

ASX Release

28 August 2013

Company Announcements
Australian Securities Exchange Limited
20 Bridge Street
Sydney, NSW 2000

UPDATE ON RECAPITALISATION PROPOSAL

Firstfolio Limited (“Firstfolio”) (ASX: FFF) is pleased to provide an update in relation to its upcoming placements and rights issue for approximately \$50.2 million (“Recapitalisation Proposal”).

On 2 July 2013, Firstfolio announced the material terms of the Exclusivity Deed, Subscription Agreement and Underwriting Agreement (“Transaction Documents”) it had entered into with Australian Capital Enterprises Pty Limited (“ACE”). The Transaction Documents set out the binding terms upon which Firstfolio will conduct the Recapitalisation Proposal.

Following a revision of ACE’s preferred investment structure, Firstfolio and ACE have novated the Transaction Documents to IZN Investments ACE Management Pty Ltd (“Trustee”) as trustee for the IZN Investments Australian Capital Enterprise Trust (“Trust”). The Trustee will assume all of ACE’s obligations under the Transaction Documents.

Subject to no material matters arising from the ASIC’s regulatory review, Firstfolio expects to mail the Notice of Meeting and Explanatory Memorandum (which will include details in relation to the Trustee and Trust) to shareholders shortly, with an extraordinary general meeting likely to be held in early to mid October 2013.

Dustine Pang
Company Secretary

About Firstfolio Limited

Firstfolio Limited (ASX: FFF) is a mortgages and financial services distribution business which offers a diversified range of mortgage solutions through its two key businesses; eChoice and Folio Mortgage & Finance. Firstfolio also offers its customers an alternative funding option through Firstfolio Capital.

eChoice is one of Australia’s most recognised online mortgage brands, using industry leading technology to provide customers with mortgage and financial product options through convenient online portals. Folio Mortgage & Finance provides mortgage products, mortgage processing and management services, personal loan products, commercial loans, as well as equipment finance and leasing. Products are provided via a national network of mortgage brokers, affiliates and industry partners.

Loans under management (LUM) were \$19 billion at 30 June 2013 – making it one of Australia’s largest independent platforms for the delivery of financial products and services.