MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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Date: November 12, 2012

The following Management's Discussion and Analysis ["MD&A"] presents an analysis of the financial condition of easyhome Ltd. and its subsidiaries as at September 30, 2012 compared to September 30, 2011, and the results of operations for the three and nine month periods ended September 30, 2012 compared with the corresponding periods of 2011. This MD&A should be read in conjunction with the Company's 2011 audited consolidated financial statements and the related notes and MD&A and the Company's interim condensed consolidated financial statements for the three and nine months ended September 30, 2012. The financial information presented herein has been prepared under International Financial Reporting Standards ["IFRS"]. All dollar amounts are in Canadian dollars unless otherwise indicated.

There have been no material changes to the information discussed in the following sections of the Company's 2011 annual MD&A: Corporate Strategy, Outlook, Commitments, Guarantees and Contingencies, Transactions with Related Parties, Risk Factors, Critical Accounting Estimates, Adoption of New Accounting Standards and Internal Controls.

This MD&A is the responsibility of management. The Board of Directors has approved this MD&A after receiving the recommendations of the Company's Audit Committee, which is comprised exclusively of independent directors, and of the Company's Disclosure Committee.

This MD&A refers to certain financial measures that are not determined in accordance with IFRS. Although these measures do not have standardized meanings and may not be comparable to similar measures presented by other companies, these measures are defined herein or can be determined by reference to our financial statements. The Company discusses these measures because it believes that they facilitate the understanding of the results of its operations and financial position.

Additional information is contained in the Company's filings with Canadian securities regulators, including the Company's Annual Information Form. These filings are available on SEDAR at www.sedar.com and on the Company's website at www.easyhome.ca.

Caution Regarding Forward Looking Statements

This MD&A includes forward-looking statements about easyhome Ltd., including its business operations, strategy and expected financial performance and condition. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as 'expects', 'anticipates', 'intends', 'plans', 'believes' or negative versions thereof and similar expressions. In addition, any statement that may be made concerning future financial performance (including revenue, earnings or growth rates), ongoing business strategies or prospects about future events is also a forward-looking statement. Forward-looking statements are based on certain factors and assumptions, including expected growth, results of operations and business prospects and are inherently subject to, among other things, risks, uncertainties and assumptions about our operations, economic factors and the industry generally. They are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied by forward-looking statements made by us, due to, but not limited to important factors such as our ability to enter into new lease and/or financing agreements, collect on existing lease and/or financing agreements, open new locations on favourable terms, secure new franchised locations, purchase products which appeal to our customers at a competitive rate, cope with changes in legislation, react to uncertainties related to regulatory action, raise capital under favourable terms, manage the impact of litigation (including shareholder litigation), control costs at all levels of the organization and maintain and enhance our system of internal controls. We caution that the foregoing list is not exhaustive. The reader is cautioned to consider these and other factors carefully and not place undue reliance on forward-looking statements, which may not be appropriate for other purposes. We are under no obligation (and expressly disclaim any such obligation) to update or alter the forward-looking statements whether as a result of new information, future events or otherwise, unless otherwise required by law.

Overview of the Business

easyhome Ltd. ["easyhome" or the "Company"] is the largest merchandise leasing company in Canada and the third largest in North America. As at September 30, 2012, the Company operated 206 easyhome leasing stores (including 8 consolidated franchise locations), 100 easyfinancial locations and had 46 franchise locations. easyhome leases, with or without an option to purchase, brand name furniture, appliances, home electronics and computers. The brands we offer include Ashley, Dynasty, Eztia furniture and Serta mattresses, Samsung and Whirlpool appliances, Sony, Samsung, LG and Toshiba home electronics as well as Dell, HP, Acer and Toshiba computers.

Through our stores we offer our customers lease agreements which enable them to obtain products they may not otherwise be able to have as a result of being either cash or credit constrained. Our stores also provide lease programs for those customers who wish to lease merchandise on a short-term basis, or try the product before they make a purchase decision. We commenced operations in 1990 and currently operate corporate stores in all provinces in Canada as well as in the state of New York in the U.S. Through various franchise and license agreements, we operate franchise stores in three provinces in Canada and eleven states in the U.S.

Beyond our merchandise leasing business and through easyfinancial Services ["easyfinancial"], we also offer our customers 6 to 36 month term loans, in the range of $500 to $5,000, and other financial services such as prepaid cards. The services offered by easyfinancial bridge the gap between traditional financial institutions and payday lenders, providing a realistic alternative for many of our customers. easyfinancial commenced operations in 2006 and operated 100 locations in 9 provinces in Canada, including 13 stand-alone easyfinancial locations and one national loan office as of September 30, 2012.

Store Locations Summary

	Locations as at June 30, 2012	Locations opened / closed during quarter	Conversions	Locations as at September 30, 2012
Leasing				
Canada	182	2	(1)	**183**
U.S.	15	-	-	**15**
Consolidated Franchise Location	7	1	-	**8**
Total	204	3	(1)	**206**
Franchise				
Canada	15	-	-	**15**
U.S.	30	-	1	**31**
Total	45	-	1	**46**
Easyfinancial				
Kiosks (in store)	87	-	(1)	**86**
Stand-alone locations	6	6	1	**13**
National loan office	1	-	-	**1**
	94	6	-	**100**

During the most recent quarter, 2 Canadian corporate stores were opened, 1 U.S. Consolidated Franchise Location was opened, one U.S Consolidated Franchise location was converted into a Franchise location and one Canadian corporate store was converted into a Consolidated Franchise Location. ("Consolidated Franchise Locations" are franchise operations where control is achieved on a basis other than through ownership of a majority of voting rights and which are included in the Company's consolidated results). The Company also opened six stand-alone easyfinancial locations and converted one easyfinancial kiosk into a stand-alone easyfinancial location.

	Locations as at December 31, 2011	Locations opened / closed during year	Conversions	Locations as at September 30, 2012
Leasing				
Canada	197	(12)	(2)	**183**
U.S.	16	(1)	-	**15**
Consolidated Franchise Location	5	2	1	**8**
Total	218	(11)	(1)	**206**
Franchise				
Canada	14	1	-	**15**
U.S.	29	1	1	**31**
Total	43	2	1	**46**
Easyfinancial				
Kiosks (in store)	85	4	(3)	**86**
Stand-alone locations	2	8	3	**13**
National loan office	1	-	-	**1**
	88	12	-	**100**

Year to date, 14 Canadian corporate stores and one U.S corporate store were closed, two Canadian corporate stores were opened, two Consolidated Franchise Locations were opened, one Consolidated Franchise location was converted into a Franchise Location, and two Canadian corporate stores were converted into Consolidated Franchise Locations. Additionally, the Company opened one U.S. and one

Canadian franchise location. The Company also opened eight stand-alone easyfinancial locations, four easyfinancial kiosks within an existing easyhome store and converted three easyfinancial kiosks to stand-alone locations.

