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FLEXIGROUP

Acquisition of Paymate

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Agenda

- Transaction highlights
- Paymate overview
- Strategic rationale
- Well Positioned
- Acquisition Summary

Transaction highlights

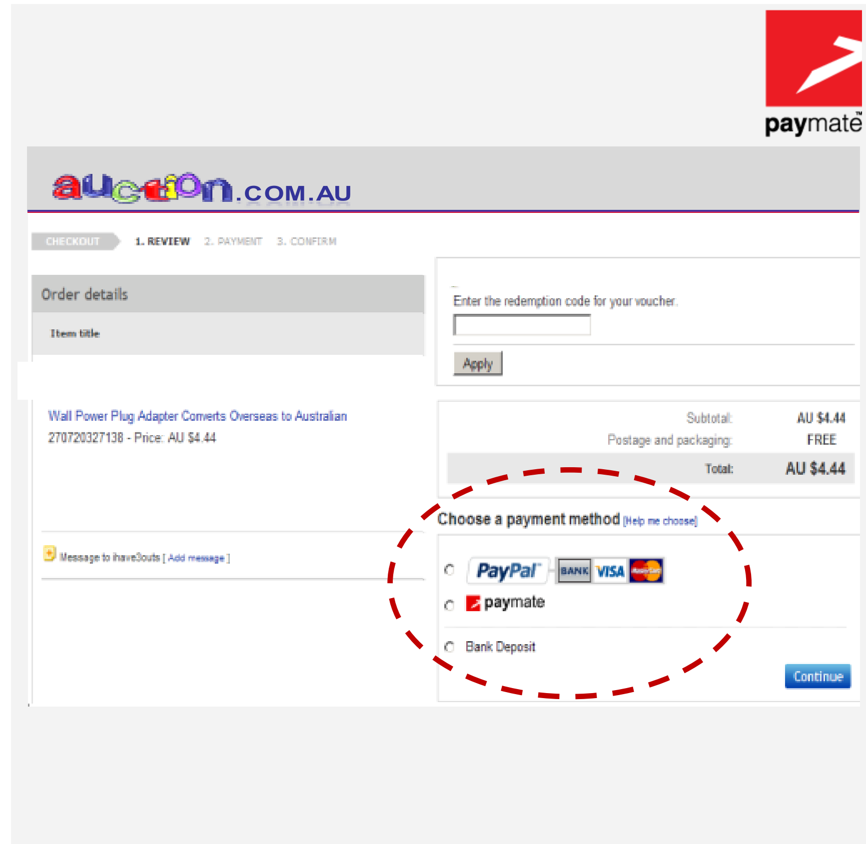
Acquisition of Paymate Australia, New Zealand and Asia

paymate™

Purchase details	- Terms agreed to acquire Paymate for an undisclosed but not material sum to be funded from existing cash reserves and deferred equity consideration. Completion expected in February 2012
Business description	- A fee generating online payment business through relationships with 3,500 online retailers
Strategic rationale	1 - **Capitalise on large, high growth online market** with limited competition. Supports existing retailers move online and leverages customer relationships 2 - **Platform delivers speed to market.** Supports new product innovation and provides immediate access online merchants to grow online payments 3 - **Extends diversified financial services strategy.** Targets new online distribution channel, broadens merchant categories, access to International market
Well Positioned	- FXL has track record of growing high volume payment processing business with 11 million payments transacted per annum - Online business led by very experienced online payment team (including Andrew Pipolo, ex MD of PayPal APAC)

Overview: Paymate's robust online technology platform and existing merchant relationships are capable of supporting significant payment volume growth

- Paymate is an online payment service.
- Launched in Australia in July 2000, five years before PayPal.
- Established relationships with 3,500 sellers including eBay (penetration estimated at <0.5%)
- Benefit to merchant: Easy plug & play; lower fees and faster payment transfer than alternative providers.
- Benefit to Customers: Like other online payment services the Paymate technology platform has the ability to provide customers with a secure online experience
- Under resourced, Paymate Australia has grown to just $20m payment volume p.a. versus PayPal estimated at $2 billion+ p.a.



