

November 8, 2011

***easyhome* Ltd. Reports 2011 Third Quarter Results**

Mississauga, November 8, 2011: *easyhome* Ltd. (TSX: EH), Canada's largest merchandise leasing Company and a growing provider of financial services, today announced its results for the third quarter and nine months ended September 30, 2011.

easyhome Ltd. ("*easyhome*") continued to show strong revenue increases during the third quarter of 2011. Revenue for the quarter increased 7.7% to \$46.6 million, driven primarily by the expansion of the *easyfinancial* Services business and the related growth of its consumer loans receivable portfolio. Reported net income for the quarter was \$1.9 million, a decrease of 22.4% over the third quarter of 2010. The Company reported diluted earnings per share of \$0.16, compared to \$0.23 for the third quarter of 2010.

During the third quarter, *easyhome* made significant investments in advertising and other promotional activities that were designed to retain our customers through the challenging summer months and increase the number of lease agreements through the early fall. Although negatively impacting quarterly earnings per share by approximately \$0.08, these investments successfully grew the lease asset portfolio (as measured by potential monthly lease revenue which reflects the revenue our lease asset portfolio could generate in a month) by \$0.2 million during the quarter. This represents a significant turnaround as the lease asset portfolio declined by \$0.3 million in the third quarter of 2010. As at September 30, 2011, the lease asset portfolio was \$0.4 million larger than at September 30, 2010, an improvement of almost \$0.6 million during the quarter. The \$0.4 million increased size of the lease asset portfolio has the potential to generate approximately \$1.3 million in increased quarterly revenue going forward.

Additional items impacting earnings per share in the third quarter of 2011 include the following:

- New locations across the different business units opened during the third quarter of 2011 negatively impacted earnings per share by approximately \$0.03. We expect the performance of these locations to improve as they mature.
- The 20.8% growth during the quarter of the consumer loans receivable portfolio represented a year-over-year increase of 110% and an ending gross consumer loans receivable portfolio of \$42.7 million, allowing *easyfinancial* Services to contribute an additional \$0.05 per share when compared to normalized results for the third quarter of 2010.
- Offsetting the greater contribution of *easyfinancial* Services are increased corporate and administrative costs of \$0.05 per share that were put in place to support future growth.

Commenting on the results, David Ingram, *easyhome*'s President and Chief Executive Officer stated "We experienced mixed results for the quarter. We are disappointed with the earnings per share which were affected by the previously mentioned advertising and promotional activities and our increased corporate and administrative costs. However, we are pleased with our commercial results which were strong as the leasing business had its highest potential monthly lease revenue growth of any third quarter in recent history, driven by an 18% increase in the number of leased units delivered. *easyfinancial* Services also grew the size of its consumer loans receivable portfolio by \$7.4 million. As such, our two largest business units are now poised for improved performance going into the crucial fourth quarter holiday season."

Third Quarter Results

For the third quarter ended September 30, 2011, *easyhome* generated revenues of \$46.6 million, an increase from \$43.2 million in the third quarter of 2010. At the store level, including *easyfinancial*, same store revenue growth for the quarter was 5.1% compared with a growth of 4.9% for the third quarter of 2010.

On a segmented basis, the Company's leasing operations recorded revenues of \$39.8 million, unchanged from the same period last year. Franchising contributed revenues of \$0.3 million, an increase of \$0.1 million from the same period last year. *easyfinancial* Services revenues increased to \$6.4 million from \$3.2 million for the same period last year. The improvement is a result of the increase in the consumer loans receivable portfolio from \$20.4 million to \$42.7 million.

Operating income, which is income before interest expense and income taxes, decreased 7.7% to \$3.3 million from \$3.6 million in the third quarter of 2010. Quarterly revenue increases were offset by additional costs resulting from additional stores and *easyfinancial* locations, significant advertising expenditures during the quarter and a greater level of corporate costs to support sustainable growth. As a percentage of revenue, operating income was 7.2% compared to 8.4% in the third quarter of 2010.

Net income decreased 22.4% to \$1.9 million for the third quarter of 2011, compared with \$2.4 million for the third quarter of 2010. On a per share basis, earnings were \$0.16 compared with \$0.23. Adjusted for the bad debt expenses related to the employee fraud in the prior year, earnings were \$2.7 million, or \$0.26 per share, a year ago.

Nine Months Results

For the first nine months of the year, *easyhome* recorded revenues of \$139.0 million, up 7.7% compared with \$129.1 million in the first nine months of 2010. Operating income for the period was \$11.1 million, an increase of 7.8% compared with \$10.3 million in the first nine months of 2010. Diluted earnings per share decreased from \$0.61 to \$0.59. Net income, adjusted for unusual items, was \$7.0 million compared with \$7.5 million for the same period last year. On a per share basis and excluding unusual items, diluted earnings per share was \$0.59 compared with \$0.72 a year ago.

