

Lodged by ASX Online

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The Manager  
Company Announcements Office  
ASX Limited  
Level 4, 20 Bridge Street  
Sydney NSW 2000

Dear Sir/Madam

### **Yellow Brick Road Holdings Ltd moves to franchise structure and consolidates**

- YBR caps end of build phase with shift to franchise model (branded branches only)
- Efficiencies captured as acquisitions integrated and development projects finalised
- Deployment of proprietary customer acquisition technologies to network
- Wealth business restructured to focus on recruitment and productivity
- Substantial saving in direct costs as corporate management level removed
- Advertising costs revised to a lower level of continuity spend; brand equity levels high

Wealth management company Yellow Brick Road Holdings Ltd (ASX: YBR) today announced the transition to a franchise model, consolidation in staff numbers and a focus on increased network productivity and adviser recruitment.

The changes follow the acquisition of four businesses: Resi Mortgage Corporation, Vow Financial, Brightday and Loan Avenue, and a three-year, \$20million brand investment in Yellow Brick Road to position itself for growth and offer clients a diverse range of financial and wealth management services and products respectively.

Executive Chairman Mark Bouris says the company, as part of the franchise transition, will release three proprietary technologies to the network which will ramp up local customer acquisition capabilities to improve productivity.

“Moving to a franchise model is an important progression in our operations. The old licence structure served us well but is not adequately responsive or commercial to meet the future challenges and opportunities for a retail oriented businesses like ours,” Mr Bouris said.

“We’ve had a period of phenomenal growth with multiple acquisitions and the development of new proprietary technologies. It is prudent we bed down this activity and successfully consolidate the acquisitions.”

The acquisitions were made to increase scale, market share and distribution to the existing business and there will be some ongoing costs associated with the integration of Loan Avenue.

“We’ve also developed a great brand and can now move to lower levels of advertising spend. Meanwhile, our new branch customer acquisition technology will allow us to fully leverage the brand at a local level.”

**Yellow Brick Road Holdings Limited | ABN 44 119 436 083**

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### **Wealth management restructure**

Following the recent resignation of the CEO - Wealth Management, the wealth division will be restructured and in future will be led by the newly created role of General Manager reporting directly to the Executive Chairman. This appointment will be announced in due course and will consolidate the roles of CEO and National Manager.

“We have done a great job in attracting mortgage brokers. We now have a compelling offer for financial advisers, and with the wealth strategy set and our service offering near complete, our focus is on increasing adviser numbers and driving uptake of our wealth services with customers.”

The broader corporate restructure involves the removal of a number of management level roles across the company in lending, wealth, and marketing that are no longer required due to the fulfilment of projects and integration of acquired businesses. This will result in a decrease of direct staffing costs.

“In line with the reduction of a number of high cost senior management roles and other various management layers in the whole group, I have asked the remaining senior managers to adopt what I call a ‘step in’ mindset so they will be stepping into the roles that have been eliminated and this will be done starting with me as Executive Chairman. Consolidation is about creating new efficiencies and reducing costs and all of us working harder to achieve the targets,” Mr Bouris concluded.

**ENDS**

### **Investor enquiries and media contact:**

Lyndsey Douglas - External Affairs  
lyndsey.douglas@ybr.com.au

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