SHAREHOLDER MEETING

ITS Capital Investments Ltd (ASX: ITS) Please find attached the Shareholder Notice of Meeting that has been dispatched to shareholders.

Details of the meeting are as follows:

DATE: 17 March 2011 - 3pm (WST)

PLACE: Boardroom, Level 36 Exchange Plaza
2 The Esplanade Perth
WA 6000

Gabriel Chiappini
Director & Company Secretary
ITS Capital Investments Ltd
Tel: +61 8 9486 1644

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

THE MATTERS RAISED IN THIS DOCUMENT WILL AFFECT YOUR SHAREHOLDING IN THE COMPANY. YOU ARE ADVISED TO READ THIS DOCUMENT IN ITS ENTIRETY BEFORE THE GENERAL MEETING REFERRED TO BELOW IS CONVENED

IF YOU ARE IN ANY DOUBT ABOUT THE ACTION YOU SHOULD TAKE, PLEASE CONSULT YOUR STOCKBROKER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER

ITS CAPITAL INVESTMENTS LTD
(to be renamed Yellow Brick Road Holdings Ltd)
ACN 119 436 083

Notice of General Meeting

Explanatory Memorandum

and

Related Documentation

GENERAL MEETING TO BE HELD AT
Level 36 Exchange Plaza, 2 The Esplanade, Perth, Western Australia, 6000
AT 3:00pm on Thursday 17 March 2011

TO BE VALID, PROXY FORMS FOR USE AT THIS MEETING MUST BE COMPLETED AND RETURNED TO THE COMPANY NO LATER THAN 3:00pm Perth time on Tuesday 15 March 2011

Corporate Adviser to ITS Capital Investments Limited
Bell Potter Securities Limited

Index

CHAIRMAN'S LETTER

Dear Shareholder,

On behalf of your Directors, I present this Notice of General Meeting in order to inform you of, and to put before you for your consideration, a new commercial direction for the Company.

On 21 December 2010, the Company announced a transaction and an associated capital raising (together, the "Transaction") which, if approved by shareholders and successfully implemented, will transform the Company into the holding company of the Yellow Brick Road group of companies.

There are several components to the Transaction, the key elements being the acquisition of Yellow Brick Road Group Pty Ltd ("YBR") and a public capital raising of an intended $10 million with a minimum subscription condition of $6 million ("the Capital Raising"). On Completion of the Transaction, the Company will change its name to "Yellow Brick Road Holdings Limited" and the YBR business model, details of which are set out in the enclosed Explanatory Memorandum, will form the basis for the Company's activities.

As a precursor to the Transaction, it is intended that representatives of YBR, namely Mark Bouris, Adrian Bouris and Owen Williams be appointed to the Board of the Company prior to the General Meeting being held. Upon Completion of the Transaction, Mark Bouris will be appointed as Executive Chairman of the new group.

Existing directors Gabriel Chiappini and Farooq Khan intend to resign from the Board of the Company immediately after the General Meeting has been held if Shareholders approve the Transaction. Scott Jones will resign from the Board once the prospectus for the Capital Raising has been issued.

The purpose of the Board changes is to ensure that, once the Transaction is fully implemented, only those persons with the knowledge of, and expertise in relation to, the YBR business model will have directorial control of the Company.

The YBR group of companies was established in July 2007 by Mark Bouris and others to provide integrated wealth management advice, products and services to Australian retail and SME clients. Details of those businesses are set out in the Explanatory Memorandum.

The Company has been seeking a new commercial direction since selling its migration advisory business on 5 August 2010. Several major shareholders of the Company brought the YBR acquisition opportunity to the Board and are supportive of shareholders being given the opportunity to consider the Company taking a new direction by acquiring YBR.

Your Board has, after legal and financial due diligence inquiries and substantial negotiations, concluded a share purchase agreement for the acquisition by the Company of all shares in YBR subject to various conditions including the successful completion of the Capital Raising and shareholder approval.

Your Board has also appointed Grant Thornton as an independent expert to opine on the fairness and reasonableness of the Transaction and related matters. Grant Thornton have concluded that the Transaction is both fair and reasonable to Non Associated Shareholders. A copy of Grant Thornton's Independent Expert's Report is attached to this Notice as Appendix "A".

Completion of the Transaction will cause a significant change in the Company's activities and the Company will be required to satisfy the provisions of Chapters 1 and 2 of the ASX Listing Rules as if re-applying for admission to the Official List of the ASX. Satisfying these provisions will be dealt with as part of the application to ASX in relation to the Capital Raising.

It is currently intended that the Company will lodge a prospectus for the purposes of the Capital Raising with ASIC as soon as possible after the successful passing of the Resolutions at the General Meeting.

The Transaction will only proceed if all the Conditional Resolutions are passed by Shareholders at the General Meeting and the Capital Raising is successfully completed. This Notice of General Meeting explains the Resolutions and other aspects of the Transaction.

The current Board of the Company will not be making any recommendation to shareholders with respect to the Transaction and they and their associates will not vote on the Resolutions with respect to shares in the Company held by them. The Board's reasons for this approach are set out in the Explanatory Memorandum.

The Transaction offers the Company the opportunity to participate in the development of the YBR businesses. To take advantage of that opportunity, approval of the various facets of the Transaction must be obtained from Shareholders by their approval of the Conditional Resolutions contained in this Notice.

Shareholders are commended to carefully read through this document in its entirety prior to making a voting determination. Where required they should also consult their professional advisers with respect to the Transaction.

Yours faithfully

Farooq Khan
Interim Chairman

Section 1: About these Documents

Shareholders in ITS Capital Investments Ltd ACN 119 436 083 ("the Company") are requested to consider and vote upon the following matters at the General Meeting of the Company:

- Resolution 1 – Approval of Acquisition of YBR – Change of Activities
- Resolution 2 – Issue of Shares to YBR Shareholders
- Resolution 3 – Acquisition of a Relevant Interest by Golden Wealth Holdings Pty Ltd, YBR Nominees Pty Limited and Mark Bouris (Section 611 Item 7 of the Corporations Act)
- Resolution 4 – Issue of Shares to Golden Wealth Holdings Pty Ltd and YBR Nominees Pty Limited (Related Party Arrangement)
- Resolution 5 – Issue of Shares to Adrian Bouris (Related Party Arrangement)
- Resolution 6 – Issue of Shares to Service Enterprises Pty Ltd (Related Party Arrangement)
- Resolution 7 – Issue of Offer Shares under the Prospectus
- Resolution 8 – Change of Name
- Resolution 9 – Issue of Adviser Shares to Bell Potter Securities Limited
- Resolution 10 – Approval of Non-Executive Directors Remuneration

Resolutions 1 to 9 are each conditional on the other Resolutions 1 to 9 being passed ("Conditional Resolutions").

You are encouraged to attend and vote at the General Meeting. If you are unable to or do not wish to attend, the Directors urge you to vote by completing and returning the Proxy Form to the Company in the manner set out on the Proxy Form (see Appendix "D" of these Documents). The Company must receive your duly completed Proxy Form by no later than the time and date specified in Section 2.

A Glossary of the key terms used throughout these Documents is contained in Section 5 of these Documents.

Please read all of these Documents carefully and in their entirety, determine how you wish to vote in relation to each of the Resolutions and then cast your vote accordingly, either in person or by proxy. If you do not understand any part of these Documents, or are in any doubt as to the course of action you should follow, you should contact your stockbroker, solicitor, accountant or other professional adviser immediately.

Section 2: Time and Place of Meeting

Venue

The General Meeting of the Shareholders of the Company will be held at: **Level 36, Exchange Plaza, 2 The Esplanade, Perth, Western Australia 6000**.

The General Meeting will commence at 3:00pm (Perth time) on Thursday 17 March 2011.

How to Vote

You may vote by attending the General Meeting in person, by proxy or authorised representative.

Voting in Person

To vote in person, attend the General Meeting on the date and at the place set out above.

Voting by Proxy

Each Shareholder entitled to vote at the General Meeting has the right to appoint a proxy to attend and vote for the Shareholder at the General Meeting. To vote by proxy, please complete and sign the Proxy Form enclosed with this Notice as soon as possible and either:

- mail the duly completed Proxy Form to Computershare Investor Services Pty Limited at GPO Box 242, Melbourne Victoria, 3001; or

- fax the duly completed Proxy Form to Computershare Investor Services Pty Limited on facsimile number 1800 783 447 within Australia or +61 3 9473 2555 outside of Australia,

so that it is received not later than 3:00pm (Perth time) on Tuesday 15 March 2011.

A proxy or attorney is not entitled to vote while the Shareholder appointing them is present at the General Meeting.

Your Proxy Form and complete details of how to vote by proxy are set out in Appendix "D" of these Documents.

Voting by Corporate Representatives

A body corporate may appoint an individual to act as its representative to exercise any of the rights the body may exercise at a meeting of the Company's Shareholders. Unless otherwise stated, the corporate representative may exercise all of the rights the appointing body can exercise. The certificate evidencing the appointment of a corporate representative (or a photocopy or facsimile of it) must be received by Computershare Investor Services Pty Limited by mail at GPO Box 242, Melbourne Victoria, 3001 or by facsimile number 1800 783 447 within Australia or +61 3 9473 2555 outside of Australia, by no later than 3:00pm (Perth time) on Tuesday 15 March 2011.

Section 3: Notice of General Meeting

NOTICE is hereby given that the General Meeting of Shareholders of the Company will be held at the place and at the time and date as specified in Section 2.

3.1 Definitions

Unless expressly provided otherwise, each capitalised term used in this Notice has the same meaning as is ascribed to it in **Section 5: The Glossary** that accompanies this Notice.

