Appendix 4D

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

Reporting period: Half-year ended 31 December 2009

'Results for announcement to the market'

- Revenues from ordinary activities up 33.2% to $59,293,181;
- Profit from ordinary activities after income tax expense up 26.8% to $10,063,320;
- Profit from ordinary activities, after tax, attributable to members, up 27.0% to $10,052,811;
- Basic earnings per share of 3.5 cents, up 6.1% on last year's figure of 3.3 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 2010 to those shareholders on the register at close of business on 17 March 2010.

'This report should be read in conjunction with the 30 June 2009 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 22.8 cents. For the corresponding period they were 8.1 cents.

Details over entities over which control has been gained or lost

Please refer to ***note 9*** in the attached Financial Report.

Dividends

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 2010 to those shareholders on the register at close of business on 17 March 2010.

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

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

A condensed consolidated statement of changes in equity is included with the half-year financial report lodged with appendix 4D;

A condensed consolidated statement of cash flows 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 3.5 cents per share;
The diluted earnings per share for this period are 3.5 cents per share;

The basic earnings per share for the previous corresponding period are 3.3 cents per share;
The diluted earnings per share for the previous corresponding period are 3.3 cents per share.

Ralph Groom
Company Secretary
19 February 2010

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

FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

The Company ('Cash Converters') is pleased to report a record net profit of $10.1 million for the half-year ended 31 December 2009, representing an increase of 26.8% on last year's result. This strong half-year result positions the Company well to meet or improve on the full year net profit forecast of $20.5 million to $21 million as announced to the market in November 2009.

Financial results summary

	31 December 2009	31 December 2008	Variance %
Revenue	$59,293,181	$44,499,561	+33.2
EBITDA	$15,979,911	$12,702,016	+25.8
Depreciation and amortisation	$690,673	$541,660	+27.5
EBIT	$15,289,238	$12,160,356	+25.7
Income tax	$4,724,865	$3,635,097	+30.0
Borrowing costs	$501,053	$589,080	-14.9
Net profit before minority interest	$10,063,320	$7,936,179	+26.8
Less minority interests	$10,509	$22,631	-53.6
Net profit after minority interests	$10,052,811	$7,913,548	+27.0
Basic earnings per share (cents)	3.5	3.3	+6.1
Divisional operating profit	**31 December 2009**	**31 December 2008**	**Variance %**
Franchise operations	$4,487,982	$4,966,803	-9.6
Store operations	$3,625,031	$1,975,505	+83.5
Financial services administration *	$4,149,563	$4,366,733	-4.9
Financial services operations	$7,024,326	$4,712,227	+49.1
Total operating profit before tax	$19,286,902	$16,021,268	+20.4
*Financial services administration represents the fees charged by MON-E for cash advance services			

Major highlights for the half-year include:

- The 2009 half-year result has been the most successful in the Company's history, with a record net profit of $10.1 million, up 26.8% against the same period last year.

- Revenue growth against the same period last year of 33.2% to $59.3 million. The major drivers for revenue growth over the period included an increase in personal loan interest and establishment fees of $5.4 million and an increase in corporate store revenue of $11.4 million.

- The Company owned store strategy maintained momentum with the acquisition in this half of 4 franchised stores, three in the UK and one in Australia. Three 'greenfield' company owned stores were opened in the UK taking total corporate store numbers at the end of the half- year to 44.

- The corporate store network has seen revenues grow by 58.8% against the same period last year to $30.7 million producing a combined EBIT of $3.6 million (up 83.5% on 2008HY) for the UK and Australian owned stores.

- Safrock loan book growth of 106.5% from $15.5 million at 31 December 2008 to $31.9 million at 31 December 2009. The Safrock personal loans business and the MON-E cash advance administration platform generated an EBIT of $11.2 million (HY2008 $9.1 million), up 23.2% on the same period last year.

- On the 6 November 2009, the Company completed a transaction with EZCORP Inc, a strategic investor, to fund significant growth opportunities through a placement of 108,218,000 fully paid ordinary units at an issue price of A$0.50 per unit to EZCORP which raised approximately $54 million. This represented approximately 30% of the fully diluted capital of the Company after the placement was made.

- On 25 November 2009, the Company announced a profit target upgrade for the 2010 financial year to a range of $20.5 million to $21.0 million from a range of $18.0 million to $18.5 million.

