

Sydney – 9 February 2012

FlexiGroup 1H12 Cash NPAT up 13% to \$28.2m - on track to meet full year guidance

Highlights

- Cash Net Profit After Tax (NPAT) + 13% to \$28.2m
- Interest Free result standout with Cash NPAT up 58% on 1H11
- Strong volume growth of 20% with new businesses contributing 42% of Cash NPAT
- Diversification strategy extends to internet with the acquisition of Paymate
- Reaffirm Cash NPAT guidance of 12% to 15% on FY11
- Fully Franked Interim Dividend increased 20% to 6.0 cents

FlexiGroup Limited (ASX: FXL, "FlexiGroup") today announced a 13% increase in consolidated Cash Net Profit After Tax to \$28.2million for the 6 months to 31 December 2011.

The Board of Directors declared a fully franked (interim) dividend of 6c per share, representing a 20% increase on the prior period. The interim dividend will be paid on 18 April 2012 to shareholders registered at 16 March 2012.

FlexiGroup Managing Director and Chief Executive Officer, Mr John DeLano, said: "Today's result reflects real earnings momentum across the Group, and our diversification strategy continues to deliver for shareholders with new businesses now contributing 42% of Cash NPAT."

"Since listing in 2006 we have successfully moved from our core Flexirent leasing product into fast growing industries and tapped new markets. FlexiGroup is now a truly diversified financial services company."

"We have a proven track record of delivering results and driving high volume growth by identifying under-served market segments such as business to consumer (B2C) and business to business (B2B) finance, and leveraging our core expertise in Channel Marketing and Sales, IT systems, and our Contact Centre."

"One of the key reasons we have been able to consistently grow the business, since the GFC, relates to our strong balance sheet and ongoing support from major funders. This, combined with our sound credit risk management and low impairment record, positions FlexiGroup extremely well to continue its growth trajectory."

"FlexiGroup today re-affirms our Cash NPAT profit guidance of 12% to 15% for FY12."

Divisional Results (1H12 compared to 1H11)

Interest Free

Certegy provides interest-free finance to homeowners across a diverse range of industries.

- Cash NPAT of \$9.5m, up 58% on 1H11.
- Volumes of \$218m, up 22% with strong growth in Home Improvement, Fitness and Solar.
- Highlights: Receivables double following acquisition three years ago and NPAT quadruples. Recently launched product, Lay-Buy Express, contributes 21% of transaction volume.
- Outlook: Newly launched VIP Card expected to increase repeat volumes by 20%.

Small Ticket Leasing

Flexirent is a retail point of sale leasing business which has diversified into the non-retail B2B sector.

- Cash NPAT of \$16.3m in 1H12, which is in line with 1H11.
- Volumes of \$121m, up 3% despite the challenging retail environment.
- Highlights: Expansion in the non-retail sector (B2B) produces strong growth and contribution increases in Q2 from 21% to 33%.
- Outlook: Volume growth to be driven by forecasted strong sales of Ultrabooks and through B2B sectors such as fleet monitoring systems, trade and point of sale equipment.

Mobile Broadband

BLiNK provides mobile broadband through retailers and is the 2nd largest customer of Optus wholesale.

- Cash NPAT of \$1.7m, up 6% on 1H11.
- Access revenue up 12% as customer base grows to 77,000.
- Highlights: Strong customer take-up of BLiNK \$0 tablet plan with 5,000 new customers.
- Outlook: Industry tablet volumes forecast to increase by 60% in 2H12, providing further growth opportunity.

Vendor Finance

FlexiCommercial offers business equipment leasing through vendors, manufacturers and distributors.

- Cash NPAT of \$1.7m, up 55% on 1H11.
- Volumes of \$47m, up 81%. This represents 12% of group volumes.
- Highlights: The success of the specialised sales team is evident with 40 formal vendor relationships now in place, up from 11 in 1H11.
- Outlook: Expect further penetration in telephony, print and office, and green energy sectors.

Online

Paymate provides payment processing to online retailers and businesses.

- Acquisition to be completed March 2012 targets rapidly growing \$38bn online market.
- Speed to market by leveraging Paymate platform and access to 3500 online merchants/Ebay.
- Highlight: Extends diversification to 12 merchant categories where competition is limited.
- Outlook: Online business led by experienced online team and former Paypal Australia CEO.

Outlook

FlexiGroup reaffirms its FY12 Cash NPAT guidance of 12% to 15% on FY11.

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Australia's
Contact Centre
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International ICMG
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Award 2010

FlexiGroup is a diversified financial services group providing “no interest ever”, leasing, vendor programs, mobile broadband, lay-by and other payment solutions to consumers and businesses.

Through its network of 11,000 merchant, vendor and retail partners the Group has extensive access to three key markets, Business to Consumer, Business to Business and Retail to Consumers (and small business customers).

Performance has been characterised by solid profitable growth as the company has expanded and diversified its business through organic growth, acquisition and product innovation. This diversification strategy has been extended to the large, high growth online market with the 2012 acquisition of Paymate (an online payment processing business).

FlexiGroup operates in Australia, New Zealand and Ireland within a diverse range industries including: home improvement, solar energy, fitness, IT, electrical appliance, navigation systems, trade equipment and point of sale systems. Services are offered through four business units: Certegy (no interest ever & lay-by), Flexirent (lease), Flexi Commercial (vendor leasing programs) and Blink mobile broadband.

John DeLano joined FlexiGroup in September 2003 as Managing Director. Prior to joining FlexiGroup, John was Managing Director of Avis Australia, and also served in a senior role at Travel Services International in the USA, a publicly listed company.

The Board of FlexiGroup is chaired by Margaret Jackson, former Chairman of Qantas and previously a director of: Australian and New Zealand Banking Corporation, The Broken Hill Proprietary Company Limited and Billabong International Limited. The Board also includes John Skippen, former Finance Director of Harvey Norman Holdings Limited, Rajeev Dhawan, a partner of Equity Partners, and Andrew Abercrombie, a founding director and major shareholder in the company.