

13 December 2018

The Manager
Company Announcements Office
Australian Securities Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam,

FY19 EARNINGS GUIDANCE

Mortgage Choice stated at its FY18 results announcement that, taking into account the new remuneration model, operational changes being introduced across the business and assuming settlements continued at the same level as FY18, it expected FY19 Cash NPAT of approximately \$16.5m. At the Company's FY18 AGM in October 2018, it was noted that brokers were experiencing a longer time for processing loan applications due to tightening lending policies. Together with a slowing property market, Mortgage Choice expected to have better clarity on the impact of these conditions on its FY19 settlements as the Company moved through the first six months of FY19.

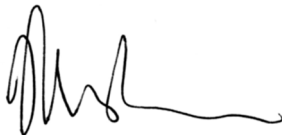
On the basis of current experience and outlook, Mortgage Choice now expects its home loan settlements will be approximately 10% lower than FY18 settlements. A fall in settlements reduces commission revenue with a corresponding flow on effect to other revenue lines. As a result, Mortgage Choice adjusts its guidance for FY19 Cash NPAT to be between \$14 and \$15 million. The FY19 IFRS result will reflect the lower settlements and the impact of the year end actuarial revaluation of the loan book.

Mortgage Choice has made significant progress on its companywide change program to build the platform for growth and long-term sustainability. The Company is on track to achieve a 10% reduction in its operating cash expense base for FY19 when compared to FY18. The new broker remuneration model has been successfully implemented from 1 August and in November 2018 all franchisees moved onto the new Broker software platform.

Mortgage Choice will announce its half year results on 21 February 2019.

Yours faithfully

MORTGAGE CHOICE LIMITED

A handwritten signature in black ink, appearing to read "David Hoskins", with a long horizontal line extending to the right.

DAVID HOSKINS

COMPANY SECRETARY

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