Dividend

In line with this record half-year profit, the Board is pleased to announce that it will pay an interim dividend of 1.5 cents per share, fully franked. The dividend will be paid on 31 March 2010 to those shareholders on the register at the close of business on 17 March 2010. This represents a payout ratio of approximately 43%.

Financial services operations and administration

The Safrock loan book has grown by 48.6% in the first half, from $21.4 million at 30 June 2009 to $31.9 million at 31 December 2009. During this growth the bad debt write-offs have remained stable. In fact, the cumulative principal written off, as a percentage of cumulative principal advanced, was 6.4% as at 31 December 2009, compared to 7.4% as at December 2008.

Part of this growth can be attributed to the successful launch of the product in New South Wales (NSW) and the Australian Capital Territory (ACT) in July 2009. All 13 stores across the two geographies are participating in the rollout of the Safrock product and the results have been outstanding, with $740,000 in loans written in December alone.

Another factor in the loan book growth has been the launch of an on-line lead generation system in July with over $1.7 million of loans written over the period. Most pleasing is the fact that over 69% of these loans are to new customers. A fully integrated on-line product will be offered to the public in March 2010 and we are confident that this will lead to a higher conversion level from enquiry to business as customers will no longer be required to visit a store to complete the paperwork.

The cash advance business has also received a boost in the first half with the same successful launch in NSW and the ACT. Over $735,000 of cash advance loans were made in December alone. As NSW is Australia's most populated State it represents a significant growth opportunity for both the Safrock and the cash advance products.

Another exciting development has been the successful launch of the personal loan and cash advance products in the UK in October through a pilot store programme. The most pleasing aspect of the launch has been the loan repayment history for both products has been in line with our Australian experience.

As a result of the pilot we have extended the rollout of the personal loan and cash advance products to a further five corporate stores in the half and now have an implementation plan to accelerate the rollout in the next half.

Company owned store results and strategy

The corporate store network, which comprises of company owned stores in Australia and the UK has performed strongly in the first half, revenues have grown by 58.8% against the same period last year to $30.8 million, producing a net profit before tax of $3.6 million, up 83.5% on the corresponding period last year.

The franchised store acquisition strategy continued its momentum with the acquisition of four franchised stores in the half and the Company is well advanced with the acquisition of ten stores in Queensland and three in the UK.

The successful launch of the personal loan and cash advance products in the UK and the subsequent roll out of these financial products through our company owned stores will see the profit dynamics of the stores change dramatically.
This increase in profit at store level further supports the strategy of increasing the growth in corporate owned stores.

Outlook

Post the EZCORP transaction the Company is well funded to execute its growth strategy with cash reserves of $57 million at the end of the half. The strong cash surplus and balance sheet, positions the Company well to finance the continued rollout of its financial services products across the store network and to continue pursuing the acquisitions of franchised stores.

The Company expects to see continued growth in the Safrock loan book and from the launch of the fully integrated on-line system for loan products in Australia in March and later in the year in the UK.

The Company looks forward to a strong second-half performance. This strong half-year result positions the Company well to meet or improve on the full year net profit forecast range of $20.5 million to $21 million as announced to the market in November 2009.

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: 19 February 2010

Directors' report

In respect of the half-year ended 31 December 2009 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 (Non-executive Director, Chairman)
Mr Peter Cumins (Managing Director)
Mr John Yeudall (Non-executive Director)
Mr William Love (Non-executive Director) (appointed 5.11.09)
Mr Joseph Beal (Non-executive Director) (appointed 5.11.09)
Mr Paul Cowan (Non-executive Director) (resigned 5.11.09)

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 2010 to those shareholders on the register at the close of business on 17 March 2010.

