



Appendix 4D

Company: Cash Converters International Limited
ABN: 39 069 141 546

Reporting period: Half-year ended 31 December 2008

‘Results for announcement to the market’

- Revenues from ordinary activities up 23.8% to \$44,499,561;
- Profit from ordinary activities after income tax expense up 9.3% to \$7,936,179;
- Profit from ordinary activities, after tax, attributable to members, up 9.2% to \$7,913,548;
- Basic earnings per share of 3.3 cents, up 10.0% on last years figure of 3.0 cents;
- The Directors of the Company recommend an interim, fully franked dividend, of 1.5 (one and a half) cents per share to be paid on 31 March 2009 to those shareholders on the register at close of business on 17 March 2009.

‘This report should be read in conjunction with the 30 June 2008 Annual Financial Report of the Company and any announcements made in the period by the Company in accordance with the continuous disclosure requirements of the Corporations Act 2001 and the ASX Listing Rules’.

Appendix 4D *continued*

Net tangible assets per security

For the current period the net tangible assets per security are 8.1 cents.
For the corresponding period they were 7.9 cents.

Details over entities over which control has been gained or lost

Please refer to *note 10* in the attached Financial Report.

Dividends

The Directors of the Company recommend an interim, fully franked dividend, of 1.50 (one and a half) cents per share to be paid on 31 March 2009 to those shareholders on the register at close of business on 17 March 2009.

Details of associates and joint venture entities

The Company has no information to disclose in regard to associates and joint venture entities.

Audit review of accounts

The financial report accompanying appendix 4D has been subject to a review by our auditors. The review report to the members is attached to the financial report.

Appendix 4D *continued*

Financial Report

A consolidated income statement is included with the half-year financial report lodged with appendix 4D;

A consolidated balance sheet is included with the half-year financial report lodged with appendix 4D;

A consolidated statement of recognised income and expense is included with the half-year financial report lodged with appendix 4D;

A consolidated cash flow statement is included with the half-year financial report lodged with appendix 4D;

The segment results can be seen in *note 2* of the half-year financial report.

Chairman's and Managing Director's review

For a commentary on the results for the period please refer to the Chairman's and Managing Director's review included with the half-year financial report.

Also please refer to the directors' statement in the half-year financial report.

Earnings per security

The basic earnings per share for this period are 3.3 cents per share;
The diluted earnings per share for this period are 3.3 cents per share;

The basic earnings per share for the previous corresponding period are 3.0 cents per share;
The diluted earnings per share for the previous corresponding period are 2.9 cents per share.

Ralph Groom
Company Secretary
23 February 2009

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CASH CONVERTERS INTERNATIONAL LIMITED
A.B.N 39 069 141 546

FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

Chairman & Managing Director's Review

CASH CONVERTERS INTERNATIONAL LIMITED AND CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

The Company is pleased to report a record net profit of \$7,936,179 for the period, representing an increase of 9.3% on last year's result. This strong half-year result has the Company well placed to improve on the full year net profit forecast, recently upgraded to \$13.1 million.

Upgraded 2009 profit guidance

The performance of the Group during the first half sees net profit after tax up a further \$0.6 million against the budget on which our full year published guidance of \$13.1 million net profit after tax for 2009 was based.

In presenting updated guidance for the 2009 financial year, the Company has taken into consideration the likely continuation of its first half performance from existing business, and a full half year's contribution from the nine recently acquired stores in Western Australia and the UK. Additionally, the Company has had to make appropriate provisioning for the introduction of an incentive scheme for the benefit of members of our Australian franchised network, the increased prospect of bad debts on personal loans in the current economic environment, and the potential reduction in demand for certain financial products as a result of the Federal Government's economic stimulus package.

Bearing the above factors in mind, the Company expects that it will achieve a result in the range of \$14.5 - \$15.0 million net profit after tax for the 2009 financial year.

Shareholders will recall from previous market releases by the Company, that the consumer finance industry has in recent times been subject to significant regulatory review, both at State level, where the Queensland Government introduced an interest rate cap inclusive of certain fees and charges, and at a Commonwealth level, where an action plan is now in place for the Commonwealth Government to assume responsibility for certain key legislation, including the Uniform Consumer Credit Code. Throughout this period, the Company has continued to provide customers across its company owned and franchised locations with a broad range of merchandise, financial products and services which comply with the relevant legislation.

