Investor Presentation

Results for 6 Months to 31 December 2014

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Results for 6 Months to 31 December 2014

- *Highlights*
- *About ThinkSmart*
- *Dixons Update*
- *Funding*
- *Share Buy Back*
- *Group Financial Results*
- *Building Long Term Value in the UK*
- *Summary & Guidance*

Highlights: *1 July to 31 December 2014*

Group Results	• $1.5m NPAT for period in line with market guidance • $3m Operating cash generated in period • $37m available cash assets with no corporate debt at 31 December 2014 • 1.0 cent earnings per share up +3% on 6 months to 30 June 2014 (from continuing operations)
Capital Structure	• A total of $32m Surplus Capital has now been returned to Shareholders, by way of Special Dividend and Share Buy-Backs, following the sale of the Australian and New Zealand business and completion of the $21m Off-Market Buy-Back Tender, completed 27 January 2015 • Post Buy-Back there are 96.2m shares in issue and available cash assets of $16.2m • As a result of the significant reduction in the number of issued shares following the Buy-Back, it is expected that this will result in an increase in the future Earnings Per Share for the Company
Continuing Operations UK	• 52% growth in UK business volumes on 6 months to 31 December 2013 • Assets under management grew by 10% in 6 months to $48m, reversing declining trend • Operating costs as a percentage of revenue have reduced by 7% as the business leverages its relatively fixed operating costs to deliver incremental sales
Group Corporate	• 9% Reduction in Group corporate costs on the 6 months to 30 June 2014 and 23% reduction on the 6 months to 31 December 2013 • $0.4m interest earned on high cash balance
Guidance	• NPAT - 1 July 2014 to 30 June 2015 NPAT forecast to be $3m

Highlights: *1 July to 31 December 2014*

THINKSMART

Board Strategic Review	• Following the Board Strategic Review, ThinkSmart remains focused on the UK market. A large market of scale, 3x the size of Australia with 62 million consumers • £10m Additional funding facility now completed with Santander complementing existing £60m Secure Trust Bank facility, providing a multi funder platform. We continue to work to further develop this platform • The process of recruiting a UK Non Executive Director has commenced, following the retirement of Steven Penglis • Keith Jones who served as a Non Executive Director from 24 May 2013 and CEO from 1 February 2014, and, post the Group's sale of its Australian and New Zealand operations for $43m, continues in the role of Executive Director of Group Strategy and Development.
Key Facts and Insights	• Fernando de Vicente was appointed CEO with effect from 1 January 2015, having previously served as a Non Executive Director from 7 April 2010. • The consumer leasing proposition 'Upgrade Anytime', continues to deliver strong growth in volumes reversing declining trend • Our Partner Dixons Carphone Group Plc continues to lead the key UK retail sectors in Computing, Consumer Electricals and Mobile Phones offering growth opportunities. • Consumer leases financed through the new Santander facility will be on a lease accounting basis, where ThinkSmart will recognise income and receive cash over the lease term rather than upfront with Secure Trust Bank funded leases
Investment in Capabilities for Growth	• Significant investment made in our unique proprietary systems, people, new product development and funding platform continues to support growth strategy and competitive advantage and is expected to increase in the year ahead • Focussing on the development of our leading integrated online basket and mobile finance solutions for retailers • Appointment of senior executives with extensive funding, treasury, retail, credit and risk management experience. • Optimisation of our credit scoring and decision engine capabilities to maximise volumes and manage risk

About: ThinkSmart (ASX:TSM)

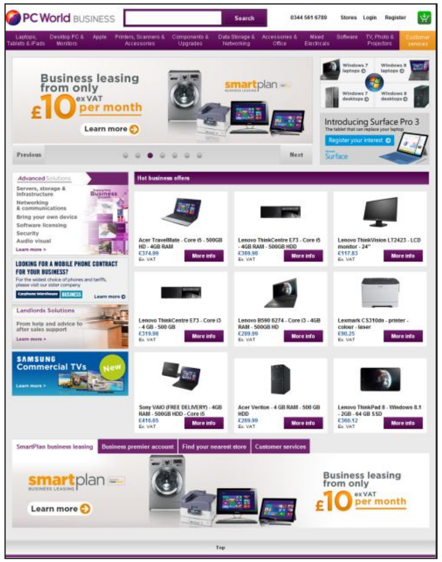
ThinkSmart: ‘is a leading international finance company, creating differentiation and competitive advantage - in Point of Sale finance’

- The company has an exclusive distribution agreement and partnership with the newly formed Dixons Carphone Group Plc, the leading electrical and telecommunications retailer and services company in Europe