Corporate Strategy

The Company's long-term business objectives have three key elements, in order of strategic impact:

- growing easyfinancial
- enhancing store profitability within our leasing business
- expanding the U.S. franchise network

The Company's corporate strategy remains as described in its December 31, 2011 MD&A.

Third Quarter Highlights

- Subsequent to the end of the third quarter, the Company entered into a new $20.0 million credit facility to support the growth of easyfinancial. In conjunction with this financing, the Company amended the terms and extended the maturity date of its revolving operating facility with a syndicate of banks. These actions, when taken together, will provide the Company with the capital necessary to achieve its growth objectives as it continues to build upon positive momentum in easyfinancial Services. The new credit facility also allows for up to $10 million of increased borrowings as the consumer loans receivable portfolio grows, subject to lender approval.

- easyhome continued to grow revenue during the third quarter of 2012. Revenue for the quarter increased to $49.3 million from $46.6 million in the third quarter of 2011, an increase of $2.7 million or 5.8%. The growth was driven primarily by the expansion of easyfinancial and its loan portfolio. Same store revenue growth for the quarter, which includes revenue growth from easyfinancial, was 9.8%. Excluding the impact of easyfinancial, same store revenue growth was 3.1%. Same store revenue growth was positively impacted by the store closures in the second quarter as the portfolio of closed stores was generally transferred to nearby stores.

- During the quarter, six easyfinancial locations were added while the consumer loans receivable portfolio grew by $3.8 million, compared with growth of $7.4 million in the third quarter of 2011. The gross consumer loans receivable as at September 30, 2012 was $59.6 million compared with $42.7 million as at September 30, 2011.

- The lease portfolio, as measured by potential monthly lease revenue, was $11.1 million at period end, compared with $11.4 million as at September 30, 2011. Changes to the store network, including the previously announced closure of 13 underperforming locations, resulted in a $0.6 million year-over-year decline in the size of the portfolio. During the third quarter of 2012 and excluding the impact of changes to the store network, the portfolio was relatively unchanged compared with an increase of $0.2 million in the third quarter of 2011.

- The operating margin for easyfinancial was 33.8% for the third quarter of 2012 compared with 22.2% for the third quarter of 2011. During the third quarter of 2012, operating margins were positively impacted by i) efficiencies gained through a higher average consumer loans receivable portfolio per location, ii) lower bad debt expenses relative to revenue, iii) lower advertising expenditures and iv) fewer new store openings thereby reducing the drag on earnings caused by new stores in their early stages of maturity. Bad debt expense expressed as a percentage of revenue was 24.6% in the third quarter of 2012 compared with 26.9% in the third quarter of 2011.

- Operating income increased from $3.3 million in the third quarter of 2011 to $4.3 million in third quarter of 2012, an increase of $0.9 million or 28.2%. The increase was driven by the continuing growth of easyfinancial and was partially offset by higher accrued but not paid incentive compensation expenses included with corporate costs. Excluding the impact of variable compensation plan expenses, which are based on expected performance versus budgets and movements in the Company's share price, corporate expenses for the third quarter of 2012 are consistent with corporate expenses for the third quarter of 2011. Operating margin for the third quarter of 2012 was 8.7% compared with 7.2% for the third quarter of 2011.

- Net income for the third quarter of 2012 was $2.6 million or $0.22 per share compared with $1.9 million or $0.16 per share for the comparable period in the prior year.

- The Company continued to generate strong cash flows. Cash flows provided by operating activities for the quarter were $16.3 million. Included in this $16.3 million is a net investment of $5.8 million to increase the easyfinancial loan portfolio. If this net investment in the easyfinancial loan portfolio was treated as cash flows from investing activities, the cash flows generated by operating activities would be $22.1 million in the current quarter compared to $19.2 million in the third quarter of 2011. This cash flow enabled the Company to invest in the lease and loan portfolios to drive future growth and maintain its dividend for the quarter.

- The Company's balance sheet remained strong throughout the quarter. At quarter end the Company's debt to equity and debt to total capitalization ratios were 0.32 and 0.24 respectively.

Outlook

The Company's outlook remains as described in its December 31, 2011 MD&A.

Key Performance Indicators and Non-IFRS Measures

We measure the success of our strategy using a number of key performance indicators as described in more detail below. Several of these key performance indicators are not measurements in accordance with IFRS and should not be considered as an alternative to net income or any other measure of performance under IFRS.

This MD&A refers to certain financial measures that are not determined in accordance with IFRS. Although these measures do not have standardized meanings and may not be comparable to similar measures presented by other companies, these measures are defined herein or can be determined by reference to our financial statements. The Company discusses these measures because it believes that they facilitate the understanding of the results of its operations and financial position.

Several non-IFRS measures that we use throughout this discussion are defined as follows:

Same Store Revenue Growth

Same store revenue growth measures the revenue growth for all stores that have been open for a minimum of 15 months. To calculate same store revenue growth for a period, the revenue for that period is compared to the same period in the prior year. Same store revenue growth is influenced by both the Company's product offerings, including easyfinancial's product offerings, as well as the number of stores which have been open for a 12-36 month time frame, as these stores tend to be in the strongest period of growth at this time.

	Three months ended		Nine months ended	
	September 30, 2012	**September 30, 2011**	**September 30, 2012**	**September 30, 2011**
Same store revenue growth	**9.8%**	5.1%	**8.5%**	6.5%
Same store revenue growth excluding easyfinancial	**3.1%**	(1.9%)	**1.4%**	(0.5%)

Potential Monthly Lease Revenue

Potential monthly lease revenue reflects the revenue that our portfolio of leased merchandise would generate in a month providing we collected all lease payments due in that period. Our growth in potential monthly lease revenue is driven by several factors including an increased number of customers, an increased number of leased assets per customer as well as an increase in the average price of our leased items. We believe that our potential monthly lease revenue is an important indicator of how revenue will change in future periods.

