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

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Date: July 29, 2015

The following Management's Discussion and Analysis ["MD&A"] presents an analysis of the financial condition of easyhome Ltd. and its subsidiaries [collectively referred to as "easyhome" or the "Company"] as at June 30, 2015 compared to June 30, 2014, and the results of operations for the three and six month periods ended June 30, 2015 compared with the corresponding periods of 2014. This MD&A should be read in conjunction with the Company's audited consolidated financial statements and the related notes and MD&A for the year ended December 31, 2014. The financial information presented herein has been prepared in accordance with International Financial Reporting Standards ["IFRS"], unless otherwise noted. All dollar amounts are in thousands of Canadian dollars unless otherwise indicated.

There have been no material changes to the information discussed in the following sections of the Company's 2014 annual MD&A: Overview of the Business, Corporate Strategy, Commitments, Guarantees and Contingencies, Risk Factors, Critical Accounting Estimates and Adoption of New Accounting Standards and Standards Issued But Not Yet Effective.

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 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, including, but not limited to, its business operations, strategy and expected financial performance and condition. Forward-looking statements include, but are not limited to, those with respect to the estimated number of new locations to be opened, targets for growth of the consumer loans receivable portfolio, annual revenue growth targets, strategic initiatives, new product offerings and new delivery channels, anticipated cost savings, planned capital expenditures, anticipated capital requirements, liquidity of the Company, plans and references to future operations and results and critical accounting estimates. In certain cases, forward-looking statements that are predictive in nature, depend upon or refer to future events or conditions, and/or can be identified by the use of words such as 'expects', 'anticipates', 'intends', 'plans', 'believes', 'budgeted', 'estimates', 'forecasts', 'targets' or negative versions thereof and similar expressions, and/or state that certain actions, events or results 'may', 'could', 'would', 'might' or 'will' be taken, occur or be achieved.

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 the Company's operations, economic factors and the industry generally, as well as those factors referred to in the section entitled "Risk Factors". There can be no assurance that forward-looking statements will prove to be accurate as actual results and future events could differ materially from those expressed or implied by forward-looking statements made by the Company, due to, but not limited to important factors such as the Company's 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 customers at a competitive rate, respond to 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 the system of internal controls. The Company cautions 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. The Company is under no obligation (and expressly disclaims any such obligation) to update or alter the forward-looking statements whether as a result of new information, future events or otherwise, unless required by law.

Overview of the Business

easyhome Ltd. is the Canadian leader in providing goods and financial services to the cash and credit constrained consumer. easyhome Ltd. serves its customers through two key operating divisions, easyhome Leasing and easyfinancial.

The Company's overview of the business remains as described in its December 31, 2014 MD&A.

Corporate Strategy

The Company is committed to being the Canadian leader in providing goods and financial services to the cash and credit constrained consumer. To maintain this position, the Company must continuously evolve to meet the needs of its chosen consumer segment. Additionally, the Company must focus on maintaining its competitive advantage by capitalizing on the key aspects of each business unit, including brand awareness, superior customer service and its cross-country retail network. Cost efficiencies through economies of scale and shared services will further contribute to the Company's ability to contend with competitive activities in the marketplace.

To achieve this long-term goal, the Company has three key business imperatives:

- Evolving the delivery channels to better meet the needs of its customers
- Expanding the size and scope of easyfinancial
- Executing with efficiency and effectiveness

The Company's corporate strategy remains as described in its December 31, 2014 MD&A.

Outlook

The discussion in this section is qualified in its entirety by the cautionary language regarding forward-looking statements found in the "Caution Regarding Forward-Looking Statements" of this MD&A.

Update on 2015 Targets

The Company's 2015 targets and assumptions were originally communicated in its September 30, 2014 MD&A and most recently revised in its December 31, 2014 MD&A. The Company has revised its guidance for fiscal 2015 as follows:

	Revised Targets for 2015	Previously Reported Targets for 2015	Explanation for Change in Targets
New easyfinancial locations opened in year	**60 – 65**	60 – 65	No change.
Gross consumer loans receivable portfolio at year end	**$280 – $295 million**	$280 – $295 million	No change.
Total revenue growth	**15 – 20%**	18 – 22%	Reduced yield on the easyfinancial portfolio due to i) higher average loan values which have lower pricing on ancillary products, and ii) reduced commissions earned by the Company on ancillary products.
Easyfinancial operating margin	**28 – 32%**	28 – 32%	No change.

Update on 2016 Targets

The Company's 2016 targets and assumptions were originally communicated in its December 31, 2013 MD&A and most recently revised in its December 31, 2014 MD&A. The Company has revised its guidance for fiscal 2016 as follows:

	Revised Targets for 2016	Previously Reported Targets for 2016	Explanation for Change in Targets
New easyfinancial locations opened in year	**10 – 20**	20 – 30	Continued growth of on-line originations has reduced the retail expansion plans which should also moderate the associated drag from new store openings.
Gross consumer loans receivable portfolio at year end	**$360 – $390 million**	$340 - $370 million	Additional originations driven by i) increased consumer awareness through the goeasy advertising campaigns, ii) relaunch of the consumer website and iii) successful roll-out of the Company's indirect lending platform.
Total revenue growth	**18 – 22%**	18 – 22%	No change.
Easyfinancial operating margin	**32 – 35%**	32 – 35%	No change.

<u>Analysis of Results for the Three Months Ended June 30, 2015</u>

Second Quarter Highlights

- Subsequent to the end of the quarter, on July 13, 2015, the Company acquired 14 Canadian merchandise leasing stores from a U.S. based rent-to-own company, effectively removing this competitor from the Canadian marketplace. As part of the transaction, the Company sold two of its remaining U.S. franchised locations whose financial results were consolidated for financial statement purposes. The net purchase price for the transaction was $3.4 million and, once the portfolio of many of these purchased locations are merged with existing easyhome Leasing locations, the Company's total easyhome Leasing store count will increase by three.

- easyhome continued to grow revenue during the second quarter of 2015. Revenue for the quarter reached a record high of $72.9 million, an increase of $9.6 million or 15.2% from the $63.2 million reported in the second quarter of 2014. The growth was driven primarily by the expansion of easyfinancial and its consumer loans receivable portfolio and was somewhat offset by revenue declines within the leasing business due to the sale or closure of stores over the past 15 months and the sale of the U.S. franchise royalty stream on December 31, 2014. Same-store revenue growth for the quarter, which includes revenue growth from easyfinancial, was 16.8%. Excluding the impact of easyfinancial, same-store revenue growth was 3.1%.

- The gross consumer loans receivable portfolio as at June 30, 2015 was $230.9 million compared with $145.4 million as at June 30, 2014, an increase of $85.5 million or 59%. The loan book grew by $23.4 million in the quarter compared with growth of $21.9 million in the second quarter of 2014. Loan originations increased 30.2% from $59.4 million in the second quarter of 2014 to $77.4 million in the current quarter.