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 2009	**31 Dec 2008**	**31 Dec 2009**	**31 Dec 2008**
Franchise operations	11,419,235	12,631,825	4,487,982	4,966,803
Store operations	30,801,912	19,304,012	3,625,031	1,975,505
Financial services administration	4,729,712	5,407,618	4,149,563	4,366,733
Financial services – personal loans	15,637,305	10,051,549	7,024,326	4,712,227
Intersegment elimination of revenues	(3,690,426)	(3,113,477)		
	58,897,738	44,281,527	19,286,902	16,021,268
Corporate/support office	395,443	218,034	(4,498,717)	(4,449,992)
Total revenue/operating profit	59,293,181	44,499,561	14,788,185	11,571,276
Income tax attributable to operating profit			(4,724,865)	(3,635,097)
Operating profit after income tax			10,063,320	7,936,179
Less: Profit attributable to outside equity interests			(10,509)	(22,631)
Profit attributable to members of Cash Converters International Limited			10, 052,811	7,913,548

Franchise operations

The profit before tax for the franchise operations was $4,487,982 (2008: $4,966,803) for the six month period ended 31December 2009. The Australian business contributed $2,131,481, the UK business $2,177,349 and the International operations $179,152 of the profit before tax.

The total number of franchised stores throughout the group now stands at 473 with 121 stores in the UK, 121 in Australia and 231 throughout the rest of the world. Franchised stores continue to be opened in the UK with seven opened and Australia with two stores opened in the period. Internationally most of the growth is coming from Spain, South Africa and France although other countries are also growing albeit at a slower rate.

The franchise network for Australia and the UK is stable with no litigation in progress. A disagreement with one of our Australian franchisees was recently settled in favour of the franchisor – this action resulted from the franchisee using alternative computer software not sanctioned by the franchisor.

All franchise fees are being paid and the revenue from this division is steady, although franchise store acquisitions for the corporate store network will reduce the revenue line since the payment of franchise fees ceases.

The potential for franchise expansion is still large with few countries, outside of Australia, reaching saturation level of franchised stores.

Store operations

This division encompasses the corporate store network in both the UK and Australia. Currently there are 26 stores in the UK and 18 in Australia, taking the total to 44 stores. Negotiations are currently underway to acquire a further ten stores in Australia and three in the UK. This will take the number to 57 stores which is in line with the internal target set by management. Not all stores are being acquired from existing franchisees with two 'greenfield' sites recently opening in the UK prior to Christmas – these two are performing strongly.

The store operations delivered a profit before tax of $3,625,031 (2008:$1,975,505) up $1,649,526 (83.5%) on the previous corresponding period and demonstrates the potential of the division. The Australian business contributed $2,201,805 and the UK business $1,423,226 of the net profit before tax.

Although Christmas trading in Australia, this year, was more difficult than the previous year as a result of the government stimulus package in 2008, the stores finished virtually on budget. The UK stores were slightly behind budget as a result of the two new stores opened before Christmas and contributing opening losses.

In November 2009 the financial services currently offered in Australia were launched in the UK. The trial commenced in the north of England at the Ashton-under-Lyne store and was successful so it has now been offered in two other corporate stores. The credit environment in the UK operates under a more sophisticated credit rating system than Australia with both positive and negative credit checks available for prospective borrowers - this reduces the risk when offering unsecured loans.

Overall this division in performing strongly and is likely to grow and develop into one of the strongest and most profitable division within the group. The UK in particular has good opportunities currently to secure high street locations for new stores. This coupled with the excellent potential for developing financial services augurs well for strong growth in the UK. Although the opportunities for 'greenfield' sites in Australia are not as strong as the UK, certain states (New South Wales and Victoria) did offer strong growth potential in new greenfield sites. The opportunities in Australia lie in ex-franchised store acquisitions with a number of franchisees willing to sell.

Financial services operations and administration

These divisions incorporate the trading results of MON-E Pty Ltd and the Safrock Finance Group Pty Ltd (Safrock). Safrock provides small, mainly unsecured (some are secured), loans through the franchise and corporate store networks. MON-E Pty Ltd is responsible for providing the internet platform and administration services for the Cash Converters network in Australia (except for South Australia) to offer small (approx $300) cash advance loans 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 net profit before tax for this division was $11,173,889 (2008:$9,078,960), representing an increase on last year's corresponding period of 23.1%. Safrock contributed $7,024,326 and MON-E $4,149,563 of the net profit before tax.

The Christmas period is one of the busiest periods for the Safrock loan product and this year was no exception with a new record of over $8 million being loaned out and the loan book finishing at just under $32 million as at the end of December.

The legislation affecting the micro-lending industry has made good progress; however, the proposed licensing of all micro-lenders has now been delayed until June 2010. The Company is well progressed and ready for the legislative changes.

As mentioned under the stores division the financial products (small unsecured loans and cash advances) offered in Australia are now being offered in the UK, initially through the corporate store network and then the franchise network. It is anticipated that these loans will go strongly in the UK.