($ in 000's)	Three months ended		Nine months ended	
	September 30, 2012	September 30, 2011	September 30, 2012	September 30, 2011
Opening balance - Potential monthly lease revenue	**11,250**	11,110	**11,694**	11,600
Change due to store openings during the period	**38**	32	**63**	84
Change due to store closures or sales during the period	**(143)**	-	**(299)**	(55)
Change due to ongoing operations	**(12)**	212	**(325)**	(275)
Net change	**(117)**	244	**(561)**	(246)
Ending balance – Potential monthly lease revenue	**11,133**	**11,354**	**11,133**	11,354

Gross Consumer Loans Receivable

Gross consumer loans receivable reflects the period end balance of the portfolio before provisioning for potential future charge offs. Our growth in gross consumer loans receivable is driven by several factors including an increased number of customers and an increased loan value per customer. We believe that our gross consumer loans receivable value is an important indicator of our easyfinancial business and of how revenue will grow in future periods.

($ in 000's)	Three months ended		Nine months ended	
	September 30, 2012	September 30, 2011	September 30, 2012	September 30, 2011
Gross consumer loans receivable	**59,578**	42,684	**59,578**	42,684
Growth in gross consumer loans receivable during period	**3,760**	7,364	**12,013**	18,884

Bad Debt Expense as Percentage of easyfinancial Revenue

Bad debt expense as a percentage of easyfinancial revenue reflects the collection performance of the easyfinancial loan portfolio. Bad debt expense includes actual write offs and the impact of the provision taken against the loan portfolio.

	Three months ended		Nine months ended	
	September 30, 2012	September 30, 2011	September 30, 2012	September 30, 2011
Bad debt expense as a percentage of easyfinancial revenue	**24.6%**	26.9%	**25.1%**	25.5%

Adjusted Operating Earnings, Adjusted Earnings, Adjusted Earnings Per Share

At various times, our operating income, net income and earnings per share may be affected by unusual items which have occurred in the period and which impact the comparability of these measures with other periods. Items are considered unusual if they are outside of the normal business activities, significant in amount and scope and are not expected to occur on a recurring basis. We define i) adjusted operating earnings as operating income excluding such unusual and non-recurring items, ii) adjusted earnings as net income excluding such items and iii) adjusted earnings per share as earnings per share excluding such items. We believe that adjusted operating earnings, adjusted earnings and adjusted earnings per share are important measures of the profitability of operations adjusted for the effects of unusual items.

Items which can be used to adjust operating income, net income and earnings per share for the three and nine months ended September 30, 2012 and 2011 include those indicated in the chart below:

($ in 000's except earnings per share)	**Three months ended Sept. 30, 2012**	**Three months ended Sept. 30, 2011**	**Nine months ended Sept. 30, 2012**	**Nine months ended Sept. 30, 2011**
Operating income as stated	**4,292**	3,348	**11,919**	11,067
Restructuring and other items included in operating expenses [1]	**-**	-	**1,379**	-
Insurance reimbursement included in operating expenses [2]	**-**	-	**(943)**	-
Net Restructuring and other items	**-**	-	**436**	-
Adjusted operating earnings	**4,292**	3,348	**12,355**	11,067
Net income as stated	**2,638**	1,900	**7,291**	6,996
Restructuring and other items included in operating expenses [1]	-	**-**	**1,379**	**-**
Insurance reimbursement included in operating expenses [2]	-	-	**(943)**	-
Tax impact of above items	-	-	**(131)**	-
Net Restructuring and other items	**-**	-	**305**	-
Adjusted earnings	**2,638**	1,900	**7,596**	6,996
Weighted average number of diluted shares outstanding	**12,011**	**11,962**	**11,995**	**11,938**
Earnings per share as stated	**0.22**	0.16	**0.61**	0.59
Per share impact of Restructuring and other items	**-**	-	**0.03**	**-**
Adjusted earnings per share	**0.22**	0.16	**0.63**	0.59

[1] During the year the Company restructured the management and operating procedures of its leasing segment and closed 13 of its underperforming locations incurring incremental charges of $1.4 million (2011 – nil). These charges consisted of the cost of the remaining lease terms of closed locations, lease asset write offs, severance and other charges.

[2] During the fourth quarter of 2010, the Company incurred $2.4 million in costs related to the forensic investigation of an employee fraud. During the second quarter of 2012, the Company received a reimbursement of a portion of these costs from its insurers. The net insurance reimbursement of $0.9 million is net of professional fees related to obtaining this reimbursement.

Operating Expenses Before Depreciation and Amortization

We define operating expenses before depreciation and amortization as total operating expenses excluding depreciation and amortization expenses and impairment for the period. We believe that operating expenses before depreciation and amortization and impairment is an important measure of the cost of operations adjusted for the effects of purchasing decisions that may have been made in prior periods.

($ in 000's except earnings per share)	Three months ended Sept. 30, 2012	Three months ended Sept. 30, 2011
Operating Expenses as stated	**32,031**	30,823
Divided by revenue	**49,289**	46,566
Operating expenses before depreciation and amortization as a % of revenue	**65.0%**	66.2%

($ in 000's except earnings per share)	Nine months ended		Nine months ended	
	Sept. 30, 2012	Sept. 30, 2012 (adjusted)	Sept. 30, 2011	Sept. 30, 2011 (adjusted)
Operating Expenses as stated	**96,414**	**96,414**	89,829	89,829
Restructuring charges included in operating expenses	**-**	**(1,379)**	-	-
Insurance reimbursement included in operating expenses	**-**	**943**	-	-
Net Restructuring and other items	**-**	**(436)**	-	-
Adjusted operating expenses	**96,414**	**95,978**	89,829	89,829
Divided by revenue	**147,979**	**147,979**	139,033	139,033
Operating expenses before depreciation and amortization as a % of revenue	**65.2%**	**64.9%**	64.6%	64.6%

Operating Margin

We define operating margin as operating income divided by revenue. We believe operating margin is an important measure of the profitability of operations which in turn assists us in assessing our ability to generate cash to pay interest on our debt and to pay dividends.

