
***easyhome* Ltd. Reports 2012 Third Quarter Results**

Revenue Growth of 5.8%, Net Income Growth of 39%

Mississauga, November 12, 2012: *easyhome* Ltd. (TSX: EH, the “Company” or “*easyhome*”), Canada’s largest merchandise leasing company and a growing provider of financial services, today announced its results for the third quarter ended September 30, 2012.

easyhome delivered strong revenue growth during the third quarter of 2012. Revenue for the quarter increased 5.8% to \$49.3 million, driven primarily by the expansion of the *easyfinancial* Services business and the related growth of its consumer loans receivable portfolio. Net income for the quarter was \$2.6 million, up from \$1.9 million reported in the third quarter of 2011. Reported earnings per share for the quarter was 22 cents compared to 16 cents for the third quarter of 2011.

During the third quarter of 2012 and as previously announced, the Company entered into a new \$20 million credit facility to support the growth of *easyfinancial* Services. 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 its *easyfinancial* Services business.

Other highlights for the third quarter of 2012 include:

***easyhome* Leasing**

- Stabilization of the operating income, arresting the year over year decline experienced in prior quarters
- Same store revenue growth excluding *easyfinancial* Services of 3.1%
- Delivery growth for same stores of 6.8% compared to the third quarter of 2011
- Successful integration of second quarter store closures and the migration of the leasing portfolios from closed stores to nearby locations
- Excluding the impact of changes to the store network, the lease portfolio as measured by potential monthly lease revenue increased by \$0.3 million year over year

***easyfinancial* Services**

- The consumer loans receivable portfolio closed at \$59.6 million, representing a year-over-year increase of 40%
- Revenue for the third quarter of 2012 increased 52% compared to the third quarter of 2011
- Operating margin of 33.8%
- Successful implementation of, and migration to the new loan management system supporting *easyfinancial* Services

November 12, 2012

easyhome Franchising

- Franchise system wide revenue increased 35% compared to the third quarter of 2011
- Shortly after the end of the third quarter of 2012, the last of the three original Be-A-Contender franchise locations that were funded by *easyhome* obtained independent financing and now all three original Be-A-Contender franchise locations have repaid their debts to *easyhome*

Overall

- Same store revenue growth of 9.8%
- Excluding the impact of variable compensation plan expenses, corporate expenses for the third quarter of 2012 are consistent with corporate expenses for the third quarter of 2011
- Operating income increased 28% from the third quarter of 2011
- Operating margin of 8.7% and EBITDA margin of 11.0%
- Cash flow from operating activities of \$16.3 million

“We are pleased with our financial performance and with the completion of several strategic initiatives during the quarter,” said David Ingram, *easyhome*’s President and Chief Executive Officer. “The restructuring of our *easyhome* leasing operations that occurred in the second quarter of this year delivered the expected results. Our *easyfinancial* Services business continued to produce higher earnings and margin expansion. This was achieved while migrating to our new loan management system without negatively impacting customers. Finally, we secured additional financing which will allow us to grow unencumbered throughout 2013.”

Third Quarter Results

For the third quarter ended September 30, 2012, *easyhome* generated revenues of \$49.3 million, an increase from \$46.6 million in the third quarter of 2011. At the store level, including *easyfinancial*, same store revenue growth for the quarter was a strong 9.8%, up from 5.1% in the third quarter of 2011.

On a segmented basis, *easyfinancial* Services revenues increased 52% to \$9.8 million from \$6.4 million for the same period last year. The improvement is a result of the increase in the consumer loans receivable portfolio from \$42.7 million to \$59.6 million. The Company’s leasing operations recorded revenues of \$39.1 million, down from \$39.8 for the same period last year and franchising operations recorded revenues of \$0.3 million, relatively unchanged from the same period last year.

Operating income, which is income before interest expense and income taxes, increased 27% to \$4.3 million from \$3.3 million in the third quarter of 2011. As a percentage of revenue, operating income was 8.7% compared to 7.2% in the third quarter of 2011.

Net income increased to \$2.6 million or 22 cents per share for the third quarter of 2012, compared with net income of \$1.9 million or 16 cents per share for the third quarter of 2011.

Nine Months Results

For the nine months of the year, *easyhome* recorded revenues of \$148.0 million, up 6.4% compared with \$139.0 million in the first nine months of 2011. Operating income for the period was \$10.5 million compared with \$10.0 million in the first nine months of 2011. Adjusted operating earnings for the nine months of 2012, excluding the restructuring and other charges, was \$12.4 million, an increase of 11.6% over the first nine months of 2011. Diluted earnings per share increased from 59 cents to 61 cents. Adjusted net income, adjusted for unusual items, was \$7.6 million compared with \$7.0 million for the same period last year. On a per share basis and excluding unusual items, diluted earnings per share was 63 cents compared with 59 cents a year ago.

Cash flow provided by operating activities for the nine months ended September 30, 2012 was \$42.5 million. Included in these cash flows was a net investment in the *easyfinancial* Services consumer loans receivable portfolio of \$17.9 million. If this net investment in the loan portfolio was treated as cash flow from investing activities, cash flow from operating activities would be \$60.4 million. This cash flow from operating activities enabled the Company to invest in the portfolios to drive future revenue growth of all business units and maintain its total dividend payments for the quarter.