Economics: Paymate profits increase with volume growth and scale. Proposed FlexiPay deferred payment product provides further upside

Paymate transaction flow

1. Customer shops online / eBay
2. Chooses Paymate option
3. Secure Paymate bank authorisation
4. Pays Merchant less service fee

Paymate economic model

$140	Average: sale amount
$5	Revenue: merchant service fee
$3	Cost: interchange and processing fees & losses
$2	Net Margin

FlexiPay (Deferred Payment) flow

1. Customer shops online
2. Chooses FlexiPay deferred payment option
3. $500 customer buying power – for single or multiple purchases
4. Pay Merchant less service fee
5. Collect customer estab. & mthly payment fee

Deferred Payment Options
- *60 days then pay total*
- *90 days then pay 3 x monthly pmts*
  or
- *6 monthly instalments (not deferred)*

FlexiPay economic model

$250	Average: sale amount
$31	Revenue: establishment, payment processing & merchant service fee
$23	Cost: cost of funds, interchange fees & losses
$8	Net Margin

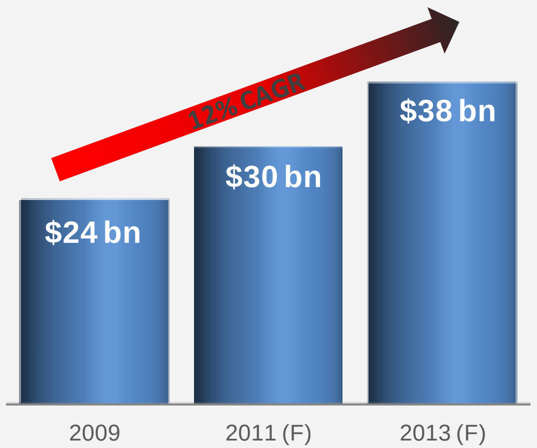
Note: examples are illustrative only (Fees or cost of funds may vary)

1 Strategic rationale: Capitalise on the large, high growth online market

Large High Growth market

- Online market forecast 12% growth to $38 billion by 2013
- 56% of Australians now buy online monthly.
- Customers demand secure payment experience
- Online retail spending expected to increase from <5% to 9% (similar to levels in the UK & US)

Australian Online Retail Market

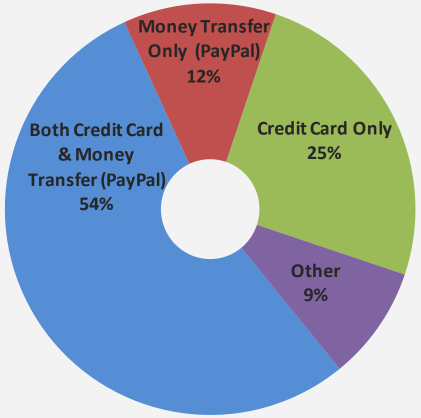


Source: Forrester Consulting Q3 2011

Competition is Low

- Dominated by two payment methods – Credit Card and PayPal account for 91% of the market.
- Paymate is one of only three integrated payment options on eBay.
- Product innovation is minimal
- FXL well placed to be competitive - product innovation and by leveraging 20 years of credit experience

Payment Method - online purchases for June 2011



% of Online shoppers 18 years and older
Source: Roy Morgan June 2011

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Strategic rationale: Platform delivers speed to market. Supports new products and provides immediate access to grow online payments

Leverage Paymate to increase online payment volumes

Immediate access to Paymate's existing online retailers (3,500 including eBay).

- Increase eBay market share (currently 0.5%).
- Market leader has 40,000 merchants. Opportunity to increase number of merchant relationships.
- FXL online team, in prior role, led PayPal Australia success