($ in 000's except earnings per share)	Three months ended Sept. 30, 2012	Three months ended Sept. 30, 2011
Operating income as stated	**4,292**	3,348
Divided by revenue	**49,289**	46,566
Operating Margin	**8.7%**	7.2%

($ in 000's except earnings per share)	Nine months ended		Nine months ended	
	Sept. 30, 2012	Sept. 30, 2012 (adjusted)	Sept. 30, 2011	Sept. 30, 2011 (adjusted)
Operating income as stated	**11,919**	**11,919**	11,067	11,067
Restructuring charges included in operating expenses	**-**	**1,379**	-	-
Insurance reimbursement included in operating expenses	**-**	**(943)**	-	-
Net Restructuring and other items	**-**	**436**	-	-
Adjusted operating earnings	**11,919**	**12,355**	11,067	11,067
Divided by revenue	**147,979**	**147,979**	139,033	139,033
Operating Margin	**8.1%**	**8.4%**	8.0%	8.0%

Earnings before Interest, Taxes, Depreciation and Amortization and EBITDA Margin

We define EBITDA as earnings before interest, taxes, depreciation and amortization, excluding depreciation of lease assets. We use EBITDA, among other measures, to assess the operating performance of our ongoing businesses. EBITDA margin is calculated as EBITDA divided by revenues.

($ in 000's)	Three months ended Sept. 30, 2012	Three months ended Sept. 30, 2011
Net income as stated	**2,638**	1,900
Interest Expense	**481**	423
Income Tax Expense	**1,173**	1,025
Depreciation and amortization, excluding depreciation of lease assets	**1,119**	832
EBITDA	**5,411**	4,180
Divided by revenue	**49,289**	46,566
EBITDA margin	**11.0%**	9.0%

($ in 000's)	Nine months ended Sept. 30, 2012	Nine months ended Sept. 30, 2012 (adjusted)	Nine months ended Sept. 30, 2011	Nine months ended Sept. 30, 2011 (adjusted)
Net income as stated	**7,291**	**7,291**	6,996	6,996
Interest Expense	**1,428**	**1,428**	1,056	1,056
Income Tax Expense	**3,200**	**3,200**	3,015	3,015
Depreciation and amortization, excluding depreciation of lease assets	**3,601**	**3,601**	2,762	2,762
EBITDA	**15,520**	**15,520**	13,829	13,829
Restructuring charges included in operating expenses	**-**	**1,379**	-	-
Insurance reimbursement included in operating expenses	**-**	**(943)**	-	-
Net Restructuring and other items	**-**	**436**	-	-
Adjusted EBITDA	**15,520**	**15,956**	13,829	13,829
Divided by revenue	**147,979**	**147,979**	139,033	139,033
EBITDA margin	**10.5%**	**10.8%**	9.9%	9.9%

Results of Operations for the Three Months Ended September 30, 2012 Compared to the Three Months Ended September 30, 2011

Summary Financial Results by Operating Segment

($ in 000's except earnings per share)	Three Months Ended September 30, 2012 Leasing	Easyfinancial	Franchising	Corporate	Total
Revenue	**39,133**	**9,807**	**349**	**-**	**49,289**
Total operating expenses before depreciation and amortization	**20,919**	**6,340**	**141**	**4,631**	**32,031**
Depreciation and amortization	**12,621**	**156**	**50**	**139**	**12,966**
Operating income (loss)	**5,593**	**3,311**	**158**	**(4,770)**	**4,292**
Interest expense					**481**
Income before income taxes					**3,811**
Income taxes					**1,173**
Net Income for the period					**2,638**
Diluted earnings per share					**0.22**

($ in 000's except earnings per share)	Three Months Ended September 30, 2011 Leasing	Easyfinancial	Franchising	Corporate	Total
Revenue	39,784	6,438	344	-	**46,566**
Total operating expenses before depreciation and amortization	22,018	4,921	174	3,710	**30,823**
Depreciation and amortization	12,159	90	17	129	**12,395**
Operating income (loss)	5,607	1,427	153	(3,839)	**3,348**
Interest expense					**423**
Income before income taxes					**2,925**
Income taxes					**1,025**
Net Income for the period					**1,900**
Diluted earnings per share					**0.16**

Revenue

Revenue for the three months ended September 30, 2012 was $49.3 million compared to $46.6 million in the comparable period in 2011, an increase of $2.7 million or 5.8%.

Leasing - Revenue for the three months ended September 30, 2012 was $39.1 million, a decline of $0.7 million or 1.6% from the comparable period in 2011. Revenue declines in the Canadian leasing business were partially offset by increased revenue from the U.S. corporate stores and the eight Consolidated Franchise Locations. The revenue decline in the Canadian leasing business was partially related to the previously announced closure of 13 underperforming locations and the associated decline in the lease portfolio (many of the store closures occurred during the second quarter of 2012). The lease portfolio, as measured by potential monthly lease revenue, was $11.1 million at September 30, 2012 compared with $11.4 million as at September 30, 2011, a decline of $0.3 million over the past 12 months. Changes to the store network during the preceding 12 months, much of it impacting the Canadian leasing business, accounted for a $0.6 million decline in the portfolio. Excluding the impact of the store sales and closures, the portfolio increased by $0.3 million year over year.

easyfinancial - Revenue for the three months ended September 30, 2012 was $9.8 million, an increase of $3.4 million or 52% from the comparable period in 2011. The increase was due to the growth of the consumer loans receivable portfolio, which increased from $42.7 million as at September 30, 2011 to $59.6 million as at September 30, 2012. The consumer loans receivable portfolio grew $3.8 million during the third quarter of 2012 compared with growth of $7.4 million for the third quarter of 2011.

Franchising - Revenue remained flat at $0.3 million for the three months ended September 30, 2012, relatively unchanged from the same quarter last year. The Company had 46 franchise locations as at September 30, 2012 compared with 43 as at September 30, 2011.

Total Operating Expenses before Depreciation and Amortization

Total operating expenses before depreciation and amortization, impairment and restructuring and other items were $32.0 million for the three months ended September 30, 2012, an increase of $1.2 million or 3.9% from the comparable period in 2011. Operating expenses before depreciation and amortization, impairment and restructuring and other items represented 65.0% of revenue for the third quarter of 2012 compared with 66.2% last year. The $1.2 million increase in total operating expenses before depreciation and amortization, impairment, and restructuring and other items was driven by the higher costs associated with an expanded easyfinancial business and higher accrued but not paid incentive compensation expenses included with corporate costs and partially offset by the lower costs of the leasing business as a result of the reduced number of locations..

