

3 June 2010

Company Announcements
Australian Securities Exchange
Level 10
20 Bond Street
SYDNEY NSW 2000

Dear Sir / Madam

Please find attached ThinkSmart's presentation being delivered today at the Citi 8th Annual Micro Cap Conference held in Sydney.

Yours faithfully



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Company Secretary
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3rd June 2010

THINKSMART

Citi 8th Annual Micro Cap Conference

Ned Montarelli: Executive Chairman & CEO

Agenda

- Overview
- The ThinkSmart Business Model
- Trading Snapshot
- 2010 Growth Strategies

THINKSMART A GROWTH COMPANY

Introduction to ThinkSmart

- (ASX:TSM) Leading international provider of point-of-sale finance within the retail store environment
 - Provides rental finance products to small businesses and consumers
 - Shop in retail stores for computing and electricals
 - “Nano-ticket” transactions – A\$500 – A\$10k
- International footprint across Europe and Australia and platform for growth
- Distribution through exclusive and entrenched partnerships with major international electrical retailing groups
- Products offer compelling and highly profitable value proposition for retail partners, customers and wholesale funders
- Strong track record of growth through adverse trading conditions



Key Information

- Listed in June 2007 - 96.9m shares on issue
- Current market capitalization \$80m
- No net debt.
- Delivered 21% CAGR in underlying EBITDA since listing (2007 – 2009).
- Dividend yield 4% fully franked.

THE THINKSMART BUSINESS MODEL

Focused Niche Model

ThinkSmart's products fill the gap for small business & consumer customers between a credit card & a bank loan in the fast moving electrical retailing environment.

What Are Customers Shopping For?



Laptops and Electricals

- 12 week product lifecycles.
- High obsolescence factor for users.
- Driven by the “latest” technology.

Where Do They Shop?



PC Superstores

- “Take away” service
- Highly accessible locations
- On the spot environment

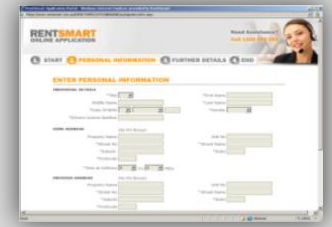
What's the Product?



Rental Operating Leases

- Delivered in store at the point of sale
- Monthly payments. Good for cash flow
- 100% tax deductible for business
- Bundle equipment and high value services into consumer contract – circa 25% of added invoice value at no extra cost.
- Helps customer keep up to date with technology

What's The Customer Experience



Fast in-store Process

- Selects equipment
- Sub 10 minutes online approval
- Executes agreement
- Leaves store

