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

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Date: May 7, 2012

The following Management's Discussion and Analysis ["MD&A"] presents an analysis of the financial condition of easyhome Ltd. and its subsidiaries as at March 31, 2012 compared to March 31, 2011, and the results of operations for the three month period ended March 31, 2012 compared with the corresponding period of 2011. This MD&A should be read in conjunction with the Company's 2011 audited consolidated financial statements and the related notes and MD&A and the Company's interim condensed consolidated financial statements for the three months ended March 31, 2012. The financial information presented herein has been prepared under International Financial Reporting Standards ["IFRS"]. All dollar amounts are in Canadian dollars unless otherwise indicated.

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

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

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

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

Caution Regarding Forward Looking Statements

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

Overview of the Business

easyhome Ltd. ["easyhome" or the "Company"] is the largest merchandise leasing company in Canada and the third largest in North America. As at March 31, 2011, the Company operated 216 easyhome leasing stores (including 5 consolidated franchises), 90 easyfinancial locations and had 44 franchise locations. easyhome leases, with or without an option to purchase, brand name furniture, appliances, home electronics and computers. The brands we offer include Ashley, Dynasty, Eztia furniture and Serta mattresses, Samsung and Whirlpool appliances, Sony, Samsung, LG and Toshiba home electronics as well as Dell, HP, Acer and Toshiba computers.

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

Beyond our merchandise leasing business and through easyfinancial Services ["easyfinancial"], we also offer our customers 6 to 36 month term loans, in the range of $500 to $5,000, and other financial services such as prepaid cards. The services offered by easyfinancial bridge the gap between traditional financial institutions and payday lenders, providing a realistic alternative for many of our customers. easyfinancial commenced operations in 2006 and operated 90 locations in 9 provinces in Canada, including three stand-alone easyfinancial locations and one national loan office as of March 31, 2012.

Store Locations Summary

	Locations as at December 31, 2011	Locations opened / closed during quarter	Conversions	Locations as at March31, 2012
Leasing				
Canada	197	(2)	-	**195**
U.S.	16	-	-	**16**
Consolidated franchises	5	-	-	**5**
Total	218	(2)	-	**216**
Franchise				
Canada	14	1	-	**15**
U.S.	29	-	-	**29**
Total	43	1	-	**44**
Easyfinancial				
Kiosks (in store)	85	1	-	**86**
Stand-alone locations	2	1	-	**3**
National loan office	1	-	-	**1**
	88	2		**90**

During the most recent quarter, two Canadian corporate stores were closed and one franchise location was opened. The Company also opened 1 stand-alone easyfinancial location and one easyfinancial kiosk within an existing easyhome store.

Corporate Strategy

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

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

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

First Quarter Highlights

- easyhome continued to grow revenue during the first quarter of 2012. Revenue for the quarter increased to $49.8 million from $46.2 million in the first quarter of 2011, an increase of $3.6 million or 7.8%. The growth was driven primarily by the expansion of easyfinancial and its loan portfolio. Revenue for easyfinancial increased by $3.6 million or 80% compared to the first quarter of 2011. Same store revenue growth for the quarter, which includes revenue growth from easyfinancial, was 8.3%. Excluding the impact of easyfinancial, same store revenue growth was 0.6%.

- The growth of the consumer loans receivable portfolio at easyfinancial and the addition of new easyfinancial locations slowed during the quarter to correspond with the capital financing available. During the quarter, the consumer loans receivable portfolio grew by $1.2 million, compared with growth of $6.1 million in the first quarter of 2011. Two additional easyfinancial locations were added during the quarter. The gross consumer loans receivable as at March 31, 2012 was $48.8 million compared with $29.9 million as at March 31, 2011. As discussed later in the Liquidity and Capital Resources section of this MD&A, management anticipates having additional financing in place to allow for renewed growth by the end of the second quarter of 2012.

