



Cash Converters - Response to Class Action Claim

Cash Converters International Limited ("the Company") refers to press reports concerning a potential class action relating to micro-lending in New South Wales. The Company received a letter from Maurice Blackburn, solicitors, late on Tuesday 8th October, 2013. This was the first inkling the Company had of the matter. The Company's senior executives only became aware of the letter on Wednesday morning and responded promptly. The claim asserted by one borrower and an as yet unnamed "group" is that a deferred establishment fee charged on loans made by the Cash Converters chain in New South Wales is not lawful. These fees were only charged on loans until 30 June, 2013 and no longer apply under the new legislative regime which commenced on 1 July, 2013.

The Company is confident that the fees have been properly levied and are completely lawful. In fact, included in the new legislation was a provision specifically addressing deferred establishment fees which provision would not have been necessary if they were already unlawful under the preceding legislation.

The claimed amount of these total fees referred to in the press seems vastly inflated given that NSW is the smallest state by number of Cash Converters stores (18 stores) and the lending there was only for a period of some three years. Detailed analysis of the matter is not yet possible since the Company has no idea whether there is more than one claimant but in any event, in the opinion of the Company, the action is based on a flawed proposition and will be defended.

Ralph Groom
Company Secretary
Cash Converters International Limited
10 October 2013