- Bad debt expense increased to $9.4 million for the second quarter of 2015 from $6.0 million during the comparable period in 2014, up $3.4 million or 56.0%. Net charge-offs as a percentage of the average gross consumer loans receivable on an annualized basis were 14.3% in the quarter, up from the 13.7% reported for the second quarter of 2014. The bad debt expense and net charge-off rates in the quarter benefitted from the sale of previously charged off accounts for total proceeds of $0.5 million. Excluding the impact of this sale, the net charge-off rate in the quarter was 15.3%, within the range of 14% to 16% previously communicated. Both the changes to the Company's underwriting practices made in the fourth quarter of 2014 and the timing of growth in the final two months of 2014 resulted in an acceleration of losses in the second quarter of 2015. The Company anticipates that this pattern of elevated losses will continue through the third quarter of 2015 before charge offs return to more normal levels in the fourth quarter of 2015 and beyond.

- Overall operating income for the three month period ended June 30, 2015 was $10.4 million, up $2.7 million or 35.8%. Operating margin was 14.3% for the quarter, up from 12.1% in the second quarter of 2014.

- Net income for the second quarter of 2015 was $5.0 million or $0.36 per share on a diluted basis compared with $4.5 million or $0.33 per share in the second quarter of 2014, an increase of $0.5 million and $0.03 respectively. The acquisition and opening of 45 easyfinancial branches in the first quarter of 2015 negatively impacted the current quarter's earnings by $0.07 when compared to the expected results that would have been achieved if the Company's organic store expansion plan of 40 to 45 new store openings was being followed.

Summary Financial Results and Key Performance Indicators

($ in 000's except earnings per share and percentages)	Three Months Ended June 30, 2015	Three Months Ended June 30, 2014	Variance $ / %	Variance % change
Summary Financial Results				
Revenue	**72,890**	63,246	9,644	15.2%
Operating expenses before depreciation and amortization	**48,575**	41,510	7,065	17.0%
EBITDA[1]	**12,681**	9,435	3,246	34.4%
EBITDA margin[1]	**17.4%**	14.9%	2.5%	-
Depreciation and amortization expense	**13,901**	14,066	(165)	(1.2%)
Operating income	**10,414**	7,670	2,744	35.8%
Operating margin[1]	**14.3%**	12.1%	2.2%	-
Finance costs	**3,621**	1,800	1,821	101.2%
Effective income tax rate	**26.1%**	22.7%	3.4%	-
Net income for the period	**5,017**	4,536	481	10.6%
Diluted earnings per share	**0.36**	0.33	0.03	9.1%
Key Performance Indicators[1]				
Same store revenue growth	**16.8%**	19.7%	(2.9%)	-
Same store revenue growth excluding easyfinancial	**3.1%**	2.7%	0.4%	-
Potential monthly lease revenue	**10,207**	10,748	(541)	(5.0%)
Change in potential monthly lease revenue due to ongoing operations	**(196)**	(237)	41	17.3%
easyhome Leasing operating margin	**14.9%**	16.3%	(1.4%)	-
Gross consumer loans receivable	**230,901**	145,386	85,515	58.8%
Growth in consumer loans receivable	**23,392**	21,889	1,503	6.9%
Gross loan originations	**77,354**	59,389	17,965	30.2%
Bad debt expense as a percentage of easyfinancial revenue	**26.7%**	25.9%	0.8%	-
Net charge offs as a percentage of average gross consumer loans receivable	**14.3%**	13.7%	0.6%	-
easyfinancial operating margin	**27.1%**	30.8%	(3.7%)	-

[1] See description in sections "Portfolio Analysis" and "Key Performance Indicators and Non-IFRS Measures".

Store Locations Summary

	Locations as at Mar. 31, 2015	Locations opened during quarter	Locations closed during quarter	Conversions	Locations as at June 30, 2015
easyhome Leasing					
Corporately owned stores	160	-	(3)	(2)	**155**
Consolidated franchise locations	6	-	-	-	**6**
Total consolidated stores	166	-	(3)	(2)	**161**
Total franchise stores	22	-	-	2	**24**
Total easyhome Leasing stores	188	-	(3)	-	**185**
easyfinancial					
Kiosks (in store)	55	-	-	(2)	**53**
Stand-alone locations	138	7	-	2	**147**
National loan office	1	-	-	-	**1**
Total easyfinancial locations	194	7	-	-	**201**

Summary Financial Results by Operating Segment

($ in 000's except earnings per share)	Three Months Ended June 30, 2015			
	easyhome Leasing	easyfinancial	Corporate	Total
Revenue	**37,571**	**35,319**	**-**	**72,890**
Total operating expenses before depreciation and amortization	**19,586**	**24,408**	**4,581**	**48,575**
Depreciation and amortization	**12,403**	**1,347**	**151**	**13,901**
Operating income (loss)	**5,582**	**9,564**	**(4,732)**	**10,414**
Finance costs				**3,621**
Income before income taxes				**6,793**
Income taxes				**1,776**
Net income for the period				**5,017**
Diluted earnings per share				**0.36**

($ in 000's except earnings per share)	Three Months Ended June 30, 2014			
	easyhome Leasing	easyfinancial	Corporate	Total
Revenue	39,936	23,310	-	63,246
Total operating expenses before depreciation and amortization	20,300	15,351	5,859	41,510
Depreciation and amortization	13,129	781	156	14,066
Operating income (loss)	6,507	7,178	(6,015)	7,670
Finance costs				1,800
Income before income taxes				5,870
Income taxes				1,334
Net income for the period				4,536
Diluted earnings per share				0.33

Revenue

Revenue for the three month period ended June 30, 2015 was $72.9 million compared to $63.2 million in the same period in 2014, an increase of $9.6 million or 15.2%. Same-store sales growth for the quarter was 16.8%. Revenue growth was driven primarily by the growth of easyfinancial.

easyhome Leasing - Revenue for the three month period ended June 30, 2015 was $37.6 million, a decrease of $2.4 million from the comparable period in 2014. Factors impacting revenue in the period included:

- Store closures and sales which occurred during the past 15 months (net of the transfer of portfolios to nearby locations) resulted in a $1.9 million decline in revenue.
- In the fourth quarter of 2014, the Company decided to wind down its U.S. operations and focus on the Canadian marketplace. This wind down involved the sale of its rights to future royalty payments from its U.S. franchisees and the deconsolidation of several consolidated franchise locations that refinanced their loans. The sale of the royalty rights reduced revenue by $0.3 million while the deconsolidation of franchise locations reduced revenue by an additional $0.9 million compared with the second quarter of 2014.
- The acquisition of stores or leasing portfolios over the past year resulted in an additional $0.4 million of revenue in the quarter compared with the comparable period of 2014.
- Revenue growth across the Canadian store network (excluding the impact of store sales and closures) was $0.3 million in the second quarter of 2015 compared with the second quarter of 2014. Same-store sales growth excluding the impact of easyfinancial was 3.1% in the quarter.

easyfinancial - Revenue for the three month period ended June 30, 2015 was $35.3 million, an increase of $12.0 million or 51.5% from the comparable period in 2014. The increase was due to the growth of the gross consumer loans receivable portfolio, which increased from $145.4 million as at June 30, 2014 to $230.9 million as at June 30, 2015, an increase of $85.5 million or 58.8%. While the gross consumer loans receivable portfolio grew 58.8% over the past 12 months, easyfinancial's revenue grew at a reduced rate of 51.5% compared with the second quarter of 2014 due to a reduction in the achieved yield. This yield reduction was related to two factors. First, the average loan size increased due to strong demand for the Company's larger value loan products. Higher value loans have lower pricing on certain ancillary products to account for the lower overall risk. Additionally, the commission earned by the Company on the sale of the ancillary products was reduced. All told, the annualized yield declined by 4.0% in the second quarter of 2015 compared to the second quarter of 2014.