Long Term Funding Relationships

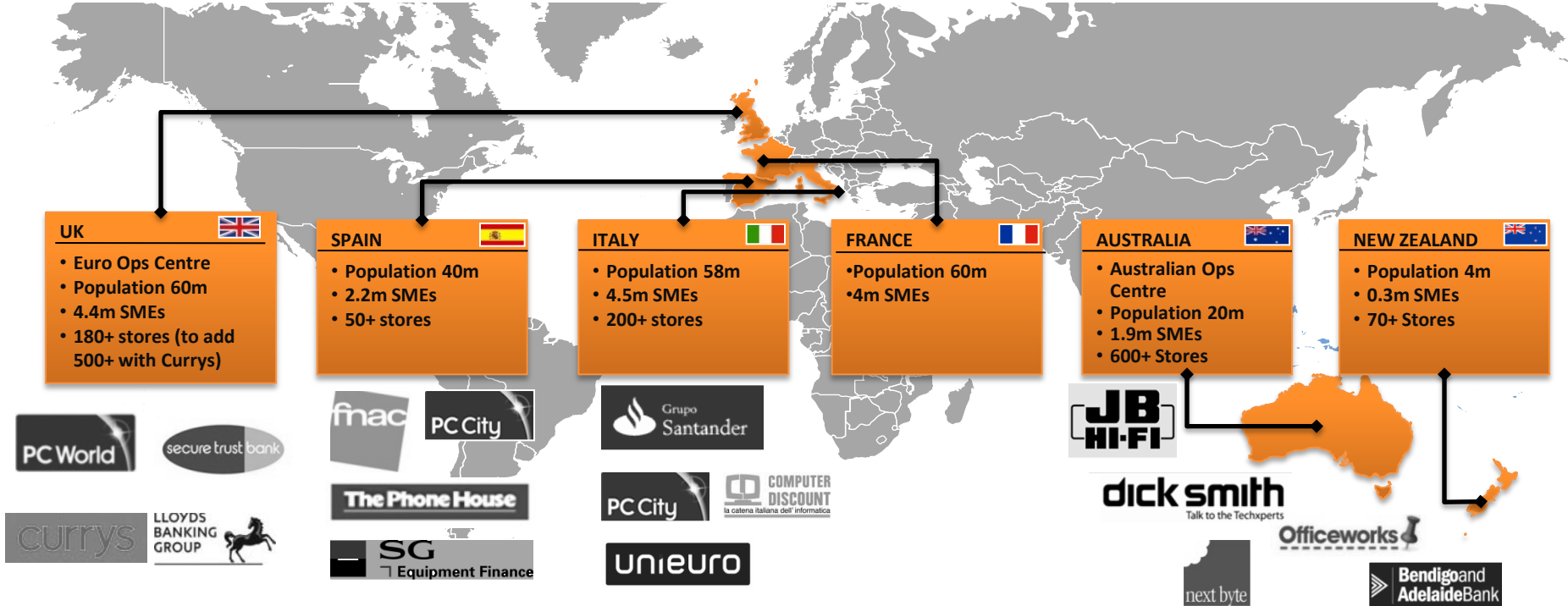
THINKSMART
The smart way to do business.

- Existing funding agreements are contracted to 2011/2013
 - UK – *Secure Trust Bank* to 2013
 - Australia – *Bendigo Adelaide* to 2012
 - Spain – *Societe Generale* to 2011
 - Italy – *Santander* to 2012
- Priority is to add multiple supportive funding partners in all territories to both capture the consumer and business market opportunities and meet our growth aspirations.



Leading International Footprint

ThinkSmart has long term relationships with some of the world's leading electrical retailers and banking institutions across Europe and Australasia.



Exposure to over 243m people and 17.3m small businesses- trade with 4 of the 6 largest retailers in EU and 3 of the 4 largest in AU.

Generate Revenue Throughout Contract Life

ThinkSmart generates revenue from 3 core sources over the life of a customers' contract:

1.

Upfront brokerage on sale of equipment

- Credit risk is provided for by agreed loss reserves
- Predominantly non-recourse funding models with leading banks

2.

Insurance income over contract life

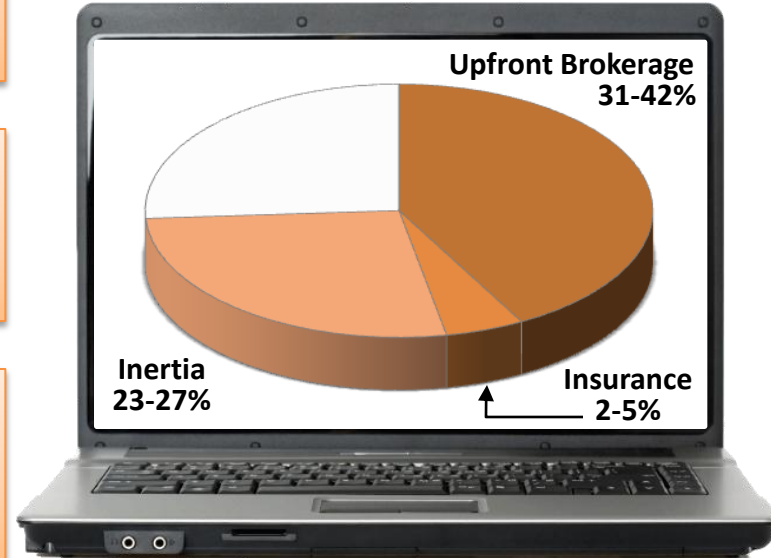
- ThinkSmart takes no underwriting risk but receives a significant portion of the insurance premium as commission

3.

