



Investor Presentation

February 2013

Cash Converters Overview



- **28 Years in Business.** Deep, experienced management team. MD, Peter Cumins joined in 1990
- **Network of 710 stores across 18 countries.** 109 corporate owned stores in Australian and the UK
- **Leader in micro financing.** Fast growing financial product offerings in Australia and UK
- **Regulatory outcome gives certainty.** Expect minimal impact on profitability
- **Well Established Operations.** Strong systems to manage relationships, profiling of lending histories
- **Strong financial performance.** Revenue CAGR of 33%pa and CAGR NPAT of 18%pa over the last 5 years
- **Significant growth opportunities.** Financial products, acquiring stores, new geographies

First Half FY2013

*cash*converters

Record half year result

- Driven by increasing personal loan income and corporate store revenues
- UK retail subdued

Strong growth in loan books

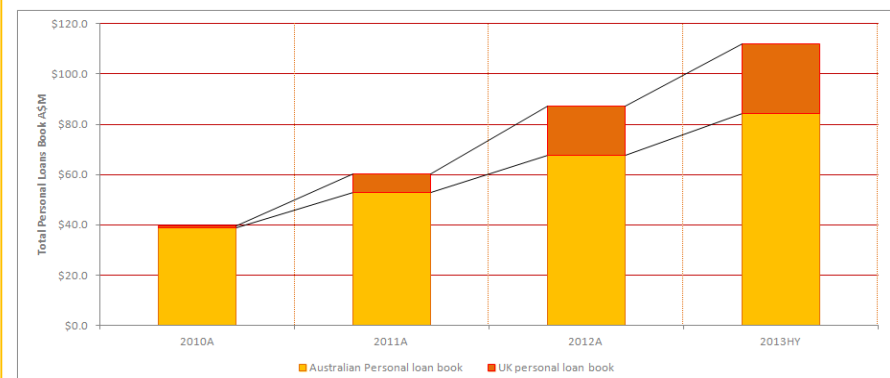
- UK loan book to £17.7 million up 108% on Dec 2011
- Aust. loan book up 36% on Dec 11 to \$84.2 million
- Record online loan advances
- Loan book bad debt levels are stable

Store growth continues

- Aust. corporate store EBIT up 21% to \$4.6m
- Acquisition of franchised stores in Australia and the UK

		2013HY	2012HY	Move
Revenue	\$m	\$134.9	\$111.7	20.8%
EBITDA	\$m	\$30.4	\$22.3	36.5%
EBIT	\$m	\$27.6	\$20.3	35.9%
NPAT	\$m	\$18.4	\$13.2	39.2%
EPS	\$	\$0.047	\$0.035	34.3%
DPS	\$	\$0.0200	\$0.0175	14.3%
Payout ratio		42.6%	50.0%	
EBITDA margin		22.5%	19.9%	
EBIT margin		20.5%	18.2%	
NPAT margin		13.7%	11.9%	

Total Value of Personal Loan Books (as at 31 Dec 2012)