As a highly recognised brand in the micro-finance industry, with over 285,000 loyal customers nationally, Cash Converters recognises its industry leading position, and its special responsibility to work alongside the Commonwealth and the various State and Territory Governments to ensure a fair and balanced approach to legislative change for the micro-finance sector, and one which protects the long term interests of our customers and shareholders.

The results for the first half of the 2008/2009 financial year suggest we are focused on achieving these objectives.

Dividend

In line with this record profit, the Board is pleased to announce that it will retain its interim dividend at the previous level of 1.5 cents per share, fully franked. The dividend will be paid on 31 March 2009 to those shareholders on the register at the close of business on 17 March 2009. As previously stated, for so long as circumstances permit, the Board's intention is to provide shareholders with increased dividends and to continue to maintain a high payout ratio.

Major highlights for the half-year include:

- Earnings before interest, tax, depreciation and amortisation up 13.1% to \$12,702,016
- Earnings per share up 10% to 3.3 cents per share
- Operating profit before tax up 10.9% to \$11,571,276
- Financial services operations operating profit up 4.6% to \$8,604,478
- Franchise and store operations division operating profit up 34.1% to \$2,991,584
- The acquisition of five franchised stores in the UK
- The acquisition of four franchised stores in Western Australia
- Company owned store numbers rise to 31 as the Company accelerates its corporate store growth strategy

Chairman & Managing Director's Review

CASH CONVERTERS INTERNATIONAL LIMITED AND CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

Financial services operations

The Financial services operations, which comprises the Safrock personal loans business, the MON-E cash advance administration platform, and the Cash Advance financial services conducted by the company owned stores, generated an operating profit before tax of \$8,604,478 for the half-year to 31 December 2008, an increase of 4.6% against the result derived in the previous corresponding period.

As previously reported, the Company has in recent years sought to diversify its earnings base in an attempt to create other significant income streams and to dilute its reliance on fees from franchising activities. The introduction of financial service products offered to customers through the Company's owned and franchised retail store network, and the acquisition of the Safrock Finance Group and MON-E administration platform has been an outstanding success in regard to this diversification strategy.

Key financial services operation statistics for the period are as follows;

Cash advance

- Total principal loaned decreased by 0.9%
- Average loan amount increased to \$321
- Total customer numbers increased by 3.9%

Personal loans

- Total number of loans approved increased by 14.6%
- Total number of customers increased by 1.2%
- Loan Book increased by 12.1%

Franchise and store operations

The franchise and store operations, which comprises the Australian, UK and international franchised operations together with the Company owned store operations in Australia and the UK, generated an operating profit before tax of \$2,991,584 for the half-year to 31 December 2008, an increase of 34.1% compared with the prior corresponding period.

Australian operations

The Australian operations (which include international franchise revenues excluding the UK) contributed an operating profit of \$1,951,095 for the first half, an increase of 10.9% over the corresponding period. This result includes;

- proceeds from the sale of a new international licence, for the Middle East territory. We look forward to the development of the Cash Converters business in the region;
- a contribution from four previously franchised stores in Western Australia, which were acquired by the Company during the latter stages of the half-year as part of its corporate store growth strategy; and
- a contribution from the Company's recently developed on line 'Webshop', where customers can acquire a selection of in-store merchandise listed by participating retail stores. Having successfully trialled the 'Webshop' concept across the company owned outlets, we expect the 'Webshop' opportunity will be made available to the entire network and promoted to the wider community.

UK operations

The UK operations has continued the improved performance demonstrated in recent years, and contributed an operating profit before tax of \$1,040,489, an increase of 120.2% on the previous half-year. This is a very pleasing result, and reflects the successful continuation of the Company's store acquisition programme, with five previously franchised locations acquired towards the latter part of the half-year.

With a full half year contribution from these acquired outlets, and an additional five franchised stores scheduled to commence trading in the coming months, a stronger second half performance is expected. Store numbers in the UK currently stand at 130.

Chairman & Managing Director's Review

CASH CONVERTERS INTERNATIONAL LIMITED AND CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

Company owned stores

As provided above, the Company continued to implement its strategy of diversifying its income streams by the acquisition of a further nine previously franchised outlets, five in the UK and four in Western Australia, taking the total number of company owned outlets to 31. A further three stores in Western Australia are scheduled to be acquired in the next six months.

These acquisitions, together with improved store performance (particularly in the UK) has seen our corporate store network revenues grow to \$16,186,04, an increase of 110% over the corresponding period. Total revenues during the half-year for the franchise and store operations were \$28,570,840, an increase of 39.8%.