“Inertia” income at end of term

- Generated from extended rentals & sales of equipment into secondary markets
- Existing contracts to deliver \$55m of future revenue.

ThinkSmart Generates an Income from each sale of up to 65% of the invoice value over the life of the contract.

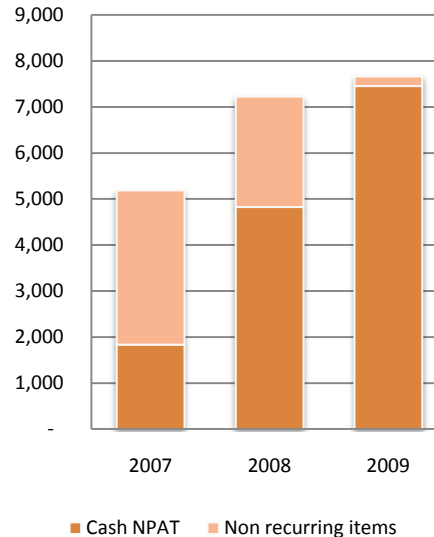


THINKSMART'S TRADING SNAPSHOT

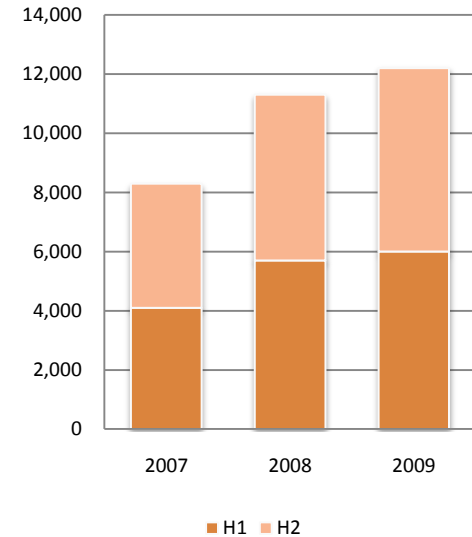
Strong Track Record of Earnings Growth

- A Growth Company
- FY 2009 - record profit and exceed full year guidance
- Grew Cash NPAT 54% to \$7.5m
- Grew Gross Margins by 4%
- Reduced costs of doing business by 14%
- Grew EBITDA Margin 26%
- EBITDA CAGR 21% (2007 – 2009).
- Targeting 20% Growth in EBITDA for 2010 weighted to the second half.
- Strong like-for-like EBITDA growth for Q1 2010

Cash NPAT
\$'000s



EBITDA Underlying
\$'000s



Australia & NZ

Mature Business Delivering Continued Strong Growth

THINKSMART
The smart way to do business.

- EBITDA CAGR from Australia of 41% over last 3 years.
- 61% growth in EBITDA for FY 2009
- Strong like-for-like EBITDA growth in Q1 2010. April & May softer but still positive to budget.
- Conscious move into consumer rental 4 years ago has driven 51% CAGR in consumer volumes.
- Online acquisition channels increasing and now accounting for up to 27% of volume.
- New “QuickSmart” processing platform has reduced the cost of doing business by 20% & improved customer experience.
- Continued to grow margins through predictable Inertia income.
- AU represents approximately 55% of group profit.
- Warranty Services product in Dick Smith has delivered strong EBITDA contribution.



United Kingdom & Mainland Europe

Solid EBITDA Growth in UK | Mainland Europe Positioned for Retail recovery.

