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30 November 2017

ASX: FEI

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## Highlights for September 2017 Interim Results

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- For the Half Year, FEIG generated revenue of \$5,298,000, which was a 45% increase from the preceding half-year results
- FEIGs' total assets were at \$79,196,000 representing an increase of 90% over the preceding half-year results
- Its financial receivables and finance lease receivables were at \$45,419,602 as at 30th September 2017, an increase of 23% since September 2016

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**FE Investments Group Limited (FEIG)** today releases its results ("Interim Results") for the six months ending 30<sup>th</sup> September 2017 ("Half Year").

The Interim Results were compiled using the reverse acquisition accounting treatment which means that the Interim Results and prior year comparatives are the results of FEIG's main operating subsidiary, FE Investments Limited ("**FEI**"). Figures are reported in New Zealand Dollars.

For the Half Year, FEIG generated revenue of \$5,298,000, which was a 45% increase from the equivalent half-year period to 30th September 2016.

FEIG's Comprehensive loss for the Half Year was a loss of \$1,091,065 (after tax) compared to the Comprehensive income of \$834,107 for the equivalent half-year period to 30th September 2016.

On a pro-forma basis and backing out the once-off costs and amortisation charges associated with the acquisition of FEI, FEIG's normalised NPAT would have been a small loss of \$165,000.

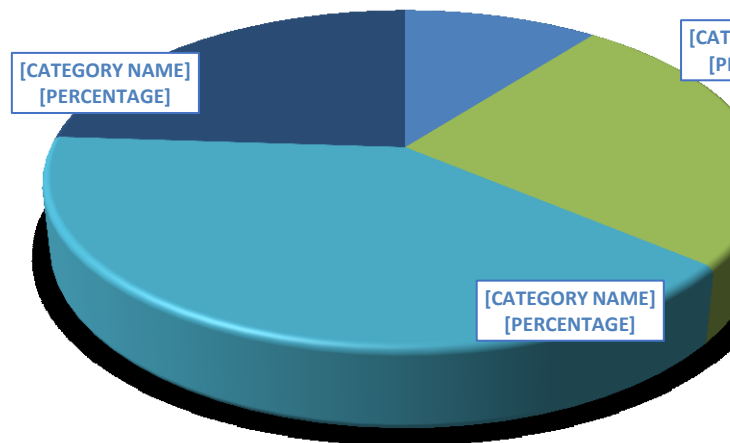
The Interim Results were impacted by one-off costs from the FE Investments acquisition, amortisation of intangibles, unrealised forex losses, higher operating expenses resulting from consolidation of businesses and positioning for future growth.

As at 30th September 2017, FEIG's total assets were at \$79,196,000 representing an increase of 90% over the preceding 12 months (30th September 2016: \$41,722,956).

Its financial receivables and finance lease receivables were at \$45,419,602 as at 30th September 2017 compared to \$36,899,538 of finance receivables at 30th September 2016. This represents an increase of 23%.

Financial receivables have grown steadily in the 12 months to 30th September 2017 driven by rising loan demand in the leasing/financing and the SME sectors. FE Investments also provided some financing to the New Zealand property sector.

## RECEIVABLES PORTFOLIO



Cash holdings at 30th September 2017 were at \$17,306,930 or 22% of total assets of the Group. FEIG is progressively deploying part of the cash holdings to generate financial receivables over the second half of the Financial Year to 31st March 2018.

### Acquisition of FE Investments Limited

The acquisition of FE Investments on 6 June 2017 was pivotal in positioning FEIG as a Diversified Financial Services Group.

The strategic importance of the acquisition is that the Group can now grow its total assets by having its own direct access to retail deposit market without having to rely on bank financing or securitisation programmes.

SME lending and leasing products will become the key drivers of future revenue growth. The Group is in the process of reducing its property sector loan exposure from 26% to below 10% of Group's total assets.

Commenting on its future plans, Chairman James Green remarked "FEIG intends to seek a greater presence in Australia within the next 12 months by making an application to expand its deposit taking activities and offering leasing/financing and SME lending products in Australia. FEIG will conduct a feasibility study prior to making any such moves".

### For further information please contact:

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