Personal Finance Products

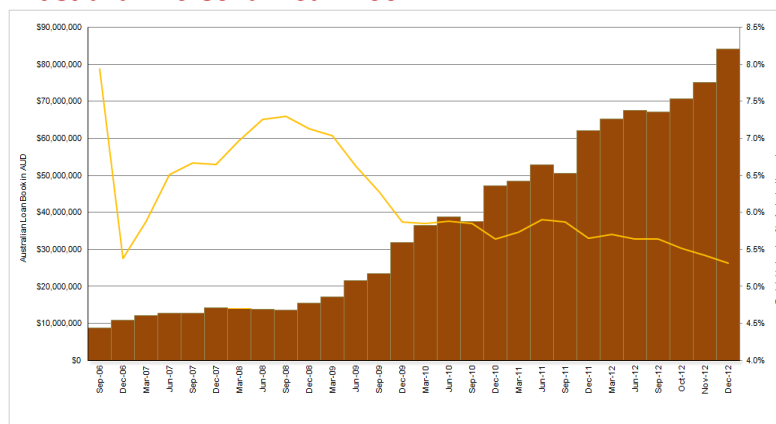
Personal Loans



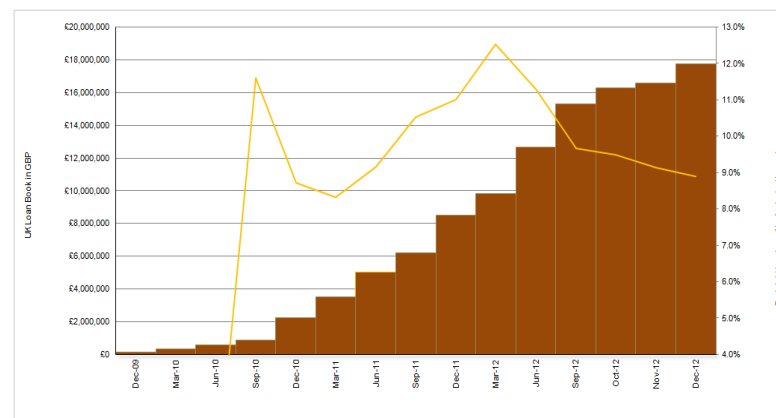
Personal loans

- Safrock. Unsecured, instalment loans
- Fees comprise of establishment fee and interest
- Loan book value Dec 2012: \$84.2m Australia, £17.7m UK
 - Australian lending is mature, but still growing
 - UK loan book still growing rapidly, 154% in 2012, 743% in 2011
- Average loan:
 - \$1,165 Australia over 7 months
 - £583 UK over 6 months
- Online lending growing rapidly
- Bad Debts:
 - Bad debt levels have stabilised
 - UK customers still establishing credit profile
 - Monthly UK pay cycles - different to Australia
 - Implemented controls to reduce UK bad debt ratio
 - UK experience has been similar to the Australian start up

Australian Personal Loan Book



UK Personal Loan Book



LHS. Loan Book

RHS. Bad debts as % of principal loaned

Personal Finance Products

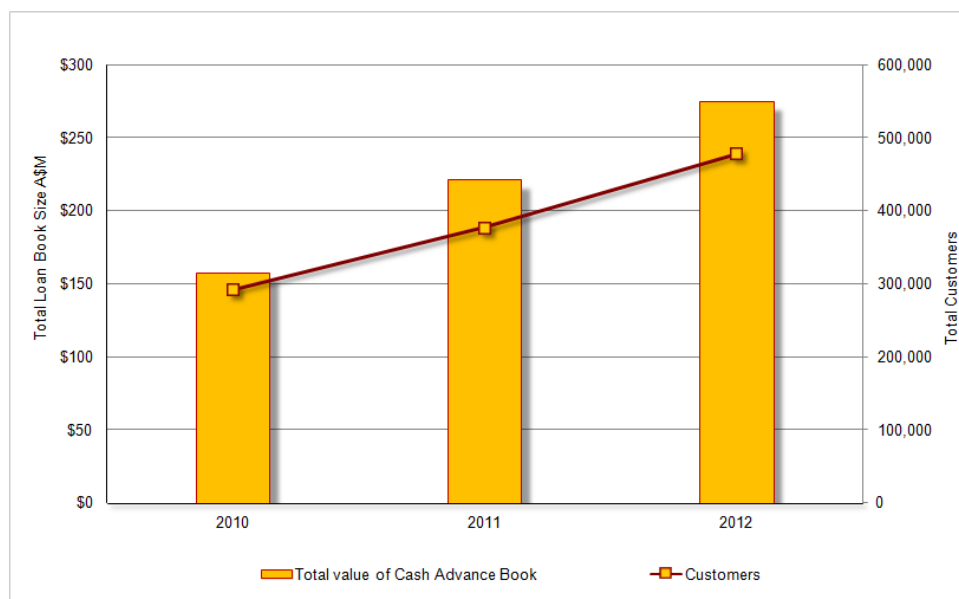
Cash Advance Administration



Cash Advance Administration

- Unsecured, short term loan
- Mon-E provides the administration services for the Cash Converters network to offer small cash advance loans to their customers
- Loan is provided by the franchisee to the client with Cash Converters receiving administration fees
- Aust. cash advanced at 31 Dec \$126.5m (HY2012:\$111.7m)
- UK cash advanced at 31 Dec £20.3m (HY2012: £13m)
- Average loan:
 - \$325 Australia for 1 month
 - £134 UK for 1 month
- Total customer increase of 7.6% to 433,724 in Australia and 32% to 97,569 in the UK
- Average bad debt level over 2012FY of 3% in Australia and 5% in the UK

