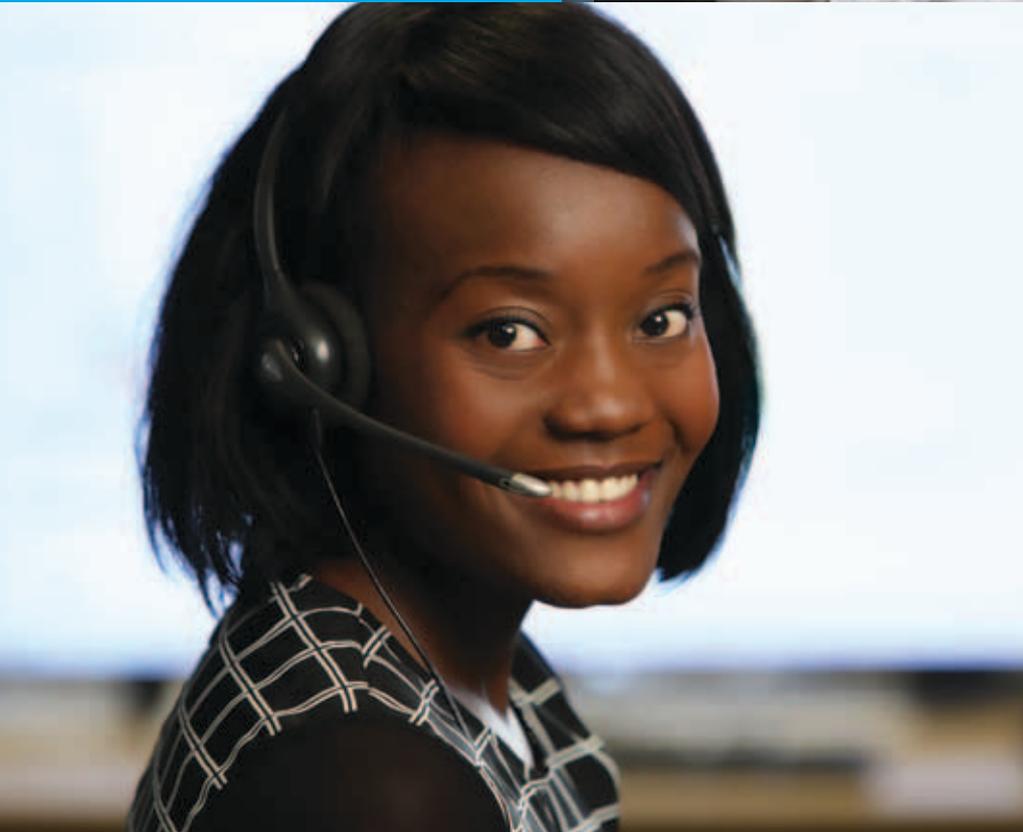


PROGRESSIVE
STRENGTH

Annual Review 2013

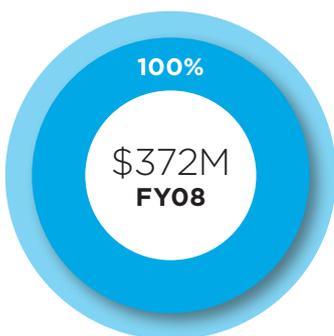
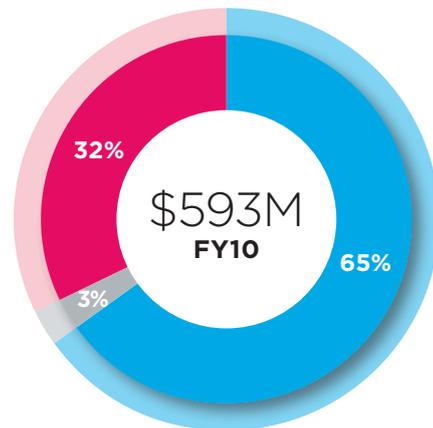


