

Sydney – 9 August 2012

FLEXIGROUP FY2012 CASH NPAT UP 16% TO \$61.3M – EXCEEDS GUIDANCE

Highlights

- Cash NPAT +16% to \$61.3m – exceeds guidance
- Continued strong volume growth +15% to \$801m
- Certegy “No Interest Ever” NPAT +60% to \$21.9m – 3yrs cumulative NPAT exceeds total acquisition price
- Diversification strategy delivering and expected to continue to drive strong results through FY13 and FY14
- Balance sheet strong - \$255m Certegy receivables securitisation reduces cost of funds
- Guidance of 11% to 16% FY13 Cash NPAT growth
- Fully franked final dividend of 6.5 cents

FlexiGroup Limited (ASX: FXL, “FlexiGroup”) today announced a 16% increase in consolidated Cash Net Profit After Tax to \$61.3 million for the 12 months to 30 June 2012.

The Board of Directors declared a fully franked final dividend of 6.5 cents per share, compared to 5.5 cents per share paid for the same period last year. Together with the 6.0 cents interim dividend, this represents dividend growth of 19 %. The final dividend will be paid on 18 October 2012.

FlexiGroup Managing Director and Chief Executive Officer, John DeLano, said: “This is another exceptional result that is both a validation of FlexiGroup’s diversification strategy and a credit to the talent of our people.

“Our diversified financial services platform has been built with organic start-ups and acquisitions. From the Flexirent retail point of sale leasing business at ASX listing, we have expanded to the B2C, B2B, and online payments segments.

“Our acquisitions of Certegy “No Interest Ever” and Paymate, together with the start-up of Flexi Commercial and Blink mobile broadband businesses today contribute 45% of FlexiGroup’s NPAT.

“Our recent acquisition of the Lombard interest free and VISA card business is another excellent acquisition for us with significant capability to grow its share of the \$5bn interest free segment and its strong volume growth in the first two months is a great start for our ownership.

FlexiGroup continues to maintain a strong balance sheet position. It is pleasing to see both the equity and debt markets recognise our success with our recent inclusion in the ASX200 and the successful securitisation of \$255m of Certegy receivables. The pricing achieved on this securitisation will provide continued costs of funds benefits to FlexiGroup.

“Together our diverse businesses and funding capabilities provide FlexiGroup with a platform for significant growth in FY13 and FY14 from volume of new business, receivables outstanding and NPAT.”

Outlook

FlexiGroup today provides Cash NPAT guidance of 11% to 16% for FY13. The nature of FlexiGroup's business is such that the majority of next year’s profit is secured from business written in prior years, Mr DeLano added.

Divisional Results (FY12 compared to FY11)

“No Interest Ever”

Certegy provides interest free finance to home owners across a diverse range of industries.

- Certegy cash NPAT up 60% to \$21.9m.
- Receivables of \$357m, up 31%.
- Highlights: Certegy acquired for \$31m and in 3 years has delivered \$43.4m cumulative NPAT and doubled receivables from \$160m to \$357m.
- Outlook: New Certegy VIP program to contribute circa \$40m in volumes (up from \$17m), the business continues to be highly scaleable and new industries have been identified.

Interest Free and VISA Credit Cards

Lombard provides interest free finance through a number of leading retailers and Visa cards to its customer base.

- Lombard was acquired for \$10m in June 2012; integration into FXL has been completed.
- Volumes increased by 107% to \$6.9m in July 2012 from \$3.3m in July 2011.
- Highlights: Lombard commenced with IKEA as partner in June 2012;
- Outlook: Cross sell Visa card to FXL base planned for Sept 2012.

Small Ticket Leasing

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

- Cash NPAT of \$36.5m in line with FY11.
- Receivables up slightly to \$358m in a challenging retail environment.
- Highlights: 32% volume from non-retail segment eg: trade and catering equipment, servers, networks. Blink Mobile Broadband has active customers of 81,000, up from 74,000 last year.
- Outlook: Continue to capitalise on non-retail opportunities, and retail volumes are expected to be buoyed by Ultrabooks and the release of Windows 8.

Online

Paymate provides payment processing to online retailers and businesses.

- Following acquisition, completed operational transition from US and system development work.
- Launched Paymate OnTheGo (smartphone payment system) pilot signing up 400 active businesses.
- Outlook: eBay enhancement to be completed in September and marketing campaign to launch.

Commercial Leasing

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

- Cash NPAT of \$4.9m, up 88% on FY11.
- Receivables of \$155m, up 146%.
- Highlights: 41 new Vendor relationships were established during the year and 35% of volumes derived from new relationships. Solid base for FY13 growth.
- Outlook: Increased profit contribution in FY13 due to income from higher receivables base. Growth in green technologies is expected following Energy Smart Finance program with Low Carbon Australia.

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ABOUT FLEXIGROUP

FlexiGroup is a diversified financial services group providing “no interest ever”, leasing, vendor finance programs, interest free and visa cards, 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 four key markets: Business to Consumer, Business to Business, Retail to Consumers (and small business customers) and online.

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) and to the credit card and \$5b interest free market with the acquisition of Lombard.

FlexiGroup operates in Australia, New Zealand and Ireland within a diverse range of 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 Lombard (credit card and interest free).

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.



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