Cash Advance Book		2010	2011	2012
Australian Cash Advance		\$m	\$156.2	\$204.7
Growth		%	31.0%	12.3%
Customers		#	289,369	345,295
Growth		%	19.3%	16.8%
UK Cash Advance		£m	£0.5	£10.5
Growth		%	2051.7%	176.9%
Customers		#	2,634	31,739
Growth		%	1105.0%	136.8%



Growth Opportunities



Loan product growth

- Cash Converters UK still experiencing rapid growth in the personal loan book and the Cash Advance product
- Expect growth to continue as stores increase marketing of the product range
- Expect UK margins to improve as clients establish a credit profile with Cash Converters
- Expect further growth in online lending, particularly with the launch later in the year of the Cash Advance online platform in the UK and Australia

Increasing store footprint

- Cash Converters will continue to establish new corporate stores, acquire suitable franchise stores and recruit new franchisees
- Cash Converters has been reviewing opportunities to acquire country sub-franchisers
- EZCORP is a sub-franchisor in the USA and holds the trademark and licensing rights in Canada will increase the store footprint and brand profile in North America

New financial products

- Cash Converters intends to utilise its experience in financial products and its broad store network to distribute new financial products over time (eg. Carboodle)

Summary and Outlook



Summary

- Strong revenue and profit growth for HY2013 driven by growth in financial services products and increasing contribution from corporate owned stores
- Record loan books, \$84.2m in Australia (up 24.5% on June 2012) and £17.7m in UK (up 39.3% on June 2012) with stable margins

Outlook

- Regulatory outcome in Australia is favourable. The rate caps effective from 1 July 2013 allow the Company to operate a sustainable business model that will see earnings increase as volumes continue to grow
- Expectation of continued strong loan growth in the UK while improving on margins
- Online capability has been enhanced to leverage interest in provision of loan products in both Australia and the UK
- Cash Converters is well positioned to continue growing revenue and profitability for FY2013 and beyond
- Oversubscribed \$32.7m capital raising completed in November 2012. Multiple options to deploy capital into high growth opportunities

Appendices

Cash Converters Overview



Background

- **28 Years in Business.** Cash Converters established first retail outlet in 1984
- **Deep and Experienced Management Team.** Well established, experienced team in Australia and UK
- **Established Systems and Controls.** Developed and refined specialised systems over many years
- **Diversified Product Offering.** First unsecured loan product offered in 1999

Global Leader

- **21 Countries.** Cash Converters first overseas store opened in 1991
- **710 Stores globally.** 46 corporate owned stores in Australia and 63 in the UK. 601 franchised stores
- **Leader in micro financing.** Cash Converters has fast growing financial product offerings in Australia and UK
- **Experience.** Track record of establishing and managing store networks on a global basis

Strong Financial Performance

- **Strong History of Profitability and Growth:**
 - **Revenue:** CAGR of 33% over the past 5 financial years
 - **NPAT:** CAGR of 18% over the past 5 financial years
 - **EBIT margins:** Average of 24% over the past 5 financial years

Significant Growth Potential

- **Regulatory certainty.** Positive outcome for CCV. Minimal profit impact, offset by volume growth
- **UK Loan Book.** Loan volumes still growing strongly
- **Australian Loan Book.** Experiencing consistent growth in loan volumes
- **Increasing Corporate Store Network.** Focus on NSW and UK
- **Acquiring Franchised Locations.** Continue to review opportunities to acquire more franchisee stores
- **Multiple jurisdictions.** Long term growth opportunities in multiple jurisdictions
- **Opportunities to Accelerate Growth.** Opportunities to deploy further capital to accelerate growth
- **Securitisation Opportunities.** Reviewing opportunities to securitize loan books to release funds for growth

Corporate Snapshot



Share Price	\$1.180
Shares on Issue	423.9 m
Market Capitalisation	\$500.2 m
Cash on Hand [31 Dec 2012]	\$22.7 m
Interest Bearing Liabilities [31 Dec 2013]	\$34.0 m
Enterprise Value	\$511.5 m