- Formed in August 2014, from a merger between Dixons Retail plc and Carphone Warehouse Plc - the new company has increased UK distribution to 1,298 stores, being the leader in Computing, Consumer Electricals and Mobile Phones retail sectors

- ThinkSmart is committed to extending the model to new categories, sectors and distribution and this is supported by findings from a recently completed national insight study confirming Consumer leasing to have wide appeal in many different retail sectors of scale

- Our propositions leverage ThinkSmart’s unique sector leading software and processing IP, for delivering fast finance solutions in today’s complex retail environment. These will provide both online basket and mobile differentiated solutions for retailers



SmartPlan Business Leasing – Since 2003

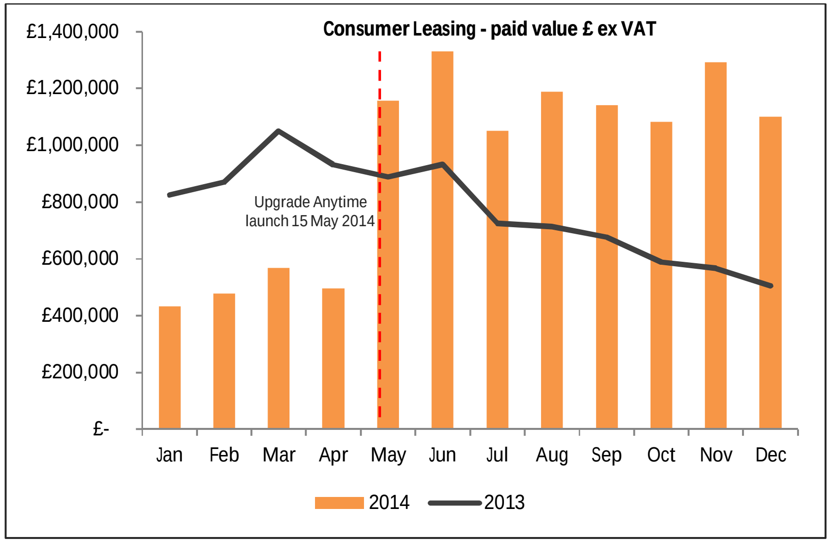
Upgrade Anytime – New Consumer Leasing Proposition Launched mid 2014

Dixons Update

New Consumer Leasing Proposition “Upgrade Anytime” launched May 2014:
‘Delivering Strong Volume Growth up 82% - Reversing Declining Trend’

Performance

- A contract is in place with the Dixons Carphone Group to 2017
- The new 2 year Consumer leasing proposition Upgrade Anytime allows customers the flexibility to add services and upgrade whenever they want to the latest technology, and has delivered strong growth in volumes, reversing declining trend
- Both new originations and repeating customers have shown strong growth with volumes up 82% on 6 months to 31 December 2013
- New category group ‘Large Screen Televisions’ continues to perform well
- Services attach rate is significant
- Consumer leasing drives early upgrades in the replacement cycle of technology compared to non leased purchases
- Consumer leasing builds long term customer relationships and value with high levels of repeats
- Significant proportion of customers repeat at 24 months, with higher transaction values than the first origination
- Customer satisfaction and advocacy is high amongst both new and repeating customers



Strong Growth in Volumes of New Proposition Launch Reversing Declining Trend

Dixons Update

SmartPlan Business Leasing: 'Strong Performance - New Originations up 22%'

Performance

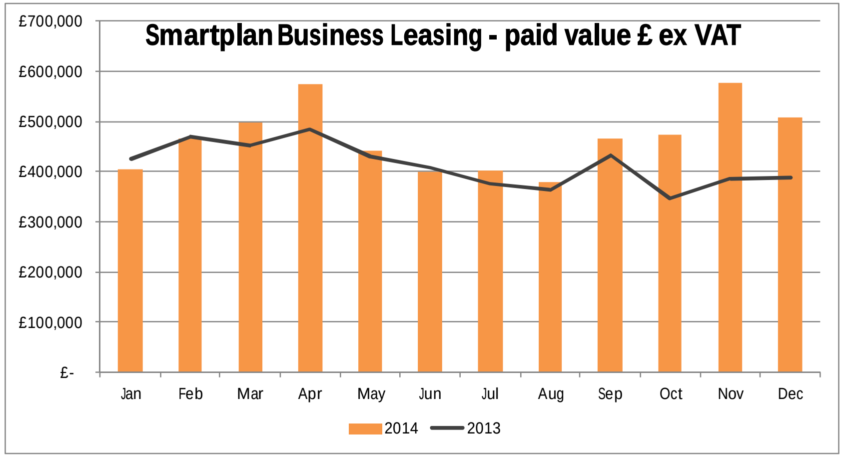
- New Origination volumes grew by +22% on 6 months to 31 December 2013, helped by launch of refreshed proposition based on consumer insight
- October to December Successful 'Autumn Business Campaign', with new originations up driven by Partner promotional focus. Our best December trading for 6 years
- Significant proportion of customers repeat showing strong customer advocacy