Support office

These costs represent the support office costs for both Australia and the UK. These costs are shown separately because it is difficult to allocate these costs to any specific division/segment and to calculate an arbitrary split of the costs would not be appropriate in obtaining an accurate contribution from each of the divisions.

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: 19 February 2010

Condensed consolidated statement of comprehensive income
for the half-year ended 31 December 2009

	Notes	Consolidated Half-year ended 31 December 2009 $	31 December 2008 $
Revenue	2/3	59,293,181	44,499,561
Employee benefit expense		11,864,346	8,285,766
Depreciation and amortisation expenses		690,673	541,660
Finance costs		501,053	589,080
Legal fees / legal settlements		181,618	227,519
Changes in inventories		15,272,815	11,402,069
Area agents fees / commissions		2,616,970	2,486,437
Rental expense on operating lease		2,148,671	1,737,697
Motor vehicle / travel costs		519,835	498,660
Bad debts/bad debt provision		4,206,629	2,408,265
Professional and registry costs		660,799	721,102
Auditing and accounting services		426,598	162,481
Bank charges		433,108	542,414
Advertising and promotion		1,031,512	433,708
Other expenses from ordinary activities		3,950,369	3,325,134
Profit before tax		14,788,185	11,571,276
Income tax expense		(4,724,865)	(3,635,097)
Profit for the period		10,063,320	7,936,179
Other comprehensive income			
Exchange differences on translation of foreign operations		(1,286,867)	(68,247)
Other comprehensive income for the period		(1,286,867)	(68,247)
Total comprehensive income for the period		8,776,453	7,867,932
Profit attributable to:			
Owners of the parent		10,052,811	7,913,548
Non-controlling interest		10,509	22,631
		10,063,320	7,936,179
Total comprehensive income attributable to:			
Owners of the parent		8,765,944	7,913,548
Non-controlling interest		10,509	22,631
		8,776,453	7,867,932

Earnings per share

From continuing operations

		2009	2008
Basic (cents per share)		3.5	3.3
Diluted (cents per share)		3.5	3.3

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

Condensed consolidated statement of financial position
for the half-year ended 31 December 2009

	Consolidated	
Current assets	**31 December 2009**	**30 June 2009**
	$	**$**
Cash and cash equivalents	57,888,519	7,002,971
Trade and other receivables	7,404,233	6,681,554
Personal loans receivable	34,620,553	25,070,661
Inventories	7,103,572	6,958,592
Other assets	1,235,319	853,164
Total current assets	108,252,196	46,566,942
Non-current assets		
Trade and other receivables	1,833,967	1,368,700
Plant and equipment	5,380,043	4,633,423
Deferred tax assets	2,222,806	1,866,991
Goodwill	51,981,342	49,873,170
Other intangible assets	10,479,245	10,473,947
Total non-current assets	71,897,403	68,216,171
Total assets	180,149,599	114,783,114
Current liabilities		
Trade and other payables	11,008,621	8,366,970
Borrowings	3,436,860	3,942.312
Current tax payables	4,207,653	3,298,192
Deferred establishment fees	1,734,831	1,310,668
Provisions	1,167,779	1,127,578
Total current liabilities	21,555,744	18,045,720
Non-current liabilities		
Borrowings	11,010,030	12,978,034
Deferred tax liabilities	1,317,886	1,269,700
Total non-current liabilities	12,327,916	14,247,734
Total liabilities	33,883,660	32,293,454
Net assets	146,265,939	82,489,660
Equity		
Issued capital	107,123,067	47,202,376
Reserves	(2,160,686)	259,515
Retained earnings	41,023,776	34,758,496
Equity attributable to owners of the parent	145,986,157	82,220,387
Non-controlling interest	279,782	269,273
Total equity	146,265,939	82,489,660

The accompanying notes form an integral part of the condensed consolidated statement of financial position