With further growth planned from the opening of new company owned stores in the UK and Australia and the continued selective acquisition of franchised stores, we expect the contribution from the corporate stores towards both the divisional and Group results to grow rapidly. The Company sees the selective acquisition of franchised stores and the development of new outlets in under represented territories as a meaningful opportunity to significantly grow both revenues and earnings in future years .

Aside from these increased revenues and earnings, there are other benefits that are achieved with the growth in the number of company owned stores, being:

- Cash Converters will have greater control of its already well established brand, not only in terms of store presentation ,but also the intrinsic values such as customer service, pricing and policy; and
- The opportunity to better develop new products and services 'in-house', and to introduce such on a fully tested basis across its franchised network.

An example of this is the Company's plan to introduce its range of personal finance products into our UK network early in 2009. This will be done firstly in our corporate stores where we can control the implementation, and make any modifications to suit local market conditions before launching the products throughout our franchised network. This represents a significant and exciting opportunity to replicate the successes achieved in Australia on a controlled and measured basis.

Share buy-back

Cash Converters International Limited recently announced the continuation of its share buy-back policy with an on-market share buy-back commencing on 28 December 2008 for a maximum timeframe of 12 months. Under this buy-back the Company can acquire up to 23.7 million ordinary shares (being approximately 10% of the issued ordinary share capital).

Shares will be purchased as and when considered appropriate by the directors during that time. The directors decided on this buy-back programme because it will deliver increased earnings per share and therefore be advantageous to shareholders.

The future

As previously reported the first half of the year has presented various challenges from a legislative perspective, which following the introduction in Queensland of an interest rate cap, saw our after tax profit guidance pared back to \$12.0 million.

Pleasingly, this has now been upgraded to between a range of \$14.5 and \$15.0 million.

These challenges and uncertainties will remain in the short to medium term, as the Federal and State Governments work to transfer the State based consumer legislation across to a single, standard national regulation of consumer credit.

The first phase of the action plan will see the Commonwealth assume responsibility for key credit regulation, the Uniform Consumer Credit Code by enacting it as Commonwealth law. This is well underway. The initial stage is scheduled for completion by 1 July 2009 and will also involve the licensing of credit providers, a requirement that they participate in an external dispute resolution process, and abide by a Code that expresses responsible lending practices.

Chairman & Managing Director's Review

*CASH CONVERTERS INTERNATIONAL LIMITED AND CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2008*

The second phase of the plan is due to be in place by mid 2010. This phase will include enhancements to specific conduct obligations to stem unfavourable lending practices, and regulatory reform such as mandatory comparison rates and default notices.

As the leading industry participant in the micro-finance sector, Cash Converters is working closely with Government during this transition phase to ensure that legislative reform will enable our customers to enjoy continued access to credit at a fair cost, within an improved regulatory and supervisory regime.

We look forward to the successful transition of the current legislative arrangements, and the continued growth of our Australian and international operations.

In closing, we would like to thank our fellow directors, management and staff for a very pleasing result.

Reg Webb
Chairman

Peter Cumins
Managing Director

Perth, Western Australia
Date: 20 February 2009

Directors' Report

CASH CONVERTERS INTERNATIONAL LIMITED AND CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

Directors' report

In respect of the half-year ended 31 December 2008 the Directors of Cash Converters International Limited, the Company and parent entity, submit the following report made out in order to comply with the provisions of the Corporations Act 2001.

Directors

The following persons held office as Directors of the Company during or since the end of the half-year:

Mr Reginald Webb (Chairman)
Mr Peter Cumins (Managing Director)
Mr John Yeudall (Non-executive Director)
Mr Andrew Moffat (Non-executive Director) (resigned 27.10.08)
Mr Cameron Hetherington (Non-executive Director) (appointed 2.7.07)
Mr Paul Cowan (Non-executive Director) (appointed 27.10.08)

Dividends

The Directors of the Company recommend that an interim dividend of 1.5 (one and a half) cents per share be paid on 31 March 2009 to those shareholders on the register at the close of business on 17 March 2009.