Key Facts and Insight

- A contract extension has been agreed with the Dixons Carphone Group Plc to 2017

Growth Opportunity

- Business Leasing propositions for new customer segments will be launched later this year
- Designed around customer insight, new features will appeal to new / different business customer segments not currently served
- Renewed Partner focus and dedicated ThinkSmart Field Team



H1 Solid Performance – New Origination Volumes Up +22%

Funding: *UK funding expanded with additional new funding line*

£10m 5 year Revolving Credit Facility signed with Santander to finance lease receivables

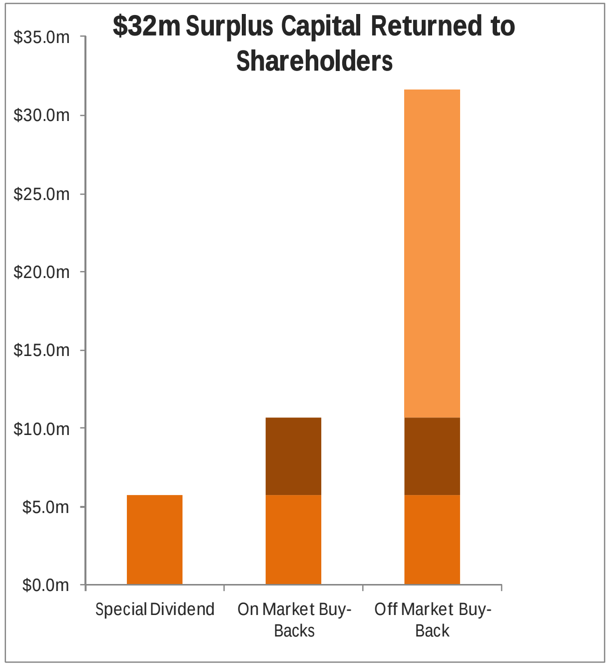
- New funding facility signed on 15 December 2014 with Santander, one of the largest Global banks, to finance up to 50% of Upgrade Anytime consumer lease receivables
- Complements existing £60m facility with Secure Trust Bank and delivers multi-funder platform for UK business in line with strategy
- ThinkSmart will be the lessor for leases financed through the Santander, resulting in lease receivables together with related bank debt on ThinkSmart's balance sheet
- Reduced funding cost will improve margin, however lease accounting means income and costs will be recognised over 24 month term of each lease rather than upfront
- Surplus Group cash available to be invested to provide the equity and short term working capital