The gross consumer loans receivable portfolio grew by $23.4 million in the quarter as compared with growth of $21.9 million for the second quarter of 2014. Loan originations in the quarter were $77.4 million, up 30.2% compared to the second quarter of 2014.

Total Operating Expenses before Depreciation and Amortization

Total operating expenses before depreciation and amortization were $48.6 million for the three month period ended June 30, 2015, an increase of $7.1 million or 17.0% from the comparable period in 2014. The increase in operating expenses was driven primarily by the higher costs associated with the expanding easyfinancial business offset by lower costs within the leasing business and lower corporate costs. Total operating expenses before depreciation and amortization represented 66.6% of revenue for the second quarter of 2015 compared with 65.6% for the second quarter of 2014.

easyhome Leasing – Total operating expenses before depreciation and amortization for the three month period ended June 30, 2015 were $19.6 million, down $0.7 million from the $20.3 million reported in the comparable period of 2014. The costs savings were driven by the reduced store count and the wind down of the U.S. operations. Additionally, expenditures for the second quarter of 2014 benefitted from reduced advertising expenditures in anticipation of the goeasy master brand launch which occurred in the third quarter of 2014. Advertising expenses in the second quarter of 2015 were more in line with normal run rates. Consolidated leasing store count declined from 178 as at June 30, 2014 to 161 as at June 30, 2015.

easyfinancial – Total operating expenses before depreciation and amortization were $24.4 million for the second quarter of 2015, an increase of $9.1 million or 59.0% from the comparable period in 2014. Operating expenses, excluding bad debt, increased by $5.7 million or 60.9% in the quarter driven by: i) the increased cost of 62 additional branches when compared to June 30, 2014, including $1.6 million in additional operating expenses relating to the locations acquired in the first quarter of 2015, ii) $1.0 million in additional advertising and marketing costs to support the strong growth in the consumer loans receivable portfolio, iii) the continued conversion of in store kiosks towards higher capacity stand-alone branches, iv) higher costs associated with easyfinancial's shared service centre to support the increase in loan originations and v) incremental expenditures to develop new distribution channels and manage the growing branch network. Overall, branch count increased from 139 as at June 30, 2014 to 201 as at June 30, 2015.

Bad debt expense increased to $9.4 million for the second quarter of 2015 from $6.0 million during the comparable period in 2014, up $3.4 million or 56.0%. Net charge-offs as a percentage of the average gross consumer loans receivable on an annualized basis were 14.3% in the quarter, up from the 13.7% reported for the second quarter of 2014. The bad debt expense and net charge-off rates in the quarter benefitted from the sale of previously charged off accounts for total proceeds of $0.5 million. Excluding the impact of this sale, the net charge-off rate in the quarter was 15.3%, within the range of 14% to 16% previously communicated. Both the changes to the Company's underwriting practices made in the fourth quarter of 2014 and the timing of growth in the final two months of 2014 resulted in an acceleration of losses in the second quarter of 2015. The Company anticipates that this pattern of elevated losses will continue through the third quarter of 2015 before charge offs return to more normal levels in the fourth quarter of 2015 and beyond.

Corporate – Total operating expenses before depreciation and amortization were $4.6 million for the second quarter of 2015 compared to $5.9 million in the second quarter of 2014, a decrease of $1.3 million. The decline is related primarily to lower incentive compensation plan expenses, including stock based compensation as the stock based compensation expense is no longer impacted by changes in the Company's share price as it was in 2014. Corporate expenses before depreciation and amortization represented 6.3% of revenue in the second quarter of 2015 as compared to 9.3% of revenue in the second quarter of 2014.

Depreciation and Amortization

Depreciation and amortization for the three month period ended June 30, 2015 was $13.9 million, down $0.2 million from the comparable period in 2014. Overall, depreciation and amortization represented 19.1% of revenue for the three months ended June 30, 2015, down from 22.2% in the comparable period of 2014.

Leasing depreciation and amortization expense declined due to the smaller lease portfolio and lower revenue as previously described. Leasing depreciation and amortization expressed as a percentage of leasing revenue for the quarter was 33.0%, consistent with the 32.9% reported in the second quarter of 2014.

The increase in depreciation and amortization within easyfinancial was attributable to its growing easyfinancial branch network and the amortization of new easyfinancial systems.

Operating Income (Income before Finance Costs and Income Taxes)

Operating income for the three month period ended June 30, 2015 was $10.4 million compared to $7.7 million for the comparable period in 2014, an increase of $2.7 million or 35.8%. Higher operating income within easyfinancial coupled with lower corporate costs was partially offset by lower operating income within the leasing business. Overall, operating margin for the quarter was 14.3%, up from the 12.1% reported in the second quarter of 2014. Overall operating margin benefitted from an increasing percentage of the Company's operating income being generated by the higher margin easyfinancial business.

easyhome Leasing – Operating income was $5.6 million for the second quarter of 2015, down $0.9 million when compared with the second quarter of 2014. The sale of the U.S. franchise royalties in December 2014 reduced revenue and operating income by $0.3 million and $0.2 million respectively on a comparative basis while the second quarter of 2014 benefited from reduced advertising expense in anticipation of the goeasy master brand launch which occurred in the third quarter of 2014. Additionally, the net benefit of closing under-performing stores and the acquisition of new portfolios was more than offset by the negative impact on operating income of store sales. Operating margin for the second quarter of 2015 was 14.9%, down from 16.3% reported in the second quarter of 2014.

easyfinancial – Operating income was $9.6 million for the second quarter of 2015 compared with $7.2 million for the comparable period in 2014, an increase of $2.4 million or 33.2%. The growth in operating income was driven primarily by the growth of the consumer loans receivable portfolio but was mitigated by the earnings drag associated with the acquisition and opening of 45 branches during the first quarter of 2015 as previously described. Similarly operating margin declined from 30.8% in the second quarter of 2014 to 27.1% in the current quarter. If the earnings drag associated with the acquired branches was excluded from the financial results of easyfinancial, operating margin would have been 31.5% in the current quarter.

Finance Costs

Finance costs for the three month period ended June 30, 2015 were $3.6 million, up $1.8 million from the same period in 2014. This increase in finance costs was driven by higher average borrowing levels.

Income Tax Expense

The effective income tax rate for the second quarter of 2015 was 26.1% compared to 22.7% in the second quarter of 2014. The effective income tax rate in the prior period benefited from the Company qualifying for certain research and development tax credits associated with its system development activities.

Net Income and EPS

Net income for the second quarter of 2015 was $5.0 million or $0.36 per share on a diluted basis compared with $4.5 million or $0.33 per share in the second quarter of 2014, an increase of $0.5 million and $0.03 per share, respectively.

The acquisition and opening of 45 easyfinancial branches in the first quarter of 2015 negatively impacted the current quarter's earnings by $0.07 when compared to the expected results that would have been achieved if the Company's organic store expansion plan of 40 to 45 new store openings was being followed.