- The lease portfolio, as measured by potential monthly lease revenue was $11.3 million at period end compared with $11.4 million as at March 31, 2012. During the quarter and excluding the impact of store closures, the lease portfolio declined by $0.3 million compared with a decline of $0.2 million for the same period last year. The relative decline in the portfolio was a direct result of a reduction in the lease term for certain categories of lease assets (particularly computers and mattresses) that was put in place in prior periods. The reduced lease term for these categories resulted in a greater portion of customers exercising early payout options or achieving ownership of the assets at the end of the lease term in the current quarter. Management expects the decline in the portfolio due to this change in lease term to continue till the end of the second quarter of 2012.

- Operating expenses, excluding depreciation and amortization increased from $29.0 million for the first quarter of 2011 to $32.3 million for the current period, an increase of $3.3 million. The growth of the easyfinancial business and its kiosk network drove $1.7 million of this cost increase. The operating expenses of the leasing business increased by $0.9 million driven primarily by opening additional consolidated franchise locations, which drove costs higher by $0.4 million, and an additional $0.3 million in advertising spend in the quarter. Lastly corporate expenses for the quarter increased by $0.7 million compared with the first quarter of 2011, driven primarily by the increased headcount added during the prior year and an increase in accrued but not paid incentive compensation resulting from the impact of the rising share price on the Company's stock based long-term compensation plans. Excluding the impact of variable compensation plan expenses, which are based on expected performance versus budgets and movements in the Company's share price, corporate expenses for the first quarter of 2012 are consistent with corporate expenses for the fourth quarter of 2011.

- Net income for the current quarter was $2.6 million, an increase of $0.2 million or 10.1% over the first quarter of 2011. Revenue increases, particularly at easyfinancial, were somewhat offset by cost increases in the leasing business and at corporate. Earnings per share for the quarter was $0.22 compared with $0.20 in the first quarter of 2011.

- The Company continued to generate strong cash flows. Cash flows provided by operating activities for the quarter were $12.4 million. Included in this $12.4 million is a net investment of $3.2 million to increase the easyfinancial loan portfolio. If this net investment in the easyfinancial loan portfolio was treated as cash flows from investing activities, the cash flows generated by operating activities would be $15.6 million in the current quarter compared to $11.3 million in the first quarter of 2011. This cash flow enabled the Company to invest in the lease and loan portfolios to drive future growth and maintain its dividend for the quarter.

Outlook

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

Key Performance Indicators and Non-IFRS Measures

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

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

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

Same Store Revenue Growth

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

	Three months ended	
	March 31, 2012	**March 31, 2011**
Same store revenue growth	**8.3%**	7.2%
Same store revenue growth excluding easyfinancial	**0.6%**	(0.7%)

Potential Monthly Lease Revenue

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

	Three months ended	
($ in 000's)	**March 31, 2012**	**March 31, 2011**
Opening balance - Potential monthly lease revenue	**11,694**	11,600
Change due to store openings during the period	**-**	-
Change due to store closures or sales during the period	**(68)**	(10)
Change due to ongoing operations	**(318)**	(177)
Net change	**(386)**	(197)
Ending balance – Potential monthly lease revenue	**11,308**	11,403

Gross Consumer Loans Receivable

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

	Three months ended	
($ in 000's)	**March 31, 2012**	**March 31, 2011**
Gross consumer loans receivable	**48,769**	29,894
Growth in gross consumer loans receivable during period	**1,204**	6,094

Bad Debt Expense as Percentage of easyfinancial Revenue

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

	Three months ended	
	March 31, 2012	March 31, 2011
Bad debt expense as a percentage of easyfinancial revenue	**24.4%**	24.7%

Operating Expenses Before Depreciation and Amortization

We define operating expenses before depreciation and amortization as total operating expenses excluding depreciation and amortization expenses for the period. We believe that operating expenses before depreciation and amortization are 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	
($ in 000's except percentages)	March 31, 2012	March 31, 2011
Operating expenses before depreciation and amortization	**32,300**	28,958
Divided by revenue	**49,787**	46,203
Operating expenses before depreciation and amortization as a % of revenue	**64.9%**	62.7%