Leasing – Total operating expenses before depreciation and amortization, impairment and restructuring and other items for the three months ended September 30, 2012 was $20.9 million, a decrease of $1.1 million or 5% from the comparable period in 2011. This decline was driven by the store closure activity in the second quarter of 2012. Leasing operating expenses before depreciation and amortization also decreased by $1.1 million compared with the second quarter of 2012, again related to the store closures.

easyfinancial – Total operating expenses before depreciation and amortization were $6.3 million for the three months ended September 30, 2012, an increase of $1.4 million or 28.9% from the comparable period in 2011. The increase in expenses was driven by the growth in the number of easyfinancial locations and bad debts associated with the growth in the consumer loans receivable portfolio. The number of easyfinancial locations increased from 80 as at September 30, 2011 to 100 as at September 30, 2012.

Bad debt expense increased to $2.4 million for the three months ended September 30, 2012 from $1.7 million during the comparable period in 2011. The $0.7 million increase was due to the growth of the consumer loans receivable portfolio which increased from $42.7 million at September 30, 2011 to $59.6 million at September 30, 2012. Bad debt expense, expressed as a percentage of revenue, was 24.6% for the third quarter of 2012 compared with 26.9% for the third quarter of 2011.

Franchising – Total operating expenses before depreciation and amortization increased modestly for the three months ended September 30, 2012 compared with prior period.

Corporate – Total operating expenses before depreciation and amortization and restructuring and other items were $4.6 million for the three months ended September 30, 2012, an increase of $0.9 million or 24.8% from the comparable period in 2011. The increase was driven by higher accrued, but not paid, incentive compensation expenses. Excluding the impact of variable compensation plan expenses, which are based on expected performance versus budgets and movements in the Company's share price, corporate expenses for the third quarter of 2012 are consistent with corporate expenses for the third quarter of 2011. Corporate costs before depreciation and amortization and restructuring and other charges for the quarter represented 9.4% of revenue compared to 8.0% in the third quarter of 2011.

Depreciation and Amortization

Depreciation and amortization for the three months ended September 30, 2012 was $13.0 million compared to $12.4 million for the comparable period in 2011, an increase of $0.6 million or 4.8%. The increase was primarily driven by the leasing business and was due to i) an impairment recovery of $0.2 million the third quarter of 2011 which did not recur in the current quarter; ii) higher charge offs and iii) the growth of the consolidated franchise locations (as higher revenue results in higher lease asset amortization).

Depreciation and amortization represented 26.3% of revenue for the three months ended September 30, 2012 down from 26.6% in the comparable period of 2011.

Operating Income (Income before Interest Expense and Income Taxes)

Operating income for the three months ended September 30, 2012 was $4.3 million compared to $3.3 million for the comparable period in 2011, an increase of $1 million or 28.2%. Operating margin was 8.7% in the quarter compared with 7.2% in the third quarter of 2011.

Leasing – Operating income was $5.6 million for the three months ended September 30, 2012 consistent with the comparable period in the prior year. Revenue declines and increases to depreciation and amortization were offset by operating cost reductions due to store closures. The comparative operating income performance for the leasing business for the third quarter is an improvement from the second quarter of 2012 when the leasing business reported a year over year decline in operating earnings of $2.9 million. Operating margin was 14.3%, up from 14.1% in the same period last year.

easyfinancial - Operating income was $3.3 million for the three months ended September 30, 2012 compared with $1.4 million for the comparable period in 2011, an increase of $1.9 million or 132%. Operating margin for the third quarter of 2012 was 33.8% compared with 22.2% in the third quarter of 2011. The higher average loan book per kiosk drove margin growth in the quarter compared to the comparable period in the prior year. Operating margin also increased compared with the 28.4% reported in the second quarter of 2012.

Franchising – Operating income for the three months ended September 30, 2012 was consistent with the operating income for the three months ended September 30, 2011.

Interest Expense

Interest expense for the three months ended September 30, 2012 was $0.5 million, up $0.1 million from the same period in 2011. The increase related to the higher average debt levels during the period and an increased cost of borrowing in the third quarter of 2012 compared to the same period in 2011.

Income Tax Expense

The effective income tax rate for the three months ended September 30, 2012 was 30.8% compared to 35.0% in 2011. The decline in the effective rate was due to the improved performance of the U.S. business (reduced U.S. losses which are not tax effected benefitted) and a general reduction in income tax rates.

Net Income and EPS

Net income for the three months ended September 30, 2012 was $2.6 million or $0.22 diluted earnings per share. Net income increased by $0.7 million from the $1.9 million or $0.16 diluted earnings per share reported in the third quarter of 2011.

Results of Operations for the Nine months Ended September 30, 2012 Compared to the Nine months Ended September 30, 2011

Summary Financial Results by Operating Segment

($ in 000's except earnings per share)	Nine months Ended September 30, 2012				
	Leasing	**easyfinancial**	**Franchising**	**Corporate**	**Total**
Revenue	**120,029**	**26,817**	**1,133**	**-**	**147,979**
Total operating expenses before depreciation and amortization and restructuring and other items	**64,971**	**17,787**	**369**	**12,851**	**95,978**
Restructuring and other items	**1,296**	**-**	**-**	**(860)**	**436**
Depreciation and amortization	**38,685**	**420**	**135**	**406**	**39,646**
Operating income (loss)	**15,077**	**8,610**	**629**	**(12,397)**	**11,919**
Interest expense					**1,428**
Income before income taxes					**10,491**
Income taxes					**3,200**
Net Income for the period					**7,291**
Diluted earnings per share					**0.61**

($ in 000's except earnings per share)	Nine months Ended September 30, 2011				
	Leasing	**easyfinancial**	**Franchising**	**Corporate**	**Total**
Revenue	121,477	16,632	924	-	**139,033**
Total operating expenses before depreciation and amortization	65,163	12,604	390	11,672	**89,829**
Restructuring and other items	-	-	-	-	-
Depreciation and amortization	37,475	244	60	358	**38,137**
Operating income (loss)	18,839	3,784	474	(12,030)	**11,067**
Interest expense					1,056
Income before income taxes					**10,011**
Income taxes					**3,015**
Net Income for the period					**6,996**
Diluted earnings per share					**0.59**

Revenue

Revenue for the nine months ended September 30, 2012 was $148.0 million compared to $139.0 million in the comparable period in 2011, an increase of $8.9 million or 6.4%.