Experienced Board of Directors and Strong Management Team

Board of Directors

Reginald Webb (Non Executive Chairman)

Former partner of PricewaterhouseCoopers. Director since 1997

Peter Cumins (Managing Director)

Joined in 1990, Board member since 1995. Qualified accountant

John Yeudall (Non Executive Director)

Previous Aust. Trade Commissioner and Consul General. Director since 2001

William Love (Non Executive Director)

Former partner of KPMG. Director since 2009. Board member of EZCORP

Joseph Beal (Non Executive Director)

Director since 2009. Board member of EZCORP

Senior Management

Peter Cumins (Managing Director)

Joined in 1990

Ralph Groom (Chief Financial Officer & Company Secretary)

Joined in 1995

Michael Cooke (Group Legal Counsel)

Joined in 1993

Ian Day (General Manager, Australia)

Joined in 1992

David Patrick (Chief Executive Officer, UK)

Joined in 2009

Mike Osborne (Chief Financial Officer & Company Secretary UK)

Joined in 2010

Store Network

Well Established, Global Presence, Diversified Offering

cashconverters

Broad Service Offering:

- Sale of 2nd hand goods: owned stores, franchises and Webshop
- Cash advance loans
- Personal loans
- Pawn broking
- Buy backs
- Motor vehicle offering (Carboodle)

Global Network of Cash Converters Stores

- 710 store network built up through franchising since 1988
- Store network provides: retail product sales, distribution of financial services products and point of contact for our large customer base

Corporate Store Strategy

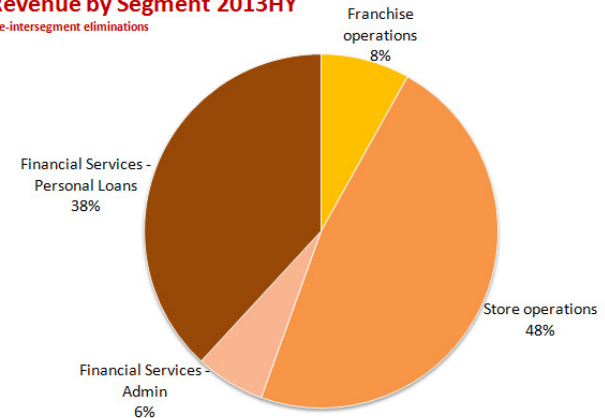
- Building the corporate store network (acquisition and “Greenfield “)
- Corporate stores have been acquired at accretive multiples
- Store management team and systems in place to manage in growth

Significant Competitive Advantages

- Long operating history
- Depth of management experience and knowledge
- Well established systems and procedures, modern retailing practices
- Wide national and international distribution network
- High ethical standards and practices
- Appeals to a broad demographic

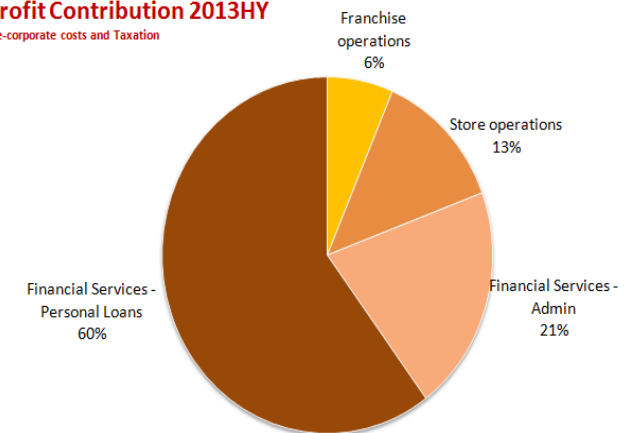
Revenue by Segment 2013HY

Pre-intersegment eliminations



Profit Contribution 2013HY

Pre-corporate costs and Taxation



Regulatory Environment



Cash Converters has significant experience operating in a number of regulatory regimes