3.2 Agenda

SPECIAL BUSINESS

Resolution 1 – Approval of Acquisition of YBR – Change of Activities

To consider and, if thought fit, to pass the following resolution as an ordinary resolution, with or without amendment:

That, subject to the passing of Resolutions 2 to 9 inclusive, for the purposes of Listing Rule 11.1 and for all other purposes, the Company is authorised to:

(i) acquire the YBR Shares on the terms and conditions agreed in a share purchase agreement dated 20 December 2010 described in the Explanatory Memorandum; and

(ii) change the nature and scale of the Company's activities as described in the Explanatory Memorandum.

Resolution 2 – Issue of Shares to YBR Shareholders

To consider and, if thought fit, to pass the following resolution as an ordinary resolution, with or without amendment:

That, subject to the passing of Resolution 1 and Resolutions 3 to 9 inclusive, for the purposes of Listing Rule 7.1 and for all other purposes, the Company is authorised to issue and allot up to 84,129,500 Shares to YBR Shareholders on the terms and conditions set out in the Explanatory Memorandum in consideration for the transfer to the Company by each YBR Shareholder of the number of YBR Shares specified in the second column of Table 1 in Section 4.2.3 of the Explanatory Memorandum beside their name on the basis of 3,913 Shares for each YBR Share.

Resolution 3 – Acquisition of a Relevant Interest by Golden Wealth Holdings Pty Ltd, YBR Nominees Pty Limited and Mark Bouris (Section 611 Item 7 of the Corporations Act)

To consider and, if thought fit, to pass the following resolution as an ordinary resolution, with or without amendment:

That, subject to the passing of Resolutions 1 and 2 and Resolutions 4 to 9 inclusive, for the purposes of section 611, item 7 of the Corporations Act 2001 and for all other purposes, approval be given for the acquisition by Golden Wealth Holdings Pty Limited, YBR Nominees Pty Limited and Mark Bouris of a relevant interest in 59,477,600 Shares in the Company to be issued to Golden Wealth Holdings Pty Limited and YBR Nominees Pty Limited representing voting power of 60.1% in the Company.

Resolution 4 – Issue of Shares to Golden Wealth Holdings Pty Ltd and YBR Nominees Pty Limited (Related Party Arrangement)

To consider and, if thought fit, to pass the following resolution as an ordinary resolution, with or without amendment:

That, subject to the passing of Resolutions 1 to 3 and Resolutions 5 to 9 inclusive, for the purposes of Listing Rule 10.1 and Chapter 2E of the Corporations Act and for all other purposes, the Company is authorised to issue and allot to Golden Wealth Holdings Pty Limited and YBR Nominees Pty Limited (companies controlled by Mark Bouris) 59,477,600 Shares on the terms and conditions set out in the Explanatory Memorandum in consideration for the transfer to the Company by Golden Wealth Holdings Pty Ltd of 11,105 YBR Shares and by YBR Nominees Pty Limited of 4,095 YBR Shares, each on the basis of 3,913 Shares for each YBR Share.

Resolution 5 – Issue of Shares to Adrian Bouris (Related Party Arrangement)

To consider and, if thought fit, to pass the following resolution as an ordinary resolution, with or without amendment:

That, subject to the passing of Resolutions 1 to 4 inclusive and 6 to 9 inclusive, for the purposes of Listing Rule 10.1 and Chapter 2E of the Corporations Act and for all other purposes, the Company is authorised to issue and allot to Adrian Bouris 3,130,400 Shares on the terms and conditions set out in the Explanatory Memorandum in consideration for the transfer to the Company by Adrian Bouris of 800 YBR Shares on the basis of 3,913 Shares for each YBR Share.

Resolution 6 – Issue of Shares to Service Enterprises Pty Ltd (Related Party Arrangement)

To consider and, if thought fit, to pass the following resolution as an ordinary resolution, with or without amendment:

That, subject to the passing of Resolutions 1 to 5 inclusive and 7 to 9 inclusive, for the purposes of Listing Rule 10.1 and Chapter 2E of the Corporations Act and for all other purposes, the Company is authorised to issue and allot to Service Enterprises Pty Limited (a company controlled by Owen Williams) 978,250 Shares on the terms and conditions set out in the Explanatory Memorandum in consideration for the transfer to the Company by Service Enterprises Pty Limited of 250 YBR Shares on the basis of 3,913 Shares for each YBR Share.

Resolution 7 – Issue of Offer Shares under the Prospectus

To consider and, if thought fit, to pass the following resolution as an ordinary resolution, with or without amendment:

That, subject to the passing of Resolutions 1 to 6 inclusive and Resolutions 8 and 9, for the purposes of Listing Rule 7.1 and for all other purposes, the Company is authorised to issue and allot up to 31,250,000 Shares pursuant to the Public Offer at a price to be determined by the Company's directors which shall be not less than $0.26 per Share.

Resolution 8 – Change of Name

To consider and, if thought fit, to pass the following resolution as a special resolution, with or without amendment:

That, subject to the passing of Resolutions 1 to 7 inclusive and Resolution 9 and for all other purposes, the Company is authorised to change its name to "Yellow Brick Road Holdings Limited*", with effect from the date of this Resolution.*

Resolution 9 – Issue of Adviser Shares to Bell Potter Securities

To consider and, if thought fit, to pass the following resolution as an ordinary resolution, with or without amendment:

That, subject to the passing of Resolutions 1 to 8 inclusive, for the purposes of Listing Rule 7.1 and for all other purposes, the Company is authorised to issue 750,000 Shares to Bell Potter Securities Limited in consideration for the provision of corporate advisory services in respect of the Transaction on the terms and conditions set out in the Explanatory Memorandum.

Resolution 10 – Approval of Non-Executive Directors Remuneration

To consider and, if thought fit, to pass the following resolution as an ordinary resolution, with or without amendment:

That, for the purposes of Listing Rule 10.17 and rule 38.2 of the Company's Constitution and for all other purposes, the Company is authorised to increase the total aggregate annual remuneration payable to non-executive Directors of the Company by $75,000, from $125,000 to a maximum of $200,000 with effect from the date of this Resolution.

Notes:

- A detailed summary of the Resolutions is contained within the Explanatory Memorandum.
- With respect to Resolutions 2, 3, 4, 5, 6 and 9 the Company intends to issue the Shares as soon as practicable on or after completion of the Capital Raising.
- With respect to Resolutions 4, 5 and 6 for the purpose of Listing Rule 10.1, and with respect to Resolution 3, for the purposes of Item 7 of Section 611 of the Corporations Act, an Independent Expert's Report prepared by Grant Thornton in relation to the Transaction is enclosed with this Notice of Meeting.
- With respect to Resolutions 1 to 6 inclusive, a copy of this Notice and the Explanatory Memorandum which accompanies this Notice has been lodged with the Australian Securities & Investments Commission in accordance with Section 218 of the Corporations Act.
- With respect to Resolutions 2, 3, 4, 5, 6 and 9, no funds will be raised by the issue of these Shares.
- With respect to Resolution 7, the maximum number of Shares to be issued by the Company will be 31,250,000 at an issue price determined by the Company's directors which shall not be less than $0.26 per Share, which will raise an intended $10 million with a minimum subscription condition of $6 million. The proposed use of the funds raised is set out in the Explanatory Memorandum.

Voting Exclusions:

The Company will disregard any votes cast on any of the above Resolutions by any person who may obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities in the Company, if the resolution is passed, and any associates of those persons.

Voting restrictions will apply specifically to (but are not necessarily limited to) the following parties :

- with respect to Resolution 1, YBR Shareholders and any associates of these persons;
- with respect to Resolution 2, YBR Shareholders and any associates of these persons;
- with respect to Resolutions 3 and 4, GWH, YBR Nominees and Mark Bouris and any associates of GWH, YBR Nominees and Mark Bouris;
- with respect to Resolution 5, Adrian Bouris and any associates of Adrian Bouris;
- with respect to Resolution 6, Service Enterprises and any associates of Service Enterprises;
- with respect to Resolution 7, Bell Potter Securities Limited and its associates;
- with respect to Resolution 9, Bell Potter Securities Limited and its associates; and
- with respect to Resolution 10, a Director and any associate of a Director.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or

- it is cast by the person chairing the General Meeting as proxy for a person who is entitled to vote in accordance with the direction on the proxy form to vote as the proxy decides.

By order of the Board

……………………………………
Gabriel Chiappini
Company Secretary

Section 4: Explanatory Memorandum

4.1 Introduction

This Explanatory Memorandum is provided to Shareholders of the Company to explain the Resolutions to be put to Shareholders at the General Meeting to be held at Level 36, Exchange Plaza, 2 The Esplanade, Perth, Western Australia 6000 on Thursday 17 March 2011 commencing at 3:00pm (Perth time) ("the General Meeting").

The Directors recommend Shareholders read the Notice, this Explanatory Memorandum, the Independent Expert's Report and all accompanying documentation in full before making any decision in relation to the Resolutions.

Terms used in this Explanatory Memorandum are defined in Section 5.

4.2 Overview of Proposed Transaction

4.2.1 Summary of proposed Transaction

The Company proposes to change the nature of its activities to that of the holding company of the YBR group of companies. The Directors and the directors of YBR have discussed, examined and negotiated a transaction to effect this change ("the Transaction").

There are several components to the Transaction. The Company intends to:

- acquire all of the issued capital of YBR from the YBR Shareholders, for a consideration comprising 3,913 Shares for each YBR Share. There will be 84,129,500 Shares issued to the YBR Shareholders. Each YBR Shareholder is to be issued that number of Shares set out in Table 1 in Section 4.2.3;

- change its name to "Yellow Brick Road Holdings Limited"; and

- undertake a public capital raising to raise an intended $10 million with a minimum subscription condition of $6 million through the issue of up to 31,250,000 Shares at an issue price determined by the Company's directors which shall not be less than $0.26 per Share. A summary of the intended use of funds raised under the Capital Raising is set out in Section 4.2.6.

