	30 June 2015 $
Personal short term loans	183,497,022	173,542,051
Allowance for impairment losses	(30,217,083)	(29,104,301)
Deferred establishment fees	(13,614,472)	(12,551,703)
Net personal loan receivables	**139,665,467**	**131,886,047**

6. Goodwill

	31 December 2015 $	31 December 2014 $
Net carrying amount		
Balance at beginning of period	111,408,026	110,726,057
Additional amounts recognised during period	-	75,887
Adjustments arising on finalisation of acquisition accounting	-	(2,778,000)
Impairment losses for the period	(1,353,851)	-
Foreign exchange movement	(75,885)	654,410
Balance at end of period	109,978,290	108,678,354

Allocation of goodwill to cash-generating units

Goodwill has been allocated for impairment testing purposes to the following cash-generating units or groups of cash-generating units:

- Financial services – administration (Mon-E)
- Financial services – personal loans (CCPF)
- Corporate stores (Australia)
- Corporate stores (UK)

The carrying amount of goodwill allocated to cash-generating units that are significant individually or in aggregate is as follows:

	31 December 2015 $	30 June 2015 $
Financial services – administration (Mon-E)	17,292,967	17,292,967
Financial services – personal loans (CCPF)	73,268,103	73,268,103
Corporate stores - Australia	16,447,493	16,447,493
Corporate stores (UK)	2,969,727	4,399,463
	109,978,290	111,408,026

Impairment testing

Half year ended 31 December 2015

An impairment trigger was identified in relation to the performance of the UK Corporate Stores as a result of the continued challenging environment in which they operate, and their consequent behind plan financial performance during the period.

As a result the UK Corporate Stores were tested for impairment as at 31 December 2015 using value in use calculations, resulting in an impairment charge of $2,247,551, with $1,353,851, $777,399 and $116,302 allocated to goodwill, other intangible assets and plant and equipment respectively, which related to specific stores within the UK Corporate Store network.

Refer below for further information on the impairment testing related to the UK Corporate Stores and the key assumptions applied.

6. Goodwill (continued)

Half-year ended 31 December 2014

No impairment losses related to non-current assets were recognised during the half year ended 31 December 2014.

Corporate Stores (UK)

The recoverable amount for corporate store sis determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by management covering a five-year period, and a pre-tax discount rate of 15.9% per annum (2015: 15.5% per annum).

Cash flows beyond the one-year period have been extrapolated using a steady 2.5% per annum growth rate. These growth rates have been compared to forecast growth rates from external sources, and do not exceed them. Forecast EBITDA margins are assumed to be stable, and in line with historical average achieved.

Cash flows beyond the five-year period are estimated using a terminal value calculated under standard valuation principles incorporating a 2.0% growth rate (2015:2.0%).

Impairment testing of the UK Corporate Store operations resulted in impairment losses of $2,247,551 split between goodwill of $1,353,851, other intangible assets of $777,399 and plant and equipment of $116,302. Further sensitivity disclosures related to this impairment testing have been included below.

	Corporate Stores UK
	$
Carrying value (pre-impairment)	13,339,438
Impairment expense (i)	(2,247,551)
Foreign exchange difference	98,492
Carrying value (post-impairment)	**11,190,379**
Discount rate (post-tax)	15.9%
Average annual compound revenue growth rate from FY17 to FY20	2.5%
Impact of -1% change in compound growth rate on headroom	(342,574)
Impact of +1% change in discount rate on headroom	(814,260)

(i) Impairment expense includes goodwill of $1,353,851, other intangible assets of $777,399 and plant and equipment of $116,302.

7. Issuances and repurchases of equity securities

During the current period, 583,500 ordinary shares were issued as a result of the exercise of performance rights. The total number of ordinary shares on issue is 481,831,759 as at 31 December 2015.

	Number of shares
Balance at the beginning of the period	481,248,259
Shares issued during the period	583,500
Balance at end of the period	481,831,759

8. Borrowings

	31 December 2015	30 June 2015
Current	$	$
Loans - Vehicle finance (i)	3,252,813	2,869,873
Securitisation/warehousing facilities (ii)	54,113,790	57,731,221
Hire purchase and lease liabilities	30,166	104,035
	57,396,769	**60,705,129**
Non-current		
Loans	-	-
Loans - vehicle finance (i)	6,469,544	7,129,205
Bond	59,325,244	59,198,726
Hire purchase and lease liabilities	93,479	108,864
	65,888,267	**66,436,795**

(i) Loans – vehicle finance represents a vehicle leasing facility with FleetPartners for the provision of high quality fully maintained vehicles for the use of Green Light Auto's customers. The underlying financing from FleetPartners is repayable in line with the contractual repayments from the customer and is therefore repayable over the underlying vehicle lease term.

(ii) The Securitisation / warehousing facilities represents a Class A note liability relating to notes issued by the CCPF Warehouse Trust No 1, a consolidated subsidiary established as part of the borrowing arrangement with Westpac Banking Corporation. The notes fund eligible personal loan receivables originated by CCPF which generally have a maturity of less than twelve months and are secured on those receivables.