FLEXIGROUP 

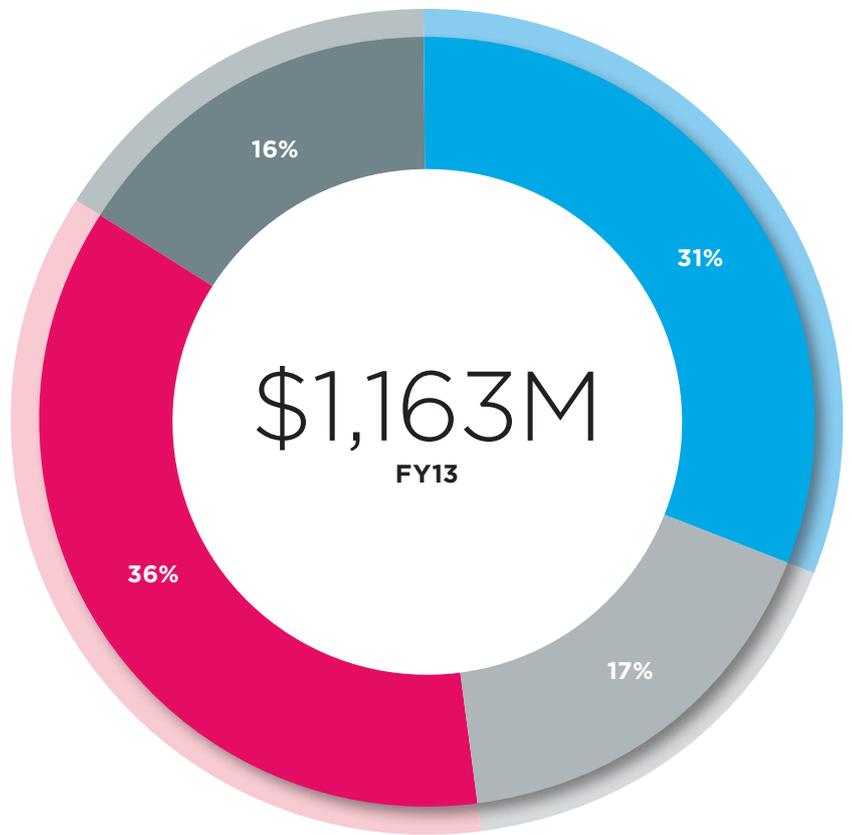
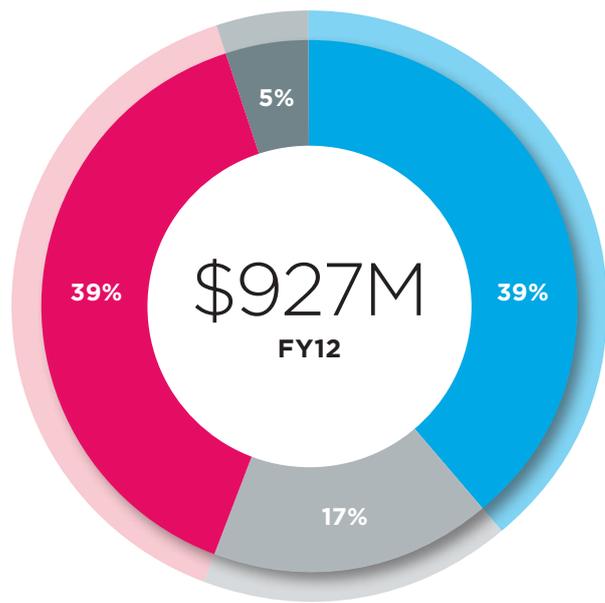
INTRODUCTION

DIVERSIFIED FINANCIAL SERVICES, BUILDING SCALE AND ACCELERATING GROWTH

- 1 Introduction
- 2 Background
- 3 Highlights
- 4 Chairman's and CEO's Report
- 6 Board of Directors
- 9 Review of Operations
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- IBC Corporate Directory



NEW BUSINESSES
CONTRIBUTE 69% OF
FY13 RECEIVABLES



% RECEIVABLES

- FLEXIRENT SMALL TICKET LEASING
- ENTERPRISE
- CERTEGY
- INTEREST-FREE CARDS¹

1. Includes Once Credit receivables acquired 31 May 2013.

FROM IPO IN 2006

FXL IS NOW ONE OF THE 200 LARGEST ASX COMPANIES

- FlexiGroup is a diversified financial services group providing finance products through its partners to consumers and businesses.
- Since IPO in 2006 FlexiGroup has successfully transformed from a retail-centric lease provider to a diversified finance business, with total receivables over \$1.1 billion and is now listed among the 200 largest ASX companies.
- Performance has been characterised by strong, profitable growth as the company has expanded and diversified its business through organic start-up, acquisition and product innovation.
- FlexiGroup operates through four business units: Certegy, Flexirent (small ticket leasing), Flexi Commercial (Enterprise) and Interest-free cards (Lombard and Once acquisitions).

IMPRESSIVE GROWTH

A diversified financial services company

FlexiGroup provides a wide range of unique finance products to consumers and businesses. Since IPO in 2006, profit has grown impressively in line with the Group's expansion through organic start-up, acquisition and product innovation.

What began as a small company with a single, retail-centric lease product is now listed among the 200 largest ASX companies, with more than \$1.1 billion in total receivables. Following extensive diversification, FlexiGroup now offers interest-free, credit card, no interest ever, point-of-sale leasing, vendor finance/enterprise leasing, mobile broadband and mobile payment services.

FlexiGroup operates in Australia, New Zealand and Ireland, and its products are now offered through more than 14,000 partners, including AGL Solar, Husqvarna, Harvey Norman, M2 Commander, Think Office Technology, IKEA, Dick Smith, Escape Travel, Noel Leeming, Apple Resellers and Fantastic Furniture.

Acquisitions deliver critical scale

FlexiGroup has made a number of successful acquisitions, including the Certegy 'no interest ever' business in 2008 which now comprises 36% of receivables.

The May 2013 acquisition of Once Credit followed the acquisition in June 2012 of a similar interest-free cards business, Lombard Finance. Together, they comprise 16% of receivables. These two businesses operate in diverse segments, such as home improvement (sheds, shutters, carpets, air conditioning, heating, solar, pools and spas, solar), furniture, ride-on mowers, jewellery, automotive accessories, sports and leisure (bikes, scuba, golf, fitness) and travel.

As the Once and Lombard businesses are integrated, the critical scale required to compete effectively in the interest-free market is being realised.

As further areas of the Group consolidate and embrace a customer-centric model, FlexiGroup is able to position itself as a full-service provider of finance solutions to consumers, retailers and businesses.

The Group invests in new product innovation to help retailers boost their sales, and consumers or SMEs to manage their cash flow.

FlexiGroup applies its skills in credit scoring, collections and funding across a variety of finance products, allowing it to process over 11 million payments per annum and provide a platform to add further acquisitions with genuine leverage to impact receivables growth.

Strength in high-quality segments

FlexiGroup has focused on growing receivables across the large, high-quality segments of Certegy No Interest Ever, Enterprise and Interest-free Cards. At the end of FY2013, they comprised 69% of FlexiGroup receivables. These businesses provide a diversified asset range, and share similar low-risk customer profiles. The result is lower losses and a lower capital requirement.

