CHAIRMAN'S ADDRESS

Ladies and Gentlemen,

I am pleased to be here today as your Chair following my appointment to the role in August. It is also gratifying to be able to report to you today, some outstanding outcomes from the year's activities.

Journey of Diversification

Before I talk about the current year I would like to briefly recap the strategy that has underpinned the Group's growth and our journey to date. Since the IPO, your board has consistently driven a strategy of diversification; be it through acquisition, organic start-up, product innovation, channel diversification or expansion of geographies.

This strategy began in 2008 with the acquisition of Certegy, and continued with subsequent acquisitions including Lombard Finance, Once Credit, RentSmart ANZ, Think Office Technology, Equico and Telecom Rentals Limited and the establishment of the Ireland business.

Additional organic expansion occurred through the development of the Blink mobile broadband product, the Enterprise business and the establishment of the SME division.

The Group's portfolio reflects this diversification as "No Interest Ever" and "Interest Free Cards" business accounted for 50% of receivables and 69% of volume in the financial year 2015; a significant shift from an historical focus on IT and appliance leasing at point of sale.

Over a year ago, it was signalled that the Group would seek to expand its footprint in the New Zealand market and we anticipated delivering strong growth from this sector. Organic volume growth of 36% in FY15 and, with the TRL acquisition (which consolidated in May 2015), the closing receivables contribution to the group increased from 5% to 11.6%. FlexiGroup is now the number one technology leasing business in New Zealand.

Recently, our New Zealand expansion was significantly enhanced with the announcement of FlexiGroup's agreement to acquire Fisher & Paykel Finance, a leading provider of non-bank consumer credit in New Zealand with over 430,000 active card holders.

This transformative acquisition will further diversify FlexiGroup and create incremental operational scale that will consolidate the Group's leading position across Australia and New Zealand.

Post settlement of the Fisher & Paykel Finance transaction, FlexiGroup will have over $2 billion in receivables with a mix of approximately 65% in interest free products in total, and approximately 40% of total volume which is New Zealand originated.

A huge amount of work and effort went into securing this transaction in difficult circumstances because the Board is confident that significant value will be created for FlexiGroup shareholders. The acquisition is progressing to plan and we look forward to finalising in early calendar year 2016.

Solid returns in a year of change

The 2015 financial year has been an active 12 months for the company, and the Group is midway through the IT investment program, launched in financial year 2014. This program of work underpins the digital goals of the Group and is already delivering improved customer experiences and material cost benefits.

Against this background of substantial activity the team has delivered results in line with market guidance and with all segments positively contributing to Cash NPAT growth of 6% to $90.1 million.

The 2015 financial year continued to deliver solid returns for shareholders with cash earnings per share up 6% to 29.6 cents. The full year dividend payment of 17.75 cents per share delivered growth of 8% over the prior year and a dividend yield of 6.1% - an increase of 17%

Transformation continues in FY2016

As your acting Chief Executive Officers David Stevens and Peter Lirantzis will outline shortly, the growth of the Group will continue this year as we expand in New Zealand and further build our capability in digital finance, which is a significant opportunity for the company.

We are focused on using our capabilities to protect the value of our more mature businesses, leverage recent acquisitions and accelerate growth into new market segments.

The continued execution of the digital strategy will contribute to volume growth and cost efficiency. The group is well positioned to drive growth and today reconfirms guidance for FY2016 Cash NPAT between $92 to $94 million (excluding the F&P Finance acquisition).

There have also been Board and Management changes this year.

The former CEO and Managing Director Tarek Robbiati resigned in June. We are pleased to announce the appointment of Symon Brewis-Weston as Chief Executive Officer starting early in the new year.

Chairman Chris Beare stepped down from the Board in August, as did non-executive Director Anne Ward. The board is now cohesive and focussed on outcomes such as the successful acquisition of Fisher & Paykel Finance, the appointment of a new Chief Executive and other positive outcomes, including revision of our remuneration structures to better align with shareholder interests. The search for new, well qualified directors continues.

The Board thanks acting Chief Executive Officers David Stevens and Peter Lirantzis for their leadership and ability to deliver on many of fronts during a time of significant activity.

I would also like to thank the Board, the executive team and all Flexi staff for their hard work and enthusiasm in bringing about substantial change while maintaining a focus on delivering results for shareholders.

