



AGM 27 November 2007

Presentation to Shareholders

“Building an Infrastructure for Growth”



FSA Group - Market Opportunity

- FSA Group provides debt solutions and direct lending services to individuals and businesses
- Our potential client base is growing driven by record levels in consumer and small business debt, interest rate pressure and the enduring growth in non-conforming lending
- Banks and other lenders have been reluctant to provide these services
- Market leader with strong product innovation, client understanding, specialist people and systems



FY 2007 - Executing on our Vision

FSA Group is the leading provider of **debt solutions** to **individuals and businesses**

FY 07 Strategy Review

Business model broadened - debt solutions to direct lending services

- Assist more clients / increase volumes
- Broaden business income and capture greater margin
- De-risk business

FY 07 Execution Review

- Built infrastructure to broaden the business base
- Secured funding to finance growth in direct lending services
- Increased staffing and management levels
- Upgraded IT systems

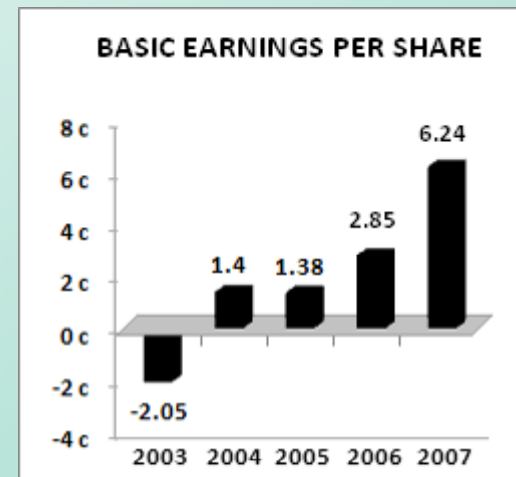
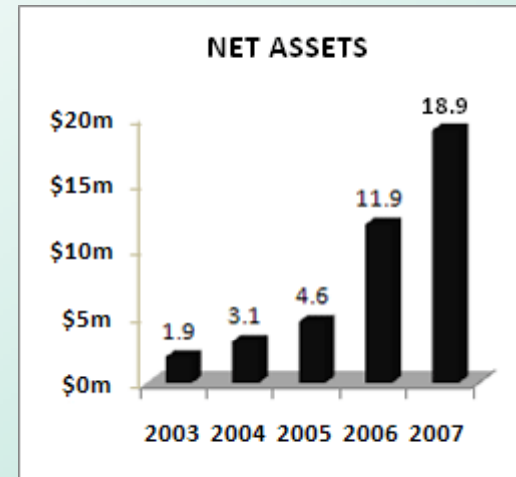
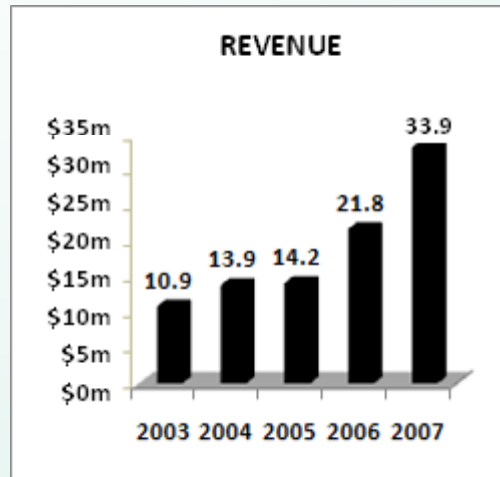


FY 07 Financial Highlights

- Revenue - \$33.9 million (Up 55%)
- Profit After Tax - \$6.5 million (Up 156%)
- Net Assets of \$18.9 million (Up 58%)
- Basic Earnings Per Share of 6.24c (Up 119%)
- \$210m non-recourse Westpac facility secured for residential mortgage lending
- Outperformed internal expectations