Analysis of Results for the Six Months Ended June 30, 2015

Summary Financial Results and Key Performance Indicators

($ in 000's except earnings per share and percentages)	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014	Variance $ / %	Variance % change
Summary Financial Results				
Revenue	**143,415**	123,580	19,835	16.1%
Operating expenses before depreciation and amortization	**95,699**	80,103	15,596	19.5%
EBITDA[1]	**24,458**	19,116	5,342	27.9%
EBITDA margin[1]	**17.1%**	15.5%	1.6%	-
Depreciation and amortization expense	**27,527**	27,834	(307)	(1.1%)
Operating income	**20,189**	15,643	4,546	29.1%
Operating margin[1]	**14.1%**	12.7%	1.4%	-
Finance costs	**6,751**	3,358	3,393	101.0%
Effective income tax rate	**26.0%**	25.4%	0.6%	-
Net income for the period	**9,940**	9,166	774	8.4%
Diluted earnings per share	**0.71**	0.66	0.05	7.6%
Key Performance Indicators[1]				
Same store revenue growth	**17.9%**	19.2%	(1.3%)	-
Same store revenue growth excluding easyfinancial	**3.2%**	3.3%	(0.1%)	-
Potential monthly lease revenue	**10,207**	10,748	(541)	(5.0%)
Change in potential monthly lease revenue due to ongoing operations	**(436)**	(445)	9	2.0%
easyhome Leasing operating margin	**15.3%**	17.3%	(2.0%)	-
Gross consumer loans receivable	**230,901**	145,386	85,515	58.8%
Growth in consumer loans receivable	**38,676**	34,682	3,994	11.5%
Gross loan originations	**137,993**	102,169	35,824	35.1%
Bad debt expense as a percentage of easyfinancial revenue	**26.1%**	23.7%	2.4%	-
Net charge offs as a percentage of average gross consumer loans receivable	**14.1%**	13.1%	1.0%	-
easyfinancial operating margin	**28.6%**	33.1%	(4.5%)	-

[1] See description in sections "Portfolio Analysis" and "Key Performance Indicators and Non-IFRS Measures".

Store Locations Summary

	Locations as at Dec. 31, 2014	Locations opened / acquired during period	Locations closed during period	Conversions	Locations as at June 30, 2015
easyhome Leasing					
Corporately owned stores	163	-	(7)	(1)	**155**
Consolidated franchise locations	6	-	-	-	**6**
Total consolidated stores	169	-	(7)	(1)	**161**
Total franchise stores	23	-	-	1	**24**
Total easyhome Leasing stores	192	-	(7)	-	**185**
easyfinancial					
Kiosks (in store)	64	-	(2)	(9)	**53**
Stand-alone locations[1]	89	49	-	9	**147**
National loan office	1	-	-	-	**1**
Total easyfinancial locations	154	49	(2)	-	**201**

[1] During the first quarter of 2015, the Company acquired 45 retail locations across Canada. 39 of these locations were opened during the quarter as net new easyfinancial stand-alone locations. Six pre-existing easyfinancial kiosks were relocated into the remaining acquired locations.

Summary Financial Results by Operating Segment

($ in 000's except earnings per share)	Six Months Ended June 30, 2015			
	easyhome Leasing	**easyfinancial**	**Corporate**	**Total**
Revenue	**75,864**	**67,551**	**-**	**143,415**
Total operating expenses before depreciation and amortization	**39,551**	**45,800**	**10,348**	**95,699**
Depreciation and amortization	**24,739**	**2,461**	**327**	**27,527**
Operating income (loss)	**11,574**	**19,290**	**(10,675)**	**20,189**
Finance costs				**6,751**
Income before income taxes				**13,438**
Income taxes				**3,498**
Net income for the period				**9,940**
Diluted earnings per share				**0.71**

($ in 000's except earnings per share)	Six Months Ended June 30, 2014			
	easyhome Leasing	**easyfinancial**	**Corporate**	**Total**
Revenue	80,236	43,344	-	123,580
Total operating expenses before depreciation and amortization	40,299	27,513	12,291	80,103
Depreciation and amortization	26,036	1,490	308	27,834
Operating income (loss)	13,901	14,341	(12,599)	15,643
Finance costs				3,358
Income before income taxes				12,285
Income taxes				3,119
Net income for the period				9,166
Diluted earnings per share				0.66

Revenue

Revenue for the six month period ended June 30, 2015 was $143.4 million compared to $123.6 million in the same period in 2014, an increase of $19.8 million or 16.1%. The increase was driven by the growth of the easyfinancial business.

easyhome Leasing - Revenue for the six month period ended June 30, 2015 was $75.9 million, a decrease of $4.4 million from the comparable period in 2014. Factors impacting revenue in the period include:

- Store closures and sales which occurred during the past 18 months (net of the transfer of portfolios to nearby locations) resulted in a $3.5 million decline in revenue.
- In the fourth quarter of 2014, the Company decided to wind down its U.S. operations and focus on the Canadian marketplace. This wind down involved the sale of its rights to future royalty payments from its U.S. franchisees and the deconsolidation of several consolidated franchise locations that refinanced their loans. The sale of the royalty rights reduced revenue by $0.6 million while the deconsolidation of franchise locations reduced revenue by an additional $1.7 million compared with the comparable period of 2014.
- The acquisition of stores or leasing portfolios over the past year resulted in an additional $0.7 million of revenue in the current year to date period compared with the comparable period of 2014.
- Revenue growth across the Canadian store network (excluding the impact of store sales and closures) was $0.7 million in the first half of 2015 compared with the first half of 2014. Same-store sales growth excluding the impact of easyfinancial was 3.2% in the current year to date period.

easyfinancial - Revenue for the six month period ended June 30, 2015 was $67.6 million, an increase of $24.2 million or 55.8% from the comparable period in 2014. The increase was due to the growth of the gross consumer loans receivable portfolio, which increased from $145.4 million as at June 30, 2014 to $230.9 million as at June 30, 2015, an increase of $85.5 million or 58.8%. The gross consumer loans receivable portfolio grew by $38.7 million in the current year to date period as compared with growth of $34.7 million for the same period of 2014. Loan originations were also strong in the first six months of 2015 at $138.0 million, up 35.1% compared with the same period of 2014.

Total Operating Expenses before Depreciation and Amortization

Total operating expenses before depreciation and amortization were $95.7 million for the six month period ended June 30, 2015, an increase of $15.6 million or 19.5% from the comparable period in 2014. The increase was related to the higher operating expenses of the growing easyfinancial business and was somewhat offset by operating expenses within the leasing business and corporate which were down in the current year to date period compared with the same period of 2014. Operating expenses before depreciation and amortization represented 66.7% of revenue in the six month period ended June 30, 2015, up from the 64.8% reported in the comparable period of 2014.

easyhome Leasing – Total operating expenses before depreciation and amortization for the six month period ended June 30, 2015 were $39.6 million, a decrease of $0.7 million or 1.9% from the comparable period in 2014. Higher advertising costs, particularly in the first quarter of 2015 were more than offset by cost reductions related to the reduced store count. Consolidated leasing store count declined from 178 as at June 30, 2014 to 161 as at June 30, 2015.

easyfinancial – Total operating expenses before depreciation and amortization were $45.8 million for the six month period ending June 30, 2015, an increase of $18.3 million from the comparable period in 2014. Operating expenses excluding bad debt increased by $10.9 million or 63.4% in the year to date period driven by: i) the increased cost of 62 additional branches when compared to June 30, 2014, including $2.3 million in additional operating expenses related to the locations acquired in the first quarter of 2015, ii) $1.6 million in additional advertising and marketing costs to support the strong growth in the consumer loans receivable portfolio, iii) the continued conversion of kiosks towards higher capacity stand-alone branches, iv) higher costs associated with easyfinancial's shared service centre and v) incremental expenditures to develop new distribution channels and manage the growing branch network. Overall, branch count increased from 139 as at June 30, 2014 to 201 as at June 30, 2015.