On behalf of the Board of Directors I would like to thank all of FlexiGroup's shareholders for your continued support. I would also like to extend our appreciation to the Company's customers, channel partners, funders and the whole Flexi team.

I would like to close by saying I believe our company is now in a strong position and I am very optimistic about the future of the business. As you may be aware I made a significant financial commitment with the recent successful equity raise because I am confident about the growth prospects, market position and future of FlexiGroup.

I would now like to introduce David and Peter who will provide detail on the Company's performance over the past year. David will first speak to financial performance and the F&P Finance agreement and Peter will then provide further detail on our operations and program of works.

Acting CEO'S ADDRESS (David Stevens Chief Financial Officer)

Thank you Andrew and good afternoon everyone.

As Andrew mentioned it has been another busy year for FlexiGroup. The financial year 2015 delivered strong results and it was gratifying that all segments contributed to higher earnings over last year. The Group's M&A activity continued to deliver further diversification, build scale and significantly expand our position in the New Zealand market.

Today, I will focus on the performance of the business and provide some details of our corporate activity.

Highlights of the year ended 30 June 2015 include:

- Cash NPAT growth of 6% to $90.1 million, meeting guidance provided to the market.
- Group volumes increased 5% to $1,136 million and receivables rose 8% to $1,428 million driven by strong performance in Interest Free Cards, Certegy and the high growth New Zealand portfolio fuelled by the Telecom Rentals Limited (TRL) acquisition.
- As the FlexiGroup digital evolution continues, the IT investment program is creating synergies across the business. There have been material improvements in service levels, speed of origination and enhanced customer satisfaction.
- Enhanced customer satisfaction has delivered a net promoter score of +14 and driven repeat-business value across the group.
- A sector leading return on equity of 23% has continued and an excellent conversion of total portfolio income to operating cash flow at 36% has been achieved.
- Corporate activity for the year included the acquisition of TRL in April for an enterprise value of $108.4 million, and the announcement on October 27th that FlexiGroup had entered into an agreement to acquire Fisher & Paykel Finance for $275 million.

The Group's strong record of acquisitions as outlined by Andrew, continues to build scale efficiencies across the business while our focus on digitisation and simplifying products , is delivering strong momentum across Interest Free Cards, Certegy and our New Zealand businesses.

No Interest Ever (Certegy)

Certegy is the largest profit centre of FlexiGroup, with cash NPAT growth of 7% to $34.4 million comprising 38% of the Group's total.

Sales volume increased by 9% to $552 million with solar contributions remaining stable. The VIP / Repeat business program continued to drive performance with 20% growth supported by an increased use of digital mediums and tailored marketing with merchant partners.

With an intuitive consumer facing platform now in place Certegy is well positioned to leverage a ramp-up of marketing activity in FY2016 as Certegy rolls out a fully integrated, above the line and digital marketing campaign.

Interest Free Cards

The Interest Free Cards segment comprising the Lombard and Once businesses delivered $12.3 million cash NPAT which was up 12% on last year. This is a strong result for the Cards business, delivered during significant changes to products and systems. Total volume (interest free and card spend) increased by 19% to $237 million and active customers increased 14% to just over 103,000.

Strong volumes reflect the effectiveness of restructuring sales leadership and teams behind strategic partnership streams in the Retail and Homeowner segments, delivering an uplift in interest free volumes of 8% with industries such as Travel showing significant increase.

The combined Cards business now uses a single process and digital originations platform, delivering a better experience for both dealers and customers.

Increased investment in the management of Cards campaigns has contributed to a 30% increase in the amount spent on an issued card, which is a key driver of revenue.

A receivables increase of 10% to $232 million provides a runway for future interest earnings and is an indicator of future NPAT growth as customers will revolve from interest free to interest bearing either from the initial interest free period or from the utilisation of the Card.

Consumer and SME Leasing Australia (including Ireland)

The Consumer and SME Leasing business delivered cash NPAT growth of 1% to $26.2 million, driven by mixed volume results. The combined business reported a 5% decline in volume to $180 million. The cash NPAT growth was supported by the volume mix improving towards the higher yielding Consumer business which grew at 8%, while SME volume declined 23%.

Consumer volume growth of 8% delivered $120 million as established partners, and those added through the RentSmart acquisition, performed above expectations. This segment is seeing positive results as digital investment in the online sales capability has increased the number of transactions, improved the customer experience and is arresting the trend of declining average deal sizes.