Diversified to quality segments

NO INTEREST EVER	INTEREST-FREE CARDS	CONSUMER AND SME	ENTERPRISE
			
<p>\$422M RECEIVABLES 27MTH AVERAGE TERM \$27.5M CASH NPAT 6,200 MERCHANTS</p>	<p>\$186M RECEIVABLES 24MTH AVERAGE TERM \$2.7M CASH NPAT 3,900 MERCHANTS</p>	<p>\$358M RECEIVABLES 37MTH AVERAGE TERM \$33.1M CASH NPAT 4,100 MERCHANTS</p>	<p>\$197M RECEIVABLES 50MTH AVERAGE TERM \$8.8M CASH NPAT 135 VENDORS</p>
<ul style="list-style-type: none"> • Trading since 1989, acquired Oct 2008 • Interest-free and cheque guarantee products offered in diverse industries • Increases sales volumes for retailers • No interest (ever) payable by the customer 	<ul style="list-style-type: none"> • Lombard trading since 2002, acquired Jun 2012 • Once Credit acquired on 31st May 2013 • Interest-free point of sale card finance business • Retail partners offer an interest-free product and customers are given a VISA card • VISA card can be used for everyday retail purchases 	<ul style="list-style-type: none"> • Trading since 1988, IPO Dec 2006 • Lease and Blink mobile broadband offered in IT, electrical and SME channels • Online and mobile payment solutions via Paymate • Preserves margin for the retailer/merchant • Customers get loaner, protect and affordable monthly payments 	<ul style="list-style-type: none"> • Recruited an experienced industry team in Nov 2009 • OEM/Vendor leasing to business • Increase sales volumes for OEMs/Vendors • Affordable, tax deductible means for customers to acquire assets

HIGHLIGHTS

DIVERSIFIED STRENGTH CONSISTENTLY DELIVERING

\$72.1m
CASH NET PROFIT

CASH NET PROFIT
AFTER TAX UP 18%
TO \$72.1M

\$907m
VOLUME GROWTH

CONTINUED STRONG
VOLUME GROWTH,
UP 16% TO \$907M

Scale

ONCE ACQUISITION
PROVIDING SCALE
INTO THE \$45B CREDIT
CARD MARKET

25%
RECEIVABLES GROWTH

CONSOLIDATED
RECEIVABLES GROW
25% TO \$1,163M
FOLLOWING THE
ACQUISITION OF
ONCE CREDIT

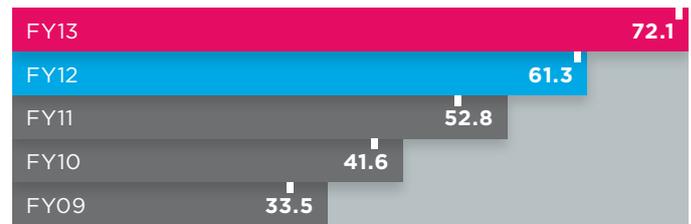
14.5c
ANNUAL DIVIDEND

TOTAL ANNUAL
DIVIDEND OF 14.5C,
GROWTH OF 16%

**FY14
Guidance**

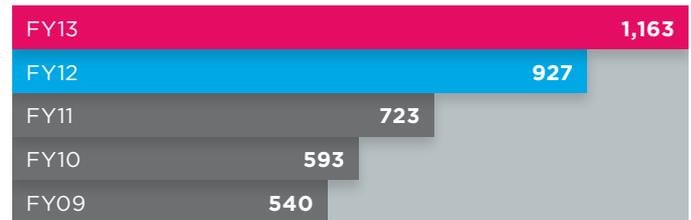
OF 17% TO 19% GROWTH
IN CASH NET PROFIT
AFTER TAX

CONSISTENTLY MET CASH NPAT¹ FORECAST (\$M) 4-YEAR CAGR OF 21%



□ Forecast

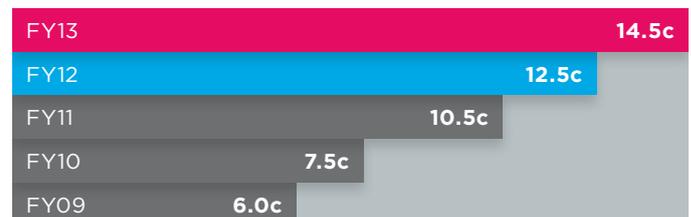
STRONG RECEIVABLES² GROWTH (\$M) TRACKING TO 4-YEAR CAGR OF 18%-21%



CASH EPS GROWTH 4-YEAR CAGR OF 14%



ANNUAL DIVIDEND PAYOUT 50% - 60% (FULLY FRANKED)



1. Cash NPAT excludes amortisation of acquired intangibles of \$1.7m (FY12 \$1.4m) and non-recurring acquisition and redundancy costs of \$4.5m (FY12 \$0.9m).

2. Include Once Credit receivables, acquired 31 May 2013.

EXCEPTIONAL GROWTH IN PROFIT, VOLUME AND RECEIVABLES

It is an absolute delight to report an outstanding year for FlexiGroup. By diversifying revenue streams and funding lines, the company has achieved exceptional growth in profit, volume and receivables. This year, FlexiGroup continued to diversify, with the acquisition of another interest-free business. As the Group begins to consolidate its recent acquisitions, strong earnings are predicted to continue into FY2014.

FlexiGroup highlights for FY2013 include:

- Cash net-profit after tax¹ of 18% to \$72.1 million, exceeding the guidance provided to the market a year ago.
- Strong volume growth, up 16% to \$907 million.
- Consolidated receivables growth of 25% to \$1.16 billion, following the acquisition of Once Credit, and driven by strong growth from Lombard, Certegy and Flexi Commercial Enterprise of 52%, 18% and 27%, respectively.
- Scale provided into the \$45 billion credit card market with the acquisition of Once in May 2013. Together with Lombard, it delivered consolidated Interest-free Card cash net-profit after tax² of \$2.7 million.
- The creation of a new customer-centric operating model to provide a full range of finance solutions.