Cash flow provided by operating activities for the nine months ended September 30, 2011 was \$26.4 million. Included in these cash flows was a net investment in the *easyfinancial* Services consumer loans receivable portfolio of \$22.9 million. If this net investment in the loan portfolio was treated as cash flow from investing activities, cash flow from operating activities would be \$49.3 million. This cash flow enabled the Company to invest in the portfolios to drive future revenue growth of all business units, strengthen the management and infrastructure to support sustainable growth and maintain its total dividend payments for the quarter. In the third quarter of 2011, and as previously announced, the Company increased its bank revolving credit facility

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by \$10 million which will provide additional funding to further the growth of the *easyfinancial* Services business.

Outlook

David Ingram commented, “We believe that uncertain economic conditions will continue into the new year. As a result, we will continue to be cautious as it relates to the opening of new stores and *easyfinancial* Services locations. We will, however, leverage the improvements that were made in the current year to both our internal processes and infrastructure which will result in further revenue growth and margin enhancement, particularly at *easyfinancial*.”

easyhome has established the following targets for 2012: *easyhome* leasing to open 1-2 new corporate stores plus 4-7 new franchise stores that are consolidated for financial reporting purposes, the opening of 5-10 new franchise stores, and the opening of 15-20 new *easyfinancial* locations. Based on these assumptions, we are targeting total revenue growth of 10-15%. The achievement of these targets by the Company are predicated on a number of factors, including the availability of sufficient capital.

Donald K. Johnson, Chairman of the Board, commented, “The Company has seen significant change over the past 12 months as management has taken the necessary steps to support the Company’s strategy for sustainable growth. The Board looks forward to improved results in the future.”

The Board of Directors has approved a quarterly dividend payment of \$0.085 per share payable on January 5, 2012 to common shareholders of record as at the close of business on December 1, 2011.

About easyhome

As at September 30, 2011, *easyhome* Ltd. had 261 stores, including 43 franchised/licensed locations. The Company also operated 77 *easyfinancial* kiosks within existing *easyhome* stores, two stand-alone *easyfinancial* locations and one national loan office.

easyhome Ltd. is Canada's largest merchandise leasing Company and the third largest in North America, offering top quality, brand-name household furnishings, appliances and home electronic products to consumers under weekly or monthly leasing agreements through both corporate and franchise stores. In addition, the Company offers a variety of financial services, including loans, prepaid cards and cheque cashing through its *easyfinancial* services business. *easyhome* Ltd. is listed on the TSX under the symbol ‘EH’. For more information, visit www.easyhome.ca.

The above analysis refers to certain financial measures that are not determined in accordance with international financial reporting standards (“IFRS”). These measures do not have standardized meanings and may not be comparable to similar measures presented by other companies. Although measures such as operating income and same store revenue growth do not have standardized meanings prescribed by IFRS, these measures are defined in our management

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discussion and analysis which is available on SEDAR or on the Company's website at www.easyhome.ca or can be determined by reference to our financial statements. We discuss these measures because we believe that they facilitate the understanding of the results of our operations and financial position.

Forward-Looking Statements

This news release 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, raise capital under favourable terms, manage the impact of 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.

(tables follow)

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easyhome Ltd.**INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Unaudited)

(expressed in thousands of Canadian dollars)

	As at September 30, 2011	As at December 31, 2010
ASSETS (note 6)		
Current assets		
Cash	638	731
Amounts receivable	4,308	4,809
Income taxes recoverable	175	-
Consumer loans receivable (note 4)	30,844	18,162
Prepaid expenses	1,703	1,296
Total current assets	37,668	24,998
Amounts receivable	1,093	1,062
Consumer loans receivable (note 4)	9,628	3,667
Lease assets	65,705	68,622
Property and equipment (note 5)	12,679	12,953
Deferred tax assets (note 9)	5,190	8,047
Intangible assets	3,772	3,093
Goodwill	17,325	17,325
TOTAL ASSETS	153,060	139,767
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Bank revolving credit facility (note 6)	29,381	15,649
Accounts payable and accrued liabilities	17,763	19,322
Income taxes payable	-	65
Dividends payable (note 7)	1,007	892
Deferred lease inducements	559	578
Unearned revenue	4,446	5,310
Term loan (note 6)	-	2,602
Provisions	113	421
Total current liabilities	53,269	44,839
Accounts payable and accrued liabilities	946	450
Deferred lease inducements	1,729	1,881
Provisions	159	407
Total liabilities	56,103	47,577
Shareholders' equity		
Share capital (note 7)	60,207	60,074
Contributed surplus	3,149	3,061
Accumulated comprehensive loss	316	(257)
Retained earnings	33,285	29,312
Total shareholders' equity	96,957	92,190
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	153,060	139,767

See accompanying notes to the interim condensed consolidated financial statements

easyhome Ltd.