The Transaction will only proceed if all of the Resolutions, other than Resolution 10, are passed by Shareholders at the General Meeting and the Capital Raising is successfully completed. The Company, YBR and the YBR Shareholders have entered into a share purchase agreement in respect of the Transaction, the terms of which are summarised in this Explanatory Memorandum.

The Transaction is essentially a listing mechanism for the YBR Group with the Company acting as the listing vehicle and a recapitalisation of the Company.

At the date of this Notice, the Directors of the Company are Gabriel Chiappini, Farooq Khan and Scott Jones. Mark Bouris, Adrian Bouris and Owen Williams are expected to have been appointed to the Board since the date of this Notice and prior to the General Meeting and will be casual appointments to the Board until they are re-elected by Shareholders at the next annual general meeting of the Company.

Gabriel Chiappini and Farooq Khan intend to resign as Directors immediately following the General Meeting provided that each of the Resolutions 1 to 9 are passed at the General Meeting.

A summary of the intentions of GWH, YBR Nominees and Mark Bouris for the Company and the qualifications of persons intended to be directors of the Company is set out in Section 4.9.2.

4.2.3 Overview of Yellow Brick Road Group Pty Limited

The YBR Group was established in July 2007 by Mark Bouris and others to provide integrated wealth management advice, products and services to Australian retail and SME clients.

A summary of the YBR Group is provided in Section 4.3.

There are currently 21,500 ordinary shares in YBR which are held by 14 shareholders. If the Transaction is completed, 84,129,500 Shares will be issued as consideration to the YBR Shareholders on the basis of 3,913 Shares for each YBR Share held by the YBR Shareholder as set out in Table 1 below:

Table 1

Full Name of YBR Shareholder	Number of YBR Shares	Number of Company Shares to be issued if Transaction Completed
Golden Wealth Holdings Pty Ltd	11,105	43,453,865
YBR Nominees Pty Limited	4,095	16,023,735
Adrian Bouris	800	3,130,400
Blue Onion Capital Pty Ltd	600	2,347,800
Twynam Agricultural Group Pty Limited	500	1,956,500
Service Enterprises Pty Limited	250	978,250
Remjay Investments Pty Ltd	500	1,956,500
Sandini Pty Ltd	1,000	3,913,000
Peter Wade	250	978,250
B S Capital Pty Ltd	250	978,250
Stephen Lambert, Ruth Lambert and Simon Lambert jointly	250	978,250
Keneric Nominees Pty Ltd	100	391,300
Ida Tan	300	1,173,900
Gannet Capital Pty Limited	1,500	5,869,500
TOTAL	**21,500**	**84,129,500**

4.2.4 Change of Activities

Completion of the Transaction will cause a significant change in the Company's activities.

Under the Listing Rules, the ASX has determined that because of the magnitude of the change in the nature and scale of the Company's activities the Company will be required to satisfy the provisions of Chapters 1 and 2 of the ASX Listing Rules as if re-applying for admission to the Official List of the ASX.

On the date of the General Meeting, the Company will place itself in a trading halt. If all Transaction-related resolutions are passed at the General Meeting, ASX quotation of and trading in the Company's Shares is expected to remain suspended until such time as the Company has completed its required compliance with Chapters 1 and 2 of the Listing Rules. In such circumstances, the Directors anticipate that compliance with these requirements and re-commencement of trading of Shares will be achieved by 15 May 2011.

In the event that completion of the Transaction has not occurred by the Completion Date (as defined in the SPA), the Company shall, if, within 7 days thereafter, any member of the Board who was not a member of the Board at 20 December 2010 has not resigned, issue a notice convening an extraordinary general meeting of the members of the Company, calling for nominations for appointment of directors to the Board and putting a resolution with respect to each member of the Board that they be removed from the Board pursuant to clause 29.1 of the constitution of the Company.

If the Transaction does not proceed it is expected that the suspension of the Company's Shares would be lifted by ASX and the Company would recommence quotation undertaking its existing business. There is however the risk that ASX will not recommence official quotation if the Transaction does not proceed as set out in Section 4.5.11.

4.2.5 Conditions to Completion of the Share Purchase Agreement

On 21 December 2010, the Company announced to the market its proposed acquisition of YBR and an associated capital raising with a minimum subscription condition of $6 million. To undertake the Transaction, the Company entered into an agreement to acquire all the issued capital of YBR on 20 December 2010.

The consideration for the acquisition of YBR will be the issue of Shares. Each YBR Shareholder will receive 3,913 Shares for every 1 YBR Share held.

Completion of the Acquisition is subject to a number of conditions precedent as set out in the SPA, including:

(a) no ITS Prescribed Occurrence (as defined in the SPA) has occurred. These Prescribed Occurrences principally relate to changes in the Company's capital structure, its constitution, any insolvency event and entering into charges outside of the ordinary course of business;

(b) no YBR Prescribed Occurrence (as defined in the SPA) has occurred. These Prescribed Occurrences principally relate to changes in YBR's capital structure, its constitution, any insolvency event and entering into charges outside of the ordinary course of business;

(c) none of the members of the Board as at the date of the YBR Purchase Agreement making any announcement, statement or recommendation against the Transaction or making any announcement, statement or recommendation to Shareholders to vote against any of the Resolutions;

(d) all regulatory approvals or consents required by law, regulation or policy to implement the Transaction (including, without limitation, any waivers, modifications, relief or approvals required from ASIC and ASX) are granted, made or obtained unconditionally, or on conditions to which YBR consents, and remain in full force and effect;

(e) no Government Agency (as defined in the SPA) (including, without limitation, ASIC, ASX and the Takeovers Panel) has:
    (i) issued any preliminary or final decision, order or decree;
    (ii) commenced or threatened any action or investigation; or
    (iii) received an application,

    in consequence of, or in connection with, the Transaction which restrains, prohibits, or impedes or threatens to restrain, prohibit or impede or may otherwise materially adversely impact upon, the Transaction or which requires or purports to require the variation of the terms of the Transaction;

(f) Shareholders approve the Resolutions by the requisite majorities;

(g) no ITS Material Transaction (as defined in the SPA) occurs without the prior written consent of YBR. The Material Transactions principally relate to any type of new material business transaction;

(h) no material litigation, actions, claims, disputes, arbitrations, proceedings or government enquiries involving the Company are commenced, threatened, announced or made known to YBR or the Company;

(i) no material litigation, actions, claims, disputes, arbitrations, proceedings or government enquiries involving the YBR Group are commenced, threatened, announced or made known to the Company or YBR;

(j) at least one of the members of the Board as at the date of the SPA remains as a director of the Company until the date of completion of the Transaction;

(k) there is no ITS Material Adverse Change (as defined in the SPA). Any such change principally relates to a change in the financial position of the ITS Group (as defined in the SPA);

(l) there is no YBR Material Adverse Change (as defined in the SPA). Any such change principally relates to a change in the financial position of the YBR Group (as defined in the SPA);

(m) the Notice of General Meeting is despatched to the Shareholders by the time specified in the timetable agreed by the Company and YBR;

(n) no Superior Proposal (as defined in the SPA) is received by YBR or the Company;

(o) the Independent Expert concludes in the Independent Expert's Report that the Acquisition is fair and reasonable to, or not fair but reasonable to Shareholders;

(p) the YBR Nominated Directors (as defined in the SPA) nominated pursuant to the SPA are appointed to the Board within two business days after the date of the Notice of General Meeting;

(q) all directors of the Company as nominated by YBR have resigned by no later than two business days following the General Meeting and provided that each Resolution is passed by the requisite majority;

(r) the Company establishes to the reasonable satisfaction of YBR that as at the date being two business days prior to the date of lodgement of the Notice of General Meeting with the regulatory authorities (ASIC and ASX) that:
    (i) the cash of the ITS Group on a consolidated basis less the debt of the ITS Group on a consolidated basis is at least $2,300,000; and
    (ii) the consolidated net tangible assets of the Company are at least $2,300,000;

(s) YBR establishes to the reasonable satisfaction of the Company that as at the date that the Resolutions are passed the amount of the Debt (as defined in the SPA) of the YBR Group on a consolidated basis as at that date less the cash of the YBR Group on a consolidated basis as at that date does not exceed $8,800,000;

(t) the Company raises at least $6,000,000 under the Capital Raising and receives sufficient number of valid applications to satisfy the minimum shareholder spread rules contained in ASX Listing Rule 1.1 condition 7; and

(u) all conditions imposed by the ASX to recommence the official quotation of Shares following the passing of the Resolutions are satisfied.

4.2.6 Proposed Capital Raising

The proposed Capital Raising of an intended $10.0 million with a minimum subscription condition of $6.0 million, through the issue of up to 31,250,000 shares at a minimum issue price determined by the Company’s directors which shall not be less than $0.26 cents each, will be made pursuant to a prospectus (“Prospectus”). The minimum issue price is equivalent to the implied price of exchange of YBR Shares for Shares under the Acquisition.

Bell Potter Securities Limited are to be appointed as Lead Manager to undertake the Capital Raising on terms still to be agreed.

The funds raised from the Capital Raising, together with the Company's and YBR's existing cash reserves will be used to:

- fund the development of the businesses of the YBR Group;
- meet the ongoing administration costs of the Group;
- pay the costs of the Transaction
- pay down debt in YBR (including $1,858,398 to GWH and $653,671 to other staff members of YBR, in each case by way of repayment of temporary loans); and
- otherwise contribute to working capital expenses.