The SME segment reported a volume decline of 23% to $60 million, impacted by increased competition, a management restructure and products not optimised for commercial customers.

SME will experience improved sales force effectiveness as new leadership, a team restructure and the addition of a supporting CRM system take effect. Additionally, a product refresh to add commercial appeal to existing products plus the introduction of new products will improve our competitive offering.

New Zealand Leasing

New Zealand Leasing performed well with volume growth from both new and existing partners of 63% to $62 million, driving a 25% increase in Cash NPAT to $7 million.

The acquisition of TRL from Spark New Zealand Limited completed in May and delivered closing receivables growth of 152% to $166 million. Telecom Rentals Limited is a leading lease provider for IT and telecommunications equipment in the commercial and government sectors.

Continued growth is expected from the SME and Education channels as the TRL and Equico brand (acquired in FY2014) provide scale. Volume is expected from new distribution segments and as the Equico brand is leveraged in the Education sector. Additional volume opportunities exist after a preferred provider agreement was signed with Apple New Zealand for Commercial and Education leasing.

With growth and acquisitions predominantly in the low risk SME and Education segments, the high quality portfolio mix is evident in low impairment losses of $1 million. Recent acquisitions and continued low impairment will enable funding efficiencies and deliver increased profit margins.

Enterprise Leasing

Enterprise Leasing delivered cash NPAT growth of 1% to $10.2 million despite a 5% decline in receivables to $250 million. During the period volume declined 30% to $105 million as the business development pipeline was impacted by organisational change and a restructure of the internal senior management team.

Existing key account volumes remained stable and due to a largely variable cost structure, the impact of reduced volume and receivables was able to be absorbed.

The TOT acquisition performed in line with expectations and following a full year consolidation drove an Enterprise net portfolio income increase of 32% to $38.3 million and an operating expense increase of 111% to $24.1 million.

Enterprise volumes are expected to increase in 2016 from new distribution channels and new products. Opportunities have been identified to acquire, incorporate and leverage broker businesses that have long-term established customers. Additionally a partnership agreement was signed with Data#3 to provide leasing solutions for customers in the IT managed services sector.

Development is now complete on managed services and power purchase products which are expected to deliver volume from 1H FY2016. Systems, processes and a suite of documents have been developed to support the billing and collection of variable payment streams.

Fisher & Paykel Finance Acquisition

Established in 1973, F&P Finance is New Zealand's leading independent non-bank finance business with receivables of NZ$662 million. It has a high quality portfolio of brands including Q Card and Farmers Finance Card with more than 12,000 partnerships and 430,000 active cardholders.

The acquisition will comprise an upfront cash consideration of $234 million, and a deferred consideration of $61 million including a vendor finance component. The total purchase price has a net present value of $275 million.

F&P Finance is a high quality business that FlexiGroup has worked hard to secure over a number of years as it provides a compelling entry point into the New Zealand consumer finance market. Some of the highlights of this acquisition include:

- Post-acquisition the Group will have over $2 billion of receivables in Australia and NZ.
- The acquisition complements and offers synergies to FlexiGroup's existing card business and is expected, on a pro-forma basis, to be high single digit, Cash EPS accretive to FlexiGroup.
- F&P Finance is expected to deliver in excess of $5 million of annual pre-tax synergies from the first full year of ownership.
- Additional revenue opportunity exists through the migration to a scheme card and Farmers card reinvigoration and with the upgrade of card features.

- There is significant opportunity for FlexiGroup to drive credit card spend and market penetration as F&P Finance currently has relationships with 21% of New Zealand cardholders but only captures 2% of New Zealand credit card spend.

The transaction is subject to Overseas Investment Office and RBNZ approval with an expected close in early 2016. Post-acquisition it is intended that F&P Finance will be operated as a standalone business and will become an additional reporting segment of FlexiGroup. Greg Shepherd will be retained as CEO of F&P Finance.

General Outlook

The outlook for the 2016 financial year is strong. The Group will be focused on growing receivables and profitability by:

- targeting lower risk receivables in the No Interest Ever and Interest Free Cards segments;
- expanding its footprint in large ticket leases in the Enterprise segment and New Zealand; and
- leveraging the F&P Finance acquisition to achieve a significant share of the consumer finance market in New Zealand and exports deep Interest Free Card expertise and IP to the Australian business

Key drivers of performance will include:

- Continued strong performance from Certegy as digital enhancements will drive increased effectiveness from new, above the line marketing activity. Additional improvements to the VIP customer program and targeted expansion into new product categories and new merchants will drive volume.
- An optimised digital origination platform will drive growth in Interest Free Cards, with revised products leveraged to generate increased card spend and profitability.
- Strong volume growth in New Zealand Leasing primarily from the Education sector as deep sector knowledge and customer

relationships provided by the acquisition of Equico and TRL are leveraged.