On 5 August 2015 Westpac Banking Corporation informed the Company that they had taken the decision to cease to provide banking and financial products and services to customers who provide Short Term Credit Contracts (STCCs) or Small Amount Credit Contracts (SACCs) under section 5(1) of the National Consumer Credit Protection Act 2009 (Cth). Cash Converters is a licensed provider of financial services under the terms of this Act. The Company currently has a securitisation facility with Westpac drawn to $54,113,790 at 31 December 2015, which is contracted to March 2016. On 9 February the Company announced that it had entered into a securitisation facility with the Fortress Investment Group ("Fortress") to refinance the Group's existing banking facility. The Fortress facility covers a five year term, with an initial three year loan period and an option for a two year extension at the Company's discretion, and allows for a drawdown of up to $100 million. The Fortress facility is planned to commence in March 2016. Refer to Note 12 for further information.

9. Dividends

	December 2015		December 2014	
	Dividend per share cents	Total $	Dividend per share Cents	Total $
Declared and paid during the period				
Final franked dividend	-	-	2.0	8,585,238
Proposed and unrecognised as a liability				
Interim franked dividend	2.0	9,636,635	2.0	9,577,531

10. Reconciliation of cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and 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 2015	**31 December 2014**
	$	$
Cash and cash equivalents	49,168,787	43,190,919
Bank overdrafts	-	-
	49,168,787	43,190,919

11. Contingent liability

As previously disclosed to the Australian Securities Exchange, on 31 July 2015 the Company was served with a writ lodged with the New South Wales Registry of the Federal Court of Australia seeking to commence a class action claim on behalf of borrowers resident in Queensland who took out personal loans from the Company's subsidiaries during the period from 30 July 2009 to 30 June 2013.

The current proceedings attack the charging of a "brokerage fee" to customers between 30 July 2009 and 30 June 2013, mainly by franchisees, for the service of introducing customers to the Company's subsidiaries, which provided the loans. The brokerage fee system has not been used since 30 June 2013. The proceedings relate to loans made only in Queensland to Queensland residents by Company subsidiaries based in Queensland, notwithstanding that the action has been commenced in New South Wales.

The action will be vigorously defended and the potential financial impact cannot be reliably estimated at this stage.

12. Subsequent events

Corporate strategy review

On the 29 February 2016 the Company announced a major change in strategy following a comprehensive review across all businesses. The Company will focus on building on its brand and network strengths in Australia, and significantly reduce its operations in the United Kingdom.

A comprehensive review of operations commenced six months ago aimed at developing a new strategy to deliver sustainable growth and profits. Going forward, the focus will be on businesses with returns well above their cost of capital and leadership in customer service and satisfaction, a key factor underpinning long term success in the markets in which the Group participates.

Australia already has industry leading market share, brand recognition and customer satisfaction. The Company will increase investment to build on these strengths. It will expand its national network continuing the successful mix of corporate and franchise stores. It will also increase capabilities to cater for the rapid growth in online lending demand.

The Company will broaden its current lending product range with the introduction of medium amount credit contract loans. These are government regulated and with loan periods of up to two years for amounts up to $5,000.

12. Subsequent events (continued)

In the United Kingdom Cash Converters will 'go back to the basics' and return to its original role as a master franchisor. The Group will look to sell its corporate stores to franchisees within its network, and also divest the UK personal loan book. Once these sales are completed it will focus on servicing the needs of its franchisee network throughout the United Kingdom.

In Australia, Carboodle will cease operations with the current lease book wound down. The business will look to transition to a new secured motor lending business, Green Light Auto Finance. This will operate as a low overhead, capital 'light' business supported by a funding platform from a third party.

The company has a 25 per cent interest in Cash Converters New Zealand and plans to use that as a platform for future growth in that market.

The Company expects to take into its full year 2016 financial results charges related to changes in the United Kingdom and Carboodle businesses. At the date of this report, Cash Converters is in the process of assessing the likely impact of these changes on the 2016 full year financial results, and further clarity will arise as the plans are implemented over the remainder of the current financial year.

Dividend

The directors recommend an interim dividend of 2.0 cents per share. This dividend will be 100% franked and will be paid on 29 April 2016. The financial effect has not been reported in this financial report.

Refinancing and transactional banking services

On 9 February 2016 the Company announced that it had entered into a securitisation facility with the Fortress Investment Group ("Fortress") to refinance the Group's existing banking facility on terms which are market competitive. The Fortress facility covers a five year term, with an initial three year loan period and an option for a two year extension at the Company's discretion, and allows for a drawdown of up to $100 million. The Fortress facility is planned to commence in March 2016, ensuring a seamless transition between the current and Fortress facilities.

The Company has also signed a five year agreement with a service provider to replace its existing transactional banking facilities and is progressively transitioning its existing facilities in a measured and deliberate manner, to ensure no disruption is experienced by customers, franchisees, employees and suppliers. The transition to a replacement transactional banking services provider is expected to be complete by July 2016.

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.

<u>Financial assets and financial liabilities that are measured at fair value on a recurring basis</u>

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 or 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 2015 and December 2014 the Group had no material financial assets and liabilities that are measured on a recurring basis.

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

At 31 December 2015 and 31 December 2014, the carrying amount of financial assets and financial liabilities for the Group is considered to approximate their fair values.

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: 29 February 2016

Deloitte.

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

29 February 2016

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 2015, 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 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 statement of financial position as at 31 December 2015, and the condensed statement of profit or loss and other comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, 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 25.

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 2015 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 2015 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 29 February 2016