Outlook

“We believe that our business is well positioned for continued success,” commented David Ingram. “*easyhome* leasing took the difficult but necessary steps in the second quarter of this year to restructure its operations and return the focus of field staff from administrative processes to leasing, collecting and customer relationships. Over the past 24 months, *easyfinancial* has tripled the size of its consumer loans receivable portfolio and has a Canadian leadership position as an alternative provider of term financing to consumers. We have completed the build out of our corporate infrastructure to support the growth plans of all of our business units. Finally, we have secured the financing that is necessary for the Company to achieve its growth objectives.”

easyhome has established the following targets for 2013:

- *easyhome* leasing does not plan to open any new corporate stores but we expect to open 3-4 new Be-A-Contender franchise stores that are consolidated for financial reporting purposes
- open 3-5 new franchise stores
- open 25-35 new *easyfinancial* locations with most of these being stand-alone locations
- *easyfinancial* consumer loans receivable portfolio growing to \$90-\$100 million

Based on these assumptions, we are targeting total revenue growth of 8-12%. The achievement of these targets by the Company, however, is predicated on a number of factors, including the pace of expansion of *easyfinancial*.

November 12, 2012

Donald K. Johnson, Chairman of the Board, commented, “The Company has seen significant change over the past two years, especially as *easyfinancial* has grown into a significant and sustainable business. The Board is pleased with the progress and the results for the first nine months of 2012 and looks forward to continued growth in the future.”

The Board of Directors has approved a quarterly dividend payment of \$0.085 per share payable on January 9, 2013 to the holders of common shares of record as at the close of business on December 1, 2012.

About easyhome

As of November 12th, *easyhome* Ltd. operated 206 *easyhome* leasing stores (including 8 consolidated franchise locations), 101 *easyfinancial* locations and had 46 franchise locations.

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 and prepaid cards, 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, including same store revenue growth, gross consumer loans receivable, adjusted earnings, adjusted operating earnings and adjusted EBITDA, which 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. These measures are defined in our Management’s Discussion and Analysis for the period 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

November 12, 2012

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 actions, 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.

(tables follow)

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

(Unaudited)

(expressed in thousands of Canadian dollars)

	As at September 30, 2012	As at December 31, 2011
ASSETS		
Current assets		
Cash	1,041	1,019
Amounts receivable	3,726	5,893
Income taxes recoverable	-	600
Consumer loans receivable (note 4)	35,548	32,619
Prepaid expenses	1,159	1,316
Total current assets	41,474	41,447
Amounts receivable	805	1,365
Consumer loans receivable (note 4)	20,560	12,319
Lease assets	63,681	66,996
Property and equipment (note 5)	13,268	12,612
Deferred tax assets (note 10)	5,578	2,933
Intangible assets	5,475	4,126
Goodwill	17,325	17,325
TOTAL ASSETS	168,166	159,123
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Bank revolving credit facility (note 6)	32,212	33,123
Accounts payable and accrued liabilities	19,484	19,504
Income taxes payable	6,483	-
Dividends payable (note 7)	1,012	1,007
Deferred lease inducement	541	598
Unearned revenue	3,910	4,562
Provisions (note 9)	325	24
Total current liabilities	63,967	58,818
Accounts payable and accrued liabilities	552	727
Deferred lease inducements	1,682	1,959
Provisions (note 9)	246	77
Total liabilities	66,447	61,581
Contingencies (note 13)		
Shareholders' equity		
Share capital (note 7)	60,667	60,207
Contributed surplus	3,014	3,171
Accumulated other comprehensive loss	(441)	(52)
Retained earnings	38,479	34,216
Total shareholders' equity	101,719	97,542
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	168,166	159,123

See accompanying notes to the interim condensed consolidated financial statements

easyhome Ltd.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

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

	Three months ended		Nine months ended	
	September 30, 2012	September 30, 2011	September 30, 2012	September 30, 2011
REVENUE				
Lease revenue	38,014	39,040	116,925	119,198
Interest income	6,503	4,369	17,533	10,681
Other	4,772	3,157	13,521	9,154
	49,289	46,566	147,979	139,033
EXPENSES BEFORE DEPRECIATION AND AMORTIZATION				
Salaries and benefits (note 8)	16,378	15,304	48,403	45,129
Advertising and promotion	1,702	1,748	5,858	5,214
Bad debts	2,434	1,729	6,760	4,243
Occupancy	6,320	6,145	19,367	18,819
Distribution and travel	1,821	1,993	5,535	5,932
Other	3,376	3,904	10,055	10,492
Restructuring and other items (note 9)	-	-	436	-
	32,031	30,823	96,414	89,829
DEPRECIATION AND AMORTIZATION				
Depreciation of lease assets	11,847	11,563	36,045	35,375
Depreciation of property and equipment	1,007	914	2,978	2,538
Amortization of intangible assets	119	120	348	397
Impairment (net) (note 5)	(7)	(202)	275	(173)
	12,966	12,395	39,646	38,137
Total operating expenses	44,997	43,218	136,060	127,966
Operating income	4,292	3,348	11,919	11,067
Interest expense	481	423	1,428	1,056
Income before income taxes	3,811	2,925	10,491	10,011
Income tax expense (recovery) (note 10)				
Current	1,394	611	5,845	162
Deferred	(221)	414	(2,645)	2,853
	1,173	1,025	3,200	3,015
Net income	2,638	1,900	7,291	6,996
Basic earnings per share (note 11)	0.22	0.16	0.61	0.59
Diluted earnings per share (note 11)	0.22	0.16	0.61	0.59

See accompanying notes to the interim condensed consolidated financial statements