The first step into the interest-free market began in 2008 with the acquisition of the highly successful Certegy 'no interest ever' business which this year delivered \$422 million in receivables. Certegy is the largest of the FlexiGroup businesses, and was acquired for \$31 million. This investment has been well-exceeded with a cumulative cash net-profit after tax of \$71 million.



Certegy this year seized the volume opportunity induced by high government solar subsidies to grow strongly in the first half of the fiscal year. It prepared for the impact of a significant reduction of these subsidies by enhancing its VIP program, which delivered \$84 million in new, non-solar volumes – a remarkable result. As energy costs continue to rise and the industry recovers from the significant reduction of government subsidies, FlexiGroup expects a continued solid contribution of solar volumes.

The Group's business mix is now well-diversified following strong receivables growth from Lombard, Certegy and Flexi Commercial Enterprise. The Once acquisition has added an additional \$110 million of receivables. The newer businesses comprise 76% of volume in FY2013, and 69% of receivables.

This intense growth in high-quality segments has enabled the Group to further embrace securitisation, and has this year delivered capital-efficient funding resulting in a 110 basis point improvement in the cost of funds.

The full impacts of a soft retail environment and price erosion in the computer category were mitigated by the continued focus on growing the SME channel. This focus has transitioned SME to 44% of the Flexirent volume mix, up from 28% in FY2010. The Flexirent Consumer and SME leasing business comprises 31% of the Group's receivables. It performed in line with expectations, with receivables down 2% on the prior year.

Consolidate and Accelerate

In June 2012, Lombard Finance was bought for \$10 million. This was followed in May 2013 with the acquisition of Once for \$45 million. Together they delivered consolidated receivables of \$186 million this year.

Lombard and Once offer interest-free finance through a diverse range of retailers. In addition, both provide customers with a VISA card. Located in Sydney, they each operate with similar processes and systems. The businesses have now been integrated and relocated to the FlexiGroup head office. Along with Flexirent Consumer and SME Leasing, the cards businesses report to a newly appointed General Manager of Consumer and SME.

This consolidation is in response to demand for a new customer-centric business model. It positions FlexiGroup as a single, full-service provider of finance solutions to consumers, retailers and businesses alike.

Investment in a shared services platform and transition of selected contact centre operations to Manila has delivered cost efficiencies in the second half of 2013. The returns from these efficiencies are expected to continue into the future.

Outstanding Shareholder Result

This year has been an exceptional one for shareholders. Total shareholder dividends of 14.5 cents per share grew by 16% after the Board declared a fully franked final dividend of 7.5 cents (compared to a 6.5 cents final dividend last year). The final dividend is at the top end of the 50-60% payout range. Additionally, cash earnings per share increased 12% to 25.1 cents for the fiscal year.

1. Cash NPAT excludes amortisation of acquired intangibles of \$1.7m (FY12 \$1.4m) and non-recurring acquisition and redundancy costs of \$4.5m (FY12 \$0.9m).

2. Interest-free cards cash NPAT excludes amortisation of acquired intangibles of \$0.5m in FY13.

Confident Outlook

FlexiGroup has provided guidance of 17-19% cash net-profit after tax growth (\$84-86 million) for FY2014. Further profit growth is expected as:

- receivables grow through: scale in Interest-free Cards, Once delivers a 12-month volume contribution and Flexi Commercial Enterprise increases its distribution footprint
- the new customer-centric business model is rolled out, thereby driving greater product penetration in key accounts in Retail and SME for both Leasing and Cards
- new products and services are developed
- Opex synergies are delivered from the consolidation of Lombard and Once and the expansion of the Manila platform
- capital funding structures are optimised and the growth in targeted low-risk profile segments drive lower funding costs.

Additionally, FlexiGroup will continue to selectively acquire Consumer and Commercial finance businesses to accelerate scale in existing segments and reach new markets.

The Group remains committed to strong profit and receivables growth, increased economies of scale, and improved risk profile and funding costs.

Solid new business volumes from Enterprise, Certegy and the Interest-free Cards are expected to underpin future earnings momentum and provide a solid platform for growth in FY2014 and beyond.

On behalf of the Board of Directors, Tarek and I would like to thank all of our customers, partners, funders and shareholders for their ongoing support.

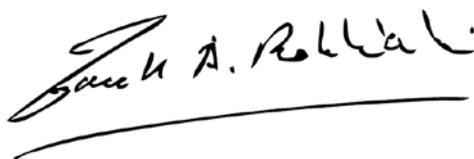
Our thanks to the hard-working team at FlexiGroup for their exceptional contribution, and a special welcome to those who are new to the Flexi family.

Finally, we thank our retiring Chief Financial Officer, Garry McLennan, who, after five years, has decided to step down to pursue other opportunities.

Garry leaves on a high, with a solid legacy and a strong team ready to take over. We thank him for his contribution and wish him well for his future.



MARGARET JACKSON
CHAIRMAN



TAREK ROBBIATI
CHIEF EXECUTIVE OFFICER

BOARD OF DIRECTORS

PROVEN PERFORMANCE WITH A POSITIVE OUTLOOK



MARGARET JACKSON, AC

CHAIRMAN, INDEPENDENT,
NON-EXECUTIVE

BEd, MBA,
Hon LLD (Monash), FCA

Margaret was appointed a Director of the Company in November 2006. Margaret is also President of Australian Volunteers International and has extensive experience as a director of listed public companies, including BHP, ANZ, Pacific Dunlop, Fairfax, Southcorp and Qantas. She is the former chairman of Qantas and the Advisory Board for the Salvation Army and numerous not-for-profit organisations.