Apply FXL product innovation expertise

Paymate technology platform to support FlexiPay Deferred Payment Product

- Bill me Later in US accounts for 1% of online payment market

FXL retail partners growing online presence

Paymate platform to support FXL existing retail partners online

- FXL has 2 million existing/prior customers and 11,000 merchant partners

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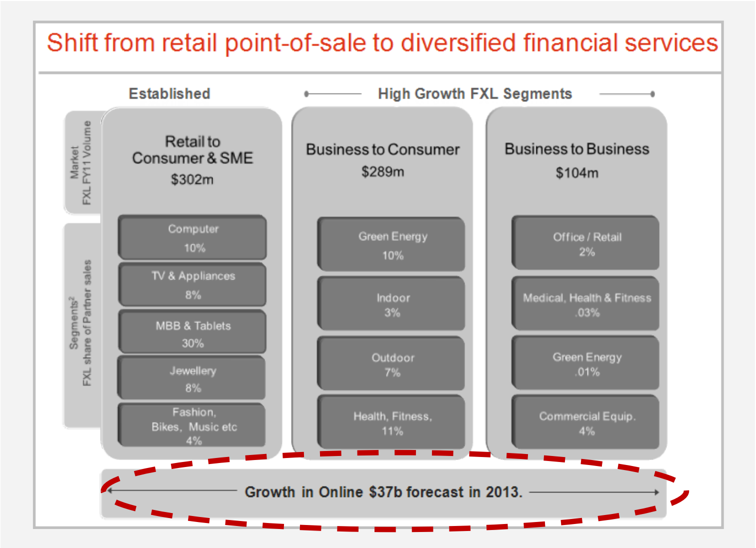
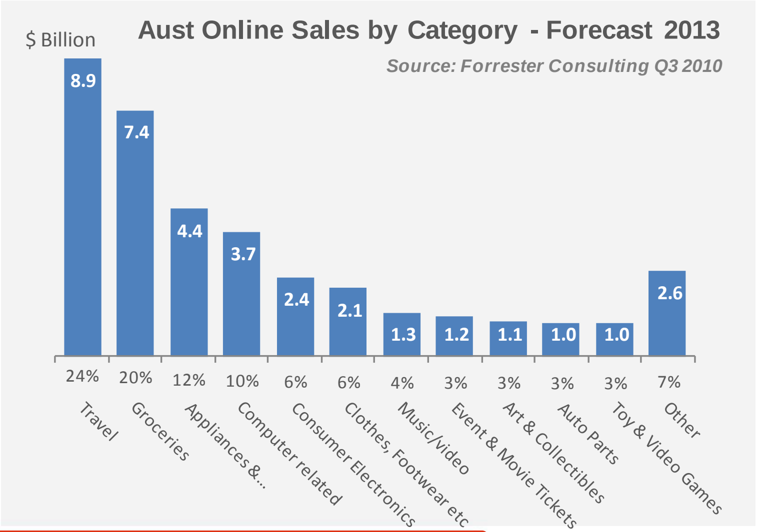
Strategic rationale: Extends diversified financial services strategy.

Targets new online distribution channel and broader range of merchant categories

- FXL shift from retail point of sale to diversified financial services
- High growth FXL segments are Business to Consumer and Business to Business
- Diversification strategy extended to access high growth online segment



- Online segment provides access to new categories:
  - online auctions and department stores, travel, groceries (incl alcohol), clothing, sporting and outdoor, health/pharmaceutical,
  - retail purchases less than $500
- Low cost entry point into international markets



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Well Positioned: Strong track record growing high volume payment businesses with FXL processing 11 million payments p.a.

Proven Track Record	Strong Volume Growth	
Certegy "no interest ever" product payment processing	Launched 2001	Today - $400m p.a.
Lay-Buy product, has demonstrated high growth with 6,000 new customer transactions in November	Launched May 2011	To date - $6.9m
Andrew Pipolo, former head PayPal APAC leading online team and initiative	Launched 2005	Today $2bn+ (estimated)

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Paymate Acquisition Summary

- Online Market is a strategic opportunity
  - Large, high growth market with limited competition
  - Customers demand secure online payment experience
  - Expands diversified financial services footprint; access to merchant categories; Int'l markets
- Acquisition delivers speed to market and provides infrastructure to support growth
  - Provides immediate access to online merchants and online payments market
  - Use technology platform to support deferred product innovation and FXL existing merchant partners as they shift business online
  - Leverage FXL infrastructure - credit skills, contact centre, payment processing and product innovation
- Financial Outlook:
  - Investment in Paymate in 2HF2012 to reposition the business
  - Expect positive profit contribution in F2013 from Paymate
  - Reaffirm FXL F2012 NPAT guidance of 12% to 15% growth on F2011 including Paymate