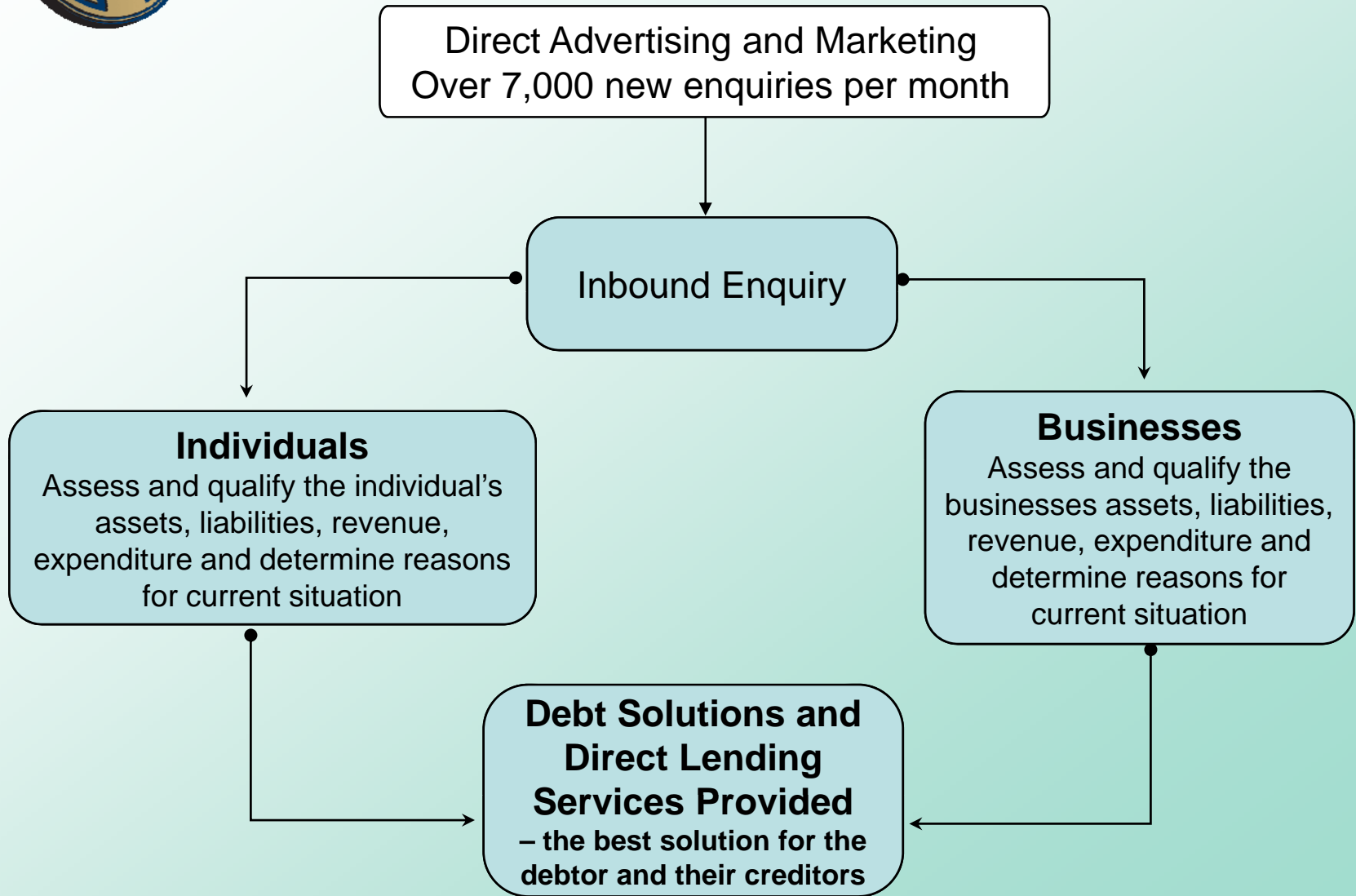


Year on Year Highlights





Business Process





Debt Solutions and Direct Lending Services

Individual Debt Solutions

- Budgeting Assistance
- Refer back to Primary Creditor
- Informal Agreement
- Consolidation Loan (as broker)
- Mortgage Finance (as broker)
- Debt Agreement
- Personal Insolvency Agreement
- Refer to a Financial Counsellor
- Bankruptcy Assistance