Bad debt expense increased to $17.6 million for the first six months of 2015 from $10.3 million during the comparable period in 2014, up $7.3 million or 71.7%. The increase was primarily driven by the growth of the consumer loans receivable portfolio which grew by 58.8% over the past 12 months. Net charge-offs as a percentage of the average gross consumer loans receivable on an annualized basis were 14.1% for the first half of 2015 up from the 13.1% reported for the comparable period of 2014. The drivers behind the increase in loss rates were as previously described.

Corporate – Total operating expenses before depreciation and amortization were $10.3 million for the six month period ending June 30, 2015 compared to $12.3 million in the same period of 2014, a decrease of $2.0 million. The decline is related primarily to lower incentive compensation plan expenses, including stock based compensation as the stock based compensation expense is no longer impacted by changes in the Company's share price as it was in 2014. Other cost increases were offset by gains on the sale of stores to franchisees. Corporate expenses before depreciation and amortization represented 7.2% of revenue in the first six months of 2015 compared to 9.9% of revenue in the same period of 2014.

Depreciation and Amortization

Depreciation and amortization for the six month period ended June 30, 2015 was $27.5 million, down $0.3 million from the comparable period in 2014. Higher depreciation and amortization within easyfinancial was more than offset by lower depreciation and amortization within the leasing business.

Leasing depreciation and amortization declined due to the smaller lease portfolio and lower revenue as previously described. Leasing depreciation and amortization expressed as a percentage of leasing revenue for the period was 32.6% consistent with the 32.4% reported in the same period of 2014.

Overall depreciation and amortization represented 19.2% of revenue for the six months ended June 30, 2015, down from 22.5% in the comparable period of 2014.

Operating Income (Income before Finance Costs and Income Taxes)

Operating income for the six month period ended June 30, 2015 was $20.2 million compared to $15.6 million for the comparable period in 2014, an increase of $4.6 million or 29.1%. Higher operating income within easyfinancial coupled with lower corporate costs was partially offset by lower operating income within the leasing business. Overall operating margin improved from 12.7% in the first six months of 2014 to 14.1% in the current year to date period. Overall operating margin benefitted from an increasing percentage of the Company's operating income being generated by the higher margin easyfinancial business.

easyhome Leasing – Operating income was $11.6 million for the first six months of 2015, down $2.3 million from the same period of 2014. The reduction in operating income was driven primarily by the $4.3 million reduction in revenue as previously described whereas expenses only declined by $2.0 million. The beneficial impacts of closing under-performing stores and acquiring new portfolios was more than offset by the negative impact on operating income of store sales, the removal of the U.S. royalty income and increased store operating expenses including higher advertising spend. Operating margin for the first half of 2015 was 15.3%, down from 17.3% reported in the comparable period of 2014 but consistent with the operating margin of the leasing business during the full 2014 fiscal year.

easyfinancial – Operating income was $19.3 million for the first six months of 2015, compared with $14.3 million for the comparable period in 2014, an increase of $5.0 million or 34.5%. Operating margin for the period was 28.6% compared with 33.1% for the same period in 2014. The growth in operating income and operating margin was driven by the growing consumer loans receivable portfolio but moderated by the incremental new store earnings drag of the 45 locations acquired in the first quarter of 2015, increased charge-off rates and the decline in the loan portfolio yield. Excluding the earnings drag associated with the acquired branches, operating margin would have been 32.2% in the year to date period.

Finance Costs

Finance costs for the six month period ended June 30, 2015 were $6.8 million, up $3.4 million from the same period in 2014. The increase in finance costs was driven by higher average borrowing levels.

Income Tax Expense

The effective income tax rate for the current year to date period was 26.0% broadly consistent with the 25.4% reported in the same period of 2014.

Net Income and EPS

Net income for the six month period ended June 30, 2015 was $9.9 million or $0.71 per share on a diluted basis compared with $9.2 million or $0.66 per share in the same period of 2014, an increase of $0.8 million and $0.05 per share respectively.

The acquisition and opening of 45 easyfinancial branches in the previous quarter negatively impacted the year to date earnings by $0.11 when compared to the expected results that would have been achieved if the Company's organic store expansion plan of 40 to 45 new store openings was being followed.

Selected Quarterly Information

($ in millions except percentages and per share amounts)	Jun. 2015	Mar. 2015	Dec. 2014	Sept. 2014	Jun. 2014	Mar. 2014	Dec. 2013	Sept. 2013	Jun. 2013
Revenue	**72.9**	70.5	70.0	65.5	63.2	60.3	57.8	54.9	53.8
Net income for the period	**5.0**	4.9	7.1	3.5	4.5	4.6	4.3	3.8	3.1
Net income as a percentage of revenue	**6.9%**	7.0%	10.2%	5.3%	7.2%	7.7%	7.5%	6.8%	5.8%
Earnings per share[1]									
Basic	**0.37**	0.36	0.53	0.26	0.34	0.35	0.34	0.32	0.26
Diluted	**0.36**	0.35	0.51	0.25	0.33	0.34	0.33	0.31	0.26

[1]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.

Portfolio Analysis

The Company generates its revenue from a portfolio of lease agreements and consumer loans receivable that are originated through the initial transaction with its customers. To a large extent, the business results for a period are determined by the performance of these portfolios, and the make-up of the portfolios at the end of a period are an important indicator of future business results.

The Company measures the performance of its portfolios during a period and their make-up at the end of a period using a number of key portfolio 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.

The discussion in this section 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 the Company's financial statements. The Company discusses these measures because it believes that they facilitate the understanding of the results of its operations and financial position.

easyhome Leasing Portfolio Analysis

Potential Monthly Leasing Revenue

The Company measures its leasing portfolio through potential monthly lease revenue. Potential monthly lease revenue reflects the revenue that the Company's portfolio of leased merchandise would generate in a month providing it collected all lease payments due in that period. 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 the leased items.