THINKSMART

Santander

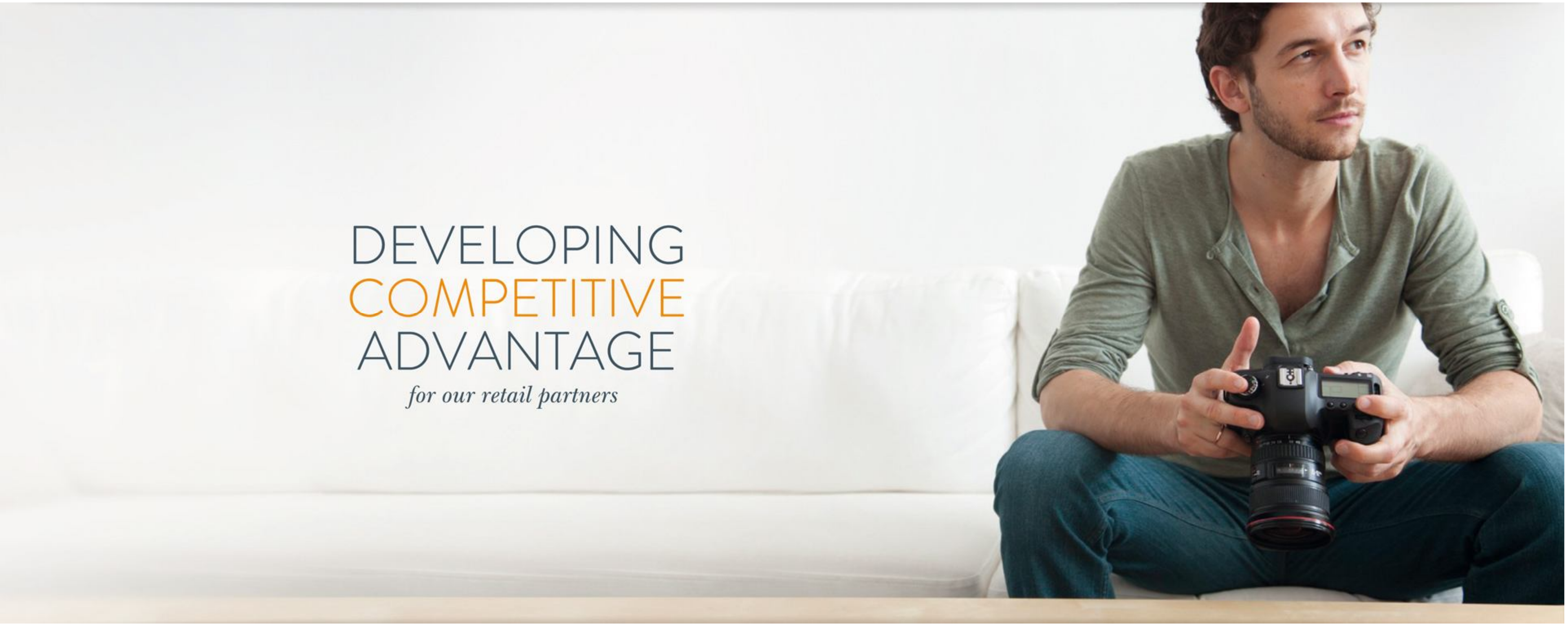
Share Buy-Back: *Efficient return of $32m surplus capital delivering more effective capital structure*

- Following shareholder approval at the Extraordinary General Meeting on 22 December 2014, ThinkSmart completed its Off Market Share Buy-Back Tender on 27 January 2015
- Under the Buy-Back Tender, the Company has bought back 49,998,962 shares (34% of issued share capital) at a price of $0.42 per share for a total of $20,999,564
- The Buy-Back Tender allowed the Company to establish a more efficient capital structure by effectively returning surplus capital to shareholders, as well as distributing franking credits. The Company is in a strong position to pursue its next phase of growth
- The reduction in the number of issued shares should result in an increase in the future Earnings Per Share (EPS) for the Company. On an NPAT of $3m for the year to 30 June 2015, the Buy-Back will increase EPS by 17% . Or by 52% on a full year annualised basis
- Following sale of the Australian and New Zealand business, a total of $32m has been returned to Shareholders by way of Special Dividend ($6m), On Market Share Buy-Backs ($5m) and Off Market Share Buy-Back Tender ($21m)
- The number of shares in issue has reduced by 41% from 162.3m at 31 December 2013 to 96.2m at 31 January 2015



$32m Surplus Capital Returned to Shareholders

Group Financial Results

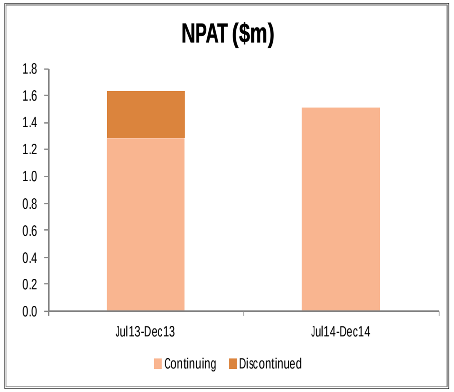


Group Financial Results: *1 July to 31 December 2014*

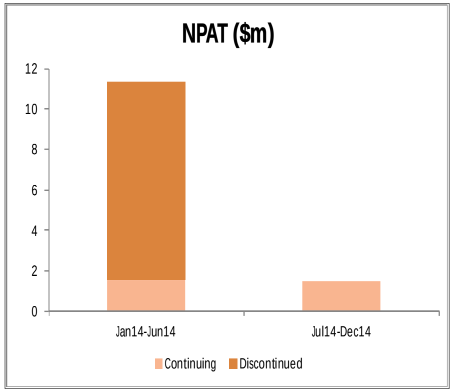
NPAT $1.5m in line with market guidance and up 18% on same period last year from continuing operations