Business Debt Solutions

- Strategic plans
- Creditor Negotiations
- Provision of Finance (as broker)
- Sell the business
- Liquidate the Company
- Contingent Liability Management

Direct Lending Services

- Bridging Finance
- Factoring Finance
- Mortgage Finance

External funding lines of
\$220m provided by Westpac
(Note : \$210m non-recourse)



Direct Lending Services – as at November 2007

	Bridging Finance	Factoring Finance	Mortgage Finance
Loan Pool	\$6m	\$1.5m	\$28m
Average Loan Size	\$95k	\$75k	\$209k
Term	90 days (exit strategy required)	Revolving	30 yrs (P/I)
Security Type	2nd Mortgage over Residential Property (Primary Security) Charge over business assets (Secondary Security)	Debtors (Primary Security) 2nd Mortgage over Residential Property (Secondary Security)	1st Mortgage over Residential Property
Average “Loan to Valuation” Ratio	67% (inclusive of 1st and 2nd mortgage)	72% of Debtors	63%
Borrower Type	Self employed	Self employed	88% PAYG (Full Doc)
Geographical Spread	Every State	Every State	NSW 25%, QLD 23% and VIC 24%

The information above is based on current loan pool data and may change as the size of the loan pool changes



Mortgage Finance

Loan pool (though small in size) mirrors the quality of the loan pool FSA Group expected to originate (based on historical data)

FSA Group compared to competitors (as per publicly available data) has:

- Low average weighted “loan to valuation” ratios
- Low average loan sizes
- High concentration of PAYG borrowers (“Full Doc” borrowers)
- Similar diversified geographical spread across every Australian state

From commencement FSA Group has had the following in place:

- Stringent debt servicing tests, when compared to competitors
- Stringent borrower supporting documentation requirements, when compared to competitors



First Half of FY 2008

- PBT for H1 FY 2007 was \$3.7m
- PBT for H1 FY 2008 estimated between \$2.5m to \$3.0m. Impacted by:
 - Change to Debt Agreement Legislation 1 July 2007 – Lowest numbers in 3 years for July (still over 50% market share). Took 6 weeks to adapt to new legislative process. Entire industry affected. Return to normal volumes in late August.
 - Potential borrower confidence affected by press coverage of US sub prime and RAMS, two RBA interest rate increases - Lower than expected enquiry levels for mortgage finance during the months of August and September. Entire industry affected. Return to normal volumes in October.
 - Shift from mortgage broker to mortgage lender. Investment in direct lending services.
- The above events had an adverse affect of approximately \$1.5m on H1 PBT. The events are not expected to re-occur in H2 2008.
- FY 2008 earnings expected to be around FY 2007 levels



FY 2008 Initiatives

- Launch other debt solutions
- Launch other direct lending services (Inventory Finance)
- Focus on building third party referral model (reduce dependency on direct advertising and marketing)
- Commence external broker channel to accelerate additional growth in direct lending services
- Upgrading of IT platforms – particularly CRM platform



Long Term Outlook

Business Environment

- Increase in the number of individuals and businesses requiring debt solutions and direct lending services
- FSA Group is well placed to meet this demand

Debt Solutions

- Aiming to double the size of the business before the end of FY 2010 driven by record levels in consumer and small business debt, interest rate pressure and the enduring growth in non-conforming lending

Direct Lending Services

- Should equally benefit from growth in debt solution business
- External broker channel will accelerate additional growth
- Expected to create recurring revenue and profit streams
- Strong earnings contribution expected