

ASX Release

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Company Announcements
Australian Securities Exchange
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SALE OF FIRSTFOLIO CAPITAL LOAN BOOK

eChoice Limited (ASX: ECO) is pleased to announce that in line with its dedicated growth strategy it has signed an agreement with Columbus Capital Pty Limited for the sale of the Company's \$125 million of loan assets, managed by its non-core Firstfolio Capital business.

Transaction proceeds from the sale comprise approximately \$2 million, before costs, and will release approximately \$6 million of cash collateral.

Funds from the sale will be used to pay down the senior debt obligation of the Company. With the resultant lower interest expense, the transaction is expected to be EPS positive for eChoice from FY2017.

Commenting on the transaction, eChoice Chief Executive Officer, Mr Peter Andronicos, said: "The business is now acutely focused on its core competencies and its growing strengths and this sale allows us to effectively re-position ourselves to more comprehensively capitalise on the unique opportunities ahead."

"Specifically, we will be utilising our resources and specialist in-house capabilities to continue expanding eChoice's broker and online businesses. This will allow us to take further advantage of the rapidly developing trend of digital distribution and marketing of mortgages and other financial products. Having taken the first formative steps based on our strategy, we are already seeing early figures reflecting clear evidence of growth," he added.

"The transaction represents a well-considered and timely opportunity for the Company to optimise its returns to shareholders and lower its gearing by realising the inherent value of Firstfolio Capital loan book," he concluded.

The principal operations of Firstfolio Capital were acquired by the Company in late 2011 with the acquisition of the Calibre business, a specialist residential mortgage funder, securitiser and loan servicer. However, over the past few years, Firstfolio Capital's contribution to Group earnings has not sufficiently met expectations and was restraining projected growth.

The sale continues to characterise a significant period of restructure and renewal for the Company, which has seen six new partnership announcements in 2015 as well as the appointment of five experienced and industry-respected professionals to drive key business divisions supporting the future direction and growth of the company.

For further information please contact:

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