- NPAT of $1.5m in line with market guidance
  - Continuing operations $1.5m NPAT for 6 months to 31 December 2014 down 3% on 6 months to 30 June 2014 but up 18% on 6 months to 31 December 2013
- Strong performance for UK market – profit of $3.4m before tax reflecting:
  - Successful launch of 'Upgrade Anytime' delivered strong growth positively impacting volumes with 82% growth on same period last year
  - SmartPlan business leasing volumes also strong delivering 22% growth on same period last year
  - Profit impacted by increased costs from investment in product development, people, systems, funding platform as we build foundations for future growth and increased provisioning for discontinued broker sourced business through TBL
  - Working with partner to further focus, align and broaden the business (SmartPlan) offer in Dixons
- Group Corporate costs reduced by -9% to $1.6m compared to the six months to 30 June 2014 and are down -23% on 6 months to 31 December 2013
- In addition $0.4m was earned in bank interest on the high Group cash balance

Compared to same period last year



Compared to previous 6 months

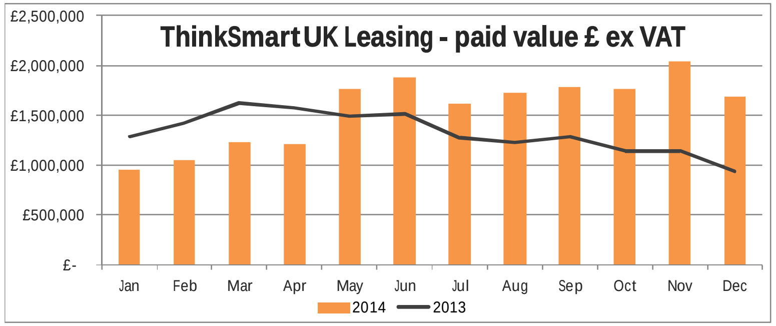


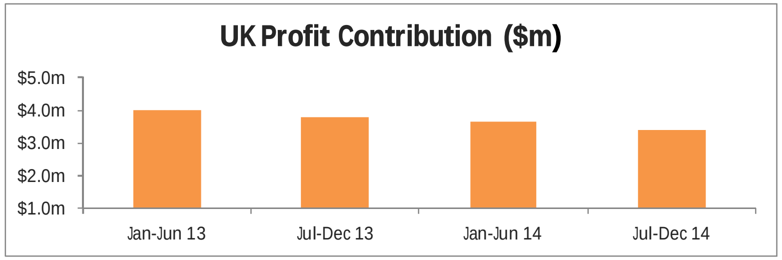
	Compared to same period last year			Compared to previous 6 months		
CONTINUING OPERATIONS	6m to 31 Dec 13	6m to 31 Dec 14	%	6m to 30 Jun 14	6m to 31 Dec 14	%
Total Revenue	9.35m	12.42m	33%	11.50m	12.42m	8%
Net Profit After Tax	1.28m	1.51m	18%	1.55m	1.51m	-3%
EPS (Basic)	0.81	1.00	23%	0.97	1.00	3%

Table only includes results from continuing operations

UK Operations: *Investing in UK business to deliver continued growth in both business and consumer volumes*

- Significant investment in unique leading proprietary systems, people, new product development and funding platform continues to support growth strategy and competitive advantage and is expected to increase in the year ahead
- Solid performance in UK market with new originations totalling £10.6m up 52% on same period last year on a constant currency basis due to:
  - Upgrade Anytime volumes up 82% on same period last year
  - SmartPlan volumes up 22% on same period last year
- Strong Cash flow generation of $3.6m, net of intercompany loan movements, level with previous six months
- $3.4m UK profit contribution decreased by $0.4m on same period last year due to increased investment in people to up-skill for growth together with increased provisioning for discontinued broker sourced business through ThinkSmart Business Leasing (TBL business), with additional profit on increased volume being offset by increased customer cash back cost on higher volume of repeat business which will ultimately produce future incremental inertia and deferred service revenues and profit
- Operating costs as a percentage of revenue have reduced by 7% as the business leverages its relatively fixed operating costs to deliver incremental sales



