

ASX / MEDIA STATEMENT

ACQUISITIONS CONTRIBUTE TO RECORD GROWTH IN REVENUES; ROBUST GROWTH OUTLOOK

RESULTS	FY 2009	FY 2010	% CHANGE
<i>Revenue</i>	<i>\$47.4m</i>	<i>\$65.6m</i>	<i>38% increase</i>
<i>EBITDA</i>	<i>\$5.39m</i>	<i>\$10.54m</i>	<i>84% increase</i>
<i>Net profit before tax</i>	<i>\$3.27m</i>	<i>\$4.8m</i>	<i>47% increase</i>
<i>Loan book</i>	<i>\$12b</i>	<i>\$18b</i>	<i>50% increase</i>

Sydney, 24 August 2010: (ASX: FFF) – Independent mortgage and financial services distribution group Firstfolio Ltd today reported record growth in revenues to \$65.6 million for the financial year ended 30 June 2010; including a \$37.5 million contribution in the second half resulting from the acquisition of \$5.9 billion mortgage assets during the full-year period.

Enhanced economies of scale and prudent fiscal management helped deliver operating earnings before interest, depreciation and amortisation (EBITDA) of \$10.54 million, in-line with the company's guidance and an 84% increase on the prior corresponding period.

Net profit before tax was \$4.8 million, a 47% increase on the prior corresponding period.

Firstfolio chief executive, Mark Forsyth, said: "FY 2010 was another milestone year for the company, having integrated several strategic acquisitions which took our loan portfolio beyond the \$18 billion mark. The acquisition of LeaseChoice registered of our ambition to create a leading financial product and services distribution platform, with diverse revenue streams.

"Our acquisition strategy remains clear and simple; we will continue to pursue opportunities that add economic leverage, expand distribution and diversify revenues. All acquisitions during FY 2010 met this strategy, and are now earnings accretive."

Operations

Following the successful launch of the company's BLOOM model, an industry first distribution platform that enables partners to provide white labelled mortgage product to their own customers, Firstfolio has significantly enhanced its organic growth prospects heading into FY 2011.

"Our growing network of partners that now includes AV Jennings, Medibank Private, LJ Hooker and Once Home Loans is testament to the appeal of the model within the financial services industry. We are pursuing a pipeline of potentially lucrative partnerships, and look forward to making further announcements in due course," said Mr Forsyth.

Commenting on the National Consumer Credit Protection legislation, which came into effect on 1 July 2010 and is forecast to have a significant impact on the Australian mortgage broking industry, Mr Forsyth said: "We chose to move early and front-foot the changes to create of a new business stream.

"We have created a simple, cost effective licensee service that enables brokers to continue servicing their clients' best interests. As a result of our early action, we currently have over 700 brokers signed up with us, an outstanding achievement considering where the competition is at."

Firstfolio strengthened its senior management team during the year, with several highly qualified industry executives joining the company, as well as the recent appointed of former Mirvac CEO, Greg Paramor, to its Board.

Outlook

The company has provided FY 2011 EBITDA guidance in the ranges of \$15 to \$16 million, reflecting the building momentum within its business.

"Despite a backdrop of cautiousness in the general market place at present, the Board and I are of the view that Firstfolio's best years are yet to come," concluded Mr Forsyth.

ENDS

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About Firstfolio

Firstfolio Limited is a fast-growing, independent (ASX: FFF) financial services distribution group offering mortgage aggregation services, wholesale residential mortgage finance, online mortgage broking and a range of related financial products.

As at August 2010, Firstfolio's portfolio of mortgage loans under aggregation or management stood at more than \$18billion. Firstfolio operates one of Australia's largest mortgage aggregation platform (combining Firstfolio One and Firstfolio Aggregation); an extensive national network of wholly-owned or affiliated mortgage brokers; a wholesale mortgage lending division backed by secure lines of funding from ING, Origin and Adelaide Bank; and a suite of proprietary residential mortgage loans under the New Loan™ brand. In 2008 Firstfolio acquired eChoice, Australia's leading online mortgage broking platform.

Through specialist financier LeaseChoice, acquired in April 2010, the company offers commercial equipment leasing and finance geared to the SME market. Also in 2010 Firstfolio launched BLOOM, a wholesale B2B platform enabling selected corporate partners to offer their customers house-branded mortgage products funded, processed and supported by Firstfolio. As at July 2010 BLOOM partners included Once Homeloans, LJ Hooker, AV Jennings, Medibank Private and Virgin Money.