Before beginning her career as a full-time company Director in 1992, Margaret was a Partner of KPMG Peat Marwick's Management Consulting Division.

Member of Remuneration Committee, Nomination Committee and Audit and Risk Committee.



TAREK ROBBIATI

NON-INDEPENDENT,
EXECUTIVE,
CHIEF EXECUTIVE OFFICER

MBA, M.S.

Tarek was appointed CEO of FlexiGroup on 1 November 2012 and commenced work at FlexiGroup on 21 January 2013. He was appointed a Director of the Company on 28 January 2013.

Prior to joining FlexiGroup, from 2009-2012 Tarek was Group Managing Director of Telstra International Group and Chairman of CSL Ltd, the mobile service provider of Telstra International Group based in Hong Kong. From 2007-2009, Tarek was CEO of CSL Ltd in Hong Kong, and prior to that between 2005-2007 he was Deputy Chief Financial Officer of Telstra Corporation Ltd in Melbourne.



ANDREW ABERCROMBIE

FOUNDING DIRECTOR
NON-INDEPENDENT,
NON-EXECUTIVE

BEd, LLB, MBA

Andrew became a Director and CEO of the original Flexirent business in 1991. He was appointed a Director of the public Company for the IPO in November 2006.

Andrew is an experienced commercial and tax lawyer and was a founding partner of a legal firm operating in Sydney and Melbourne. Following several years in property investment and tax consulting, he co-founded the Flexirent business in 1991 and was Chief Executive Officer until 2003.

Chair of Nomination Committee and Member of Remuneration Committee.



RAJEEV DHAWAN

INDEPENDENT,
NON-EXECUTIVE
BCom, ACA, MBA

Rajeev represented Colonial First State Private Equity managed funds (“CFSPE”) on the Board of Flexirent Holdings Pty Limited from February 2003 to December 2004. Upon CFSPE’s exit from Flexirent Holdings in December 2004, Rajeev continued in an advisory capacity to the Flexirent business.

Currently a partner of Equity Partners, Rajeev has 20 years’ venture capital and private equity experience and has been a Director of a number of listed and unlisted portfolio companies.

Chair of Remuneration Committee, Member of Audit and Risk Committee and Nomination Committee.



R JOHN SKIPPEN

INDEPENDENT,
NON-EXECUTIVE
ACA

John was appointed a Director of the Company in November 2006.

John was the Finance Director and Chief Financial Officer of Harvey Norman Holdings Limited for 12 years. He was involved in the establishment of the original agreement between Flexirent Holdings Pty Limited and Harvey Norman in 1995. John has over 32 years’ experience as a chartered accountant.

Chair of Audit and Risk Committee, Member of Remuneration Committee and Nomination Committee.



ANNE WARD

INDEPENDENT,
NON-EXECUTIVE
B.A., LLB (Melb), FAICD

Anne was appointed a Director of the Company in January 2013.

Anne is presently Chairman of Colonial First State Investments Ltd, Avanteos Investments Ltd, the Qantas Superannuation Plan, Zoos Victoria and the Centre for Investor Education.

Prior to becoming a professional director, Anne was a commercial lawyer for 28 years, advising major corporations on strategic transactions, mergers and acquisitions, capital markets, contract law and regulation and corporate governance. She was General Counsel for National Australia Bank for Australia and Asia and was a partner at national law firms Minter Ellison and Herbert Geer.

Member of Remuneration Committee, Nomination Committee and Audit and Risk Committee.



Customers delight in the passion and enthusiasm Natasha demonstrates as an SME agent. Flexi values her generous nature, regularly demonstrated through her leadership of Flexiforce, where she is a driving force behind charity and staff engagement events.

Acquisitions bring talented people into the FXL family. Well respected as the Cards Marketing Manager with Lombard, Angela is enjoying new experiences as the Group's Digital Marketing Manager.



An outstanding contact centre leader, Ben seized the opportunity to lead the transition of contact centre roles to Manila. He has been instrumental in ensuring the Flexi culture of excellence is alive and well in Manila.

As previous head of Once operations, Zenab is applying her considerable skills to the role of Operations Manager Cards, bringing together Lombard and Once into one seamless operation.

FROM TOP:
NATASHA GARCIA
ANGELA GOODRIDGE
BEN LAMB
ZENAB FOUANI

OPERATIONAL EXCELLENCE DELIVERS RESULTS

A customer-centric focus

In response to demand for a single finance partner able to provide consumers, retailers and businesses with a complete range of finance solutions, FlexiGroup is moving to a new customer-centric operating model.

The consolidation and alignment of the sales force across Consumer, SME and Interest-free Cards businesses is progressing well. By leveraging the full product range and implementing best practices across the entire Group, strong growth is expected in the distribution network.

Creating a highly scalable, low-cost operating platform

The investment in a shared services platform and the transition of selected contact centre operations to Manila has delivered impressive cost efficiencies in the second half of FY2013. These efficiencies are expected to continue into future years.

The IT and operational platforms in the Interest-free Cards business are being rationalised, to remove duplication and save costs.

The development of online, wireless and payment capabilities will be accelerated to provide additional services to retailers and to deepen the relationship with end-customers. This will lower the cost to originate and service customers.