Operating Margin

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

	Three months ended	
($ in 000's except percentages)	March 31, 2012	March 31, 2011
Operating income	**4,206**	3,842
Divided by revenue	**49,787**	46,203
Operating margin	**8.4%**	8.3%

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

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

	Three months ended	
($ in 000's)	**March 31, 2012**	**March 31, 2011**
Net income	**2,623**	2,382
Interest Expense	**484**	297
Income Tax Expense	**1,099**	1,163
Depreciation and amortization, excluding depreciation of lease assets	**1,205**	952
EBITDA	**5,411**	4,794
Divided by revenue	**49,787**	46,203
EBITDA margin	**10.9%**	10.4%

Results of Operations for the Three Months Ended March 31, 2012 Compared to the Three Months Ended March 31, 2011

Summary Financial Results by Operating Segment

($ in 000's except earnings per share)	Three Months Ended March 31, 2012				
	Leasing	easyfinancial	Franchising	Corporate	Total
Revenue	**41,188**	**8,193**	**406**	**-**	**49,787**
Total operating expenses before depreciation and amortization	**22,012**	**5,272**	**125**	**4,891**	**32,300**
Depreciation and amortization	**12,989**	**128**	**31**	**133**	**13,281**
Operating income (loss)	**6,187**	**2,793**	**250**	**(5,024)**	**4,206**
Interest expense					**484**
Income before income taxes					**3,722**
Income taxes					**1,099**
Net Income for the period					**2,623**
Diluted earnings per share					**0.22**

($ in 000's except earnings per share)	Three Months Ended March 31, 2011				
	Leasing	easyfinancial	Franchising	Corporate	Total
Revenue	41,275	4,552	376	-	46,203
Total operating expenses before depreciation and amortization	21,131	3,550	81	4,196	28,958
Depreciation and amortization	13,192	77	23	111	13,403
Operating income (loss)	6,952	925	272	(4,307)	3,842
Interest expense					297
Income before income taxes					3,545
Income taxes					1,163
Net Income for the period					2,382
Diluted earnings per share					0.20

Revenue

Revenue for the three months ended March 31, 2012 was $49.8 million compared to $46.2 million in the comparable period in 2011, an increase of $3.6 million or 7.8%.

Leasing - Revenue for the three months ended March 31, 2012 was $41.2 million, a decline of $0.1 million or 0.2% from the comparable period in 2011. Revenue declines in the Canadian leasing business were almost offset by increased revenue from the U.S. corporate stores and the five franchise locations which are consolidated for financial statement purposes. The lease portfolio, as measured by potential monthly lease revenue, was $11.3 million at March 31, 2012 compared with $11.4 million as at March 31, 2011. During the quarter and excluding the impact of store closures, the lease portfolio declined by $0.3 million compared with a decline of $0.2 million for the same period last year. The relative decline in the portfolio was a direct result of a reduction in the lease term for certain categories of lease assets (particularly computers and small electronics) that was put in place in prior periods. The reduced lease term for these categories resulted in a greater portion of customers exercising early payout options or achieving ownership of the assets at the end of the lease term in the current quarter.

easyfinancial - Revenue for the three months ended March 31, 2012 was $8.2 million, an increase of $3.6 million or 80% from the comparable period in 2011. The increase was due to the growth of the consumer loans receivable portfolio, which increased from $29.9 million as at March 31, 2011 to $48.8 million as at March 31, 2012. The consumer loans receivable portfolio grew $1.2 million in the first quarter of 2012 compared with $6.1 million for the first quarter of 2011. The growth of the consumer loans receivable portfolio at easyfinancial and the addition of new easyfinancial locations slowed during the quarter to correspond with the capital financing available.