Review of operations

A summary of consolidated revenues and results by significant industry segments is set out below:

	Segment revenues Half year ended		Segment results Half year ended	
	31 Dec 2008	31 Dec 2007	31 Dec 2008	31 Dec 2007
Franchise and store operations	28,570,840	20,428,371	2,991,584	2,231,429
Financial services operations	<u>15,621,741</u>	<u>15,148,369</u>	<u>8,604,478</u>	<u>8,223,758</u>
	44,192,581	35,576,740	11,596,062	10,455,187
Less: Unallocated expenses			<u>(24,786)</u>	<u>(24,786)</u>
Operating profit			11,571,276	10,430,401
Income tax attributable to operating profit			<u>(3,635,097)</u>	<u>(3,166,164)</u>
Operating profit after income tax			7,936,179	7,264,237
Less: Profit attributable to outside equity interests			<u>(22,631)</u>	<u>(16,047)</u>
Profit attributable to members of Cash Converters International Limited			<u>7,913,548</u>	<u>7,248,190</u>

Franchise and store operations

Australia

The net profit before tax for the Australian operations (including international franchise revenue) was \$1,951,095 (2007: \$1,758,840) for the six month period ending December 2008.

Starting in October 2008 the company has progressively acquired four franchised stores in Western Australia to add to its corporate store group of eight stores in Victoria and one in New South Wales. The four stores are the first to be purchased from a total of seven the company has negotiated to acquire in Western Australia. Please refer to note 10 and the subsequent events note 5 for further information on these acquisitions.

Directors' Report

CASH CONVERTERS INTERNATIONAL LIMITED AND CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

Following a number of initiatives introduced to our corporate store group, particularly in regard to, product pricing and margin improvements, the corporate stores are trading well, with budgets being achieved or exceeded by the majority of stores. The group recently completed two store fit-outs to bring these stores in line with the 'new look and feel' being promoted throughout the network. The overall result has been excellent, with bold colours creating a vibrant interior and new jewellery counters helping to focus the quality of the product for sale.

Legislative issues have continued to dominate the micro-lending industry during the period, with the Queensland government introducing an interest cap of 48% per annum, including fees and charges, with effect from 31 July 2008. However, since the capping introduction, the States have agreed that the legislation affecting the micro-lending industry should be passed over to the Federal Government. As a result of this change, no legislation in regard to the micro-lending industry will be introduced until June 2009, when it is anticipated that all micro-lenders will be required to be licensed. By June 2010 further aspects of the new regime are expected to be finalised.

United Kingdom

The net profit before tax for the period under review was \$1,040,489 (2007: \$472,589).

Total store numbers in the UK currently stand at 130, with a further five franchised stores planned to open in the next six months. A high number of franchise enquiries are still being received so we anticipate further steady growth in store openings. Although the UK economy is currently in a severe downturn, our UK network has enjoyed strong business growth in all key areas of activity, and this has given further encouragement for existing franchisees to increase their store numbers.

The UK business now includes 18 stores following the recent acquisition in September 2008 of three stores in the Liverpool region, and in late November 2008 the acquisition of franchised stores in Hull and Scarborough. These additions to the existing corporate store chain will create economies of scale, and enable Cash Converters UK to accelerate growth in this area. Please refer to note 10 for further information on these acquisitions.

The UK auction site continues to grow its contribution to income as product numbers and sales increase. During the busy December trading period 54 stores had products listed on the site.

In summary, excellent progress has been made in implementing the Company's business plan and improving the profitability of the UK business. Further franchise store and fee growth, ongoing selective store acquisitions, and the expansion of the Company's financial products and services across the UK network should provide for continued profit improvement in the next half of the financial year.

Financial services operations

This segment incorporates the trading results of MON-E Pty Ltd., the Safrock Finance Group, and Cash Converters Finance Corporation Limited, a company providing working capital loans to the Australian franchise network.

MON-E provides the internet platform and administration for the Cash Converters network in Australia (except for South Australia) to offer cash advance services to their customers. The stores in South Australia utilise alternate software provided by an unrelated supplier under licence from Cash Converters.

During the period under review the MON-E net profit before tax was \$4,060,631 (2007:\$4,283,244) which is inclusive of commissions that were previously credited to the franchising and store operations segment.

Directors' Report

*CASH CONVERTERS INTERNATIONAL LIMITED AND CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2008*

Safrock Finance provides loans to customers through the Australian Cash Converters network. Franchisees act as agents for Safrock Finance, and receive commissions for all personal loans transacted. During the period under review, the loan book grew by 10.6% to just over \$15.0 million. Net profit before tax was \$4,513,575 (2007:\$3,918,737).

Cash Converters Finance Corporation Limited (CCFCL) provides working capital loans to the Australian franchise network only. The average loan is for \$150,000 with an interest rate of 12%. Loans are secured against the assets of the franchised store. During the period under review CCFCL made a net profit before tax of \$30,272 (2007:\$21,777)

Independent declaration by Auditor

The Auditor's independence declaration is included on page 19 of the half-year financial report.