CERTEGY RECEIVABLES GROWTH (\$M)

18%

FY13	422
FY12	357

\$27.5m

CASH NET PROFIT

GROWTH IN CERTEGY CASH NET-PROFIT AFTER TAX TO \$27.5 MILLION, UP 26% ON THE PREVIOUS YEAR AND CONTRIBUTING 38% OF THE GROUP'S PROFIT

ENTERPRISE RECEIVABLES GROWTH (\$M)

27%

FY13	197
FY12	155

Up 79%

CASH NET PROFIT

ENTERPRISE CASH NET-PROFIT AFTER TAX UP 79% ON THE PREVIOUS YEAR TO \$8.8 MILLION

FLEXIRENT RECEIVABLES GROWTH (\$M)

-2%

FY13	358
FY12	365

\$216m

FLEXIRENT VOLUME

FLEXIRENT REPORTED VOLUME OF \$216 MILLION, WITH 44% NOW ORIGINATED THROUGH SME CHANNELS, COMPARED TO 28% IN FY2010

INTEREST-FREE CONSOLIDATED RECEIVABLES GROWTH (\$M)

272%

FY13	LOMBARD 76	CONSOLIDATED 186
FY12	50	

\$186m

STRONG RECEIVABLES GROWTH

INTEREST-FREE CONSOLIDATED RECEIVABLES OF \$186 MILLION INCLUDES THE STRONG ORGANIC GROWTH OF LOMBARD RECEIVABLES TO \$76 MILLION, UP 52%

CERTEGY – NO INTEREST EVER

October 2008 acquisition

Certegy provides home owners with 'no interest ever' finance across a wide range of industries. Certegy has delivered \$71 million in cumulative cash net-profit after tax since it was acquired for \$31 million in 2008.

Using receivables as a measure, Certegy is now the Group's largest business.

Highlights of this outstanding division are:

- Growth in cash net-profit after tax to \$27.5 million, up 26% on the previous year and contributing 38% of the Group's profit.
- Volume is up 13% to \$490 million.
- Receivables increased 18% to \$422 million.
- Solar industry volumes of \$199 million. The first half of the year was maximised prior to the significant reduction of Government rebates. Solid volumes were reported in the second half of the year.
- The VIP program, created to engage customers and drive an increase in repeat business, generated volume of \$117 million. New non-solar repeat volumes of \$84 million was an excellent result.

- The merchant development program signed 847 new merchants with 1,290 new store locations, including a relationship with Rebel Sports (155 stores).

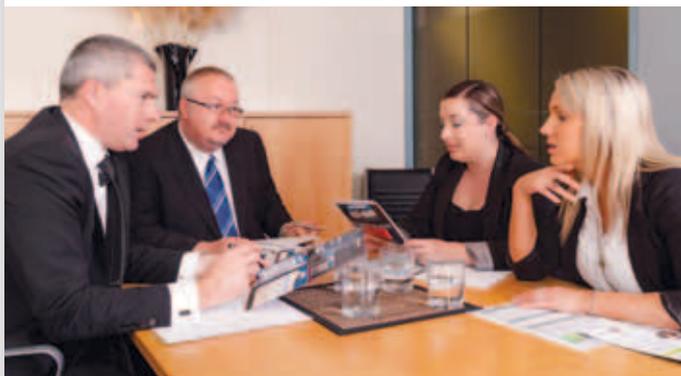
Growth Outlook

Certegy's merchant development program will continue to successfully diversify and expand its distribution. New industries have been identified and tested for further growth opportunities in FY2014 and beyond. Additionally, the VIP program will be a major driver in growing repeat business.

There will be a keen focus on increasing finance penetration in the solar industry. Despite lower rebates, the cost of energy bills is increasing and household penetration remains low (only 15%). As a result, the solar industry is expected to grow, albeit at a slower pace.

Non-solar volumes increased by 11% in FY2013 and are expected to maintain double-digit growth rates in FY2014.

CERTEGY SALES LEADERSHIP



LOMBARD AND ONCE INTEREST-FREE CARDS

June 2012 and May 2013 acquisitions

Lombard and Once use interest-free offers to attract customers at leading retailers' point of sale. They also provide a VISA card which can be used for everyday purchases.

These acquisitions provide FlexiGroup with scale into the \$45 billion credit card market.

Under the Group's ownership, the businesses are no longer capital-constrained. As a result, they are well-placed to confidently deliver solid growth.

Highlights of this division include:

- Consolidated receivables of \$186 million have provided scale, and represent 16% of the Group's receivables.
- The strong organic growth of Lombard receivables to \$76 million, up 52%.
- Cash net-profit after tax more than doubled to \$2.7 million for the second half of FY2013, up from \$1 million reported in the first half. This includes a \$0.3 million contribution from Once in June 2013.
- Volume of \$88 million (includes \$8 million – a one-month consolidation from Once).

- The launch of two new cards, including the 180 VISA card, designed to cross-sell to the Group's existing customer base, and the 55 VISA card, a relaunch of an existing card, designed to stimulate greater customer appeal and increase card utilisation.
- The establishment of approximately 500 new distribution relationships since Lombard's acquisition, including IKEA. New distribution relationships with Dick Smith Electronics and Escape Travel were finalised and trading has begun in FY2014.

Growth Outlook

Lombard and Once have been relocated to the FlexiGroup office in St Leonards. Their systems and processes are being integrated, to function as a single Cards division. Following one-off, after-tax integration costs of \$3.5 million, FlexiGroup expects synergies to contribute annualised cash net profit after tax of \$3.5 million in future years.

Following exceptional growth this year, it is expected that the newly signed Dick Smith Electronics and Escape Travel (who show early promise) will provide further growth opportunities in FY2014.

CONSOLIDATED TEAM

WITH THE INTRODUCTION OF A CUSTOMER-CENTRIC OPERATING MODEL THE CONSUMER AND SME SALES TEAMS HAVE CONSOLIDATED.

