

## **Quarterly Earnings Growth Well Ahead of Expectations – Trading Update**

## **Highlights**

- Unaudited EBIT up 43% on previous corresponding period (1Q 2012FY) to \$14.2 million
- Strong growth in UK loan book to £15.3 million, up 146.1% on the corresponding period and 20.8% since 30 June 2012
- EBIT contribution from the UK operations up 155.4% on the corresponding period
- Continued growth in the Australian Personal Loan book, up 32.7% on the corresponding period
- Two more stores acquired, two new corporate stores opened
- Record online loan advances and online store sales from Webshop gaining momentum

## Quarterly Earnings Growth Well Ahead of Expectations – Trading Update

The directors of Cash Converters International Limited ("Cash Converters" or "the Company") are pleased to provide the following trading performance and operational update based on the first quarter of the financial year to June 2013.

The unaudited EBIT for the first quarter ended 30 September 2012 increased 43.3% from the previous corresponding period (1Q 2012FY) to \$14.2 million. This result has been driven by the continued strong performance of the personal loan books. In particular the UK loan book has grown by 146.1% on the previous corresponding period to £15.3 million. This strong performance has driven an increase in the UK EBIT contribution by 155.4% over the previous corresponding period. The mature Australian personal loan book is continuing to grow strongly with the loan book reaching \$67.1 million as at 30 September 2012, an increase of 32.7% on the previous corresponding period. It is also pleasing that the bad debt levels have stabilised in the UK while the profitability of the UK loan book has increased strongly as the loan balance has increased. The Australian personal loan book bad debt levels are in line with historical levels.

The Company's online strategy is continuing to grow with record loans advanced through the online platform during the quarter and the Webshop platform now achieving sales in the order of \$250,000 per month in Australia. The Company is currently implementing a new point of sale system with an application to facilitate the online display of store inventories across the Australian (and eventually the UK) store network. The directors expect this to increase the sale of goods online.

During the quarter additional stores were acquired in Wigan and Gloucester in the UK, taking total corporate owned stores in the UK to 61 and total stores in the UK to 222 including franchised stores. In Australia, the Company opened two new corporate stores in Port Kennedy (WA) and Bankstown (NSW) taking total corporate owned stores in Australia to 44 and total store numbers in Australia to 147.

Cash Converters Managing Director, Mr Peter Cumins, said: "The September quarter was exceptionally strong and has exceeded our expectations. Particularly pleasing, but not surprising, is the growth we have achieved in the UK as our efforts and focus on corporate store acquisitions and growing the personal loan book is beginning to contribute strongly to our earnings".

Ralph Groom
Company Secretary
Cash Converters International Limited
12 November 2012