

## ASX Release

27 December 2012

Company Announcements

Australian Securities Exchange Limited

20 Bridge Street

Sydney, NSW 2000

### UPDATE ON CAPITAL RAISING TRANSACTION

Firstfolio Limited (ASX: FFF) is pleased to advise that due diligence in relation to the proposed Placement and Rights Issue by the private investor consortium, AC&E Capital, announced on 13 November 2012, is now complete.

The Company has received a draft Heads of Agreement from AC&E Capital and negotiations regarding the detailed terms of that agreement are ongoing. The Board expects the key financial terms of the final agreement will be substantially similar to those previously announced. The proposed transaction will be subject to shareholder approval.

In accordance with its disclosure obligations, the Company will make a further announcement to the ASX when final terms have been agreed, which is expected to occur towards the end of January 2013.

### Dustine Pang

Company Secretary

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#### About Firstfolio Limited

Firstfolio Limited is a mortgages and financial services distribution business, listed on the Australian Securities Exchange under ASX code: FFF. The company offers a diversified range of mortgage solutions, across the full cycle of the loan, through its national network of mortgage brokers, affiliates and related-industry partners, and eChoice – Australia's leading online mortgage brand.

The majority of the company's income is derived from the residential mortgages sector, where it offers aggregation, wholesale lending and management services to a national network of brokers, partner firms and home loan consumers. Firstfolio also offers property-related and financial service solutions including equipment finance, real estate leasing bonds, fee funding, property investment, professional services and insurance.

Loans under management (LUM) have grown to \$20 billion since the Firstfolio brand was founded in 2006 – making it one of Australia's largest independent platforms for the delivery of financial products and services. It has secure lines of funding through a range of wholesale lenders including ING, Advantedge and Adelaide Bank.

Firstfolio aims to generate long-term earnings growth by continuing to develop the largest independent distribution platform in Australia and expanding its range of products and services, including life insurance, mortgage protection, asset finance and financial planning.