Leasing - Revenue for the nine months ended September 30, 2012 was $120.0 million, a decline of $1.5 million or 1.2% from the comparable period in 2011. Revenue declines in the Canadian leasing business were partially offset by increased revenue from the U.S. corporate stores and the Consolidated Franchise Locations. The revenue decline in the Canadian leasing business was related to the store closures and the associated decline in the lease portfolio. The lease portfolio, as measured by potential monthly lease revenue, was $11.1 million at September 30, 2012 compared with $11.4 million as at September 30, 2011, a decline of $0.3 million over the past 12 months. Changes to the store netowrk during the preceding 12 months, much of it impacting the Canadian leasing business, accounted for a $0.6 million decline in the portfolio. Excluding the impact of the store sales and closures, the portfolio increased by $0.3 million year over year.

easyfinancial - Revenue for the nine months ended September 30, 2012 was $26.8 million, an increase of $10.2 million or 61% from the comparable period in 2011. The increase was due to the growth of the consumer loans receivable portfolio, which increased from $42.7 million as at September 30, 2011 to $59.6 million as at September 30, 2012. The consumer loans receivable portfolio grew $12.0 million in 2012 compared with $18.9 million for the first nine months of 2011. The growth of the consumer loans receivable portfolio at easyfinancial slowed during 2012 to correspond with the capital financing available.

Franchising - Revenue increased by $0.2 million for the nine months ended September 30, 2012 driven by additional franchise locations. The Company had 46 franchise locations as at September 30, 2012 compared with 39 as at September 30, 2011.

Total Operating Expenses before Depreciation and Amortization

Total operating expenses before depreciation and amortization, impairment and restructuring and other items was $96.0 million for the nine months ended September 30, 2012, an increase of $6.2 million or 6.9% from the comparable period in 2011. The increase was driven by the growth of the easyfinancial business and higher accrued but not paid incentive compensation expenses included with corporate costs. Operating expenses before depreciation and amortization and restructuring and other items represented 64.9% of revenue for the first half of 2012 compared with 64.6% last year.

Leasing – Total operating expenses before depreciation and amortization, impairment and restructuring and other items was $65.0 million, a decrease of $0.2 million or (0.3)% from the comparable period in 2011. As previously discussed, costs in the third quarter of 2012 declined by $1.1 million compared with the comparable period of 2011 due to the store closures. However, costs in the first half of 2012 were $0.9 million higher than the comparable period of 2011 due to increased advertising expenditures and the opening of additional Consolidated Franchise Locations.

easyfinancial – Total operating expenses before depreciation and amortization were $17.8 million for the nine months ended September 30, 2012, an increase of $5.2 million or 41% from the comparable period in 2011. The 41% increase in expenses was more than offset by the 61% increase in revenues. The increase in expenses was driven by the growth in the number of easyfinancial locations and bad debts associated with the growth in the consumer loans receivable portfolio. The number of easyfinancial locations increased from 80 as at September 30, 2011 to 100 as at September 30, 2012.

Bad debt expense increased to $6.8 million for the nine months ended September 30, 2012 from $4.2 million from the comparable period in 2011. The $2.5 million increase was due to the growth of the consumer loans receivable portfolio which increased from $42.7 million at September 30, 2011 to $59.6 million at September 30, 2012. Bad debt expense, expressed as a percentage of revenue, was 25.1% for the year to date period compared with 25.5% for the comparable period of 2011.

Franchising – Total operating expenses before depreciation and amortization decreased modestly for the nine months ended September 30, 2012 compared with prior period.

Corporate – Total operating expenses before depreciation and amortization and restructuring and other items were $12.9 million for the nine months ended September 30, 2012, an increase of $1.2 million or 10.1% from the comparable period in 2011. The increase was related to higher salary costs and accrued but not paid incentive compensation offset by lower professional fees and administrative costs. Corporate costs before depreciation and amortization and restructuring and other items for the nine months ended September 30, 2012 represented 8.7% of revenue compared to 8.4% in the comparable period of 2011.

Restructuring and other items – During the second quarter of 2012, the Company restructured the management and operating procedures of its leasing segment and closed 13 underperforming locations. For the nine months ended September 30, 2012, $1.3 million was recorded as restructuring charge against the leasing segment and $0.1 million was recorded against corporate. The total restructuring charge was $1.4 million. No further related charges are expected in future periods. Also during the second quarter of 2012, the Company received a reimbursement from its insurers of a portion of the costs related to the forensic investigation of an employee fraud. The net insurance reimbursement of $0.9 million was recorded against Corporate and is net of professional fees related to obtaining this reimbursement.

Depreciation and Amortization

Depreciation and amortization for the nine months ended September 30, 2012 was $39.6 million compared to $38.1 million for the comparable period in 2011, an increase of $1.5 million or 4.0%. The increase was driven primarily by the leasing business and is due to i) $0.3 million in impairment charges during 2012 compared with a $0.2 million recovery in the comparable period of 2011, and ii) the growth of the Consolidated Franchise Locations and the U.S. corporately owned stores as higher revenue results in higher lease asset amortization.

Depreciation and amortization represented 26.8% of revenue for the nine months ended September 30, 2012 down from 27.4% for the comparable period of 2011.

Operating Income (Income before Interest Expense and Income Taxes)

Operating income for the nine months ended September 30, 2012 was $11.9 million. Excluding restructuring and other items, adjusted operating income was $12.4 million. Adjusted operating income for 2012 increased by $1.3 million compared with the same period in 2011. Adjusted operating margin was 8.4% for the period compared with 8.0% in the comparable period of 2011.

Leasing – Operating income excluding restructuring and other items was $16.4 million in 2012 compared with $18.8 million in 2011, a decrease of $2.5 million or 13.1%. Operating income in the third quarter of 2012 was consistent with the comparable period of 2012. Operating income for the first half of 2012, however, trailed that of 2011. This decline in the first half of the year was driven by lower revenue generated by the Canadian leasing business, increased advertising spend and the drag on earnings of new Consolidated Franchise Locations. Operating margin, excluding restructuring and other items, was 13.6% for the nine months ended September 30, 2012 compared with 15.5% in the comparable period of 2011.

easyfinancial - Operating income was $8.6 million for the nine months ended September 30, 2012 compared with $3.8 million for the comparable period in 2011, an increase of $4.8 million or 127%. Operating margin for the nine months ended September 30, 2012 was 32.1% compared with 22.8% in the comparable period in 2011. A higher average loan book per location contributed to higher operating margins in 2012.

Franchising – Operating income increased by $0.2 million for the nine months ended September 30, 2012 compared with the nine months ended September 30, 2011, primarily due to increased revenue.