United Kingdom:

- EBITDA CAGR of 23% over last 3 years
- FY 2009 delivered 5% EBITDA growth despite UK trading deep in recession.
- Delivered sustainable operating efficiencies
- Secured new funding agreement with Secure Trust Bank
- New agreement to launch consumer will give access to 500+ Currys stores – potential to increase market fourfold. Launch dependent on securing a consumer funding relationship.
- Subdued first 4 months – strong may
- DSGi 8% LFL growth in latest trading update
- Represents approx 40% of group profit

Spain:

- Delivered positive FY 2009 EBITDA
- Strong underlying Inertia performance in Spain continued to underpin earnings
- Strategy to develop Spain into multi-channel territory on course. Added Phone House & Fnac to retail stable plus Société Générale to funding
- 94% application growth (FY 2009 H2 on H1)

Italy & France:

- Added Computer Discount last month - largest independent computer retailer in Italy with 200+ stores
- Continuing negotiations with prospective funding partners and retail partners in France
- Spain, Italy and France represent less than 5% of group profit



THINKSMART'S 2010 GROWTH STRATEGIES

Key Growth Strategies

Governing Principles

**1. Growth through
Cash Flow not debt**

**2. Pace of
expansion
governed by
Performance**

**3. Alignment with
market leading
retailers**

Strategic Focus

Consumer Rental

- Significantly expands total available market in UK
- Potential to introduce to other European territories.

Expanding Distribution

- New European Retail partnerships
- Grow the internet

Improve Product

- Deploy new services based product in key markets

Improve delivery

- QuickSmart & Eclipse systems improve delivery at stores and significantly reduces costs of doing business.

Consumer Rental

- Signed 5 year exclusive agreement with DSG International
- Potential to give ThinkSmart access to 4 times the current available market
- Expose product to 500+ Currys stores & 180+ PC World stores
- Delivered 51% CAGR for consumer volumes in Australia over last 4 years.
- Targeting launch for late in second half of 2010
- Timing is dependent on:
 - Integration of our application system into DSG’s “Eclipse” till system – scheduled for completion in September
 - And securing a consumer funder to underwrite customer contracts.
- Negotiations with prospective funders are underway.



Expand Distribution

Key focus on growing distribution in all markets:

- Continental Europe
 - Targeting 3 to 4 key retail partners in each territory in mainland Europe.
 - Already trading with chains in 4 of the top 6 electrical retailers in Europe
 - Strategy positions business well for market recovery in European markets, leverage existing low cost operating base.
- United Kingdom
 - Consumer rental proposition opens up all of the DSGi chain in UK.
- Australia
 - Continued focus on the Internet.
 - Now accounting for up to 27% of volume in Australia



Improve Product

- Rolled out major new product enhancement to core rental product in Australia in Jan. 2010 and UK & Spain in Feb. 2010.
- Delivers even greater value proposition to ThinkSmart's customers; strongly targets consumer sector.
- In Australia product delivers all the cash flow benefits of RentSmart plus:
 - ✓ Free online **data transfer** to new machine
 - ✓ Free online **data backup** for life of contract
 - ✓ Includes **remote data access** from anywhere in the world
 - ✓ Free **loan laptop** if the customers' breakdown or is stolen
 - ✓ **Last three months payment free** to drive renewal.
- Provides more than \$500 worth of high added value benefits to the customer over their contract life on an average \$2,000 deal.
- Product has been well received through channels in Q1 contributing to strong LFL performance.
- Similar product enhancements in Spain and UK.

The image displays a collage of promotional materials for RentSmart. At the top left is a yellow 'PRICE BLITZ!' flyer from JB Hi-Fi, featuring a laptop and a desktop PC. Below it is a 'SMART REASONS TO RENT!' poster with a purple background, listing four benefits: 'No deposit. Spread the cost with simple fixed monthly payments.', 'PLUS online data transfer & backup.', 'PLUS a loaner laptop if yours is stolen or breaks down.', and 'PLUS rollover discount keeps you up-to-date for less.' At the bottom of the poster is the text 'GET MORE WHEN YOU RENT SMART' and '*Conditions Apply'. To the right of the poster is a 'FREE' sign.