4.2.7 Effect of Transaction on Capital Structure

The effect of the Transaction on the capital structure of the Company is set out in Table 2 below:

Table 2

Holder	Shares Currently on Issue	Shares on Issue Post Acquisition		Shares on Issue Post-Acquisition and Public Offer			
		Shares	%	Shares assuming Scenario A	%	Shares Assuming Scenario B	%
Company Shareholders	14,087,500	14,087,500	14.2%	14,087,500	11.5%	14,087,500	10.8%
GWH	-	43,453,865	43.9%	43,453,865	35.6%	43,453,865	33.4%
YBR Nominees	-	16,023,735	16.2%	16,023,735	13.1%	16,023,735	12.3%
Sub Total – Mark Bouris Controlled	-	59,477,600	60.1%	59,477,600	48.7%	59,477,600	45.7%
Adrian Bouris	-	3,130,400	3.2%	3,130,400	2.6%	3,130,400	2.4%
Service Enterprises	-	978,250	1.0%	978,250	0.8%	978,250	0.8%
Other YBR Shareholders	-	20,543,250	20.8%	20,543,250	16.8%	20,543,250	15.8%
Sub Total – Total YBR Shareholders	-	84,129,500	85.0%	84,129,500	68.9%	84,129,500	64.6%
Bell Potter	-	750,000	0.8%	750,000	0.6%	750,000	0.6%
Subscribers under Public Offer	-	-	-	23,076,924	18.9%	31,250,000	24.0%
Total	**14,087,500**	**98,967,000**	**100%**	**122,043,924**	**100%**	**130,217,000**	**100%**

Notes:
- In the above table, Scenario A is a Capital Raising of $6,000,000 at the minimum issue price of 26 cents per Share and no Shares are subscribed for by any of the Associated YBR Persons.
- In the above table, Scenario B is a Capital Raising under which the number of Shares issued is the maximum number of Shares of 31,250,000 as will be permitted if Resolution 7 is passed.
- The Company currently has 200,000 Options on issue. No Options will be issued as part of the Transaction. Table 2 assumes none of the Existing Options are exercised
- YBR shareholders other than GWH, Adrian Bouris, Service Enterprises and YBR Nominees (who have advised the Company that they will not be subscribing for Shares under the Public Offer) may subscribe for ITS shares in the Public Offer

The above table includes columns ("Shares on Issue Post Acquisition") setting out the impact of the Acquisition pre the Capital Raising. As the Acquisition is conditional upon the successful completion of the Capital Raising, this scenario is illustrative only.

4.2.8 Effect of Transaction on Financial Position

For the purpose of considering the effect of the proposed Transaction on the Company, the following information has been prepared:

- Balance sheet of the Company at 30 November 2010 based on unaudited management accounts;
- Balance sheet of YBR as at 30 November 2010 based on unaudited management accounts; and
- Pro forma balance sheets as at 30 November 2010 assuming that the Transaction occurred on that date and that either $6.0 million or $10.0 million is raised under the Capital Raising.

Table 3

Proforma Statement of Financial Position ($'000) November 2010	Company 30-Nov-10	YBR 30-Nov-10	Post $6.0m raising	Post $10.0m raising
Cash and cash equivalents	2,665	2,219	10,584	14,384
Intangible assets	4	12,049	12,052	12,052
Other assets	137	5,453	5,798	5,858
Total assets	**2,806**	**19,720**	**28,434**	**32,294**
Related party loans payable	-	2,512	2,512	2,512
External borrowings	-	6,916	6,916	6,916
Other liabilities	83	2,563	2,647	2,647
Total liabilities	**83**	**11,991**	**12,075**	**12,075**
Net assets	**2,722**	**7,729**	**16,359**	**20,219**

Key Assumptions:

- The Company acquires YBR for consideration of 84,129,500 Shares. In accordance with Australian Accounting Standards the acquisition of YBR is one referred to in AASB3 – Business Combination as a reverse acquisition
- 750,000 shares issued to Bell Potter Securities Limited at no consideration
- 5.0% transaction costs on funds raised under the Capital Raising

YBR Financials

Financial information relating to YBR including an unaudited balance sheet as at 30 November 2010 and unaudited consolidated income statements for the 2009 and 2010 financial years and the five months to 30 November 2010, can be found in section 5.4 of the Independent Expert's Report.

4.2.9 Background and Reasons for the Proposed Transaction

Since disposing of its core business asset, its migration advisory business, in August 2010 the Company has been seeking commercial activities or transactions that would add shareholder value. Several major shareholders in the Company, representing in excess of 40% of the voting shares of ITS, (and over 50% when excluding shares held by current directors and family members) introduced the opportunity for the acquisition by the Company of the YBR Group. Those shareholders have also formally requested that the Board do all things necessary to give the shareholders of the Company the opportunity to consider and approve the Acquisition if an agreement could be negotiated between the Company and YBR.

The Board has, as a consequence, caused due diligence enquiries to be conducted, has negotiated the Transaction and has obtained an independent expert's report on the proposed Acquisition.

The value applied to the Company by the Board in negotiating the consideration Shares for each YBR Share reflected a $0.75 million premium applied to an assumed ITS net asset position, at the time of negotiations, of $2.85 million. The valuation applied to YBR was $21.5 million, after taking into account the impact of the cash raised. This was the same valuation as that applied in a private capital raising undertaken by YBR to raise $5.5 million in June-August 2010 from sophisticated investors.

The deemed price applied to each Share issued to YBR Shareholders was $0.26 being the value applied to the Company ($3.6 million as calculated above) divided by the number of Shares currently outstanding.

In evaluating the proposed Transaction, the Board also had regard to the fact that a delay in finding an additional commercial activity would see the value of the Company eroded by administration costs.

The SPA expressly permits the Company to decline to proceed with the Transaction if a superior proposal is identified by the Board. As at the date of this Notice the Board has not identified any suitable alternative transaction to the Acquisition.

4.2.10 Directors' Recommendation

The YBR opportunity was introduced to the Company by a number of substantial Shareholders who have written to the Company requesting that the Board do all things necessary to put the Transaction to Shareholders on the basis that it has their support. These Shareholders represent over 40% of the issued capital of the Company (and over 50% when excluding shares held by current directors and family members).

The Directors have accordingly conducted accounting and legal due diligence and have obtained an IER which concluded that the Transaction is fair and reasonable to Non Associated Shareholders of the Company.

The Directors have considered:

- the early stage of the development of the businesses of the YBR Group and its current level of profitability which leads the Directors to believe that an investment in YBR is speculative; and
- as referred to in Section 4.5.13 regarding risks, the SPA only includes limited warranties by each of YBR and the YBR Shareholders, primarily relating to title, capacity and similar matters. Substantial commercial warranties were sought but not received.

On this basis, the Directors consider there to be an insufficient basis for them to favour a view either for or against the acquisition of YBR and, as such, all Directors **decline** to make a recommendation with respect to the Transaction and all Resolutions.

The Directors accordingly consider that the best course of action is to follow the wishes of the substantial Shareholders of the Company and place before all Shareholders all of the information available to the Company and to allow the Shareholders to form their own view uninfluenced by any Directors' recommendation.

Potential reasons for Shareholders to vote for or against the Transaction are set out in section 4.4 below.

The Directors and their associates will abstain from voting any of their Shares in respect of any of the Resolutions.

4.2.11 Proposed Timetable

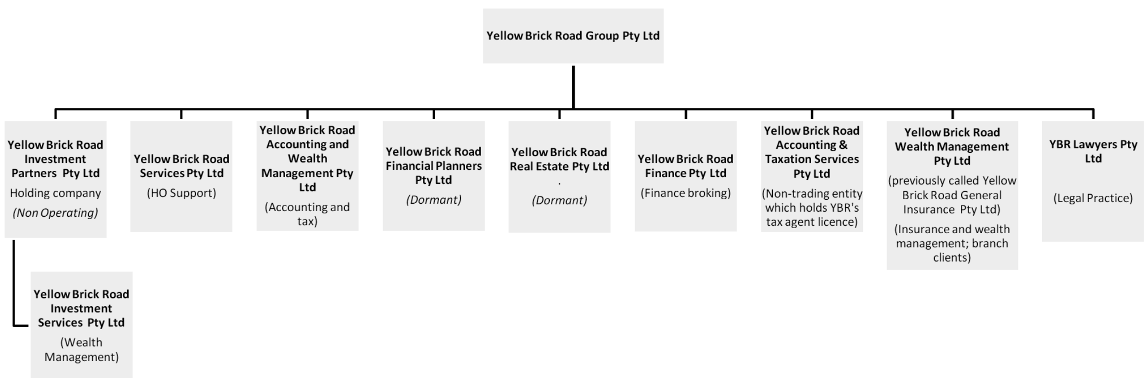
Subject to the Listing Rules and Corporations Act requirements, and satisfaction of all the conditional elements of the overall Transaction including the Capital Raising and obtaining Shareholder approval, the Company anticipates completion of the Transaction in accordance with the following indicative timetable (which is subject to change by the Company in consultation with its advisers and with the agreement of YBR).

Thursday 10 February 2011	Dispatch of Notice of General Meeting and Explanatory Memorandum
3:00pm, Perth time, Tuesday 15 March 2011	Date and time for eligibility to vote at the General Meeting
3:00pm, Perth time Tuesday 15 March 2011	Last date and time by which proxy forms for the General Meeting must be received
Thursday 17 March 2011	General Meeting of the Company's Shareholders and suspension of the Company's Shares.
by 15 May 2011	Completion of Acquisition and quotation of shares issued under the Capital Raising.

4.3 The YBR Group

In compliance with Item 7 of section 611 of the Corporations Act and ASIC Regulatory Guide 74, YBR, its directors and its major shareholders, GWH and YBR Nominees, have provided and take responsibility for the provision of the following information to the Company to assist with the preparation of this document for the information of the Shareholders of the Company. YBR, its directors and its major shareholders, GWH and YBR Nominees have confirmed that this information represents all information known to them and the associates of GWH, YBR Nominees and Mark Bouris that is material to the decision to Shareholders, on how to vote on the Resolutions, including Resolution 3.