The change in the potential monthly lease revenue during the periods was as follows:

	Three Months Ended		**Six Months Ended**	
($ in 000's)	**June 30, 2015**	**June 30, 2014**	**June 30, 2015**	**June 30, 2014**
Opening potential monthly lease revenue	**10,614**	11,123	**10,955**	11,430
Change due to store openings or acquisitions during the period	**-**	-	**81**	8
Change due to store closures or sales during the period	**(211)**	(138)	**(393)**	(245)
Change due to ongoing operations	**(196)**	(237)	**(436)**	(445)
Net change	**(407)**	(375)	**(748)**	(682)
Ending potential monthly lease revenue	**10,207**	10,748	**10,207**	10,748

easyhome Leasing Portfolio by Product Category

At the end of the periods, the Company's leasing portfolio as measured by potential monthly lease revenue was allocated between the following product categories:

($ in 000's)	**June 30, 2015**	**June 30, 2014**
Furniture	**4,176**	4,098
Appliances	**1,173**	1,254
Electronics	**3,351**	3,449
Computers	**1,507**	1,947
Potential monthly lease revenue	**10,207**	10,748

easyhome Leasing Portfolio by Geography

At the end of the periods, the Company's Leasing portfolio as measured by potential monthly lease revenue was allocated between the following geographic regions:

($ in 000's)	June 30, 2015		June 30, 2014	
	$	**% of total**	**$**	**% of total**
Newfoundland & Labrador	**915**	**9.0%**	894	8.3%
Nova Scotia	**808**	**7.9%**	845	7.9%
Prince Edward Island	**194**	**1.9%**	195	1.8%
New Brunswick	**695**	**6.8%**	681	6.3%
Quebec	**545**	**5.3%**	553	5.1%
Ontario	**3,633**	**35.6%**	3,848	35.8%
Manitoba	**259**	**2.5%**	284	2.6%
Saskatchewan	**658**	**6.5%**	718	6.7%
Alberta	**1,313**	**12.9%**	1,319	12.4%
British Columbia	**938**	**9.2%**	958	8.9%
USA	**249**	**2.4%**	453	4.2%
Potential monthly lease revenue	**10,207**	**100.0%**	10,748	100.0%

easyhome Leasing Charge-Offs

When easyhome Leasing enters into a leasing transaction with a customer, a sale is not recorded as easyhome retains ownership of the related asset under the lease. Instead, the Company recognizes its leasing revenue over the term of the lease as payments are received from the customer. Periodically, the lease agreement is terminated by the customer or by the Company prior to the anticipated end date of the lease and the assets are returned by the customer to the Company. In some instances, the Company is unable to regain possession of the assets which is then charged off. Net charge offs (charge offs less subsequent recoveries of previously charged off assets) are included in the depreciation of lease assets expense for financial reporting purposes.

($ in 000's except percentages)	Three Months Ended		Six Months Ended	
	June 30, 2015	**June 30, 2014**	**June 30, 2015**	**June 30, 2014**
Net charge offs	**681**	1,069	**1,853**	2,317
Leasing revenue	**37,571**	39,936	**75,864**	80,236
Net charge offs as a percentage of easyhome Leasing revenue	**1.8%**	2.7%	**2.4%**	2.9%

Consumer Loans Receivable Portfolio

Loan Originations and Net Principal Written

Gross loan originations is the value of all consumer loans receivable advanced to the Company's customers during the period where new credit underwritings have been performed. Included in gross loan originations are loans to new customers and new loans to existing customers, a portion of which is applied to eliminate their prior borrowings. Net principal written details the Company's gross loan originations during a period, excluding that portion of the originations that has been used to eliminate the prior borrowings. The gross loans originations and net principal written during the period were as follows:

($ in 000's)	Three Months Ended June 30, 2015	Three Months Ended June 30, 2014	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014
Loan originations to new customers	**36,231**	24,576	**63,659**	43,050
Loan originations to existing customers	**41,123**	34,813	**74,334**	59,119
Less: Proceeds applied to repay existing loans	**(18,899)**	(16,349)	**(35,022)**	(28,272)
Net advance to existing customers	**22,224**	18,464	**39,312**	30,847
Net principal written	**58,455**	43,040	**102,971**	73,897

Gross Consumer Loans Receivable

The measure that the Company uses to measure its easyfinancial portfolio is gross consumer loans receivable. Gross consumer loans receivable reflects the period end balance of the portfolio before provisioning for potential future charge-offs. Growth in gross consumer loans receivable is driven by several factors including an increased number of customers and an increased loan value per customer.

The changes in the gross consumer loans receivable portfolio during the periods were as follows:

($ in 000's)	Three Months Ended June 30, 2015	Three Months Ended June 30, 2014	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014
Opening gross consumer loans receivable	**207,509**	123,497	**192,225**	110,704
Gross loan originations	**77,354**	59,389	**137,993**	102,169
Gross principal payments and other adjustments	**(44,633)**	(32,528)	**(82,389)**	(58,707)
Gross charge offs before recoveries	**(9,329)**	(4,972)	**(16,928)**	(8,780)
Net growth in gross consumer loans receivable during the period	**23,392**	21,889	**38,676**	34,682
Ending gross consumer loans receivable	**230,901**	145,386	**230,901**	145,386

Net Charge Offs

In addition to loan originations, the consumer loans receivable portfolio during a period is impacted by charge offs of delinquent customers. The Company charges off delinquent customers when they are 90 days contractually in arrears. Subsequent collections of previously charged off accounts are netted with gross charge offs during a period to arrive at net charge offs.

Average gross consumer loans receivable has been calculated based on the average of the month end loan balances for the indicated period. This metric is a measure of the collection performance of the easyfinancial consumer loans receivable portfolio. For interim periods, the rate is annualized.

	Three Months Ended		Six Months Ended	
($ in 000's except percentages)	**June 30, 2015**	**June 30, 2014**	**June 30, 2015**	**June 30, 2014**
Net charge offs	**7,955**	4,746	**14,908**	8,387
Average gross consumer loans receivable	**222,330**	138,073	**211,652**	128,375
Net charge offs as a percentage of average gross consumer loans receivable (annualized)	**14.3%**	13.7%	**14.1%**	13.1%

easyfinancial Bad Debt Expense

The Company's bad debt expense for a period includes the net charge offs for that particular period plus any increases or decreases to its allowance for loan losses.

The details of the Company's bad debt expense for the periods were as follows:

	Three Months Ended		Six Months Ended	
($ in 000's except percentages)	**June 30, 2015**	**June 30, 2014**	**June 30, 2015**	**June 30, 2014**
Net charge offs	**7,955**	4,746	**14,908**	8,387
Net change in allowance for loan losses	**1,481**	1,302	**2,696**	1,868
Bad debt expense	**9,436**	6,048	**17,604**	10,255
easyfinancial revenue	**35,319**	23,310	**67,551**	43,344
Bad debt expense as a percentage of easyfinancial revenue	**26.7%**	25.9%	**26.1%**	23.7%

easyfinancial Allowance for Loan Losses

The allowance for loan losses is a provision that is reported on the Company's balance sheet that is netted against the gross consumer loans receivable to arrive at the net consumer loans receivable. The allowance for loan losses provides for a portion of the future charge offs that have not yet occurred within the portfolio of consumer loans receivable that exist at the end of a period. It is determined by the Company using a standard calculation that is not subject to management's discretion or estimates that considers i) the relative maturity of the loans within the portfolio, ii) the long-term expected charge off rates based on actual historical performance and iii) the long-term expected charge off pattern (timing) for a vintage of loans over their life based on actual historical performance. The allowance for loan losses essentially estimates the charge offs that are expected to occur over the subsequent five month period for loans that existed as of the balance sheet date.