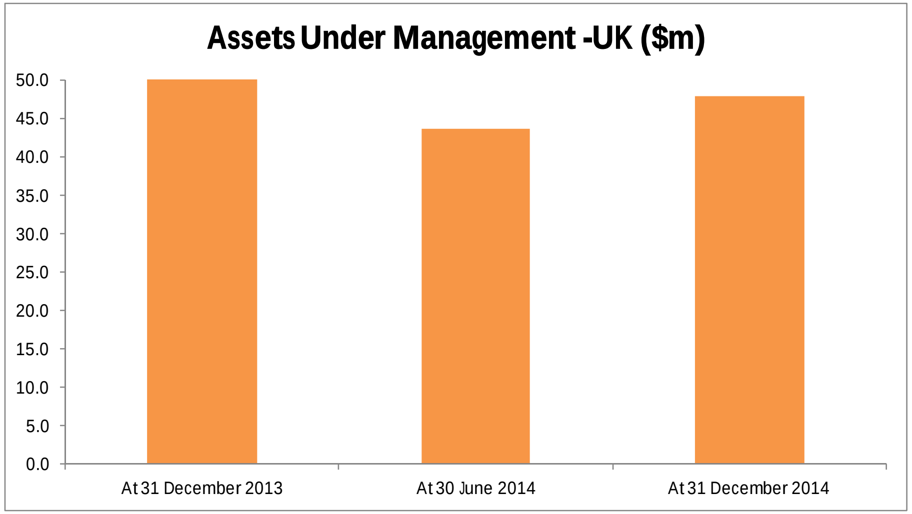


	Compared to same period last year			Compared to previous 6 months		
	Jul-Dec 13	Jul-Dec 14	%	Jan-Jun 14	Jul-Dec 14	%
Volumes (Paid Value)	$12.9m	$20.2m	57%	$14.7m	$20.2m	38%
Segment Revenue	$9.2m	$12.0m	30%	$11.0m	$12.0m	9%
Profit Contribution [1]	$3.8m	$3.4m	-11%	$3.7m	$3.4m	-8%

[1] Segment contribution before allocation of corporate overheads

UK Assets Under Management: *Assets grown by 10% in 6 months to $48m, reversing declining trend*

- UK Assets Under Management increased by 10% in last 6 months
- On 6 months to 31 December 2013, new originations increased by 52% on a constant FX basis:
  - Upgrade Anytime up 82% to GBP6.9m
  - SmartPlan up 22% to GBP2.8m
- Active customers have increased mainly due to Upgrade Anytime volume growth
- ATVs reduced by -9% on a constant FX basis compared to 6 month to 31 December 2013 as a result of the increased mix of Upgrade Anytime consumer leases which have a lower ATV than SmartPlan business leases



	Compared to same period last year				Compared to previous 6 months			
	Dec-13	Dec-14	%	Constant FX	Jun-14	Dec-14	%	Constant FX
Closing Assets Under Mgmt	$50.7m	$47.9m	-5%	-8%	$43.6m	$47.9m	10%	5%
Paid Value	$12.9m	$20.2m	57%	52%	$14.7m	$20.2m	38%	31%
Active Accounts	58.3k	60.8k	4%	4%	53.2k	60.8k	14%	14%
Average Transaction Value	$1,431	$1,347	-6%	-9%	$1,367	$1,347	-1%	-6%

Paid Value and Average Transaction Value are for the 6 months to period end

Consolidated Balance Sheet: *Strong balance sheet with significant cash reserves*

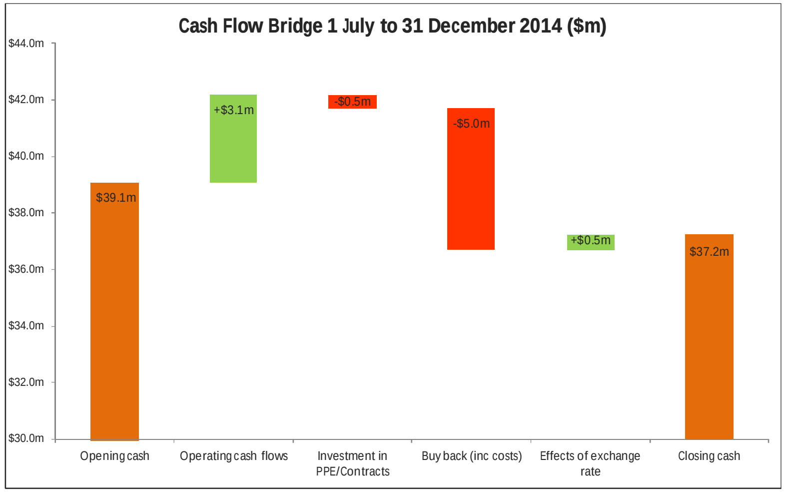
- Balance sheet reflects the sale of the Australian and New Zealand operations on 31 January 2014
- UK assets under management are "not included on balance sheet" for STB funded leases with revenue accounted for as brokerage income. Going forward, assets financed under the Santander facility will be on balance as ThinkSmart will be the lessor
- No corporate borrowings as not yet drawn on Santander facility
- Available cash at the end of December 2014 of $37.2m is down from $39.0m at 30 June 2014 due to $5m share Buy-Back in the 6 months to 31 December 2014
- Post period end in January 2015 ThinkSmart successfully completed the off market tender Buy Back of 50m shares for $21m. This has reduced both Cash and Total Equity by $21m leaving $16m of Cash and $35m of Equity immediately following the Buy-Back