Condensed consolidated statement of changes in equity

for the half-year ended 31 December 2009

Consolidated	**Issued capital** **$**	**Foreign currency translation reserve** **$**	**Other reserve** **$**	**Retained earnings** **$**	**Attributable to owners of the parent** **$**	**Non-controlling interest** **$**	**Total** **$**
Balance as at 1 July 2008	46,424,331	(698,163)	2,266,667	25,773,648	73,766,483	279,423	74,045,906
Profit for the period	-	-	-	7,913,548	7,913,548	22,631	7,936,179
Exchange differences arising on translation of foreign operations	-	(68,247)	-	-	(68,247)	-	(68,247)
Income tax relating to components of other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	(68,247)	-	7,913,548	7,845,301	22,631	7,867,932
Payment of dividends	-	-	-	(3,580,287)	(3,580,287)	-	(3,580,287)
Issue of shares from earn- out reserve	1,133,333	-	(1,133,333)	-	-	-	-
Share buy back	(355,289)	-	-	-	(355,289)	-	(355,289)
Share issue costs	(168,690)	-	-	-	(168,690)	-	(168,690)
Balance at 31 December 2008	47,033,685	(766,410)	1,133,334	30,106,909	77,507,518	302,054	77,809,572
Balance at 1 July 2009	47,202,376	(873,819)	1,133,333	34,758,496	82,220,387	269,273	82,489,660
Profit for the period	-	-	-	10,052,811	10,052,811	10,509	10,063,320
Exchange differences arising on translation of foreign operations	-	(1,286,867)	-	-	(1,286,867)	-	(1,286,867)
Income tax relating to components of other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	(1,286,867)	-	10,052,811	8,765,944	10,509	8,776,453
Issue of shares	59,109,000	-	-	-	59,109,000	-	59,109,000
Share issue costs	(321,642)	-	-	-	(321,642)	-	(321,642)
Issue of shares from earn-out reserve	1,333,333	-	(1,133,333)	-	-	-	-
Payment of dividends	-	-	-	(3,787,531)	(3,787,531)	-	(3,787,531)
Balance at 31 December 2009	107,123,067	(2,160,686)	-	41,023,776	145,986,157	279,782	146,265,939

The accompanying notes form an integral part of the condensed consolidated statement of changes in equity

Condensed consolidated statement of cash flows
for the half-year ended 31 December 2009

	Notes	Consolidated Half-year ended 31 December 2009 $	31 December 2008 $
Cash flows from operating activities			
Receipts from customers		49,404,106	40,110,465
Payments to suppliers and employees		(43,356,398)	(32,764,737)
Interest received		462,630	356,896
Interest received from personal loans		6,703,119	4,918,565
Interest and costs of finance paid		(444,633)	(570,218)
Income tax paid		(3,584,875)	(3,626,647)
Net cash flows provided by operating activities		9,183,949	8,424,324
Cash flows from investing activities			
Net cash paid for acquisitions of controlled entities	9	(2,836,331)	(6,947,223)
Purchase of plant and equipment		(1,458,272)	(1,418,576)
Loan repayments from non related entities		-	2,325
Net increase in personal loans		(6,113,177)	(2,895,113)
Instalment credit loans made to franchisees		(886,873)	-
Instalment credit loans repaid by franchisees		377,956	387,748
Net cash flows used in investing activities		(10,916,691)	(10,870,839)
Cash flows from financing activities			
Dividends paid – members of parent entity		(3,787,531)	(3,580,287)
Proceeds from borrowings		-	3,837,493
Repayment of borrowings		(1,729,572)	(1,497,836)
Capital element of finance lease and hire purchase payments		(172,115)	(93,045)
Share buy-back		-	(355,289)
Issue of shares by controlling entity		59,109,000	-
Share issue costs		(321,642)	-
Redemption of unsecured notes by controlled entity		(27,000)	(100,042)
Issue of unsecured notes by controlled entity		71,401	-
Net cash flows provided by/(used in) financing activities		53,142,541	(1,789,006)
Net increase/(decrease) in cash and cash equivalents		51,409,799	(4,235,521)
Cash and cash equivalents at the beginning of the period		6,345,038	15,284,545
Effects of exchange rate changes on the balance of cash held in foreign currencies		(110,459)	24,126
Cash and cash equivalents at the end of the period	10	57,644,378	11,073,150

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

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 2009, other than the impact of the adoption of the new and revised Standards and Interpretations issued by the Australian Accounting Standard Board (AASB) that are relevant to the consolidated entity and effective for annual reporting periods beginning on or after 1 July 2009. The adoption of the new and revised Standards and Interpretations has not affected the amounts for the current or prior period, but the adoption of AASB 101 *Presentation of Financial Statements* and AASB 8 *Operating Segments* has resulted in some presentation changes since 30 June 2009.