Franchising - Revenue increased modestly to $0.4 million for the three months ended March 31, 2012. The Company had 44 franchise locations as at March 31, 2012 compared with 35 as at March 31, 2011.

Total Operating Expenses before Depreciation and Amortization

Total operating expenses before depreciation and amortization were $32.3 million for the three months ended March 31, 2012, an increase of $3.3 million or 11.5% from the comparable period in 2011. Operating expenses before depreciation and amortization represented 64.9% of revenue for the first quarter of 2012 compared with 62.7% last year. The $3.3 million increase in total operating expenses before depreciation and amortization was driven by the growth of the easyfinancial business and increased costs in the leasing division and at corporate.

Leasing – Total operating expenses before depreciation and amortization were $22.0 million, an increase of $0.9 million or 4.2% from the comparable period in 2011. The increase related primarily to i) opening additional consolidated franchise locations which drove expenses higher by $0.4 million, and ii) an additional $0.3 million in advertising expenditures.

easyfinancial – Total operating expenses before depreciation and amortization were $5.3 million for the three months ended March 31, 2012, an increase of $1.7 million or 49% from the comparable period in 2011. The 49% increase in expenses was more than offset by the 80% increase in revenues. The increase in expenses was driven by the growth in the number of easyfinancial locations and the associated growth in the consumer loans receivable portfolio. The number of easyfinancial locations increased from 69 as at March 31, 2011 to 90 as at March 31, 2012.

Bad debt expense increased to $2.0 million for the three months ended March 31, 2012 from $1.1 million from the comparable period in 2011. The $0.9 million increase was due to the growth of the consumer loans receivable portfolio which increased from $29.9 million at March 31, 2011 to $48.8 million at March 31, 2012. Bad debt expense, expressed as a percentage of revenue, was 24.4% for the first quarter of 2012 compared with 24.7% for the first quarter of 2011.

Franchising – Total operating expenses before depreciation and amortization increased modestly for the three months ended March 31, 2012.

Corporate –Total operating expenses before depreciation and amortization were $4.9 million for the three months ended March 31, 2012, an increase of $0.7 million or 16.6% from the comparable period in 2011. The increase was driven primarily by a $0.5 million increase in direct compensation due to the headcount increases that occurred during 2011 to support long term sustainable growth and a $0.2 million increase in accrued but not paid incentive compensation resulting from the impact of the rising share price on the Company's stock based long-term compensation plans. Excluding the impact of variable compensation plan expenses which are based on expected performance versus budgets and movements in the Company's share price, corporate expenses for the first quarter of 2012 are consistent with corporate expenses for the fourth quarter of 2011.

Depreciation and Amortization

Depreciation and amortization for the three months ended March 31, 2012 was $13.3 million compared to $13.4 million for the comparable period in 2011, a decrease of $0.1 million or 0.9%. Lower depreciation of lease assets was mostly offset by increased depreciation of property and equipment.

Operating Income (Income before Interest Expense and Income Taxes)

Operating income for the three months ended March 31, 2011 was $4.2 million compared to $3.8 million for the comparable period in 2011, an increase of $0.4 million or 9.5%. Revenue increases of $3.6 million were largely offset by increased operating expenses. Operating margin was 8.4% for the first quarter of 2012 compared with 8.3% for the same period in 2011.

Leasing – Operating income was $6.2 million for the three months ended March 31, 2012 compared with $7.0 million for the comparable period in 2011, a decrease of $0.8 million or 11.0%. Operating margin for the first quarter of 2012 was 15.0%, down from 16.8% in the first quarter of 2011. The decline in operating margin was driven primarily by the opening of new consolidated franchise locations which are consolidated for financial statement purposes and increased advertising expenditures.

easyfinancial - Operating income $2.8 million for the three months ended March 31, 2012 compared with $0.9 million for the comparable period in 2011, an increase of $1.9 million or 202%. Operating margin for the first quarter of 2012 was 34.1% compared with 20.3% in the first quarter of 2011. The Operating margin for the first quarter of 2012 was positively impacted by i) reduced advertising expenditures and ii) limited earnings drag from the opening of new locations. Management expects the operating margin to return to more normal levels for subsequent quarters.