Consolidated Balance Sheet	**30-Jun-14**	**31-Dec-14**	**Change %**
Cash and Cash Equivalents	39,070	37,248	-5%
Trade and other receivables	1,092	989	-9%
Deferred Tax Assets	342	289	-15%
Plant and Equipment	236	357	51%
Goodwill and Intangibles	16,216	16,311	1%
Other Assets	10,546	10,027	-5%
Assets held for sale	0	0	
Total Assets	**67,502**	**65,221**	**-3%**
Trade and other payables	3,247	3,127	4%
Deferred service income	4,975	5,229	-5%
Tax Payable	100	243	-59%
Other liabilities	233	198	18%
Liabilities held for sale	0	0	
Total Liabilities	**8,555**	**8,797**	**3%**
Total Equity	**58,947**	**56,424**	**-4%**

Note. all figures shown above in $000

Cash Flow: *Generated strong operating cash inflows whilst returning surplus capital following sale of Australian business to shareholders through share buy-backs*

- Strong cash backing, no debt
- Total cash assets as at 31 December 2014 of $37.2m
- Operating cash inflow of $3.1m generated in the six months to 31 December 2014, up from $2.5m in six months to 30 June 2014
- Investment in infrastructure continues with $0.5m invested in the establishment of new funding facilities and IT infrastructure
- $5m returned to shareholders by way of on market share Buy-Back in the half.
- Further weakening of AUD against GBP boosted sterling cash balances by $0.5m in AUD equivalent

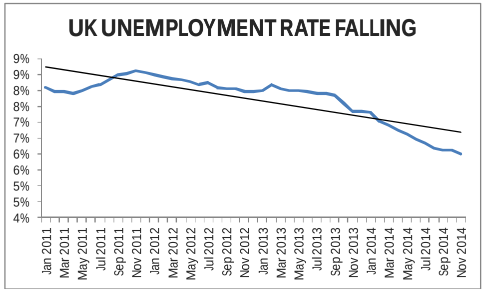


Well Positioned For Growth

UK: A Growth Market

- Large market of 62m Consumers
- Significant growth potential in resurgent market
- UK economy remains in good shape, forecast to grow by 2.4% in 2015
- Retail sales forecast to continue to grow strongly by 4.7%
- Unemployment Rate Fell to 5.8%, the lowest level in more than 6 years, in the 3 months September to November 2014
- Consumer confidence at a high, rising 4x faster than the global average last year
- Supportive to business with the lowest company tax in G7, 20% by 2015

Source: ONS Retail Sales Index by Value (2011=100



Source: ONS Unemployment Rate (%)

