



FlexiGroup Limited
ABN 75 122 574 583

ASX ANNOUNCEMENT **29 November 2007**

Chairman's Address to the Annual General Meeting of FlexiGroup Limited

A leading market position, a robust business model and a track record of strong, profitable growth... these are just some of the investment highlights that underpinned FlexiGroup Limited's successful debut on the Australian Securities Exchange in December 2006.

It has been an excellent year for FlexiGroup, notable for product and channel diversification and the delivery of results exceeding prospectus forecasts. In line with these results the board was delighted to have paid the Company's first dividend payment of 5½ cents per share.

Pro-forma net profit after tax growth was strong in the 2006-07 financial year, exceeding forecast by 6.5% and up 29.1% on the previous year.

The Board of Directors are delighted with these achievements and I would like to take this opportunity to thank the CEO John DeLano and the management team for their continued dedication and consistent focus on growing the business and for delivering above their prospectus forecasts.

Our people are fundamental to our success – they are the face of our business in the field with our vendors, they create the first impression with our customers in the contact centre and they are pivotal in ensuring that the organisation runs smoothly and efficiently across numerous areas.

At the time of listing the FlexiGroup Board made the decision to gift \$1,000 worth of shares to employees and to give employees and selected business partners the opportunity to purchase shares at the reserve price of \$2.00 a share. I am pleased that the employees and shareholders who invested in FlexiGroup at IPO have seen their investment grow.

I would like to thank all of our staff for their dedication and hard work during the year and for their individual contributions to our success.

This success has occurred during a period marked by the uncertainties in the global funding markets. I would like to take this opportunity to reiterate to shareholders and potential investors that FlexiGroup does not rely on the global capital markets to source any of its funding requirements nor does it have any securitisation programmes in place.

Based on current projections for new business volumes and anticipated principal repayments, our committed undrawn facilities are expected to be sufficient to cover the projected net increase in borrowings through to January 2009.

Additionally, the net interest margin on the Group's existing portfolio is predominately locked in with any changes in the funding margin mainly impacting new business written by the Group. So our outlook for the future remains confident.

Through continuous investment, innovation and diversification across channels and geographies we are delivering strong, consistent growth and delivering sustainable returns to our shareholders. The finance market offers opportunities for significant growth and we have the right business model to capitalise on these opportunities both at home and abroad.

I'd like to take this opportunity to thank my fellow board members for their hard work and diligence over the last 12 months.

Finally, I would like to thank all of you, our Shareholders, for your continued support.

This is a really exciting time for FlexiGroup and I look forward to presenting another set of solid results in twelve months time.

I would now like to introduce your Chief Executive Officer, John DeLano to give his report on the company's performance for the financial year ending 30 June 2007.

CEO'S Address to the Annual General Meeting of FlexiGroup Limited

Good afternoon and thank you for your attendance.

It is my pleasure to be here today having delivered on our Prospectus forecasts and in a position to reaffirm our growth opportunities. Having reported Pro-forma net profit after tax of \$29.3 million, the Company exceeded prospectus forecasts by \$1.8 million.

These results reflect the underlying strength of our business model. Key to our success has been the ability to diversify into new products and channels whilst maintaining a focus on our core products.

Four years ago Flexirent was a company with one product (rental) operating in one channel (computer retail). Today, we have 9 products, in 5 channels and we are successful at offering the right products, to the right customers, at the right time. Four years ago approximately 84% of the dollars settled were from first time customers shopping in computer retail stores. Today only (circa) 45% of the dollars settled come from those types of customers.

In FY 2008, we will continue to pursue diversification opportunities in Australia and overseas.

At FlexiGroup, we place a high importance in creating an environment where our staff can grow and develop. In 2007 we launched a Development Program designed to enhance the management and leadership capabilities of our top 20 managers. We continuously invest in our employees and as a result employee engagement, as measured by the Hewitts survey has increased by 10% throughout the reporting period.

Relationships with our retail partners remain solid and are supported by a high degree of representation in the field, for example, in 2007 we delivered approximately 18,000 training sessions. We will continue to focus on improving the selling ability of our retail partners' sales staff and continue to assist retailers with the development and retention of quality staff and line management.

Activity in the field will continue to be monitored by mystery shopping and quality assurance programs to ensure actions are targeted to address specific business outcomes and to test new product initiatives.

Over the course of FY2008 FlexiGroup intends to drive growth through:

- Continued emphasis on its core rental products with existing retail partners
- Optimising cross-sell opportunities and building on the early success of FlexiGroup's personal loan product
- Leveraging our core competencies in new markets, channels and geographies

In addition to organic growth, FlexiGroup is actively investigating acquisition and expansion opportunities. These opportunities will be in financial services or companies who have distribution capacity where our proven sales, marketing and cross-selling competencies will generate additional value.

FlexiGroup is also happy to announce our intention to establish a presence in Ireland to support the 10 established Harvey Norman Franchises. Harvey Norman has an expectation of expanding to 14 stores over the next 12 months and FlexiGroup is excited to have this opportunity for overseas expansion.

Furthermore, FlexiGroup is focused on maximising productivity and operational efficiency by investing in process improvement to enhance the customer experience and to build scalability.

FlexiGroup's outlook for 2008 continues to remain positive. Over the course of the last year several key executives have joined FlexiGroup, including the team responsible for our personal loan product, the CIO, Head of Operations and Head of Corporate Development. These new appointments have strengthened the executive management team and we are now well positioned for future growth.

This year we are on track to achieve a record number of contracts signed and good earnings growth. Our team continues to be excited about our product and channel growth prospects.

I would like to take this opportunity to thank our investors for their support of the company in its first year as a listed entity on the Australian Securities Exchange.

FlexiGroup has become a successful company through hard work, innovation and a carefully disciplined approach to its business. It has the potential to continue to grow substantially and we look forward to your continuing support.