



Sydney –3 March 2014

FLEXIGROUP EXPANDS IN AUSTRALIAN MANAGED PRINT, IT & OFFICE SOLUTIONS

FlexiGroup (ASX: FXL) today announced that it has entered into an agreement to acquire managed print, IT and office solutions provider Think Office Technology.

Think Office Technology provides a full suite of office equipment, tailored print services, cloud computing solutions and traditional technology services throughout regional Queensland. The business was established in 1993, has 4,950 customers and 106 full time employees.

Think Office Technology is an authorised sales and service supplier for Konica Minolta, Hewlett Packard, Fuji Xerox, Kyocera and Canon. The acquisition represents vertical diversification for FlexiGroup and provides the company with a proven distribution footprint and significant growth potential in the office print and IT services sector.

FlexiGroup currently provides financing to the managed office technology solutions sector through Flexi Enterprise, and today's acquisition is a natural extension to consolidate and grow in the office print and managed services industry, which has an Australian market size estimated at \$1.6bn.

Chief Executive Officer of FlexiGroup, Tarek Robbiati said: "Think Office Technology fits with our approach of identifying vertical opportunities in market segments where we already have strong knowledge and exposure.

"The acquisition provides a platform for our Enterprise business to expand its offering in a large and highly scalable sector that will require minimal capital investment to grow.

"From our experience in the sector we know our customers are moving to a cost per copy model for managed office solutions, and are increasingly looking for a single provider to arrange equipment, information technology, service and finance in the one invoice."

Completion of the acquisition is subject to a number of conditions and is expected to occur in early March. The acquisition is expected to generate an annual Cash NPAT contribution of \$1.5-2.0m to FlexiGroup as of FY15, and will be funded from FlexiGroup's cash reserves, and cash flows from the acquired business. The key Think Office Technology Executives are committed to the success and growth of the business, with acquisition payments structured over 3 stages – a third up-front, a third deferred, and a final payment subject to earn-out provisions. The deferred component and the final earn-out payment will fall due over a period of 3 years, from 1 December 2014 to 1 December 2017.

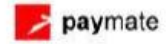
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ABOUT FLEXIGROUP

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 over 12,000 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 \$45bn credit card market with the acquisition of the Lombard and Once Credit businesses.

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, print equipment, trade equipment and point of sale systems. Services are offered through four business units: Certegy (no interest ever & lay-by), Flexirent (lease), Enterprise (vendor leasing programs) and Lombard and Once (interest-free cards).

Tarek Robbiati joined FlexiGroup as Managing Director and CEO in January 2013. Tarek was Group Managing Director of Telstra International Group (TIG), the fastest growing business unit of Telstra Corporation, and Executive Chairman of CSL-NWM, the number one mobile operator in Hong Kong. He was also previously deputy CFO of Telstra Corporation, and Head of Corporate Finance at Orange Plc in the UK.

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, Andrew Abercrombie, a founding director and major shareholder in the company, and Anne Ward, presently also Chairman of the Qantas Superannuation Plan.

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