

Sydney – 12 December 2013

ACQUISITION OF THINKSMART'S AUSTRALIAN AND NEW ZEALAND BUSINESSES

Highlights:

- Acquisition of ThinkSmart's Australian and New Zealand businesses ("RentSmart ANZ") for A\$43 million
- Expands FlexiGroup's distribution footprint in retail POS financing
- Acquisition of Australian patent and intellectual property software
- Provides proprietary online credit capability for leasing, enabling FlexiGroup to deliver online POS financing through pure-play online retail, multi-channel retail and direct channels
- Delivers on FlexiGroup's strategy to selectively acquire consumer and commercial finance businesses that provides additional scale in existing segments
- Consideration represents 9x FY15 Cash NPAT (after synergies and pre-financing costs)
- Acquisition will be Cash EPS accretive as of FY15
- FY14 Cash NPAT guidance reaffirmed at A\$84–86million

FlexiGroup Limited ("FlexiGroup") (ASX:FXL) today announced it has entered into a sale and purchase agreement ("SPA") to acquire ThinkSmart Ltd's ("ThinkSmart") (ASX: TSM) Australian and New Zealand businesses ("RentSmart ANZ") for A\$43 million. The purchase price represents 9x times FY15 Cash NPAT after synergies and pre-financing costs.

The acquisition, to be funded by a combination of cash and debt facilities is expected to be Cash EPS accretive as of FY15.

Established in 1996, Perth based RentSmart ANZ is a provider of POS financing solutions in Australia and New Zealand with established, long-term exclusive relationships with retail partners such as JB Hi-Fi, Dick Smith Electronics and Officeworks. Its primary products are RentSmart, which provides POS lease finance solutions to SMEs and consumers; and Fido, a "no interest ever" payment plan product, similar to FlexiGroup's Certegy offering.

RentSmart ANZ's patented online platform provides FlexiGroup with a proprietary online POS credit capability, enabling FlexiGroup to deliver online POS financing and capture online credit growth. The online application process and assessment platform has been developed to cater for all retail environments (online, multi-channel and direct) and provides capacity to assess transactions quickly and efficiently, resulting in on-the-spot approval processing. FlexiGroup has acquired intellectual property rights related to the Smartcheck software that supports RentSmart ANZ's platform as part of the transaction.

Tarek Robbiati, CEO and Managing Director of FlexiGroup said: "RentSmart ANZ provides access to new relationships, enhances our distribution channels and provides strong growth potential from selling FlexiGroup product into new retailers. The acquisition strengthens our online capabilities and delivers on FlexiGroup's strategy to selectively acquire and grow consumer and commercial finance businesses to achieve scale, and introduce new channels."

The transaction is subject to customary conditions and is expected to be completed on 31 January 2014.

Financial Outlook

FlexiGroup today reaffirmed its FY14 Cash NPAT guidance of A\$84–86million.

UBS is acting as financial adviser and King & Wood Mallesons as legal adviser to FlexiGroup.

Conference Call

Investors and analysts are invited to participate in a conference call today at 10:30am AEDT to be hosted by FlexiGroup CEO Tarek Robbiati and CFO David Stevens.

Australia toll free:	1-800-505-544
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Participant passcode:	FLEXIGROUP

For further information:

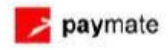
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ABOUT FLEXIGROUP

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 14,000 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-to-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 acquisition of Paymate (an online payment processing business) and to the \$45bn credit card market with the acquisition of 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, trade equipment and point of sale systems. Services are offered through four business units: No Interest Ever (Certegy), Consumer & SME Leasing (Flexirent), Enterprise Leasing (FlexiCommercial) and Interest Free Cards (Lombard & Once).

Tarek Robbiati joined FlexiGroup as Managing Director and CEO in January 2013 replacing John DeLano, who joined FlexiGroup as Managing Director in 2003. 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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