

ASX / Media Release

12 May 2016

ECHOICE LIMITED ANNOUNCES PROPOSED DELISTING AND PROVIDES MARKET UPDATE ON 2nd Half FY 2016 PERFORMANCE

eChoice Limited (ASX:ECO) (**Company**) today announces its intention to seek shareholder approval to delist from the Australian Securities Exchange (ASX) (**Delisting**). This proposal will be put to shareholders for approval at an extraordinary general meeting to be held on 16 June 2016.

Delisting

The board of the Company believes the Delisting to be in the best interests of the Company due to the low level of trading of the Company's securities on ASX, the inability of the Company to raise capital, the costs of maintaining the listing and the significant future benefits of allowing the business of the Company to develop in an unlisted environment.

The Company has sought in-principle advice from the ASX in respect of the Delisting. ASX has advised that it would be likely to agree to the Delisting upon receipt of a formal application to remove the Company from the official list under Listing Rule 17.11, subject to compliance with the following conditions:

- (a) the Delisting is approved by ordinary resolution of the Company's shareholders;
- (b) the notice of meeting seeking shareholder approval for the Delisting includes a statement to the effect that the removal will take place no earlier than one month after approval is granted; and
- (c) the Company releasing the terms of its decision to the market immediately the Company decides to seek the Delisting.

Should shareholders approve the Delisting, the Company will become an unlisted public company and shareholders on the register at the date of Delisting will retain their shares in the Company, but those shares will only be capable of being traded in an off-market private transaction in accordance with the Company's Constitution.

Liquidity

The board has sought to determine whether there were any methods that may assist the creation of a liquid market to enable those shareholders that wished to sell their shares during the 30 day trading window before Delisting to do so.

The board determined that the most effective method was likely to be one contained in a verbal non-binding expression of interest provided to the Company by existing major shareholders in the Company and entities associated with directors of the Company, Tony Wales, Gregory Pynt, Tim Burton-Taylor and Peter Andronicos, forming a consortium with a verbal non-binding expression of interest (**Expression of Interest**).

The Expression of Interest is a proposal whereby the consortium members (acting severally but not jointly) would stand in the market and offer to acquire shares in the Company through an on-market bid for the sole purpose of providing liquidity for shareholders wishing to sell their shares. The consortium members will individually commit funding to enable them in aggregate to be able to acquire, if necessary, all of the shares offered for sale by holders not being part of the consortium or associated with the consortium members. The Expression of Interest has been provided on the basis that it is conditional on the resolution in respect of the Delisting being passed by shareholders.

While the Board is currently investigating this option, it notes that, at this time there is no certainty that any proposal will emerge that might result in an offer for some or all of the Company's shares or what the terms of any proposal would be.

Should an announcement of any proposal to acquire any or all of the Company's shares emerge, the Board will evaluate the proposal and update shareholders and the market accordingly.

Notwithstanding this, the 30 day trading window may provide shareholders an opportunity to sell any shares.

Indicative timetable

The indicative timetable for the Delisting is set out below. The Company reserves the right to amend this indicative timetable without prior notice to shareholders.

Event	Date
Extraordinary General Meeting	16 June 2016
Suspension Date (date on which shares are suspended from trading on ASX, subject to Shareholder and ASX approval)	9 August 2016
Delisting Date (date on which Delisting is expected to take effect)	16 August 2016

Further details regarding the Delisting, including the key reasons, potential disadvantages and effect of the Delisting are set out in the notice of meeting and explanatory memorandum which has been dispatched to shareholders today.

Update on financial and operating performance

Following a review of the unaudited management accounts and trading performance during the current half year period, the Company notes that trading conditions in the home loans markets have softened and this trend is expected to continue in the short term. The Company continues to focus on growing the commercialisation capabilities of its technology platform and broker lead generation business, together with its aggregation and direct businesses, under the "eChoice" brand. A number of key developments and partnerships supporting this strategy, while in its early stages, are performing according to expectations. The Company expects to report Cash Operating EBITDA¹ from its continuing activities to be not materially different to the prior year.

ENDS

¹ Cash operating EBITDA represents the continuing operating EBITDA adjusted for the movement in the NPV net asset.