The YBR Group comprises a holding company (YBR), a service company for the group (Yellow Brick Road Services Pty Ltd, five active wholly owned subsidiaries of YBR (Yellow Brick Road Accounting and Wealth Management Pty Ltd, Yellow Brick Road Wealth Management Pty Ltd, Yellow Brick Road Finance Pty Ltd, Yellow Brick Road Investment Services Pty Ltd and YBR Lawyers Pty Limited) and four other wholly owned, dormant, proprietary companies. Of the dormant companies, Yellow Brick Road Accounting and Taxation Services Pty Ltd is non operating, but holds the Group's tax agents license. The other dormant companies do not, currently, carry on any trading or other activities. A chart setting out the YBR Group structure is below:



4.3.1 YBR History

YBR was established in 2007 by Mark Bouris and others to provide integrated wealth management advice, products and services to Australian retail and SME clients.

Mark Bouris was previously the founder of Wizard Home Loans ("**Wizard**") and was involved in the successful development and ultimate sale of Wizard to the General Electric Company in November 2004. Mark is currently the Executive Chairman and controls the major shareholder of YBR.

In the first 18 months of operation, four cornerstone acquisitions were made to form the basis of YBR, namely:

- two chartered accounting practices;
- a general insurance broking business; and
- a wealth management firm.

Since integrating the cornerstone acquisitions during 2008 and 2009, YBR has grown steadily during difficult trading conditions to become a diversified one-stop wealth management business with over 46 licensees located in urban centres spread throughout New South Wales, Victoria, Queensland and one in Singapore.

YBR currently provides the following products and services:

(a) mortgage origination, broking and advice, both for residential and commercial loans ("**Finance origination and broking**");

(b) general insurance and life insurance broking and advice ("**Insurance Broking**");

(c) financial planning, investment and superannuation advice and management ("**Wealth Management**"); and

(d) accounting, taxation, basic legal services and corporate advice ("**Accounting, Tax and Legal**").

4.3.2 Business Model

YBR operates a licensed business model incorporating:

- direct owner-operated YBR branded shopfront branches;
- distribution arrangements with certain accounting firms and a credit union;
- centralised public relations, marketing, recruitment, training and management;
- product supply and servicing agreements with APRA registered Australian Depository Institutions ("**ADIs**") and other fund managers.

This model is intended to provide YBR with wide access to clients through its expanding branch, accountant and other distribution networks.

The YBR business model is designed to attract experienced financial services professionals as licensees to run his/her/its own business. Each licensee is responsible for building his/her/its own branch business, and driving a sales performance and client relationship culture. The branches receive professional training and support from YBR including the benefit of its IT platforms as well as marketing and branding. Each YBR licence arrangement is backed by a comprehensive licence agreement. The term of each licence agreement is 5 years.

The YBR business model offers accounting practices the ability to sell/provide additional YBR-branded financial products and services to their existing clients, whilst retaining their existing accounting practice, revenues and client relationships.

Through direct origination and business referrals, branches have the opportunity to earn competitive commission rates not only from mortgage originations but other cross-selling avenues such as insurance, accounting and financial planning products and services.

Depending on the type of products and services, branches generate sales either through direct sales or referrals to head office, that is YBR itself. For direct sales, the branch deals directly with clients without head office involvement, whereas business referred to YBR is performed entirely at the head office level. The branch commission structure varies depending on whether sales are generated through direct sale or branch referrals.

YBR currently retains control of the preparation of financial plans and investment advice services at the head office level. However, over time YBR may choose to hand over some responsibility to the branches to perform financial planning services directly, using centrally controlled IT systems.

The following table summarises the type of products and services that licensees currently provide through direct sales and/or referrals to head office:

Table 4

	Type of products and services	Licensee direct sale (by accreditation)	Referral to head office
1.	Residential Mortgage & Other Loans	✓	✓
2.	Commercial Loans	✓	✓
3.	General Insurance (simple process)	✓	✓
4.	General Insurance (complex process)	✗	✓
5.	Life Insurance	✓	✓
6.	Accounting and Tax	✓^	✓
7.	Financial Planning & Investment Advice	✗	✓
8.	Investment Management	✗	✓

Notes:
^ *Only where an existing accounting practice is a licensee*
• *General insurance (simple process) relates to standard products such as home building & contents and motor insurance. Complex process requires more custom-made solutions for products such as business and professional indemnity insurance.*

4.3.3 Business Division Descriptions

4.3.3.1 Finance Origination and Broking

This division arranges residential mortgage finance, commercial finance, industrial property finance and specialty equipment finance for YBR clients. Transaction size typically ranges between $0.3 million and $20 million.

Products

In originating loans, YBR has access to over 100 lenders through its use of the Y.Net lending and customer relationship management (CRM) platform, which provides:

- product selection with loan comparison functionality;
- CRM and loan tracking;
- workflow management, customised for each lender and transaction type;
- online document lodgement (for seven active lenders);
- marketing campaign analysis and tracking; and
- reporting on sales penetration, sales effectiveness and profitability.

YBR also has direct relationships with certain private lenders to provide lending products.

In December 2009, YBR announced its direct relationship with Gateway Credit Union Limited (“Gateway”) to provide YBR branded home loan products to clients. The term of the agreement is two years expiring in December 2011, but can be extended by the mutual agreement of the parties. The home loans available to YBR from Gateway are competitively priced and hence attractive to potential borrowers. These loans are most suitable for borrowers that enjoy stable full-time employment.

In November 2010, YBR entered into an agreement to distribute lending products funded by Resimac Limited ("Resimac"). The agreement has no fixed term, and can be terminated by notice by either party. The agreement provides YBR with access to a range of loans which are suitable for self-employed applicants, as well as applicants that do not meet standard credit criteria, but have a proven capability to make loan repayments. The YBR branch network commenced distribution of the Resimac loans in December 2010.

Revenue model

On loan originations, YBR earns upfront and trail commissions from lenders based on the outstanding values of loans written. The commission structure is split between YBR and its branch licensees depending on the source of referrals and loan size.

Revenue is generally influenced by average loan size written, branch productivity and early repayment rates.

4.3.3.2 Wealth Management

The division provides financial planning advice and, in conjunction with the Accounting Tax and Legal division, advises clients on how to optimise their investment, superannuation and tax structures.

Client types vary from SMEs, high net worth investors to mum-and-dad investors generally with investable assets of greater than $200,000.

Delivery Model

YBR currently provides wealth management services though a combination of the Multiport platform (administration, reporting and compliance) and in-house funds management. This is supported by:

- an investment committee;
- an approved investment product list;
- a centralised financial planning team; and
- a YBR model portfolio.

This set of services is most appropriate for high net worth clients.

In November 2010, YBR agreed with OneVue Limited ("OneVue") to offer a white labelled unified managed account (UMA) platform, through YBR's branches. The functions available within the platform include competitively priced separately managed accounts (SMAs), with access to a range of model portfolio providers. Other investment products which can be managed on the platform include managed funds, exchange traded funds, term deposits, cash, property and collectables, as well as a client's loans or other funding lines. The platform includes consolidated reporting, self-managed super fund (SMSF), administration and tax reporting to manage an investor's entire portfolio of assets and liabilities.

Under the agreement, YBR is entitled to non exclusively promote and market the platform under YBR's white label brand called "Wealth Pathway". The territory is Australia-wide and the term of the agreement is three years with two options to extend each for one year.

Revenue model

In the first instance, revenue is generated on a fee for service basis (based on a set price per plan or on an hourly rate basis for more complex strategies) for the development of initial financial plans and wealth strategies, as well as updated future advice. Thereafter, the majority of revenues are derived from charging the client a disclosed set of fees or commissions based on funds under management or advice.

Referral fees will be paid from these revenues by the division to licensees for all successful referrals.

This revenue model is fully compliant with the industry's proposed plans per the Ripoll Inquiry. Any commissions, rebates or placement fees received by YBR from third party providers for investment of client funds are rebated to clients.

4.3.3.3 Insurance Brokerage

(a) General insurance

The general insurance brokerage division advises clients on their personal and related professional and business general insurance requirements. Client general insurance requirements include home and contents, auto, boat, and also specialty insurance areas such as professional indemnity and medical malpractice, and director and officers liability indemnity cover, as well as insurances for other related business enterprises including workers compensation advice and industrial special risk policies.

The services of the division include advice on general insurance requirements, assistance with completing requirements to achieve underwriting and assistance with claim management.

Revenue model

The division primarily earns revenue as commissions paid by insurers on policies taken out by clients. Unlike investment products, commissions are not added on to client premiums, but are paid by the insurer. Fees are charged directly to clients for workers compensation advice.

(b) Risk insurance

Risk insurance is the industry term covering the main three insurance products of life insurance companies, namely life and total & permanent disability, income protection and trauma cover. This division provides brokerage services and advice based on research systems, expertise and experience on insurance requirements for specific client circumstances.

In addition to advice on risk insurance requirements, the division assists with policy applications (e.g. arranging for medical tests as required), and assists clients with claim management.

The division also works closely with other divisions to ensure policy expenses are optimally arranged.

Revenue model

As with general insurance, the risk insurance division earns commissions, paid by insurers, on policies taken out by clients.

4.3.3.4 Accounting, Tax & Legal

The division services the accounting and tax requirements of clients and their related entities. Client types include SMEs, professional practices and investment vehicles (trusts, including self-managed superfunds (SMSFs)).

The division will provide limited legal services[1], including conveyancing (mainly supporting clients involved in property development, or buying and selling significant property assets related to businesses operated), loan and trust documentation (usually supporting asset protection or tax structuring transactions, and also supporting establishment of SMSFs).

Revenue Model

[1] YBR Lawyers Pty Ltd has not yet commenced business but proposes to do so as soon as regulator and insurance requirements have been attended to.

The division earns project related fees, both time-cost based and project quoted. The majority of fees relate to tax structuring advice and annual tax affairs management, some company and entity book-keeping and accounting (business services, excluding audit), and simple legal work supporting structuring, property transactions and asset sale and purchases of client's businesses or major investment assets e.g. property conveyancing.