Interest Expense

Interest expense for the nine months ended September 30, 2012 was $1.4 million, up $0.4 million from the same period in 2011. The increase related to the higher average debt levels during the period and an increased cost of borrowing compared with prior year.

Income Tax Expense

The effective income tax rate for the nine months ended September 30, 2012 was 30.5% compared to 30.1% in 2011.

Net Income and EPS

Net income for the nine months ended September 30, 2012 was $7.3 million. Excluding the impact of restructuring and other items, adjusted earnings was $7.6 million ($0.63 diluted earnings per share), up $0.6 million from net income of $7.0 million ($0.59 diluted earnings per share) in the comparable period of 2011.

Selected Quarterly Information

($ in millions except per share amounts)	**Sept. 2012**	**Jun. 2012**	**Mar. 2012**	**Dec. 2011**	**Sept. 2011**	**Jun. 2011**	**Mar. 2011**	**Dec. 2010**	**Sept. 2010**
Revenue	**49.3**	**48.9**	**49.8**	**49.3**	46.6	46.3	46.2	45.1	43.2
Net Income (loss) for the period	**2.6**	**2.0**	**2.6**	**2.6**	1.9	2.7	2.4	(0.4)	2.5
Net income (loss) as a percentage of revenue	**5.3%**	**4.1%**	**5.3%**	**5.3%**	4.1%	5.8%	5.2%	(0.9%)	5.7%
Earnings (loss) per share[1]									
Basic	**0.22**	**0.17**	**0.22**	**0.22**	0.16	0.23	0.20	(0.03)	0.23
Diluted	**0.22**	**0.17**	**0.22**	**0.22**	0.16	0.23	0.20	(0.03)	0.23

Quarterly earnings per share are not additive and may not equal the annual earnings per share reported. This is due to the effect of stock issued during the year on the basic weighted average number of common shares outstanding together with the effects of rounding.

Financial Condition

The following table provides a summary of certain information with respect to the Company's capitalization and financial position as at September 30, 2012 and September 30, 2011.

($ in 000's, except for ratios)	Sept. 30, 2012	Sept.30, 2011
Total assets	**168,166**	152,381
External debt	**32,212**	29,381
Other liabilities	**34,235**	26,722
Total liabilities	**66,447**	56,103
Shareholders' equity	**101,719**	96,278
Total capitalization (total debt plus total shareholders' equity)	**133,931**	125,659
External debt to shareholders' equity	**0.32**	0.30
External debt to total capitalization	**0.24**	0.23
External debt to Adjusted EBITDA*	**1.51**	1.70

*Adjusted EBITDA is expressed on a trailing twelve month basis.

Total assets were $168.2 million at September 30, 2012, an increase of $15.8 million or 10.4% over September 30, 2011. The growth in total assets was driven primarily by the increased size of the consumer loans receivable portfolio which increased by $16.9 million or 40% from September 30, 2011 to $59.6 million at September 30, 2012.

The growth in total assets has been financed by a $10.3 million increase in total liabilities, which includes a $2.8 million increase in external debt, and a $5.4 million increase in total shareholder's equity. Although the Company has continued to maintain its dividend payments to its shareholders, a large portion of the Company's earnings over the prior 12 months have been retained to fund the growth of easyfinancial.

For the three and nine month period ending September 30, 2012, external debt consisted of Canadian dollar loans under a bank revolving credit facility which bore interest at the lender's prime rate plus 125 bps. During the three and nine month period ending September 30, 2012, the Company's effective interest rate under the credit facility was 4.25%.

The credit facility was fully secured against substantially all assets of the Company and its subsidiaries and contained certain positive and negative covenants and other usual and customary terms and conditions.

At September 30, 2012 and September 30, 2011, the Company was in compliance with all of its financial covenants under its lending agreement.

On October 4, 2012 the Company entered into a new $20.0 million credit facility to support the growth of easyfinancial. The new five year credit facility is comprised of a $20 million term loan. Borrowings are at 10.50% over the Canadian Bankers' Acceptance rate and are secured by a first charge on the assets of easyfinancial and a second charge on substantially all of the other assets of the Company and its subsidiaries.

Concurrently, the Company revised the terms of its existing revolving credit facility and extended its maturity date to October 4, 2015. The revised and extended revolving credit facility has a maximum limit of $35.0 million, reducing to $30.0 million on October 5, 2013, and bears interest at the lead lender's prime rate plus 150 to 250 bps, depending on the Company's total debt to EBITDA ratio. The revolving facility is fully secured by a first charge on substantially all of the assets of the Company and its subsidiaries, excluding easyfinancial, and a second charge on the assets of easyfinancial.

Liquidity and Capital Resources

Summary of Cash Flow Components

($ in 000's)	Three months ended Sept. 30, 2012	Three months ended Sept. 30, 2011	Nine months ended Sept. 30, 2012	Nine months ended Sept. 30, 2011
Cash provided by operating activities before issuance of consumer loans receivable	**22,106**	19,239	**60,437**	49,252
Net issuance of consumer loans receivable	**(5,794)**	(8,704)	**(17,930)**	(22,886)
Cash provided by operating activities	**16,312**	10,535	**42,507**	26,366
Cash used in investing activities	**(14,965)**	(12,374)	**(38,685)**	(34,626)
Financing activities	**(1,503)**	1,699	**(3,800)**	8,167
Net increase (decrease) in cash for the period	**(156)**	(140)	**22**	(93)

The Company continued to generate strong cash flows for the three months ended September 30, 2012. Cash flows provided by operating activities for the three months ended September 30, 2012 were $16.3 million. Included in this $16.3 million is a net investment of $5.8 million to increase the easyfinancial consumer loans receivable portfolio. If this net investment in the easyfinancial loan portfolio was treated as cash flow from investing activities, the cash flows generated by operating activities would be $22.1 million, up $2.9 million from the third quarter of 2011.

The cash flows from operating activities in the third quarter of 2012, enabled the Company to i) meet the needs of easyfinancial as described above, ii) invest $12.3 million in new lease assets, iii) invest $2.7 million in additional property and equipment and intangible assets, and iv) maintain its dividend payments.

