

ASX Release

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Company Announcements
Australian Securities Exchange
20 Bridge Street
Sydney

STRONG PROGRESS ON NEW STRATEGY DRIVES BALANCE SHEET ADJUSTMENTS

eChoice Limited (ASX: ECO) today announced that it continues to make strong progress on implementing the Company's new growth strategy and, following the Board's annual review of asset carrying values, intends to write down the value of certain intangible assets that are not considered central to that strategy.

The Board estimates an adjustment of \$19.8 million will be made to reduce the remaining balance of Goodwill and Contract Rights on the balance sheet as at 30 June 2015. The final amount will be subject to review by the Company's auditors following completion of the full year accounts. The adjustment reflects the removal of historical business structures and strategies that are no longer being pursued by the Company following implementation of the new corporate strategy outlined at the shareholders' meeting in March 2015. These include the asset finance business and certain parts of the wholesale mortgage origination business.

The Company is retaining the full \$19.5 million carrying value of intangibles related to Intellectual Property, Software and Websites, which are integral to the eChoice growth strategy. This amount reflects the redeployment of resources by the Company to businesses that the Board believes will create greater shareholder wealth.

In March 2015, under the leadership of its new CEO Peter Andronicos and with a restructured Board, the Company changed its name to eChoice as part of the revised strategy to become the distributor of choice of financial products and services to brokers, clients and partners. The strategy capitalises on eChoice's competitive advantage in technology, people and process to drive revenues, improve operating efficiency and investor returns.

Since that time, the Company has implemented a number of strategic and operational changes ahead of its internal schedule including:

- renewal of the Board;
- restructuring the executive management team;
- extending the term of the Company's senior debt facility;
- further operational cost reductions;
- securing and extending contracts with business partners integral to eChoice's strategy; and
- further development of our lead generation, retention and database monetisation programs.

Full details on the balance sheet adjustments and progress on implementing the new strategy will be included in eChoice's full year results release on or around Thursday 27 August 2015.

Based on a review of unaudited management accounts, it is expected that cash Operating EBITDA¹ before accounting adjustments for the full year ending 30 June 2015 will be in the range \$9.5 million to \$10.0 million.

For further information please contact:

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¹ Cash Operating EBITDA represents earnings before interest, tax, depreciation and amortisation, and excludes non-recurring and non-cash items including NPV adjustments, non-cash share based payments, and restructuring and non-recurring costs.