Australia – Regulatory Environment

- Consumer Credit and Corporations Legislation Amendment (Enhancements) Bill 2011 passed by the House of Representatives and the Senate. Provisions take effect from 1 July 2013
- In summary, the provisions apply to all the micro lending engaged in by Cash Converters:
 - Definition of small amount credit contracts: Term of at least 16 days. Not exceeding 1 year. Amount not exceeding \$2,000
 - Fees and charges: An establishment fee capped at 20% of loan amount. A monthly fee of 4% can be charged
 - A 200% total cap on what can be recovered from a borrower
 - For Centrelink dependent consumers the amount of loan repayments is capped at 20% of their income
- **A place in the economy.** The Minister, Bill Shorten, is quoted as saying "This Government believes there is a place in the economy for legitimate short term small amount lending. These loans are appropriate to fill in the gaps for people who need a temporary cash injection"
- **Positive outcome for Cash Converters.** Providing regulatory certainty for planning investment to deliver on our growth strategies
- **Competitive advantage for CCV.** This legislation should provide CCV with a competitive advantage in our markets as certain smaller providers who do not have adequate systems and standards in place move out of the industry
- **Minimal profit impact.** Profitability impact expected to be minimal and more than offset by volume growth

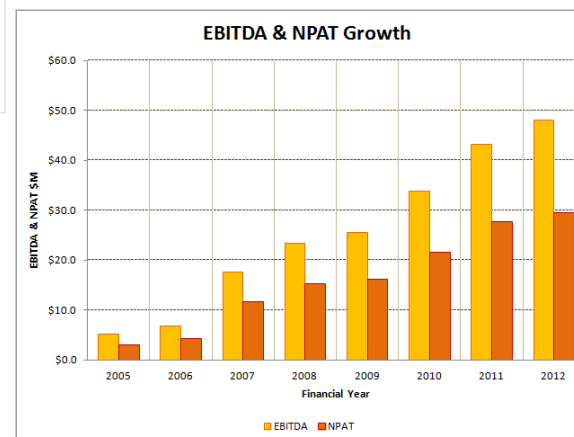
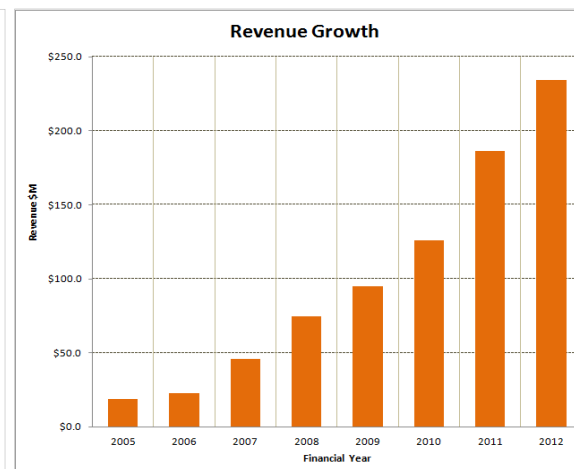
United Kingdom – Regulatory Environment

- BIS sponsored study currently under way at Bristol University but not expected to result in material changes
- OFT earlier concluded that price controls would not be an appropriate solution

Financial Performance



	2005	2006	2007	2008	2009	2010	2011	2012	CAGR
Revenue	\$18.6	\$22.6	\$46.0	\$74.4	\$94.8	\$126.1	\$186.4	\$234.4	43.6%
Revenue Growth		21.6%	103.2%	61.8%	27.4%	33.0%	47.9%	25.7%	
EBITDA	\$5.3	\$6.9	\$17.7	\$23.4	\$25.6	\$33.8	\$43.2	\$48.1	37.2%
EBITDA Growth		30.6%	157.8%	32.6%	9.2%	31.9%	27.9%	11.3%	
EBIT	\$4.7	\$6.3	\$16.9	\$22.6	\$24.4	\$32.2	\$40.3	\$43.8	37.7%
EBIT Growth		35.0%	167.9%	33.4%	8.3%	31.8%	25.1%	8.8%	
NPAT	\$3.1	\$4.3	\$11.6	\$15.2	\$16.2	\$21.6	\$27.7	\$29.4	38.1%
NPAT Growth		38.9%	173.0%	30.5%	6.5%	33.8%	28.1%	6.2%	
EPS	\$0.023	\$0.029	\$0.051	\$0.061	\$0.068	\$0.066	\$0.073	\$0.078	19.4%
DPS	\$0.010	\$0.018	\$0.030	\$0.030	\$0.030	\$0.030	\$0.035	\$0.035	19.6%
Payout ratio	44.2%	60.8%	58.4%	49.0%	44.3%	45.5%	47.9%	44.9%	
EBITDA margin	28.2%	30.3%	38.4%	31.5%	27.0%	26.8%	23.2%	20.5%	
EBIT margin	25.1%	27.9%	36.8%	30.3%	25.8%	25.6%	21.6%	18.7%	
NPAT margin	16.5%	18.8%	25.3%	20.4%	17.1%	17.2%	14.9%	12.5%	