Franchising – Operating income declined slightly related to increased support costs.

Interest Expense

Interest expense for the three months ended March 31, 2012 was $0.5 million, up $0.2 million from the same period in 2011. The increase related to the higher average debt levels during the period and an increased cost of borrowing in the first quarter 2011 under the new credit facility.

Income Tax Expense

The effective income tax rate for the three months ended March 31, 2012 was 29.5% compared to 32.8% in 2011. The effective tax rate for the first quarter of 2012 is consistent with the effective tax rate realized for the 2011 fiscal year.

Net Income and EPS

Net income for the year ended three months ended March 31, 2012 was $2.6 million ($0.22 diluted earnings per share) compared to $2.4 million ($0.20 diluted earnings per share) for the same period last year, an increase of $0.2 million or 10%.

Selected Quarterly Information

($ in millions except per share amounts)	Mar. 2012	Dec. 2011	Sept. 2011	Jun. 2011	Mar. 2011	Dec. 2010	Sept. 2010	Jun. 2010	Mar. 2010
Revenue	**49.8**	**49.3**	46.6	46.3	46.2	45.1	43.2	42.9	43.0
Net Income (loss) for the period	**2.6**	**2.6**	1.9	2.7	2.4	(0.4)	2.5	2.0	2.0
Net income (loss) as a percentage of revenue	**5.3%**	**5.3%**	4.1%	5.8%	5.2%	(0.9%)	5.7%	4.6%	4.6%
Earnings (loss) per share[1]									
Basic	**0.22**	**0.22**	0.16	0.23	0.20	(0.03)	0.23	0.19	0.19
Diluted	**0.22**	**0.22**	0.16	0.23	0.20	(0.03)	0.23	0.19	0.19

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

Financial Condition

The following table provides a summary of certain information with respect to the Company's capitalization and financial position as at March 31, 2012 and March 31, 2011.

($ in 000's, except for ratios)	March 31, 2012	March 31, 2011
Total assets	**155,457**	142,182
External debt	**33,164**	27,065
Other liabilities	**23,415**	22,442
Total liabilities	**56,579**	49,507
Shareholders' equity	**98,878**	92,675
Total capitalization (total debt plus total shareholders' equity)	**132,042**	119,740
External debt to shareholders' equity	**0.34**	0.29
External debt to total capitalization	**0.25**	0.23
External debt to EBITDA*	**1.69**	1.36

*EBITDA is expressed on a trailing twelve month basis.

Total assets were $155.5 million at March 31, 2012, an increase of $13.3 million or 9.3% over March 31, 2011. The growth in total assets was driven by the increased size of the consumer loans receivable portfolio which increased by $18.9 million or 63% from March 31, 2011 to March 31, 2012.

The growth in total assets has been financed by a $7.1 million increase in total liabilities, primarily external debt which has increased $6.1 million, and a $6.2 million increase in total shareholder's equity. Although the Company has continued to maintain its dividend payments to its shareholders, a large portion of the Company's earnings over the prior 12 months have been retained to fund the growth of easyfinancial.

External debt consists of Canadian dollar loans under a bank revolving credit facility which bears interest at the lender's prime rate plus 125 bps or plus 175 bps if the Company's total debt to EBITDA ratio equals or exceed 2 times. The Company also has the option to convert the loans to U.S. Base, Bankers' Acceptance or LIBOR rates. Currently, the Company's effective interest rate under the Credit Facilities is 4.25%.

The Credit Facilities are fully secured over substantially all assets of the Company and its subsidiaries and contain certain positive and negative covenants and other usual and customary terms and conditions.

At March 31, 2012 and March 31, 2011, the Company was in compliance with all of its financial covenants under its lending agreement.