2. Segmental information

The consolidated entity has adopted AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8 with effect from 1 July 2009. AASB 8 requires operating segments to be identified on the basis of internal reports about components of the consolidated entity that are regularly reviewed by the managing director (chief operating decision maker) in order to allocate resources to the segment and to assess its performance. In contrast, the predecessor Standard (AASB 114 Segment Reporting) required an entity to identify two sets of segments (business and geographical), using a risks and rewards approach, with the entity's system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segments. As a result, following the adoption of AASB 8, the identification of the consolidated entity's reportable segments has changed.

In prior years, segment information reported externally was analysed between two segments, store operations and financing operations. The former included both the franchise and corporate store operations. However, information reported to the consolidated entity's Managing Director for the purposes of resource assessment and assessment of performance is focussed on the nature of the service and category of customer. The consolidated entity's reportable segments under AASB 8 are therefore as follows:

<u>Franchise operations</u>
This involves the sale of franchises for the retail sale of second had goods and the sale of master licences for the development of franchises in countries around the world.

<u>Store Operations</u>
This involves the retail sale of second hand goods at corporate owned stores in Australia and the UK.

<u>Financial service – personal loans</u>
This segment includes the Safrock personal loans business.

<u>Financial service – administration</u>
This segment includes the Mon-e cash advance administration platform.

Information regarding these segments is presented below. Amounts reported for the prior period have been restated to conform to the requirements of AASB 8. The accounting policies of the new reportable segments are the same as the consolidated entity's accounting policies.
The following is an analysis of the consolidated entity's revenue and results by reportable operating segment for the periods under review.

2. Segmental information (contd)

	Segment revenues Half year ended		Segment results Half year ended	
	31 Dec 2009	31 Dec 2008	31 Dec 2009	31 Dec 2008
Franchise operations	11,419,235	12,631,825	4,487,982	4,966,803
Store operations	30,801,912	19,304,012	3,625,031	1,975,505
Financial services administration	4,729,712	5,407,618	4,149,563	4,366,733
Financial services – personal loans	15,637,305	10,051,549	7,024,326	4,712,227
Intersegment elimination of revenue	(3,690,426)	(3,113,477)		
	58,897,738	44,281,527	19,286,902	16,021,268
Corporate/support office	395,443	218,034	(4,498,717)	(4,449,992)
Total revenue/operating profit	59,293,181	44,499,561	14,788,185	11,571,276
Income tax attributable to operating profit			(4,724,865)	(3,635,097)
Operating profit after income tax			10,063,320	7,936,179
Less: Profit attributable to outside equity interests			(10,509)	(22,631)
Profit attributable to members of Cash Converters International Limited			10,052,811	7,913,548

Segment profit represents the profit earned by each segment without the allocation of central administration costs and directors' salaries, interest income and expense in relation to corporate facilities, and tax expense. This is the measure reported to the managing director (chief operating decision maker) for the purpose of resource allocation and assessment of segment performance.
The following is an analysis of the consolidated entity's assets by reportable segment:

	31 December 2009 $	30 June 2009 $
Franchise operations	13,021,339	11,611,535
Store operations	43,012,189	38,464,692
Financial services administration	23,472,674	22,409,919
Financial services operations	50,825,911	39,169,840
Total of all segments	130,332,113	111,655,986
Unallocated assets	49,817,486	3,127,128
Total assets	180,149,599	114,783,114

Unallocated assets includes various corporate assets including cash held at a corporate level that has not been allocated to the underlying segments.

3. Profit from operations

Revenue for the period consisted of the following items:

	Half-year ended 31 December 2009 $	Half-year ended 31 December 2008 $
Sales revenue		
Weekly franchisee fees	3,760,295	3,826,628
Initial fees	225,356	99,682
Ten-year renewals	-	97,455
Sub-franchisor licence sales	-	137,776
Advertising levy	203,700	195,950
Instalment credit loan interest on franchisees loans	123,738	147,936
Personal loan interest and brokerage	12,077,595	7,246,910
Loan establishment fees	3,104,713	2,549,232
Recovery of bad debts	418,114	413,112
Wholesale/retail sales	2,928,203	3,377,742
Cheque cashing commission	392,536	578,417
Corporate store revenue	30,661,176	19,304,012
Computer levy	822,285	868,832
Training levy	466,541	484,704
Financial services administration	3,310,083	4,588,065
Rent received	29,887	34,430
Interest revenue - bank	462,630	306,980
Other income		
Other revenue	306,329	241,698
	59,293,181	44,499,561

4. Issuances and repurchases of equity securities

During the half-year reporting period Cash Converters International Limited issued 120,718,000 ordinary shares and 2,833,333 ordinary shares as earn-out shares (see note 7 below) These issues take the total ordinary share capital in issue to 363,561,025 as at 31 December 2009.

