



Mr Mauro Piccini
Adviser, Listings (Perth)
ASX Limited
Level 8 Exchange Plaza
2 The Esplanade
PERTH WA 6000

Dear Mr Piccini

Response to ASX price and volume query

Cash Converters International Limited ("CCIL") (ASX: CCV; LSE: CCVU) refers to the attached correspondence received from ASX Limited ("ASX") on 31 May 2011 and responds to ASX's queries as follows:

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

CCIL is not aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of CCIL.

CCIL has been made aware of a newspaper article in *The Australian Financial Review* on 30 May 2011 relating to potential regulations under phase two of the national consumer credit reforms. The article states that the national consumer credit reforms could limit the interest rates that payday lenders (such as CCIL) may charge. The possibility of such measures being introduced is not new information – the Federal Government's Green Paper on phase two of the national consumer credit reforms was released in July 2010.

CCIL has already implemented a significant number of changes as part of phase one of the national consumer credit reforms. Those changes have not had a significant effect on CCIL earnings.

While a national cap on payday interest rates could have an effect on CCIL earnings, such a cap has not yet been (and may not be) introduced and is just one of a number of options being considered by the Federal Government. CCIL has had discussions with the Federal Government on such measures and as yet there is no indication that any reforms will have an adverse outcome for CCIL. If the reforms do have the potential for an adverse outcome, CCIL will take steps to minimise or offset any adverse effect on earnings.

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The newspaper article in *The Australian Financial Review* mentioned that CCIL has said that its lending business in New South Wales (which has a cap on payday interest rates) is not profitable. CCIL wishes to clarify that its New South Wales payday lending business is profitable and is expected to remain profitable, even though the New South Wales government announced on 26 May 2011 that it will extend its 48% cap on payday interest rates beyond the previously announced expiry date of 30 June 2011.

CCIL will consider the effects (if any) of phase two of the national consumer credit reforms on CCIL's business once those reforms are publicly announced and legislation is introduced.

- 2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Not applicable

- 3. Is there any other explanation that the Company may have for the price and volume change in the securities of the Company?

CCIL is not aware of any other explanation for the price and volume change in CCIL securities.

- 4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

CCIL is in compliance with the listing rules and, in particular, listing rule 3.1.

Yours sincerely



D.R. Groom
Cash Converters International Limited
Company Secretary



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31 May 2011

Mr Ralph Groom
Company Secretary
Cash Converters International Limited
Level 18 Citibank House 37 St George's Terrace
PERTH WA 6000

By Email: ralph.groom@iho.cashconverters.com

Dear Ralph,

Cash Converters International Limited (the "Company")

PRICE AND VOLUME QUERY

We have noted a change in the price of the Company's securities from \$0.79 on 17 May 2011 to a low of \$0.665 today. We have also noted an significant increase in the volume of trading in the securities over this period.

In light of the price and volume change, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

Please note that as recent trading in the Company's securities could indicate that information has ceased to be confidential, the Company is unable to rely on the exceptions to listing rule 3.1 contained in listing rule 3.1A when answering this question.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any other explanation that the Company may have for the price and volume change in the securities of the Company?

4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by facsimile number (08) 9221 2020. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than 07:00 am (W.S.T) on Wednesday, 1 June 2011.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please do not hesitate to contact me.

Yours sincerely,

[sent electronically without signature]

Mauro Piccini
Adviser, Listings (Perth)