Liquidity and Capital Resources

Summary of Cash Flow Components

($ in 000's)	Three months ended March 31, 2012	Three months ended March 31, 2011
Cash provided by operating activities before issuance of consumer loans receivable	**15,645**	11,255
Net issuance of consumer loans receivable	**(3,198)**	(7,624)
Cash provided by operating activities	**12,447**	3,631
Cash used in investing activities	**(11,506)**	(11,134)
Financing activities	**(1,134)**	7,835
Net increase (decrease) in cash for the period	**(193)**	332

The Company continued to generate strong cash flows for the three months ended March 31, 2012. Cash flows provided by operating activities for the three months ended March 31, 2012 were $12.4 million. Included in this $12.4 million is a net investment of $3.2 million to increase the easyfinancial consumer loans receivable portfolio. If this net investment in the easyfinancial loan portfolio was treated as cash flow from investing activities, the cash flows generated by operating activities would be $15.6 million, down $3.2 million from the first quarter of 2011.
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The cash flows from operating activities in the first quarter of 2012, enabled the Company to i) meet the needs of easyfinancial as described above, ii) invest $10.6 million in new lease assets, iii) invest $0.9 million in additional property and equipment and intangible assets, and iv) maintain its dividend payments.

We believe that the cash flow provided by operations will be sufficient in the near term to meet operational requirements, purchase leased assets, meet capital spending requirements and pay dividends. However, for easyfinancial to continue growing so that it can achieve the full long-term growth opportunities available, additional sources of financing over and above the currently available Credit Facilities are required. The Company has considered its alternatives in this regard and is currently working to secure additional debt financing. Management anticipates having this additional financing in place to allow for renewed growth by the end of the second quarter of 2012. While the Company is engaged in a series of activities to obtain the funds necessary to finance future operations, there is no certainty that these activities will be successful or completed on terms favourable to the Company.

Outstanding Shares

As at May 7, 2012 there were 11,874,373 shares, 705,862 options and no warrants outstanding.

Dividends

For the three months ended March 31, 2012, the Company paid a $0.085 per share quarterly dividend on outstanding common shares. The Company reviews its dividend distribution policy on a regular basis, evaluating its financial position, profitability, cash flow and other factors the Board of Directors considers relevant. No dividends may be declared in the event there is a default of the loan facility, or where such payment would lead to a default.

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

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

Commitments, Guarantees and Contingencies

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

Class Action Lawsuit

The Company and certain of its current and former officers have been named as defendants in a lawsuit filed in the Ontario Superior Court of Justice on October 25, 2010. This lawsuit was commenced by Andrew Sorensen, on behalf of shareholders who acquired the Company's common shares between April 8, 2008 and October 15, 2010. The plaintiff alleges, among other things, that the Company and certain of its former and current officers made misrepresentations about the Company's financial statements being prepared in accordance with Canadian generally accepted accounting principles. The claim seeks $10 million in damages. As a result of recent amendments to the statement of claim, the claim for punitive damages was withdrawn. On March 26, 2012, the lawsuit was certified as a class proceeding. On April 8, 2011, the same plaintiff commenced a second action against certain current and former directors of the Company. This second action has since been dismissed on consent of the parties.

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

Transactions with Related Parties

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

Risk Factors

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

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

Critical Accounting Estimates

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

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

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

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

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

Adoption of New Accounting Standards

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

Internal Controls

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 March 31st, 2012.

Internal Controls over Financial Reporting ["ICFR"]

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

Based on this evaluation, the CEO and CFO have concluded that the design of the Company’s internal controls over financial reporting were effective as at March 31, 2012.

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

In addition, the CEO and CFO evaluated whether there were changes in the internal controls over financial reporting during the interim period ended March 31, 2012 that materially affected, or were reasonably likely to materially affect, the internal controls over financial reporting. While there were no such changes, we continue to undergo a system conversion in our easyfinancial business that will further enhance our internal controls.