FORMED BY THE INTEGRATION OF CONSUMER, SME AND INTEREST-FREE CARDS THE LARGER, STRONGER TEAM WILL LEVERAGE THE FULL PRODUCT SUITE AND HAS THE ABILITY TO OFFER LEASING, INTEREST-FREE, CARD AND MOBILE BROADBAND SOLUTIONS.

FLEXIRENT CONSUMER AND SME

Small-ticket leasing

Flexirent is the Group's original retail point of sale leasing business. It initially operated in the computer and electrical channel.

In 2010, Flexirent strategically diversified into the non-retail SME sector.

The SME business was formed to mitigate the impact of a softening retail environment and the erosion of pricing in the computer category.

The SME business operates across a wide range of industry segments and provides leasing services to small and medium commercial customers.

Highlights of this division include:

- Diversification into SME helped mitigate a challenging retail environment.
- Flexirent reported volume of \$216 million, with 44% originated through the SME channel, compared to 28% in FY2010.
- Receivables of \$358 million were down 2% on the previous year; they stabilised relative to the first half (\$356 million).
- Cash net-profit after tax of \$33.1 million is down 4% on the prior year.

- Net profit after tax was positively impacted in the second half as the company transitioned the Flexirent contact centre (150 staff) to the new FlexiGroup shared services platform in Manila.
- Blink Mobile Broadband, offered in key computer retailers, has 75,000 active wireless broadband customers.

Growth Outlook

Receivables are expected to remain flat, with growth in SME offsetting declining consumer leases. SME receivables growth is supported by longer term commercial contracts that build as a proportion of receivables.

The consumer retail channel will remain challenging but it is expected that the recent availability of Apple computer products through the network of Harvey Norman stores will have a positive impact.

The Blink mobile broadband and bundled product solutions will be re-invigorated to create compelling consumer offerings within Harvey Norman and to capitalise on the rollout of the Apple product.

CONSUMER AND SME SALES LEADERSHIP



FLEXI COMMERCIAL ENTERPRISE

December 2009 organic start-up

Flexi Commercial Enterprise offers business equipment leasing through vendors, manufacturers and distributors.

Given the lower risk profile of customers, this segment has delivered lower loss performance. This enabled the Group to access a lower cost of funds with a reduced capital requirement.

Receivables growth has been driven by solid volume growth and the compounding effect of longer duration transactions.

The highlights of this division are:

- Cash net-profit after tax up 79% on the previous year to \$8.8 million.
- Receivables increased 27% to \$197 million, exceeding volume growth due to longer term contracts.
- Volume of \$113 million up 11% on the previous year.
- Increased industry diversification from 135 vendor relationships in telephony, office equipment, software, managed services (services and consumables bundled with the asset) and the commercial energy smart/green segment.

Growth Outlook

Since start-up, Enterprise has consistently delivered excellent results. Ongoing growth is forecast for FY2014. Yields could compress as banks and larger commercial companies become more competitive post-GFC.

Vendor relationships are expected to diversify and grow as extensive industry experience is leveraged to deliver growth in key segments, and as new product innovation and a superior service proposition takes effect.

ENTERPRISE LEADERSHIP TEAM



STRONG AND EFFECTIVE LEADERSHIP UNDERPINS SUCCESS



FROM LEFT TO RIGHT:

TAREK ROBIATI
MANAGING DIRECTOR
AND CEO

NICHOLLE LINDNER
GENERAL MANAGER
CONSUMER AND SME

JEFF McLEAN
HEAD OF GROUP
SHARED SERVICES

ANTHONY ROBERTS
HEAD OF SALES -
ENTERPRISE

ROSS HORSBURGH
CHIEF RISK OFFICER

DAVID STEVENS
CHIEF FINANCIAL OFFICER

JANE MISKELL
HEAD OF HUMAN
RESOURCES

PETER LIRANTZIS
CHIEF INFORMATION
OFFICER

MARILYN CONYER
HEAD OF MARKETING

ROB MAY
GENERAL MANAGER,
CERTEGY



OUR PEOPLE



Introduced through a government training scheme, Rachel proved so successful she is now mentoring other apprentices.

A top performer with an outstanding attitude Fiyona is currently enjoying a six-month secondment with the Cards credit team, as part of the career adventure program.

TOP LEFT:
RACHEL HOPE-JOHNSTONE
BELOW: FIYONA KIDENYA

A leader in the Management Accounting team, Patricia's excellence ensures senior management are able to make well informed business decisions.

The integration of the Cards businesses is a strategically critical role. With his previous experience as a General Manager at Lombard, Chris has the right skills and attitude to perform the challenging role of Business Integration Manager.

BELOW: PATRICIA LUK,
CHRIS PATRICK





Flexi 15-year veterans...
From a traineeship at the age of 16 Febryna is now a highly valued leader in the Credit Referral team. Her smile is a constant in the Flexi office.

The National Dealer Support team liaise with the Flexi sales force and ensure the day-to-day dealer transactions flow smoothly. Requiring diplomacy and attention to detail, as 2ic, Brad has personified those qualities.