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 2010. The financial effect has not been reported in this financial report.
Cash Converters International Limited (CCV) advises that its wholly owned subsidiary Cash Converters (UK) Limited has acquired a further store in England subsequent to the 31 December 2009. The store was purchased for a total consideration of $796,263 including assets. This acquisition will be funded by available cash resources.
The Company has also executed contracts with the Green Light Auto Group. The company will provide second hand motor vehicles and associated motor vehicle loans to clients of Cash Converters. The loans will be secured against the vehicles and will encompass a full maintenance agreement for the four year period of the loans. Cash Converters will invest an initial $1.25 million in the company under a Redeemable Preference Instrument which will earn interest and can be converted into equity at the option of CCV. The full investment by CCV will be $4 million which will be fully invested by 2012. This could be converted into 60% of the share capital of the Green Light Auto Group at the option of CCV.
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. Dividends

	2009		2008	
	Cents per share	Total $	Cents per share	Total $
Recognised amounts				
Fully paid ordinary shares				
Final dividend:	1.50	3,787,531	1.50	3,580,287
Unrecognised amounts				
Fully paid ordinary shares				
Interim dividend:	1.50	5,453,415	1.50	3,600,145

7. 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. The balance of 2,833,334 earn-out shares were issued in this period following the achievement of the earnings target for the year ended 30 June 2009.
The acquisition earn-out reserve was 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 was used to record this amount due to a fixed number of equity instruments to be issued.

8. 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 was open for a 12 month timeframe with a maximum number of shares to be purchased being 23,700,000. No shares have been purchased under this buy-back.

9. Acquisitions and disposals

Acquisition of trade and assets: Three stores in the United Kingdom and one store in Australia

During the period the Group acquired the trade and assets of three stores in the UK and one store in Australia for total consideration of $3,572,197.

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	39,897	-	39,897
Trade and other receivables	349,811	59,031	408,842
Inventories	559,389	(12,005)	547,384
Property plant and equipment	33,068	166,044	199,112
Trade and other payables	(51,123)	-	(51,123)
Fair value of net identifiable assets acquired	931,041	213,070	1,144,111
Consideration			
Consideration satisfied by cash			2,759,071
Deferred consideration			798,560
Other consideration			1,484
Total consideration			3,572,197
Goodwill arising on acquisition			2,415,003

The initial accounting for the acquisition of the four 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 four 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 four 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 $159,998 attributable to the additional business generated by the four stores.
Had the business combinations been effected at 1 July 2009, the revenue of the Group would be $61,354,575 and net profit $10,326,599. 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 four 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 31 December 2009 financial information of the four stores.

10. Reconciliation of cash and cash equivalents

For the purposes of the statement of cash flows, 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 statement of cash flows is reconciled to the related items in the balance sheet as follows:

	Consolidated	
	31 December 2009	31 December 2008
	$	$
Cash and cash equivalents	57,888,519	11,479,212
Bank overdrafts	(244,141)	(406,062)
	57,644,378	11,073,150

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: 19 February 2010

Deloitte.

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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 statement of financial position as at 31 December 2009 and the statement of comprehensive income, the statement of cash flows and statement of changes in equity 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 18.

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 2009 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.

Member of
Deloitte Touche Tohmatsu

Deloitte.

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 2009 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

DELOITTE TOUCHE TOHMATSU

M. Gover

Mark Gover
Partner
Chartered Accountants
Perth, 19th February 2010

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The Board of Directors
Cash Converters International Limited
Level 18 Citibank House
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PERTH WA 6000

19 February 2010

Dear Board Members

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 2009, 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

DELOITTE TOUCHE TOHMATSU

M. Gover

Mark Gover
Partner
Chartered Accountants