The Company continued to generate strong cash flows for the nine months ended September 30, 2012. Cash flows provided by operating activities for the nine months ended September 30, 2012 were $42.5 million. Included in this $42.5 million is a net investment of $17.9 million to increase the easyfinancial consumer loans receivable portfolio. If this net investment in the easyfinancial loan portfolio was treated as cash flow from investing activities, the cash flows generated by operating activities would be $60.4 million, up $11.2 million from the third quarter of 2011.

The cash flows from operating activities in the first nine months of 2012, enabled the Company to i) meet the needs of easyfinancial as described above, ii) invest $33.1 million in new lease assets, iii) invest $5.7 million in additional property and equipment and intangible assets, and iv) maintain its dividend payments.

We believe that the cash flow provided by operations will be sufficient in the near term to meet operational requirements, purchase leased assets, meet capital spending requirements and pay dividends. In addition the incremental financing obtained subsequent to quarter end will allow the Company to grow its consumer loan portfolio through 2013. However, for easyfinancial to achieve its full long-term growth opportunities available, additional sources of financing over and above the currently available credit facility and term loan are required. There is no certainty that these long term sources of capital will be available or at terms favourable to the Company.

Outstanding Shares

As at November 12, 2012 there were 11,940,464 shares, 518,832 options and no warrants outstanding.

Dividends

For the three months ended September 30, 2012, the Company paid a $0.085 per share quarterly dividend on outstanding common shares. The Company reviews its dividend distribution policy on a regular basis, evaluating its financial position, profitability, cash flow and other factors the Board of Directors considers relevant. No dividends may be declared in the event there is a default of the loan facility, or where such payment would lead to a default.

The following table sets forth the quarterly dividends paid by the Company in the third quarter of the years indicated:

	2011	2010	2009	2008	2007	2006
Dividend per share	$ 0.085	$ 0.085	$ 0.085	$ 0.085	$ 0.070	$ 0.060
Percentage increase	0.0%	0.0%	0.0%	21.4%	16.7%	50.0%

Commitments, Guarantees and Contingencies

The Company's commitments, guarantees and contingencies remain as described in its December 31, 2011 MD&A except as follows:

Class Action Lawsuit

The Company and certain of its current and former officers have been named as defendants in a lawsuit filed in the Ontario Superior Court of Justice on October 25, 2010. This lawsuit was commenced by Andrew Sorensen, on behalf of shareholders who acquired the Company's common shares between April 8, 2008 and October 15, 2010. The claim is brought under S. 138 of The Securities Act. The plaintiff alleges, among other things, that, arising out of an employee fraud discovered in 2010, the Company and certain of its former and current officers made misrepresentations about the Company's financial statements being prepared in accordance with Canadian generally accepted accounting principles. The claim seeks $10 million in general damages. On March 26, 2012, the lawsuit was certified as a class proceeding on consent. It will now enter the discovery phase.

The Company has not recorded any liability related to these matters. The Company's directors' and officers' insurance policies provide for reimbursement of certain costs and expenses incurred in connection with these lawsuits, including legal and professional fees as well as potential damages awarded, if any, subject to certain policy limits and deductibles.

Transactions with Related Parties

The Company's transactions with related parties remain as described in its December 31, 2011 MD&A.

Risk Factors

The Company's activities are exposed to a variety of operational and financial risks. The Company's overall risk management program focuses on the unpredictability of financial and economic markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Audit Committee of the Board of Directors reviews the Company's risk management policies on an annual basis. In addition to the risk factors described below, additional risk factors are described in the Company's Annual Information Form ["AIF"].

The Company's risk factors remain as described in its December 31, 2011 MD&A and AIF.

Critical Accounting Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the interim condensed consolidated financial statements and the reported amounts of revenue and expenses during the year. Actual amounts could differ from these estimates.

Key areas of estimation where management has made difficult, complex or subjective judgments often in respect of matters that are inherently uncertain are:

- consumer loan loss provisions
- cost of lease assets
- depreciation of lease assets
- depreciation of property and equipment
- allocation of the purchase price in business combinations
- impairment and recovery of non-financial assets
- impairment of goodwill and indefinite life intangibles
- fair value of stock-based compensation
- provisions
- contingencies
- taxation amounts

Significant changes in assumptions, including those with respect to future business plans and cash flows, could change the recorded amounts by a material amount.

The Company's critical accounting estimates remain as described in its December 31, 2011 MD&A.

Adoption of New Accounting Standards

No new accounting standards were adopted by the Company during the reporting period. The accounting standards issued but not yet effective that may affect the Company's future financial statements remain as described in the Company's December 31, 2011 Notes to the Financial Statements.

Internal Controls

Disclosure Controls and Procedures ["DC&P"]

DC&P are designed to provide reasonable assurance that information required to be disclosed by the Company in reports filed with or submitted to various securities regulators is recorded, processed, summarized and reported within the time periods specified. This information is gathered and reported to the Company's management, including the Chief Executive Officer ["CEO"] and Chief Financial Officer ["CFO"], so that timely decisions can be made regarding disclosure.

The Company's management, under supervision of, and with the participation of, the CEO and CFO, have designed and evaluated the Company's DC&P, as required in Canada by National Instrument 52-109, "*Certification of Disclosure in Issuers' Annual and Interim Filings*". Based on this evaluation, the CEO and CFO have concluded that the design of the system of disclosure controls and procedures were effective as at September 30, 2012.

Internal Controls over Financial Reporting ["ICFR"]

ICFR is a process designed by, or under the supervision of, senior management, and effected by the Board of Directors, management and other personnel, to provide reasonable assurances regarding the reliability of financial reporting and preparation of the Company's consolidated financial statements in accordance with IFRS. Management is responsible for establishing and maintaining ICFR and designs such controls to attempt to ensure that the required objectives of these internal controls have been met. Management uses the Internal Control – Integrated Framework to evaluate the effectiveness of internal control over financial reporting, which is a recognized and suitable framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

Based on this evaluation, the CEO and CFO have concluded that the design of the Company's internal controls over financial reporting were effective as at September 30, 2012.

In designing and evaluating such controls, it should be recognized that due to inherent limitations, any controls, no matter how well designed and operated, can provide only reasonable assurance and may not prevent or detect all misstatements as a result of, among other things, error or fraud.

In addition, the CEO and CFO evaluated whether there were changes in the internal controls over financial reporting during the interim period ended September 30, 2012 that materially affected, or were reasonably likely to materially affect, the internal controls over financial reporting. There were no such changes during the quarter. Subsequent to the quarter, however, we completed a system conversion in our easyfinancial business which will further enhance our internal controls.