On behalf of the Board. Signed in accordance with a resolution of directors pursuant to S306(3) of the Corporations Act 2001.

Peter Cumins
Managing Director

Perth, Western Australia
Date: 20 February 2009

Condensed consolidated income statement for the half-year ended 31 December 2008

CASH CONVERTERS INTERNATIONAL LIMITED AND CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

	Notes	Consolidated Half-year ended	
		31 December 2008 \$	31 December 2007 \$
Revenue	2/3	44,499,561	35,940,828
Employee benefit expense		8,285,766	5,671,553
Depreciation and amortisation expenses		541,660	444,694
Finance costs		589,080	352,863
Legal fees / legal settlements		227,519	237,509
Changes in inventories		11,402,069	9,083,102
Area agents fees / commissions		2,486,437	3,156,605
Rental expense on operating lease		1,737,697	940,333
Motor vehicle / travel costs		498,660	512,073
Bad debts/bad debt provision		2,408,265	1,862,110
Professional and registry costs		721,102	395,619
Auditing and accounting services		162,481	128,542
Bank charges		542,414	572,376
Other expenses from ordinary activities		3,325,134	2,153,048
Profit before tax		11,571,276	10,430,401
Income tax expense		(3,635,097)	(3,166,164)
Profit for the period		7,936,179	7,264,237
Attributable to:			
Equity holders of the parent		7,913,548	7,248,190
Minority interest		22,631	16,047
		7,936,179	7,264,237
Earnings per share			
Basic (cents per share)		3.3	3.0
Diluted (cents per share)		3.3	2.9

The accompanying notes form an integral part of the condensed consolidated income statement.

Condensed consolidated balance sheet for the half-year ended 31 December 2008

CASH CONVERTERS INTERNATIONAL LIMITED AND CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

	Consolidated 31 December 2008 \$	30 June 2008 \$
Current assets		
Cash and cash equivalents	11,479,212	16,322,202
Trade and other receivables	6,652,203	5,161,595
Personal loans receivable	17,014,553	14,280,565
Inventories	4,938,490	3,306,989
Other assets	351,297	281,553
Total current assets	<u>40,435,755</u>	<u>39,352,904</u>
Non-current assets		
Trade and other receivables	1,634,390	1,950,157
Plant and equipment	4,010,653	2,580,301
Deferred tax assets	1,749,850	1,851,285
Goodwill	47,586,386	43,650,114
Other intangible assets	10,140,266	9,876,716
Total non-current assets	<u>65,121,545</u>	<u>59,908,573</u>
Total assets	<u>105,557,300</u>	<u>99,261,477</u>
Current liabilities		
Trade and other payables	7,650,562	6,743,196
Borrowings	4,002,505	4,539,025
Current tax payables	2,963,107	2,748,328
Deferred establishment fees	838,026	1,399,282
Provisions	949,966	823,048
Total current liabilities	<u>16,404,166</u>	<u>16,252,879</u>
Non-current liabilities		
Borrowings	10,117,228	7,689,721
Deferred tax liabilities	1,226,334	1,272,968
Total non-current liabilities	<u>11,343,562</u>	<u>8,962,689</u>
Total liabilities	<u>27,747,728</u>	<u>25,215,568</u>
Net assets	<u>77,809,572</u>	<u>74,045,909</u>
Equity		
Issued capital	47,033,685	46,424,331
Reserves	366,924	1,568,504
Retained earnings	30,106,909	25,773,648
Parent entity interest	77,507,518	73,666,483
Minority interest	302,054	279,426
Total equity	<u>77,809,572</u>	<u>74,045,909</u>

The accompanying notes form an integral part of the condensed consolidated balance sheet

**Condensed consolidated statement of recognised income and expense
for the half-year ended 31 December 2008**

CASH CONVERTERS INTERNATIONAL LIMITED AND CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

	Consolidated Half-year ended	
	31 December 2008	31 December 2007
	\$	\$
Exchange differences arising on translation of foreign operations	(68,247)	(235,897)
Net expense recognised directly in equity	<u>(68,247)</u>	<u>(235,897)</u>
Profit for the period	<u>7,936,179</u>	<u>7,264,237</u>
Total recognised income and expenses for the period	<u>7,867,932</u>	<u>7,028,340</u>
Attributable to:		
Equity holders of the parent	7,845,301	7,012,293
Minority interest	<u>22,631</u>	<u>16,047</u>
	<u>7,867,932</u>	<u>7,028,340</u>

The accompanying notes form an integral part of the condensed consolidated statement of recognised income and expense.