4.3.4 Key Business Statistics

As at 30 November 2010, YBR had achieved the following key business statistics:

Table 5

No. of Shopfront Branches operating	37
No. of Accounting Practice licensees operating	5
Total no. of Licensees	48
No. of Employees	48
Loan Book Size (generating trail commissions)	$232 million
Funds Under Advice or Management	$395 million
No. of Mortgage Clients	664
No. of Wealth Management Clients	131
No. of Insurance Clients	1200 (approx.)
No. of Accounting, Tax & Legal Clients	900 (approx.)

An additional profile of YBR and its financial information, including its consolidated income statements, balance sheets and capital structure, is set out in the Independent Expert's Report prepared by Grant Thornton.

4.4 Reasons to Vote For and Against the Transaction

Reasons to vote for and against the Resolutions (including Resolution 3) are set out below:

Reasons to vote for the Resolutions to implement the Transaction (Including Resolution 3)

Reasons to vote for the Resolutions (including Resolution 3) include:

- *New business activity for the Company*

  If approved by Shareholders, the Transaction will result in the Company changing its activities to those currently undertaken by YBR, details of which are in Section 4.3. Since the sale of its immigration business in August 2010, the Company has narrowed its activities primarily to contract management with a reduced workforce. The Transaction provides the opportunity for Shareholders to participate in the potential growth of YBR from an early stage in its development as it implements its business plan.

- *Exposure to financial services sector*

  The Transaction, if approved, will provide Shareholders with exposure to the Australian financial services sector. The directors of YBR have stated their belief that a similar opportunity now exists to challenge the major banks as previously existed when Wizard was established in 1996 – to revitalise the "non-bank" segment.

- *Previous success of YBR management team*

  YBR have advised that YBR's management team consists of a number of the same management team that was able to grow Wizard from 2 branches in 1996 to over 250 branches in 2004, with a retail and wholesale mortgage book of over $18.5 billion. With Mark Bouris, some of those same key executives also launched GE Money Wizard in India opening 55 branches in 18 months in a foreign environment. All key YBR executives are direct or indirect shareholders of YBR who have invested cash and/or substantial unpaid time and expertise into YBR.

YBR has the following retention arrangements in place with the senior management team:

- agreed written contracts with:
  - market based remuneration;
  - IP protections;
  - set notice provisions;
- direct, or indirect shareholdings through YBR Nominees, in YBR; and
- the Shares in the Company they will receive upon completion of the Transaction in exchange for the transfers of their shares in YBR are likely to be classified as "restricted securities" by the ASX and subjected to escrow periods ranging from 12-24 months.

- *Increased size and liquidity*

  Prior to the announcement of the Transaction on 21 December 2010, the Company had a market capitalisation of approximately $2.8 million. In addition, trading in the Company's shares has been illiquid, with trading occurring on only thirty days during the twelve months leading up to the announcement of the Transaction. Such size and illiquidity means that the stock has limited appeal to new investors and reduces the ability for existing investors to realise their investment. The Transaction, which is conditional upon the Capital Raising, will significantly increase the number of Shares on issue, the number of shareholders in the Company and the likely size of the Company, which may result in an improved profile and greater investor coverage for the Company. This may provide Shareholders with a more liquid and deeply traded market for their investment.

  If the minimum $6.0 million is raised under the Capital Raising at the minimum issue price of $0.26 per share and the Company trades at the same assumed price of $0.26, the theoretical market capitalisation of the Company would be approximately $31.7 million. Please note that the final Capital Raising price may be higher than $0.26 and that there is no guarantee as to the price at which Shares will trade post Completion of the Transaction.

- *Lack of alternative opportunities*

  As at the date of this Notice the Board has not identified any suitable alternative transaction to the Acquisition. In the event that the Transaction does not proceed, the Company will continue to seek alternative acquisition or investment opportunities. As this process continues, the Company's cash balance and therefore value is likely to decrease as it continues to incur administration expenses, reducing its ability to enhance shareholder value. There is no guarantee that an alternative opportunity will be found.

- *Premium applied to net assets of the Company*

  The value applied to the Company by the Board in negotiating the consideration Shares for each YBR Share reflected a $0.75 million premium applied to an assumed ITS net asset position, at the time of negotiations, of $2.85 million.

- *Valuation applied to YBR*

  The equity valuation applied to YBR in negotiating the consideration Shares for each YBR Share was $21.5 million being the same post money valuation at which YBR completed a private capital raising to raise $5.5 million in YBR in June - August 2010 from sophisticated investors. The YBR business has grown since that time.

- *The Independent Expert has concluded that the Transaction is fair and reasonable*

  The Directors appointed Grant Thornton as Independent Expert to opine on the fairness and reasonableness of the Transaction. Grant Thornton has concluded that the Transaction is fair and reasonable to Non Associated Shareholders. The following is a summary of the IER. Shareholders should carefully read the IER in its entirety. A copy of the IER is included as Appendix A.

In forming their opinion in relation to the fairness of the Transaction, Grant Thornton compared the value per Share (on a control basis) prior to the Transaction to the assessed value per Share (on a minority basis) after the Transaction. Grant Thornton's assessment is that the value of Shares after the Transaction (on a minority basis) is higher than their assessment of the value of Shares prior to the completion of the Transaction (on a control basis). Accordingly, Grant Thornton have concluded that the Transaction is fair to Non Associated Shareholders.

In forming their opinion regarding the reasonableness of the Transaction, Grant Thornton considered the following advantages and disadvantages of the Transaction:

- the Transaction has been assessed as fair;
- the potential for a re-rating of the Shares following the Transaction;
- alternative transactions the Company might pursue;
- the YBR management team and growth prospects of the YBR business;
- the ability of YBR shareholders to support the future growth of the YBR business;
- the current competitive landscape in the industries YBR operates;
- the size and liquidity of the Company;
- the dilution of existing Shareholders' interests; and
- the different sector focus and risk profile of the Company following the Transaction.

On the basis of these points, Grant Thornton have assessed the Transaction as reasonable to Non Associated Shareholders.

<u>Reasons to vote against the Resolutions to implement the Transaction (Including Resolution 3)</u>

Reasons to vote against the Resolutions (including Resolution 3) include:

- *<u>Dilution</u>*

  As the Transaction is being wholly funded by the issue of new Shares, the percentage of shares individually and collectively held by current shareholders in the Company will be proportionally diluted by the substantial number of new Shares to be issued to the YBR Shareholders in exchange for their YBR Shares, and also as a consequence of the Capital Raising under the Prospectus to the extent that existing shareholders do not participate to top-up or maintain their proportionate holdings.

- *<u>Change of Control</u>*

  If approved, the Acquisition will, by virtue of the number of Shares to be issued to GWH and YBR Nominees, each a company controlled by Mr Mark Bouris, in exchange for their YBR Shares, but disregarding the impact of the Capital Raising, cause GWH and YBR Nominees to hold up to a theoretical maximum of 60.1% of the Company, which will result in a change of effective control of the Company. GWH, YBR Nominees and Mark Bouris have each indicated that they will not participate in the Capital Raising, and on that basis the actual Shareholding upon Completion of the Transaction will immediately reduce from 60.1% to the following lesser percentages under the following respective scenarios which are set out in Table 2 in Section 4.2.7:

  (a) Under scenario A referred to in Table 2 where the Capital Raising is carried out to raise the minimum amount of $6,000,000 at the minimum issue price of $0.26 per Share, the aggregate Shareholding percentage of GWH and YBR Nominees will reduce to 48.7%.

  (b) Under the scenario B referred to in Table 2 where the Capital Raising is carried out by issuing the maximum number of Shares that will be permitted if

Resolution 7 is passed, the aggregate Shareholding percentage of GWH and YBR Nominees will reduce to 45.7%.

- *YBR Group Risk Factors*

  Section 4.5 sets out in detail risk factors regarding the YBR Group and the Transaction that could affect the value or marketability of your Shares in the future. You should read Section 4.5 carefully as the risk factors constitute, whether taken individually or together, reasons to vote against Resolutions 1 to 9.

4.5 Risks

The Company, YBR and their respective businesses are subject to a number of risk factors. They could be specific to the Company, YBR or be of a general nature. Individually, or in combination, these risk factors might affect the current or future operating or financial performance or position of the Company and any investment decision relating to its Shares (including whether or not vote for, against or abstain from voting on the Resolutions, and/or whether to buy, sell or hold Shares in the Company). There can be no guarantee that the Company or YBR will achieve its stated objectives or that any forward looking statements or estimates will be achieved.

This Section describes some, but does not purport to envisage all, of the risks associated with approving or voting against the Transaction. The order in which the risks are described below does not reflect either their relative likelihood or potential impact. Prior to determining how to vote on Resolutions 1 – 9, existing shareholders and prospective investors should carefully consider the following risk factors, read the Explanatory Memorandum, the Independent Expert's Report and other accompanying documents in their entirety and seek professional advice.

4.5.1 Different Industry and Business Model

The industry in which YBR is involved, and the nature of YBR's business model, are different to those of the Company in its current form, and that upon the basis of which Shareholders may have originally acquired their Shares.

By acquiring the YBR Group, the Company exposes itself to risks associated with the financial services sector generally, and its specific segments. The Company has not previously had any exposure to risks of that nature. Shareholders who have invested in the Company on the basis of its previous operating businesses being migration advisory and associated businesses will no longer hold shares in a company exhibiting that risk profile. The risk profile will be predominantly, and if the ITS Business is disposed of or wound down, totally with respect to the mortgage finance, financial planning, investment and superannuation, wealth management, insurance, accounting and taxation segments of the financial services industry and the activities conducted and to be conducted by the YBR Group.

4.5.2 Speculative Investment

The YBR Group is in the early stage of its development and should therefore be considered a speculative Investment. There is no guarantee that the YBR Group will achieve its objectives and its prospects of success are uncertain.

