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Online attractive for Firststo
eChoice chosen for acquisition

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Financial services group Firststo has entered into an agreement to acquire up to 100 per cent of online mortgage broking platform eChoice as part of a large-scale, national distribution platform strategy.

Firststo chief executive Mark Forsyth said the deal is the latest in a series of acquisitions and partnerships to strategically expand its platform.

"The next five years in our view, will see continued exponential growth in the use of online services and the eChoice platform, with continued investment, will provide Firststo a market leading position," Forsyth said.

The proposed acquisition would include eChoice's \$2.6 billion mortgage book and proprietary, online sales and processing platform.

Firststo would issue 60 million fully paid ordinary shares. There would also be a deferred consideration element of \$3 million, payable over four years, with an agreed share of the loan book trail receipts.

If accepted, the transaction will see Firststo's mortgage loan portfolio rise to more than \$10.5 billion.

"eChoice has a client database of more than 80,000 and each month generates in excess of 150,000 unique visits, resulting in several thousand new mortgage applications," Forsyth said.

Due for settlement on October 31, the acquisition needs to gain 100 percent acceptance by eChoice shareholders.

In the 2008 fiscal year, eChoice achieved earnings before interest and tax of approximately \$2.7 million and net profit of \$1.9 million.

This year, Firststo has also signed distribution deals with Queensland mortgages services group My lender and Apke loans in Tasmania.

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