Building Long Term Value in UK

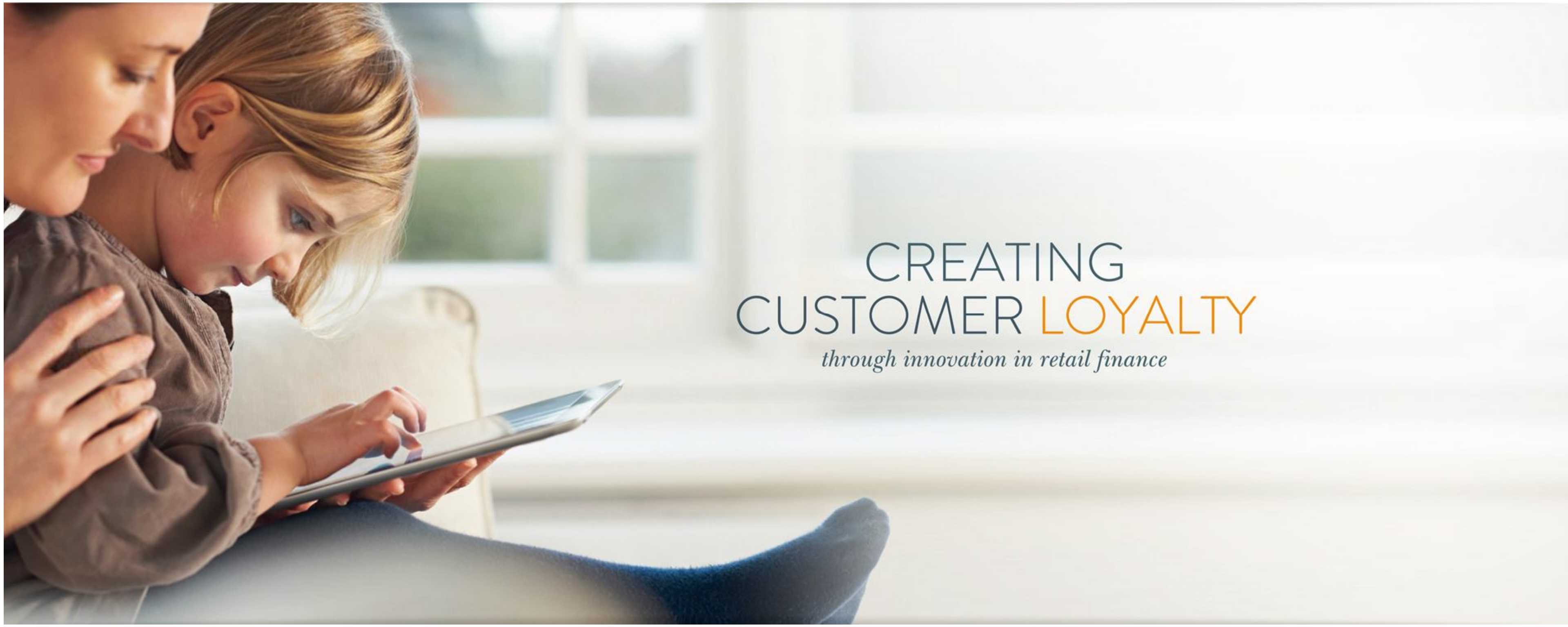
THINKSMART

Distribution Network	• 10 year+ partnership with newly enlarged Dixons Carphone Group plc now extended to 2017 in both B2B and B2C • ThinkSmart is committed to expanding its retailer network and continues to dedicate additional resources to achieve this, whilst building on opportunities within its existing base • Clear potential to scale ThinkSmart Business Leasing , ThinkSmarts broader leasing product model which extends to new categories, sectors and broadens distribution supported by market and customer insight. Enhanced through launching our integrated online basket and mobile application finance solutions to retailers
Operational Capabilities	• Market leading IP capability being further developed to enhance functionality and scalability, further streamlining the application process • Appointment of senior executives with extensive funding, treasury, retail, credit and risk management experience, with further new talent to be added to support growth ambition • Continued focus on managing risk and compliance with the Regulator, including meeting new standards set by Financial Conduct Authority (FCA) • Credit risk decision engine being enhanced to optimise performance and manage risk, enabling effective deployment of credit strategies to multiple retailers • New customer account capability being developed to facilitate multiple transactions
Asset Quality	• Continuous improvement in bad debt management and performance with both SmartPlan and Upgrade Anytime performing better than expected • Focusing on strong asset and credit quality sectors - withdrawal from Broker introduced business and focus on growing the direct channel

Building Long Term Value in UK

Product Diversification	• Upgrade Anytime: Successful launch and customer research creating above the line marketing opportunities • SmartPlan: plan to refresh and extend to broader B2B base • New categories: Opportunities to broaden offer in newly enlarged Dixons Carphone Group plc • Development of new partners led by customer insight, New Product Development and lower cost of funds
Funding Platform	• £10m Additional funding facility now in place with Santander complementing existing £60m Secure Trust Bank facility, providing a multi funder platform. • Move to multi-funder model via SPV Receivables funding which will reduce cost of funds but will impact short term profit due to lease accounting
Investment	• Continued review of M&A, investment and growth opportunities in strategically aligned businesses

Summary & Guidance



Summary & Guidance: 2014/15

- Clear focus to build long term value in the UK, initially organically through product and market development with newly enlarged market leading technology retailer with contract extended to 2017 for both B2B and B2C
- Commitment to exploit the clear potential to broaden distribution to new sectors, retailers and customers and leverage online finance basket solutions.
- Significantly strengthened executive team impacting development of the operating model, new product development and funding platform
- Process and Systems development with early benefits seen throughout the year
- Potential additional funding partners to support existing strong relationships to support growth and further reduce cost of funds
- Strong UK economy and a positive outlook for continued growth in retail sales, building consumer confidence and further reductions in unemployment
- Post completion of $21m Off Market Buy-Back Tender, a total of $32m Surplus Capital has now been returned to Shareholders, by way of Special Dividends and Share Buy-Backs, following the sale of the Australian and New Zealand business
- The Board will continue to review its dividend policy having regard to its financial position, however, as ThinkSmart's operations are based in the UK, future franking capacity would be limited to ThinkSmart's residual franking account balances
- Guidance for the 12 months to 30 June 2015 forecast to be in the region of $3m NPAT

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