Condensed consolidated cash flow statement for the half-year ended 31 December 2008

CASH CONVERTERS INTERNATIONAL LIMITED AND CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

	Notes	Consolidated	
		31 December 2008	31 December 2007
		\$	\$
Cash flows from operating activities			
Receipts from customers		40,110,465	31,542,980
Payments to suppliers and employees		(32,764,737)	(24,437,851)
Interest received		356,896	465,166
Interest received from personal loans		4,918,565	5,098,307
Interest and costs of finance paid		(570,218)	(354,738)
Income tax paid		(3,626,647)	(4,275,586)
Net cash flows provided by operating activities		8,424,324	8,038,278
Cash flows from investing activities			
Net cash paid for acquisitions of controlled entities	10	(6,947,223)	(15,680,173)
Purchase of plant and equipment		(1,418,576)	(507,767)
Loan repayments from non related entities		2,325	13,013
Net increase in personal loans		(2,895,113)	(2,538,513)
Instalment credit loans made to franchisees		-	(439,204)
Instalment credit loans repaid by franchisees		387,748	688,969
Net cash flows used in investing activities		(10,870,839)	(18,463,675)
Cash flows from financing activities			
Dividends paid – members of parent entity		(3,580,287)	(3,604,644)
Proceeds from borrowings		3,837,493	12,425,837
Repayment of borrowings		(1,497,836)	(800,000)
Capital element of finance lease and hire purchase payments		(93,045)	(62,346)
Share buy-back		(355,289)	-
Issue of shares by controlling entity		-	-
Redemption of unsecured notes by controlled entity		(100,042)	-
Issue of unsecured notes by controlled entity		-	63,334
Net cash flows (used in)/provided by financing activities		(1,789,006)	8,022,181
Net decrease in cash and cash equivalents			
		(4,235,521)	(2,403,216)
Cash and cash equivalents at the beginning of the period			
		15,284,545	14,171,122
Effects of exchange rate changes on the balance of cash held in foreign currencies		24,126	21,611
Cash and cash equivalents at the end of the period	11	11,073,150	11,789,517

The accompanying notes form an integral part of the condensed consolidated cash flow statement.

Notes to the condensed consolidated financial statements for the half-year ended 31 December 2008

CASH CONVERTERS INTERNATIONAL LIMITED AND CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

1. Significant accounting policies

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 "Interim Financial Reporting". Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 "Interim Financial Reporting". The half-year financial report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts presented in Australian dollars unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's annual financial report for the financial year ended 30 June 2008.

2. Segmental information

The following is an analysis of the revenue and results for the period analysed by business segment, the Group's primary basis of segmentation:

Primary reporting – business segments						
Segment revenues	External Sales Half year ended		Inter-segment Half year ended		Total Half year ended	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007	31 December 2008	31 December 2007
	\$	\$	\$	\$	\$	\$
Franchise and store operations	28,570,840	20,428,371	-	-	28,570,840	20,428,371
Financial services operations	15,621,741	15,148,369	-	-	15,621,741	15,148,369
Total of all segments	44,192,581	35,576,740	-	-	44,192,581	35,576,740
Unallocated					306,980	364,088
Consolidated revenue					44,499,561	35,940,828
Segment results					Total Half year ended	
					2008	2007
					\$	\$
Franchise and store operations					2,991,584	2,231,429
Financial services operations					8,604,478	8,223,758
Total of all segments					11,596,062	10,455,187
Unallocated					(24,786)	(24,786)
Profit income before tax expense					11,571,276	10,430,401
Income tax expense					(3,635,097)	(3,166,164)
Profit for the period					7,936,179	7,264,237

Notes to the condensed consolidated financial statements for the half-year ended 31 December 2008

CASH CONVERTERS INTERNATIONAL LIMITED AND CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

2. Segmental information *continued*

1. The economic entity operates predominantly in the following industries:

Franchise and store operations - This involves the sale of franchises for the retail sale of second hand goods, the sale of master licences for the development of franchises in countries around the world and the operations of corporate owned stores in the UK and Australia.

Financial services operations - The financial services operation was originally established to provide loans to existing franchisees within Australia, for the development of their businesses. Since October 2006 this operation also incorporates the MON-E cash advance administration platform and the Saffrock Finance personal loans business.

2. Intersegment pricing is based upon an agreed interest rate between Cash Converters Pty Ltd and Cash Converters Finance Corporation Limited.