4.5.3 Current Profitability

YBR's business model is predominantly growth orientated and its revenue model will be predominantly based on annuity style income generated from a number of sources, including (but not limited to):

- the size of mortgage book and related upfront and trail commissions earned;
- the amount of its funds under management and/or advice, and the related fees and commissions earned;
- the amount of its renewable insurance premiums and the related once off and annual fees and commissions earned.

At present, given the early stage of YBR's development, YBR does not generate significant profits and there can be no guarantee that it will achieve, maintain or grow profitability in the future.

4.5.4 Net Debt Position

As at 30 November 2010, YBR had debt of approximately $9.4 million comprising:

- $5.9 million in term debt with St George Bank Limited ("Term Debt");
- $1.0 million in operating lease liabilities; and
- $2.5 million in temporary loans from certain YBR Shareholders and their associates, including GWH, a company controlled by Mark Bouris ("Temporary Loans").

As at 30 November 2010 YBR had $2.2 million in cash or on deposit and therefore had net debt of approximately $7.2 million.

The Term Debt is repayable as to $450,000 every 6 months on 30 April and 31 October during its term, with a scheduled bullet repayment of $5.01 million on its maturity date of 30 April 2012. The Term Debt is secured by a registered fixed and floating charge over the assets and undertaking of the YBR Group in favour of St George Bank Limited and/or its related bodies corporate, and is fully guaranteed by Mark Bouris personally. It is subject to other standard banking provisions, including a minimum equity position covenant for YBR equal to the amount outstanding on the Term Debt at all times, a negative pledge and a set-off authority against a reserve cash deposit of $555,000.

As with all debt facilities, there may be a risk that, without sufficient internal funds generation or further equity capital injection, the agreed amortisation and/or bullet repayment will not be satisfied without a re-financing of the facility and/or a waiver/roll-over by the bank. There can also be no guarantee that in these circumstances such a refinancing or waiver/roll-over will be achieved or achieved on commercially acceptable terms.

The Temporary Loans from some of the YBR Shareholders are interest free and unsecured and are intended to be fully repaid simultaneously with and out of the proceeds from completion of the Capital Raising. This will not occur unless the Transaction is completed.

The YBR Group is expected to have net debt less than or equal to $8.8 million at the time of the General Meeting and prior to the intended Capital Raising, and completion of the Transaction is subject to a condition precedent to this effect. However, as completion of the Capital Raising is an integral part and a condition of the Transaction, it will substantially reduce the risks associated with this debt, as the Company would expect to be in the following net cash / (net debt) positions after the Capital Raising depending upon whether the amount raised under the Capital Raising is $10 million as intended, or $6 million, the minimum subscription amount, and assuming Company unaudited net cash as at 30 November 2010 of $2.7 million:

Assumption	Resultant Company Net Cash / (Net Debt) Position assuming $6 million Capital Raising[1]	Resultant Company Net Cash / (Net Debt) Position assuming $10 million Capital Raising[1]
$7.2 million YBR Group net debt as per the unaudited 30 November 2010 position	$1.2 million	$5.0 million
$8.8 million YBR Group net debt as per the SPA condition precedent threshold	($0.4 million)	$3.4 million

1: Impact of Capital Raising on net cash / (net debt) position net of 5% assumed capital raising fees. Net cash / (net debt) is total cash less total debt

4.5.5 Net Tangible Asset Position

Based on YBR's pro forma statement of financial position as at 30 November 2010, YBR has a negative net tangible asset position of $4.3 million as a result of having $12.1 million in intangible assets, $11.8 million of which is goodwill generated as part of acquisitions YBR has made.

4.5.6 Reliance upon YBR Management

YBR has a number of key staff and consultants who are important to the business, including Mark Bouris. The loss of key personnel could have a material adverse effect on YBR's earnings and/or growth prospects. YBR may not be able to replace these personnel in a timely manner.

Additionally, the Consultancy Agreement between YBR and GWH provides that YBR engages GWH as an independent contractor to provide various consultancy services through its representative which is stated to be Mark Bouris initially on behalf of GWH. The future success of the YBR business is closely aligned with its principal Mark Bouris.

A summary of the key terms of the Consultancy Agreement can be found in Appendix C.

4.5.7 Attracting and retaining quality licensees

YBR's ability to continue to grow its licensed distribution channel is dependent upon its ability to continue to attract and retain quality licensees. The YBR's business model is stated by YBR to be designed to be attractive to high calibre candidates, however if YBR is not able to continue to engage quality licensees for its network or retain those that it already has this could have a negative impact on its growth and/or profitability.

The YBR business model of YBR branches directly soliciting and conducting business may also cause pressure on gross margins received by YBR as licensees attract higher referrals and direct business than those achieved by head office.

The reliance by YBR on a branch model/ licensee approach also causes risk for YBR in the management and administration of numerous and geographically diverse offices.

4.5.8 Reliance on third-party product and service providers

YBR currently provides loan products that are financed by third-party lenders. These lenders may choose to reduce their reliance on third party distributors such as YBR. For instance, lenders may seek to develop or utilise distribution channels that compete with YBR, reduce commission rates and/or tighten credit criteria and availability. The Company's financial results could be materially impacted by these occurrences.

Similarly, material contracts with Gateway, Resimac and OneVue could be terminated.

The agreement between YBR and Gateway is a short term arrangement and provides no option in the agreement to renew the same at the expiry of the term and accordingly any renewal or extension will be by commercial agreement by the parties at the relevant time. Such renewal cannot be guaranteed nor can the commercial terms of such renewal be determined at this time.

4.5.9 Information technology

The financial services industry relies to a high degree on information technology. YBR uses various IT platforms in carrying out its business and with the rapid change in the IT industry, YBR may be required to incur substantial costs for IT upgrades or replacements.

YBR's ability to service its clients is dependent upon the ongoing performance of YBR's and its service providers' information systems, software and telecommunications equipment. Interruptions or delays in the provision of these systems may have an adverse impact on the financial performance or prospects of YBR.

4.5.10 Future Dividends

Given the YBR Group is in its growth phase, the Company is not expected to declare or pay any regular dividends.

4.5.11 ASX "Recommencement of Quotation" may not be achieved

It is expected that the ASX will suspend the Company's Shares from quotation from the day of the General Meeting until the requirements of Chapters 1 and 2 of the Listing Rules are re-met. The satisfaction of all conditions that may be imposed by the ASX in order to recommence official quotation of the Company's Shares following the passing of the Resolutions is a condition precedent to completion of the Transaction.

However, there is no guarantee that the ASX's conditions for recommencement will be met, or that, if they are not and the Transaction is terminated for the non-satisfaction of that condition precedent, that the ASX will recommence official quotation of the Company's Shares on an as-is basis.

4.5.12 Conditions Precedent to the Transaction

In addition to the ASX "Recommencement of Quotation" condition precedent mentioned above, there are several other conditions precedent to the Transaction which must be satisfied or waived for the Transaction to be completed. There is a risk that they may not be so satisfied or waived, in which instance, if the Transaction is not renegotiated, it will terminate.

There is a risk that additional suitable business opportunities may not be able to be secured for the Company and that the Company will continue to deplete its existing cash balances over time.

4.5.13 Limited Warranty Regime

The Directors note that the SPA only includes limited warranties by each of YBR and the YBR Shareholders, primarily relating to title, capacity and similar matters. Substantial commercial warranties were sought but not received.

The lack of substantial commercial warranties from the YBR Shareholders in respect of YBR may present a material risk to Shareholders.

4.5.14 Interest rates

The performance of the mortgage origination industry is influenced by the level of interest rates. Increases in interest rates can lead to reduced demand for home loans and increased risks of loan defaults and may affect YBR's growth and earnings of the YBR Group in that sector.

4.5.15 Accounting Standards

The YBR Group prepares its special purpose financial statements in accordance with Australian equivalents of International Financial Reporting Standards (AIFRS) and with the Corporations Act. Australian Accounting Standards are subject to amendment from time to time, and any such changes may impact on YBR's statement of financial position or statement of financial performance of the YBR Group.

4.5.16 Asset Impairment

Under AIFRS, the YBR Group is required to review the carrying value of its assets annually or whenever there is an indication of impairment. If there is any indication of impairment, then the assets recoverable amount is estimated. Changes in assumptions underlying the recoverable amount of certain assets of the YBR Group as a result of deteriorating market conditions or increasing cost of capital could result in an impairment of such assets, which may have a material adverse effect on the financial performance and position of the YBR Group.

4.5.17 Audit Risk

The accounts of YBR were last audited for the year ended 30 June 2008. The financial information regarding YBR relied upon by the Company and Grant Thornton and contained within this Explanatory Memorandum and the Independent Expert's Report has not been audited. There is a risk that a future audit may require adjustments or restatements to be made to the past YBR accounts.

4.5.18 Regulation

The regulatory regime governing YBR's business is subject to change. Changes in laws, regulations and interpretation of those laws and regulations, may positively or negatively affect YBR and the attractiveness of the Acquisition.

YBR cannot predict what legislative or regulatory changes will be made in the future, or the impact of future legislative or regulatory change on its business. Changes to legislation or the manner in which it is interpreted could cause YBR to cease providing products or services, or to change its products or the terms of those products, or could affect the extent to which those terms could be enforced. This may have an adverse impact on the financial performance and prospects of YBR.

4.5.19 Competition

The financial services industry in which YBR operates, whilst offering many opportunities, is also very competitive. Many competitors, including banks, have substantially greater financial and operational resources, staff, facilities and established businesses than those of YBR.

4.5.20 Litigation

The YBR Group is not currently involved in any material litigation, and YBR is not aware of any facts or circumstances which may give rise to any material litigation. However, the nature of the activities of the YBR Group is subject to risks of potential claims or litigation from third parties including over disputes on investment outcomes or alleged professional negligence. To the extent that these risks are not covered by YBR's insurance policies, litigation and the cost of responding to any threats of legal action or investigation may have an adverse impact on the financial performance of the YBR Group.