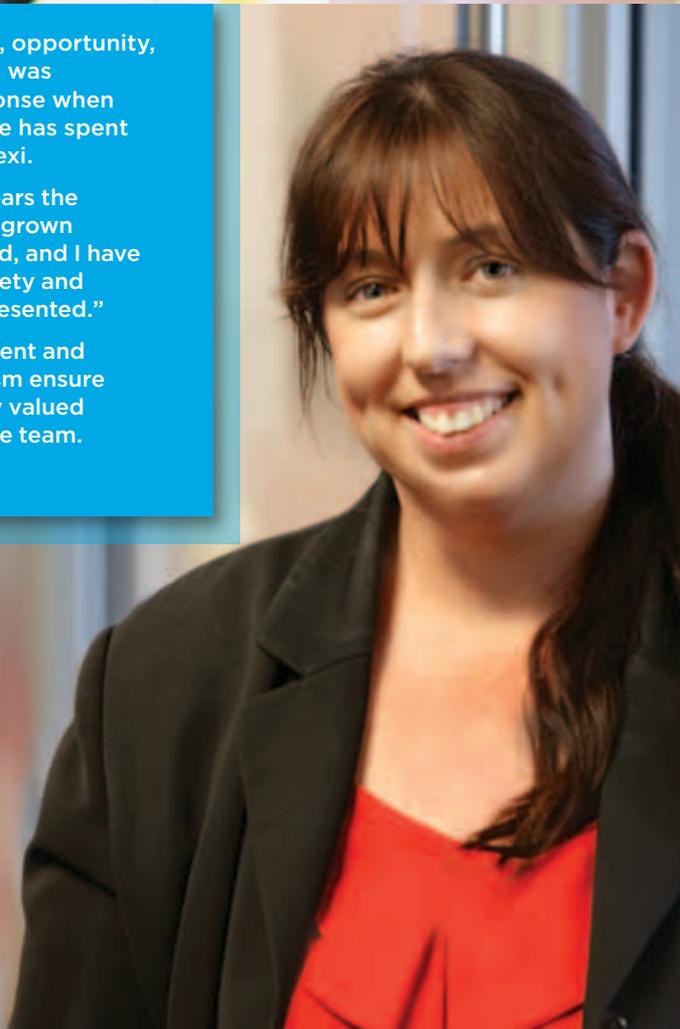
Alison joined as a shy, junior receptionist and today is so multi-skilled she would be welcome in any number of positions. From award winning contact centre roles to her current position as Operations Project Manager, she excels.

CLOCKWISE FROM LEFT:
FEBRYNA ZAINUDDIN,
BRAD COLE, ALISON BINSKIN

“Opportunity, opportunity, opportunity”, was Alison’s response when asked why she has spent 15 years at Flexi.

“Every few years the company has grown and diversified, and I have loved the variety and challenges presented.”

Her commitment and professionalism ensure she is a highly valued member of the team.



FLEXIGROUP'S CULTURE OF EXCELLENCE RELIES ON THE TALENT OF OUR PEOPLE

FlexiGroup's strength - what sets the company apart - is its people and high-performance culture. It is committed to attracting the best talent and to developing its people so that they reach their full capability.

In the past year, FlexiGroup has been recognised externally for the work it has undertaken in developing its Operations team, and participated in the 2013 ATA Annual Awards.

FlexiGroup's business processes and practices are built around three key cultural values - **innovate, collaborate and deliver**. The company strives to make it **'Too Easy'** for its customers and partners to interact with any area of its business. It encourages its people to constantly look for better ways of working and collaborating to deliver even better outcomes.

Leaders across the organisation are committed to creating a workplace in which employees see FlexiGroup as the best company for which they have ever worked.

The company offers a performance review program and reward-and-recognition schemes, and is driven by a motivated, passionate and determined team of executives and managers.

FlexiGroup provides flexible work practices that allow a work-life balance which, in the last 12 months, saw 13 customer service officers set up under its 'Work from Home Program' and approximately 20% of its workforce is employed under part-time or flexible work arrangements.

FlexiGroup continues to raise engagement levels through regular communication activities and events that encourage its people to come together to share ideas, and build a strong sense of community. The result is high staff retention and a low turnover rate of approximately 12.5% - significantly less than the industry average.

During 2013, FlexiGroup has also partnered with organisations such as the Starlight Children's Foundation. The 'FlexiConnects' program focuses on skilled volunteering, and shares its knowledge, skills, resources and systems with its partners to build sustainable improvements that will enable substantial change and development.

In the last year, FlexiGroup donated over 2,400 hours to its partners, building on its contributions of 2012.



ATA Contact Centre Award finalists. Well done to Karen and Kim who were recognised as People Champions, and to Stuart who was a Manager of the Year finalist.

**FROM LEFT TO RIGHT:
KAREN PALTOO, KIMBERLEY OSMOND,
STUART MARTIN**

CORPORATE DIRECTORY

Directors

Margaret Jackson
(Chairman)
Tarek Robbiati
(Chief Executive Officer)
Andrew Abercrombie
Rajeev Dhawan
R John Skippen
Anne Ward

Secretary

David Stevens

Notice of Annual General Meeting

The Annual General Meeting of FlexiGroup Limited will be held at InterContinental Hotel, 117 Macquarie Street, Sydney at 4pm on 20 November 2013

Principal registered office in Australia

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Australia

www.flexigroup.com.au

Share Register

Link Market Services
Limited
Level 12
680 George Street
Sydney NSW 2000
Australia

Auditor

PricewaterhouseCoopers
Darling Park Tower 2
201 Sussex Street
Sydney NSW 2000
Australia

Solicitors

King & Wood Mallesons
Level 60
Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000
Australia

Bankers

Commonwealth Banking
Corporation
Westpac Banking
Corporation

Stock Exchange listing

FlexiGroup Limited (FXL)
shares are listed
on the Australian
Securities Exchange

THE ANNUAL GENERAL MEETING OF
FLEXIGROUP LIMITED WILL BE HELD
AT INTERCONTINENTAL HOTEL,
117 MACQUARIE STREET, SYDNEY
AT 4PM ON 20 NOVEMBER 2013.