- A rebuild of the Enterprise Leasing sales pipeline with a focus on broker based origination channels and managed service products.
- Simplified product offerings across existing retail partners in Consumer & SME Leasing. Increased customer engagement and trade-up rates as the end of term offer to customers is significantly improved.
- Strong credit disciplines will be maintained and new collections technology and processes will be leveraged to improve impairment expenses.
- A continued investment in core IT Systems and digital capability will support future business growth and drive down the cost to income ratio. However, FY2016 will be impacted by a depreciation charge of $2 million.

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- On closure of the F&P Finance acquisition FlexiGroup will achieve a significant foothold in the New Zealand consumer market with approximately 38% of its receivables originating in New Zealand.

Thank you and I will now hand over to Peter who will provide detail on the IT investment program to date and into next year.

Acting CEO'S ADDRESS (Peter Lirantzis, Chief Operating Officer)

As Andrew outlined in his address, FlexiGroup's strong performance over the years stems from a continuing strategy of diversification. This strategy has been strengthened by targeted acquisitions that diversify and expand the Group's footprint.

FlexiGroup's key point of difference is the speed at which we can integrate and leverage the new entities, to deliver the scale, quality and cost benefits required.

We are using agile methods to integrate systems, processes and people. We can leverage and improve the Group's originations, servicing and reporting functions with minimal disruption and at the same time, unlocking new opportunities.

Historically, FlexiGroup's investment in IT has been well below industry benchmark. In FY14 the Group responded to changing customer expectations and undertook a three-year investment program to become a digital finance leader. Our goal is to use our digital edge to transform FlexiGroup so that:

- We have an exceptional experience for our customers and channel partners – That's our first priority. We need to use the technology to enable a seamless experience at both the physical and digital point-of-sale – at home, in-store or using a mobile device.
- We've got the data available to refine our products and the customer experience by making sure our marketing is personalised. At FlexiGroup data intelligence is used to increase the ROI of our marketing spend.
- The Group maintains a competitive advantage by keeping costs down while supporting an increased scale and maintaining quality of service.

In FY15 we delivered a number of key projects.

Certegy is our most digitally progressed brand and has launched a host of volume generating tools such as:

- a new consumer app,
- pre-approval online
- a new digital platform for VIP customers
- a new sales-focused website.

This has allowed Certegy to engage with consumers more broadly with new online and traditional marketing initiatives such as national TV commercials, online advertising and interactive EDMs.

Earlier this year we developed an online sales channel for the Consumer Leasing brands (Flexirent, FlexiWay and Smartway). Customers can apply for finance and get a credit decision, whether they're at home or in a store.

We've had more than 45% of our consumer lease applications run through this new digital channel; it's generating 15% higher deal sizes and improved the customer experience - our NPS score for originations has increased from 18 to 22.

The second phase of this development is focussing on the dealer experience and will deliver complete end-to-end consumer lease origination which includes;

- being approved for credit
- selecting the asset being financed
- and checking out, all without the dealer having to make a phone call.

The feedback from customers, dealers and support staff currently in the pilot has been very positive with a much improved customer experience, high deal size and lower contact centre costs.

The combined Interest Free Cards businesses now has a single digital process. This is making it easier for dealers, optimising internal work effort and improves the overall customer experience. In-store origination times are now below 10 minutes.

The next generation for Interest Free Cards will see one distribution network with a single card brand that can be used across all locations in the network.

FY16 will see us refining and optimising the work we’ve done and with new products coming on in the second half of the year, for the Enterprise and SME businesses.

The delivery of a new finance platform will also be a key project for the year and further work will begin on a number of initiatives that include

- customer self-service
- analytics
- digital marketing
- and dealer portals

Our current development plan will deliver innovation through to FY18 and personally, I am excited to see our strategy evolving as we embrace changing customer behaviours and further support our channel partners.

Thank you and I will now hand back to our Chairman to continue with today’s formalities.