INTERIM CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

(expressed in thousands of Canadian dollars except earnings per share)

	Three months ended		Nine months ended	
	September 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010
REVENUE				
Lease revenue	39,040	39,159	119,198	119,525
Interest income	4,369	1,755	10,681	3,948
Other	3,157	2,322	9,154	5,652
	46,566	43,236	139,033	129,125
EXPENSES				
Salaries and benefits (note 8)	15,304	13,045	45,129	39,595
Advertising and promotion	1,748	929	5,214	3,682
Bad debts	1,729	1,854	4,243	2,964
Occupancy	6,145	6,151	18,819	18,296
Distribution and travel	1,993	1,472	5,932	4,735
Other	3,904	3,177	10,492	8,719
Restructuring items	-	-	-	641
	30,823	26,628	89,829	78,632
DEPRECIATION AND AMORTIZATION				
Depreciation of lease assets	11,563	11,961	35,375	36,238
Depreciation of property and equipment (note 5)	914	923	2,538	2,846
Amortization of intangible assets	120	58	397	245
Impairment (net) (note 5)	(202)	37	(173)	900
	12,395	12,979	38,137	40,229
Operating income	3,348	3,629	11,067	10,264
Interest expense (note 11)	423	304	1,056	853
Income before income taxes	2,925	3,325	10,011	9,411
Income tax expense (note 9)				
Current	611	1,004	162	1,460
Deferred	414	(126)	2,853	1,513
	1,025	878	3,015	2,973
Net income	1,900	2,447	6,996	6,438
Basic earnings per share (note 10)	0.16	0.23	0.59	0.62
Diluted earnings per share (note 10)	0.16	0.23	0.59	0.61

See accompanying notes to the interim condensed consolidated financial statements

easyhome Ltd.

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited)

(expressed in thousands of Canadian dollars)

	Three months ended		Nine months ended	
	September 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010
Net income	1,900	2,447	6,996	6,438
Other comprehensive income (loss) for the period				
Foreign currency translation reserve	920	(288)	573	(140)
Comprehensive income	2,820	2,159	7,569	6,298

See accompanying notes to the interim condensed consolidated financial statements

easyhome Ltd.

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited)

(expressed in thousands of Canadian dollars)

	Issued Capital	Contributed Surplus	Total Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Equity
Balance, January 1, 2011	60,074	3,061	63,135	29,312	(257)	92,190
Shares issued	133	(190)	(57)	-	-	(57)
Stock-based compensation (note 8)	-	278	278	-	-	278
Comprehensive income, net of tax	-	-	-	6,996	573	7,569
Dividends paid (note 7)	-	-	-	(3,023)	-	(3,023)
Balance, September 30, 2011	60,207	3,149	63,356	33,285	316	96,957
Balance, January 1, 2010	48,880	3,142	52,022	26,801	-	78,823
Shares issued	286	(132)	154	-	-	154
Stock-based compensation (note 8)	-	(228)	(228)	-	-	(228)
Comprehensive income, net of tax	-	-	-	6,438	(140)	6,298
Dividends paid (note 7)	-	-	-	(2,668)	-	(2,668)
Balance, September 30, 2010	49,166	2,782	51,948	30,571	(140)	82,379

See accompanying notes to the interim condensed consolidated financial statements

easyhome Ltd.

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

(expressed in thousands of Canadian dollars)

	Three months ended		Nine months ended	
	September 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010
OPERATING ACTIVITIES				
Net income	1,900	2,447	6,996	6,438
Add (deduct) items not affecting cash				
Depreciation of lease assets	11,563	11,961	35,375	36,238
Depreciation of property and equipment (note 5)	914	923	2,538	2,846
Impairment (net) (note 5)	(202)	37	(173)	900
Amortization of intangible assets	120	58	397	245
Stock-based compensation (note 8)	72	(553)	278	(228)
Bad debt expense (note 4)	1,729	1,854	4,243	2,964
Deferred tax expense	414	(126)	2,853	1,513
Gain on sale of property and equipment	4	23	(424)	(382)
	16,514	16,624	52,083	50,534
Net change in non-cash working capital balances related to operations (note 11)	2,725	(4,102)	(2,831)	(132)
Net issuance of consumer loans receivable	(8,704)	(3,676)	(22,886)	(12,541)
Cash provided by operating activities	10,535	8,846	26,366	37,861
INVESTING ACTIVITIES				
Net purchase of lease assets	(10,506)	(11,124)	(31,885)	(31,313)
Purchase of property and equipment	(1,411)	(2,095)	(2,836)	(6,234)
Purchase of intangible assets	(670)	(77)	(892)	(224)
Proceeds on sale of property and equipment	213	1,033	987	1,257
Cash used in investing activities	(12,374)	(12,263)	(34,626)	(36,514)
FINANCING ACTIVITIES				
Advances (payments) of bank revolving credit facility	3,573	5,600	13,732	4,048
Payments of term loan (note 6)	(867)	(891)	(2,602)	(2,646)
Payment of common share dividends (note 7)	(1,007)	(884)	(2,906)	(2,661)
Redemption of deferred share units	-	-	(57)	-
Issuance of common shares on exercise of options	-	15	-	154
Cash provided by (used in) financing activities	1,699	3,840	8,167	(1,105)
Net increase (decrease) in cash during the period	(140)	423	(93)	242
Cash, beginning of period	778	110	731	291
Cash, end of period	638	533	638	533

See accompanying notes to the interim condensed consolidated financial statements