



**AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT
FLEXIGROUP LIMITED ("FXL")**

Sydney, 2 February 2010

**FLEXIGROUP ANNOUNCES POSITIVE TAX RULING AND
UPDATED FY10 PROFIT GUIDANCE**

FlexiGroup announces that it has received a positive tax ruling relating to its initial public offering in December 2006. The ruling is expected to add approximately \$15m to FXL's FY10 NPAT and cash position and is one-off in nature. All proceeds will be used to retire debt.

While FlexiGroup plans to release its Interim Results for 1H10 to the market, along with detailed analysis, on Tuesday, 23 February 2010, FlexiGroup is also able to advise that, based on 1H10 results, it expects full year core FY10 NPAT (excluding the \$15m adjustment) to be in the range of \$39 - \$41 million (before amortisation), up from prior guidance of \$37 - \$39 million.

Following are the key highlights from 1H10 results:

- Growth in core business profitability for 1H10 which is expected to increase by 30% to approximately \$19m NPAT (before amortisation).
- Strong volume growth with assets financed and transaction volumes increased by 44% and 70% respectively in 1H10, primarily as a result of the contribution from Certegy and BLiNK Mobile Broadband.
- With the Australian economy improving, Australian lease volumes increased by 6%, while New Zealand and Ireland lease volumes were down due to a more cautious approach to credit in those economies.
- Tight control of bad debts resulting in impairment costs expected to be approximately 3% below the same period last year.

Please note that the guidance and summary of key highlights provided in this update are subject to the finalisation of FlexiGroup's financial statements and reports for 1H10, and completion of the review by external auditors.

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