Improve Delivery

- New “QuickSmart” retailer portal in Australia has delivered significant cost reductions & processing efficiencies:
 - Delivered 20% reduction in operating costs
 - 330% efficiency gain per CSO.
- Integrating UK processing platform into DSGi’s “Eclipse” till system. Completion in Sept. 2010.
 - Will deliver business “QuickSmart” style operating efficiencies required to manage planned expansion into consumer rental across group.

RentSmart Online Application - Windows Internet Explorer provided by RentSmart
https://www.rentsmart.com.au/DIRECTAPPLICATIONENGINE/AU/SignatoryInfo.aspx

RENTSMART
ONLINE APPLICATION

Need Assistance?
Call 1300 855 555

1 START 2 CUSTOMER INFORMATION 3 FURTHER DETAILS 4 END

CUSTOMER INFORMATION

INDIVIDUAL DETAILS

*Title
Middle Name
*Date of Birth
*First Name
*Last Name
*Gender

Do you have a Drivers Licence? Yes No
*Drivers Licence No.

CURRENT HOME ADDRESS (No PO Boxes)

Property Name
*Street No
*Suburb
*Postcode
*Time at Address Yrs Mths
Unit No.
*Street Name
*State

CONTACT DETAILS

Do you have a home phone number? Yes No
*Home No.
Mobile No.

Structuring Business for Growth



Ned Montarello
Exec. Chairman & CEO



David Griffiths
Deputy Chairman

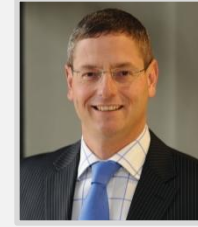


Steven Penglis
Non-Exec. Director

New Appointments



Fernando de Vicente
Non-Exec. Director



Anthony Baum
Group COO



Neil Barker
Group CFO &
Company
Secretary

Fernando de Vicente

- Former International Managing Director of DSG International, one of the largest Electrical retailers in Europe
- Responsibility for DSG's Central & Southern European operations, a A\$3 billion business with 350 stores across six countries.
- Left DSG in April to take role of Executive Chairman of Body Bell Group, one of Spain's largest speciality retailers.

Anthony Baum

- Current Group Executive of Wealth and Third Party Banking at Bendigo Adelaide Bank.
- Nearly 20 years banking experience – nine with Adelaide Bank
- Previously responsible for Adelaide Bank's Wealth Management businesses.
- Joined the business in 2000 from BNP Paribas in London.
- Commences at ThinkSmart in September 2010.

Investment Summary

Why ThinkSmart should continue to perform well:

- ☑ **Strong Performance** - Strong EBITDA and Margin performance during tough global trading period.
- ☑ **Proven track record** - Proven track record of growth delivering 21% CAGR in underlying EBITDA over the last three years (2007-2009).
- ☑ **Recurring Income** - Dependable recurring income lines through Inertia book and insurance income.
- ☑ **Compelling Value Proposition** - New product value-adds, further enhance compelling and highly profitable value proposition for retail partners, customers and wholesale funders.
- ☑ **Strong Partnerships** - Exclusive and entrenched partnerships with market leading international retailers and funders. Continuing to expand distribution channels in Europe.
- ☑ **On track** - Business Targeting 20% EBITDA growth in FY 2010
- ☑ **Significant growth potential** - Opportunity to grow UK market four fold through introduction of consumer rental would be game changing.
- ☑ **Business has no net debt.**
- ☑ **Shareholder Value** - Payed total dividend of 3.5 cents, fully franked. Dividend yield 4%.

thinksmartworld.com

United Kingdom | Spain | Italy | France | Australia | New Zealand