3. Profit from operations

Revenue for the period consisted of the following items:

	Half-year ended 31 December 2008 \$	Half-year ended 31 December 2007 \$
Sales revenue		
Weekly franchisee fees	3,826,628	3,824,070
Initial fees	99,682	279,771
Licence fees	-	39,185
Ten-year renewals	97,455	54,545
Ten-year renewals – renewed at six years	-	-
Sub-franchisor licence sales	137,776	-
Advertising levy	195,950	179,950
Instalment credit loan interest on franchisees loans	147,936	166,258
Wholesale/retail sales	3,377,742	4,250,609
Cheque cashing commission	578,417	609,122
Corporate store revenue	16,186,041	7,708,784
Computer levy	868,832	791,943
Training levy	484,704	483,228
Financial services commission	122,838	140,034
Rent received	34,430	36,361
Interest revenue - bank	306,980	364,088
Interest – other	6,162,620	6,624,541
Commissions - cash advance	7,706,036	5,770,593
Establishment fees and cost recoveries	4,046,634	4,547,969
Other income		
Other revenue	118,860	69,777
	44,499,561	35,940,828

Notes to the condensed consolidated financial statements for the half-year ended 31 December 2008

CASH CONVERTERS INTERNATIONAL LIMITED AND CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

4. Issuances and repurchases of equity securities

During the half-year reporting period Cash Converters International Limited issued 2,833,333 ordinary shares as earn-out shares (see note 8 below) and repurchased 1,509,327 ordinary shares (see note 9 below). These issues and repurchases take the total ordinary share capital in issue to 240,009,691 as at 31 December 2008.

5. Subsequent events

The Directors recommend an interim dividend of 1.5 cents per share. This dividend will be 100% franked and will be paid on 31 March 2009. The financial effect has not been reported in this financial report.

Cash Converters International Limited advises that its wholly owned subsidiary Cash Converters (Stores) Pty Ltd has acquired a further store in Western Australia subsequent to the 31 December 2008. The store was purchased for a total consideration of \$800,992 including assets. This acquisition will be funded by additional borrowings and available cash resources.

Apart from the above the Directors are not aware of any matter or circumstance that has significantly affected or may significantly affect the operations of the economic entity or the state of affairs of the economic entity in subsequent financial periods.

6 Contingent liabilities

During the period Cash Converters UK Limited has secured a loan facility with Barclays Bank PLC for £600,000. Cash Converters International Limited (CCIL) provided a guarantee in favour of this facility to Barclays Bank PLC.

Cash Converters International Limited has secured an additional facility with Westpac Banking Corporation for \$2,360,000 with CCIL providing an interlocking guarantee.

7. Dividends

	2008		2007	
	Cents per share	Total \$	Cents per share	Total \$
<i>Recognised amounts</i>				
<i>Fully paid ordinary shares</i>				
Final dividend:	1.50	3,580,287	1.50	3,604,644
<i>Unrecognised amounts</i>				
Fully paid ordinary shares				
Interim dividend:	1.50	3,600,145	1.50	3,624,798

8. Earn-out shares

Under the terms of the acquisition in regard to the Safrock Group 8,500,000 earn-out shares may be issued in tranches as soon as practicable after the end of the relevant financial year subject to meeting certain earnings targets. The end of the first relevant financial period was 30 June 2007 with the earnings targets being met resulting in 2,833,333 earn-out shares being issued. A further 2,833,333 earn-out shares were issued for the period ending 30 June 2008 following the earnings targets being met. This leaves a balance of 2,833,334 earn-out shares to be issued if the future financial targets are met.

The acquisition earn-out reserve is used to record a reasonable estimate of the likely equity to be issued in relation to earn-out targets pertaining to the acquisition of Safrock. An equity reserve is used to record this amount due to a fixed number of equity instruments to be issued.

9. Share buy-back

On 23 November 2007 Cash Converters International Limited advised the market that it would commence a share buy-back of its shares commencing on 10 December 2007. The buy-back was open for a 12 month timeframe with a maximum number of shares to be purchased being 24,300,000. Under this buy-back 5,968,674 were acquired for the total consideration of \$1,601,161. On 10 December 2008 Cash Converters International Limited advised the market that it would once again commence a buy-back of its shares commencing 28 December 2008. The buy-back will be open for a 12 month timeframe with a maximum number of shares to be purchased being 23,700,000. No shares have yet been purchased under this buy-back.