($ in 000's except percentages)	Three Months Ended June 30, 2015	Three Months Ended June 30, 2014	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014
Allowance for loan losses, beginning of period	**12,747**	7,333	**11,532**	6,768
Net charge offs written off against the allowance	**(7,955)**	(4,746)	**(14,908)**	(8,387)
Change in allowance due to lending and collection activities	**9,436**	6,049	**17,604**	10,255
Allowance for loan losses, ending of period	**14,228**	8,636	**14,228**	8,636
Allowance for loan losses as a percentage of the ending gross consumer loans receivable	**6.2%**	5.9%	**6.2%**	5.9%

Aging of the Consumer Loans Receivable Portfolio

An aging analysis of the consumer loans receivable portfolio at the end of the periods was as follows:

($ in 000's)	June 30, 2015 $	June 30, 2015 % of total	June 30, 2014 $	June 30, 2014 % of total
Current	**215,277**	**93.2%**	136,860	94.1%
Days past due				
1 - 30 days	**9,314**	**4.1%**	5,194	3.6%
31 - 44 days	**1,948**	**0.8%**	1,026	0.7%
45 - 60 days	**2,049**	**0.9%**	1,126	0.8%
61 - 90 days	**2,313**	**1.0%**	1,179	0.8%
	15,624	**6.8%**	8,526	5.9%
Gross consumer loans receivable	**230,901**	**100.0%**	145,386	100%

A large portion of the Company's consumer loans receivable portfolio operates on a bi-weekly rather than monthly repayment cycle. As such, the aging analysis between different fiscal periods may not be comparable depending upon the day of the week on which the fiscal period ends. An alternate aging analysis prepared as of the last Saturday of the fiscal periods often presents a more relevant comparison. An aging analysis of the consumer loans receivable portfolio as of the last Saturday of the periods was as follows:

($ in 000's)	Saturday, June 27, 2015 % of total	Saturday, June 28, 2014 % of total
Current	**93.0%**	93.8%
Days past due		
1 - 30 days	**4.4%**	4.0%
31 - 44 days	**0.8%**	0.7%
45 - 60 days	**0.8%**	0.7%
61 - 90 days	**1.0%**	0.9%
	7.0%	6.2%
Gross consumer loans receivable	**100.0%**	100%

easyfinancial Consumer Loans Receivable Portfolio by Geography

At the end of the periods, the Company's easyfinancial consumer loans receivable portfolio was allocated between the following geographic regions:

($ in 000's)	June 30, 2015		June 30, 2014	
	$	% of total	$	% of total
Newfoundland & Labrador	**12,987**	**5.6%**	9,610	6.6%
Nova Scotia	**19,795**	**8.6%**	15,420	10.6%
Prince Edward Island	**3,088**	**1.3%**	2,325	1.6%
New Brunswick	**13,666**	**5.9%**	9,091	6.3%
Quebec	**-**	**-**	-	-
Ontario	**101,980**	**44.2%**	62,941	43.3%
Manitoba	**8,543**	**3.7%**	5,194	3.6%
Saskatchewan	**11,912**	**5.2%**	7,197	4.9%
Alberta	**31,614**	**13.7%**	18,409	12.7%
British Columbia	**25,262**	**10.9%**	14,321	9.8%
Territories	**2,054**	**0.9%**	878	0.6%
Gross consumer loans receivable	**230,901**	**100.0%**	145,386	100.0%

Key Performance Indicators and Non-IFRS Measures

In addition to the reported financial results under IFRS and the metrics described in the Portfolio Analysis section of this MD&A, the Company also measures the success of its 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.

The discussion in this section 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 the Company's 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 are used 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 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		Six Months Ended	
	June 30, 2015	**June 30, 2014**	**June 30, 2015**	**June 30, 2014**
Same store revenue growth	**16.8%**	19.7%	**17.9%**	19.2%
Same store revenue growth excluding easyfinancial	**3.1%**	2.7%	**3.2%**	3.3%

Operating Expenses Before Depreciation and Amortization

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

	Three Months Ended		Six Months Ended	
($ in 000's except percentages)	**June 30, 2015**	**June 30, 2014**	**June 30, 2015**	**June 30, 2014**
Operating expenses before depreciation and amortization	**48,575**	41,510	**95,699**	80,103
Divided by revenue	**72,890**	63,246	**143,415**	123,580
Operating expenses before depreciation and amortization as % of revenue	**66.6%**	65.6%	**66.7%**	64.8%

Operating Margin

The Company defines operating margin as operating income divided by revenue for the Company as a whole and for its operating segments: easyhome Leasing and easyfinancial. The Company believes operating margin is an important measure of the profitability of its operations which in turn, assists it in assessing the Company's ability to generate cash to pay interest on its debt and to pay dividends.

($ in 000's except percentages)	Three Months Ended June 30, 2015	Three Months Ended June 30, 2014	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014
easyhome Leasing				
Operating income	**5,582**	6,507	**11,574**	13,901
Divided by revenue	**37,571**	39,936	**75,864**	80,236
easyhome Leasing operating margin	**14.9%**	16.3%	**15.3%**	17.3%
easyfinancial				
Operating income	**9,564**	7,178	**19,290**	14,341
Divided by revenue	**35,319**	23,310	**67,551**	43,344
easyfinancial operating margin	**27.1%**	30.8%	**28.6%**	33.1%
Total				
Operating income	**10,414**	7,670	**20,189**	15,643
Divided by revenue	**72,890**	63,246	**143,415**	123,580
Total operating margin	**14.3%**	12.1%	**14.1%**	12.7%

Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA") and EBITDA Margin

The Company defines EBITDA as earnings before interest, taxes, depreciation and amortization, excluding depreciation of leased assets. The Company uses EBITDA, among other measures, to assess the operating performance of its ongoing businesses. EBITDA margin is calculated as EBITDA divided by revenue.

($ in 000's except percentages)	Three Months Ended June 30, 2015	Three Months Ended June 30, 2014	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014
Net income as stated	**5,017**	4,536	**9,940**	9,166
Finance costs	**3,621**	1,800	**6,751**	3,358
Income tax expense	**1,776**	1,334	**3,498**	3,119
Depreciation and amortization, excluding dep. of lease assets	**2,267**	1,765	**4,269**	3,473
EBITDA	**12,681**	9,435	**24,458**	19,116
Divided by revenue	**72,890**	63,246	**143,415**	123,580
EBITDA margin	**17.4%**	14.9%	**17.1%**	15.5%

Return on Equity

The Company defines return on equity as annualized net income in the period divided by average shareholders' equity for the period. The Company believes return on equity is an important measure of how shareholders' invested capital is utilized in the business.

($ in 000's except periods and percentages)	Three Months Ended June 30, 2015	Three Months Ended June 30, 2014	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014
Net income as stated	**5,017**	4,536	**9,940**	9,166
Multiplied by number of periods in year	**X 4/1**	X 4/1	**X 4/2**	X 4/2
Divided by average shareholders' equity for the period	**161,770**	141,899	**159,169**	139,810
Return on equity	**12.4%**	12.8%	**12.5%**	13.1%

Financial Condition

The following table provides a summary of certain information with respect to the Company's capitalization and financial position as at June 30, 2015 and June 30, 2014.