Store Network

Well Established, Global Presence, Diversified Offering



Global Network of Cash Converters Stores

- Store network built up through franchising since 1988
- Franchising enabled rapid expansion and global brand recognition
- Store network provides:
 - Pawn broking services
 - Retail product sales – largest second hand goods retailer in Aust.
 - Distribution of financial services products
 - A point of contact for our large customer base
 - Customer database

Corporate Store Strategy

- Building the corporate store network (acquisition & “Greenfield”)
- Corporate stores have been acquired at accretive multiples
- Store management team and systems in place to manage in growth
- Webshop provides inventory display and customers with the opportunity to purchase products online

Global store network – 710 stores

Country	Stores	Country	Stores
Australia – total stores	149	UK – total stores	224
Australia Corporate Stores	46	UK Corporate Stores	63
Belgium	22	Ireland	1
Holland	8	USA	7
Italy	1	New Zealand	13
France	85	South Africa	52
Spain	75	Thailand	1
Portugal	5	Singapore	7
Switzerland	3	Dubai (UAE)	1
Canada	49	Malaysia	7

Product Overview

Providing temporary financing solutions across all market segments



	Safrock		Mon-e		Pawn Broking		Retail Product Sales
Geography	Australia and the UK		Australia and the UK		Both Australia and UK		Australia and the UK
Channels	In store or online		Completion in store (initiating online shortly)		In store		In store or online through our "Webshop" website
Security	Unsecured		Unsecured		Secured		N/A
Loan Size	\$600 - \$2,000 (avg \$1,048)	£300 - £1,000 (avg £ 541)	\$50-\$1,000 (avg \$331)	£50 - £300 (avg £121)	(avg is \$90)	(avg £60)	Avg value of product sale per item is \$75 & £30
Loan Duration	Usually four to seven months		usually repaid within four weeks		Varies from a minimum of 1 month to a maximum of 6 months. Goods may be redeemed by their owner at any time.		N/A
Credit Check	Yes		No		N/A		Identity check, cross check with police stolen property reports
Loan capital provider	Cash Converters		Franchisee		Franchisee		Franchisee

Carboodle

cashconverters

Carboodle

- Carboodle was established as Green Light Auto Group Pty Ltd in 2010 as a total motoring solution providing customers who don't have access to main stream credit (retail and commercial) with a reliable and well maintained car
- Carboodle is a licensed motor vehicle dealer and has a range of late model vehicles that it offers customers on a four year lease term inclusive of running costs (insurance, maintenance, registration, roadside assistance etc) for a weekly payment
- Cash Converters has invested in Green Light Auto and provided management assistance when needed
- Carboodle has an exclusive Licence with Cash Converters that allows it to use the Australian stores as its agent to promote its product. Carboodle pays a royalty to the Company and a commission to stores
- Carboodle now has showroom centres in Perth, Melbourne, Brisbane and Sydney
- Carboodle was a start up concept that is rapidly gaining sales traction as new outlets open, penetration across the Cash Converters store network increases and marketing increases
- Planning underway for Carboodle rollout in the UK in 2013

welcome to
worry free motoring
with carboodle

you drive away in the car,
we take care of the rest -
registration, insurance, servicing...
no worries!



we've got worry free
trade finance
covered with carboodle

tax deductible payments
major brand utes and vans
self employed and low doc okay
no worries!



avoid the
cash crunch
with carboodle

no more untimely bills!
spread the cost of your registration,
insurance, servicing and more
into one **easy weekly payment**