Notes to the condensed consolidated financial statements for the half-year ended 31 December 2008

CASH CONVERTERS INTERNATIONAL LIMITED AND CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

10. Acquisitions and disposals

Acquisition of trade and assets: Five stores in the United Kingdom and four stores in Australia

During the period the Group acquired the trade and assets of five stores in the UK and four stores in Australia for total consideration of \$7,266,752.

This transaction has been accounted for using the acquisition method of accounting.

The net assets acquired in the business combination, and the goodwill arising, are as follows:

	Acquiree's carrying amount before business combination	Fair value adjustments	Fair value
	\$	\$	\$
Net assets acquired:			
Cash and cash equivalents	118,967	-	118,967
Trade and other receivables	1,218,552	161,172	1,379,724
Inventories	1,294,445	-	1,294,445
Property plant and equipment	477,996	-	477,996
Trade and other payables	(57,210)	-	(57,210)
	<hr/>		<hr/>
Fair value of net identifiable assets acquired	3,052,751	161,172	3,213,923
			<hr/>
Consideration			
Consideration satisfied by cash			7,066,190
Deferred consideration			200,562
Costs directly associated with the acquisition			-
Total consideration			<hr/>
			7,266,752
			<hr/>
Goodwill arising on acquisition			<hr/>
			4,052,829
			<hr/>

The initial accounting for the acquisition of the nine stores has only been provisionally determined at reporting date.

For tax purposes the tax values of the assets are required to be reset based on market values and other factors. At the date of finalisation of this report, the necessary market valuations and other calculations had not been finalised and the adjustment to deferred tax liabilities and goodwill noted above has therefore only been provisionally determined based on the directors' best estimate of the likely tax values. The market valuations obtained for tax purposes may also impact the recognised fair values of the other assets acquired as part of the business combination.

Goodwill arose in the business combination because the cost of the combination included a control premium paid to acquire the nine stores. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of the nine stores. These benefits are not recognised separately from goodwill as the future economic benefits arising from them cannot be reliably measured.

Included in the net profit for the period is \$263,866 attributable to the additional business generated by the nine stores.

Had the business combinations been effected at 1 July 2008, the revenue of the Group would be \$49,140,196 and net profit \$8,384,746.

The directors of the Group consider these 'pro-forma' numbers to represent an approximate measure of the performance of the combined group on an annualised basis and to provide a reference point for comparison future periods.

In determining the 'pro-forma' revenue and profit of the Group had the nine stores been acquired at the beginning of the current reporting period, the directors have:

- calculated depreciation and amortisation of plant and equipment acquired on the basis of the fair values arising in the initial accounting for the business combination rather than the carrying amounts recognised in the pre-acquisition financial statements
- based borrowing costs on the funding levels, credit ratings and debt/equity position of the Group after the business combination
- utilised the un-audited 30 June 2008 financial information of the nine stores.

Notes to the condensed consolidated financial statements
for the half-year ended 31 December 2008

CASH CONVERTERS INTERNATIONAL LIMITED AND CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

11. Reconciliation of cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand in banks net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

Revenue for the period consisted of the following items:

	Consolidated	
	31 December 2008	31 December 2007
	\$	\$
Cash and cash equivalents	11,479,212	12,276,948
Bank overdrafts	(406,062)	(487,431)
	<u>11,073,150</u>	<u>11,789,517</u>

Directors declaration

*CASH CONVERTERS INTERNATIONAL LIMITED AND CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2008*

Directors' declaration

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to S303(5) of the Corporations Act 2001.

On behalf of the Directors

Peter Cumins
Managing Director

Perth, Western Australia
Date: 20 February 2009

The Board of Directors
Cash Converters International Limited
Level 18 Citibank House
37 St Georges Terrace
PERTH WA 6000

20 February 2009

Dear Board Members

AUDITOR'S INDEPENDENCE DECLARATION TO CASH CONVERTERS INTERNATIONAL LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Cash Converters International Limited.

As lead audit partner for the review of the financial statements of Cash Converters International Limited for the half-year ended 31 December 2008, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Mark Gover
Partner
Chartered Accountants

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Independent Auditor's Review Report to the members of Cash Converters International Limited

We have reviewed the accompanying half-year financial report of Cash Converters International Limited, which comprises the balance sheet as at 31 December 2008, and the income statement, cash flow statement, statement of recognised income and expense for the half-year ended on that date, selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 8 to 17.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Cash Converters International Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Cash Converters International Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



DELOITTE TOUCHE TOHMATSU



Mark Gover
Partner
Chartered Accountants
Perth, 20th February 2009