($ in 000's, except for ratios)	June 30, 2015	June 30, 2014
Consumer loans receivable (net of provision)	**216,673**	136,750
Lease assets	**61,013**	62,623
Property and equipment	**19,886**	16,415
Intangible assets	**12,059**	10,751
Amounts receivable	**11,947**	8,000
Cash	**4,794**	294
Other assets	**29,210**	29,395
Total assets	**355,582**	264,228
External debt (includes term loan)	**155,223**	74,038
Other liabilities	**36,049**	46,401
Total liabilities	**191,272**	120,439
Shareholders' equity	**164,310**	143,789
Total capitalization (total debt plus total shareholders' equity)	**319,533**	217,827
External debt to shareholders' equity	**0.94**	0.51
External debt to total capitalization	**0.49**	0.34
External debt to EBITDA [1]	**3.38**	2.03

[1] EBITDA excludes the impact of restructuring and other unusual items and is expressed in a trailing 12 month basis.

Total assets were $355.6 million as at June 30, 2015, an increase of $91.4 million or 34.6% over June 30, 2014. The growth in total assets was driven primarily by: i) the increased size of the consumer loans receivable portfolio (net of provision) which increased by $79.9 million over the past 12 months, ii) the Company's investment in property and equipment and intangible assets (net of disposals and depreciation and amortization expense) which included the acquisition of 45 branch locations for easyfinancial, iii) a $3.9 million increase in amounts receivable related to a larger interest receivable driven by the growth of the consumer loans receivable portfolio and higher receivables from franchisees, and iv) higher cash balances on hand.

The $91.4 million growth in total assets was financed by an $81.1 million increase in external debt and a $20.5 million increase in total shareholder's equity. While the Company has continued to pay a dividend 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.

The Company's credit facilities consisted of a $180.0 million term loan and a $20.0 million revolving operating facility. As at June 30, 2015, $160.0 million had been drawn under the term loan. Borrowings under the term loan bore interest at the Canadian Bankers' Acceptance rate plus 722 bps, while borrowing under the revolving operating facility bore interest at the lender's prime rate plus 200 to 300 bps depending on the Company's debt to earnings before interest, taxes, depreciation and amortization ratio. This credit facility expires on October 4, 2018 and was secured by a first charge over substantially all assets of the Company. As at June 30, 2015, the Company's interest rates under the term loan and revolving operating facility were 8.22% and 5.0%, respectively.

Liquidity and Capital Resources

Summary of Cash Flow Components

	Three Months Ended		Six Months Ended	
($ in 000's)	**June 30, 2015**	**June 30, 2014**	**June 30, 2015**	**June 30, 2014**
Cash provided by operating activities before issuance of consumer loans receivable	**27,875**	30,550	**50,614**	53,089
Net issuance of consumer loans receivable	**(31,347)**	(26,634)	**(53,584)**	(43,069)
Cash (used in) provided by operating activities	**(3,472)**	3,916	**(2,970)**	10,020
Cash used in investing activities	**(9,788)**	(11,997)	**(25,902)**	(22,820)
Financing activities	**17,721**	3,046	**32,501**	10,765
Net increase (decrease) in cash for the period	**4,461**	(5,035)	**3,629**	(2,035)

Cash flows used in operating activities for the three month period ended June 30, 2015 were $3.5 million. Included in this amount was a net investment of $31.3 million to increase the easyfinancial consumer loans receivable portfolio. If this net investment in the easyfinancial consumer loans receivable portfolio was treated as cash flows from investing activities, the cash flows generated by operating activities would be $27.9 million in the second quarter of 2015, down from $30.6 million from the second quarter of 2014. While net income increased $0.5 million in the second quarter of 2015 compared to the second quarter of 2014, this increase was offset by an increase in working capital balances.

Cash flows provided by operating activities in the second quarter of 2015 enabled the Company to: i) meet the growth demands of easyfinancial as described above, ii) invest $9.7 million in new lease assets, iii) invest $2.8 million in additional property and equipment and intangible assets and iv) maintain its dividend payments.

During the quarter, the Company generated $17.7 million in cash flow from financing activities as the Company increased its borrowings under the credit facility to finance the growth of easyfinancial.

Cash flows used in operating activities for the six month period ended June 30, 2015 were $3.0 million. Included in this amount was a net investment of $53.6 million to increase the easyfinancial consumer loans receivable portfolio. If this net investment in the easyfinancial consumer loans receivable portfolio was treated as cash flows from investing activities, the cash flows generated by operating activities would be $50.6 million in the current year to date period, down $2.5 million compared to the same period of 2014. While net income increased by $0.8 million in the current year to date period compared with the comparable period of 2014 this increase was offset by an increase in working capital balances.

Cash flows provided by operating activities in the six month period ended June 30, 2015 enabled the Company to: i) meet the growth demands of easyfinancial as described above, ii) invest $21.5 million in new lease assets, iii) invest $5.7 million in additional property and equipment and intangible assets, iv) invest $3.7 million in asset acquisitions and v) maintain its dividend payments.

During the six month period ending June 30, 2015, the Company generated $32.5 million in cash flow from financing activities related to increased borrowings under the Company's credit facility.

The Company believes that the cash flows provided by operations will be sufficient in the near-term to meet operational requirements, purchase lease assets, meet capital spending requirements and pay dividends. Also, the additional availability under the Company's credit facilities will allow the Company to grow its consumer loans receivable portfolio through much of 2015. However, for easyfinancial to achieve its full long-term growth potential, 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 and Dividends

As at July 29, 2015 there were 13,452,975 shares, 150,260 DSUs, 521,831 options, 674,410 RSUs, and no warrants outstanding.

On February 18, 2015, the Company increased the dividend rate by 17.6% from $0.085 per share to $0.10 per share. For the quarter ended June 30, 2015, the Company paid a $0.10 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. However, 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 second quarter of the years indicated:

	2015	2014	2013	2012	2011	2010	2009
Dividend per share	**$ 0.100**	**$ 0.085**	$ 0.085	$ 0.085	$ 0.085	$ 0.085	$ 0.085
Percentage increase	**17.6%**	**0.0%**	0.0%	0.0%	0.0%	0.0%	0.0%

Commitments, Guarantees and Contingencies

The Company's commitments, guarantees and contingencies remain as described in its December 31, 2014 MD&A.

Risk Factors

The Company's activities are exposed to a variety of commercial, operational, financial and regulatory 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.

The Company's risk factors remain as described in its December 31, 2014 MD&A.

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 consolidated financial statements and the reported amounts of revenue and expenses during the year. Actual amounts could differ from these estimates.

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 are fully described in the Company's December 31, 2014 Notes to the Financial Statements.

Adoption of New Accounting Standards and Standards Issued But Not Yet Effective

No new accounting standards were adopted by the Company during the reporting period.

The Company will be required to adopt IFRS 9, Financial Instruments, which is the IASB's project to replace IAS 39. IFRS 9 is required to be applied for years beginning on or after January 1, 2018 with early adoption permitted, and will provide new requirements for the classification and measurement of financial assets and liabilities, impairment and hedge accounting. The Company has not yet assessed the impact of this standard.

In May 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers, which clarifies the principles for recognizing revenue and cash flows arising from contracts with customers. The standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted, and is to be applied retrospectively. The Company has not yet assessed the impact of this standard.

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 June 30, 2015.

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 (1992) 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 June 30, 2015.

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 June 30, 2015 that materially affected, or were reasonably likely to materially affect, the internal controls over financial reporting. There were no such changes during the quarter.