4.5.21 Queensland Floods

YBR Group management has advised that it is too early and difficult to predict the impact of the Queensland floods on YBR. They anticipate some reduction in revenue from home loan settlements. There are 12 YBR licensees in Queensland out of a national total of 48. Only one of these licensees has been directly impacted by the floods (Ipswich) and the percentage of revenue currently contributed by Queensland licensees is in the range of 9% to 12% of total home loan settlement revenue.

4.6 Background to applicable Listing Rules and provisions of the Corporations Act

4.6.1 Introduction

There are a number of approvals and requirements under the Listing Rules and the Corporations Act that are applicable to the Resolutions set out in the Notice. To avoid duplication throughout the Explanatory Memorandum, set out in this Section 4.6 is a summary of the applicable provisions.

4.6.2 Listing Rule 7.1 – Issues exceeding 15% of capital

Listing Rule 7.1, known as the "15% rule" (15% Rule), limits the capacity of a company to issue securities without the prior approval of its shareholders. In broad terms, Listing Rule 7.1 provides that a company may not, in a twelve month period, issue securities equal to more than 15% of the total number of ordinary securities on issue at the beginning of the twelve month period unless the issue is first approved by a majority of disinterested shareholders or the issue otherwise comes within one of the exceptions to Listing Rule 7.1.

4.6.3 Listing Rule 10.1 – Acquisition and disposal of assets

Listing Rule 10.1 provides that a company must ensure that neither it, nor any of its subsidiaries, acquires a substantial asset from, or disposes of a substantial asset to, any of the following persons without shareholders' prior approval:

(a) a related party;

(b) a subsidiary;

(c) a substantial shareholder, being a person who, together with the person's associates, hold a relevant interest, or held a relevant interest at any time in the 6 months before the relevant transaction, in at least 10% of the total votes attached to the voting securities in the company;

(d) an associate of a person referred to in paragraphs (a), (b) or (c); or

(e) a person whose relationship to the company or a person referred to in paragraphs (a) to (d) is such that, in ASX's opinion, the transaction should be approved by security holders of the entity.

An asset is substantial if its value, or the value of the consideration paid or given for it is, or in ASX's opinion is, 5% or more of the equity interests of the entity as set out in the latest accounts given to ASX under the Listing Rules.

A "related party" includes a director, an entity controlled by a director and spouses, parents and children of a director. The related party also includes any person who came within any of these abovementioned classifications in the preceding 6 months or in respect of which there are reasonable grounds to believe that that person will fall within such a classification in the future.

4.6.4 Listing Rule 11.1 – Change to Activities

Listing Rule 11.1 provides that if a company proposes to make a significant change to the nature or scale of its activities, it must provide full details to the ASX as soon as practicable and before making the change. The following rules apply in relation to the proposed change:

(a) the company must give ASX information regarding the change and its effect on future potential earnings and any other information that ASX asks for;

(b) if ASX requires, the company must get the approval of holders of its ordinary securities and must comply with any requirements of ASX in relation to the notice of meeting; or

(c) if ASX requires, the company must meet the requirements in Chapters 1 and 2 of the Listing Rules as if the company were applying for admission to the official list of the ASX.

Listing Rule 11.3 permits the ASX to suspend the official quotation of a company's securities until the company has satisfied the requirements of Listing Rules 11.1 or 11.2.

In light of the nature of the transactions outlined in Resolution 1, the Directors are of the opinion that the ASX will suspend the Quotation of the Company's securities from the date of the General Meeting until the Company has satisfied the applicable requirements of Chapters 1 and 2 of the Listing Rules.

4.6.5 Listing Rule 9 – Restricted Securities

Certain YBR Shareholders should expect that the ASX, as a condition of re-commencing or commencing Quotation of the securities of the Company, may require that all or a portion of the Shares allotted to them (pursuant to the implementation of any of the relevant Resolutions) will be placed in escrow for a period of up to 24 months (the "Escrow Period").

The Directors expect that the ASX will classify the following securities as restricted securities:

Table 6

Holder (inc Associates)	Aggregate Number of Shares	Period of Restriction[2]
GWH	43,453,865	24
Adrian Bouris	3,130,400	24
Service Enterprises	978,250	24
YBR Nominees	16,023,735	24
Total	**63,586,250**	

Each YBR Shareholder who holds restricted securities will be required to execute, or appoint an attorney to execute an escrow agreement with the Company on the terms and conditions prescribed in the Listing Rules. The effect of such an arrangement is that the holder(s) of restricted securities will not be permitted to transfer, encumber or otherwise deal with their title in any of those restricted securities until the expiry of the Escrow Period. All other rights (e.g. voting, dividends etc.) in respect of those restricted securities, will remain unaffected throughout the Escrow Period.

All other YBR Shareholders (who will hold 20,543,250 Shares) agreed that their YBR Shareholding would be escrowed for 12 months from the later of the date upon which they were issued with the YBR Shares (June to August 2010) and any later date required by the ASX. That escrow provision has been waived to permit the exchange of YBR Shares for Shares in the Company. YBR has advised that it intends to seek the agreement of those YBR Shareholders to extend their voluntary escrow to cover the Shares that will be issued to them. There is no guarantee that the escrow extension will be agreed. In the event any such YBR Shareholder fails to enter into a voluntary escrow arrangement then a portion of, or all of, their Shares may at the discretion of the ASX, become subject to an ASX enforced escrow for 12 months.

4.6.6 Chapter 2E Corporations Act – Related party transactions

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of a public company unless the benefit falls within one of the various exceptions to the general prohibition or the company first obtains the approval of its shareholders in general meeting in circumstances where the requirements of Chapter 2E in relation to the convening of that meeting have been met.

A "related party" for the purposes of the Corporations Act is defined widely and includes a director of a public company and entities controlled by them.

A "financial benefit" for the purposes of the Corporations Act includes the public company issuing securities to the related party. Any consideration which is given for the financial benefit is to be disregarded, even if it is full or adequate.

The Resolutions which involve the provision of a financial benefit to a related party are Resolutions 4, 5 and 6. The information required by Chapter 2E of the Corporations Act for these particular Resolutions is set out in Sections 4.10.2.

[2] Expressed as months commencing on the Listing Date

4.6.7 Section 611 of the Corporations Act – Exceptions to prohibited acquisitions

Section 606 of the Corporations Act prohibits a person from acquiring a relevant interest in Shares if the acquisition would result in that person's or another person's voting power (as defined in the Corporations Act) in the company increasing, where the person's voting power increases from 20% or below to more than 20% or from a starting point that is above 20% and below 90%.

There are certain specified exceptions to the general prohibition contained in section 606 of the Corporations Act. In particular, Item 7 of Section 611 of the Corporations Act excepts an acquisition of a relevant interest in shares which has been agreed to by shareholders passing an ordinary resolution at a general meeting on which no votes are cast in favour of the resolution by the person proposing to make the acquisition or their associates.

4.7 Resolution 1 – Approval of Acquisition of YBR Shares – Change of Activities

4.7.1 Introduction

Resolution 1 refers to the proposed acquisition of YBR and a change to the nature and scale of the Company's activities, subject to the passing of the Conditional Resolutions and completion of the Acquisition and Public Offer.

4.7.2 Change of Activities

As set out in section 4.6.4 of this Explanatory Memorandum, Listing Rule 11.1 requires a company to obtain the approval of shareholders if the Company proposes to change the nature and scale of its activities and if ASX requires it to do so.

In light of the significance of the change to the Company's activities, ASX has determined that the Company must comply with Chapters 1 and 2 of the Listing Rules (as required by Listing Rule 11.1.3). In accordance with ASX Guidance Note 12, following shareholder approval, the Company's shares will be suspended until the requirements of Listing Rules 1 and 2 have been met.

For the reasons set out in Section 4.2.10, all Directors **decline** to make a recommendation with respect to the Transaction and all Resolutions including this Resolution 1.

4.7.3 Conditions of the Acquisition

Completion of the Acquisition is subject to satisfaction of conditions specified in the SPA which are summarised in Section 4.2.5.

4.7.4 Consequences of the acquisition of YBR not proceeding

In the event that Completion of the Transaction has not occurred by the Completion Date (as defined in the SPA), the Company shall, if, within 7 days thereafter, any member of the Board who was not a member of the Board at 20 December 2010 has not resigned, issue a notice convening an extraordinary general meeting of the members of the Company, calling for nominations for appointment of directors to the Board and putting a resolution with respect to each member of the Board that they be removed from the Board pursuant to clause 29.1 of the constitution of the Company.

If the Transaction does not proceed:

- the Company will continue with the ITS Business; and
- the Board of the Company will continue to look for additional commercial activities and corporate opportunities (although no guarantee can be made that any suitable activity/opportunity will be found).

4.8 Resolution 2 - Issue of Shares to YBR Shareholders

The issue of the Shares to YBR Shareholders will exceed the 15% limit under Listing Rule 7.1. Accordingly, the Directors are seeking Shareholder approval under Resolution 2 for the issue of Shares to the YBR Shareholders.

Resolution 2 proposes to issue 84,129,500 Shares to YBR Shareholders on the terms and conditions set out in this Explanatory Memorandum in consideration for the transfer to the Company by YBR Shareholders of the YBR Shares on the basis of 3,913 Shares for each YBR Share.

The effect of the Shareholders approving the issue of these additional Shares will be that the issue will not be counted as part of the 15% Rule, and the Company will therefore retain the right to issue shares under the 15% Rule for any subsequent requirements that may arise.

In accordance with Listing Rule 7.3, the Company advises that:

- the maximum number of Shares to be issued to the YBR Shareholders pursuant to Resolution 2 is 84,129,500. On issue, the Shares will rank equally with the other Shares on issue, which are summarised in Appendix "B";
- the Shares will be issued and allotted within 3 months after the date of the General Meeting;
- The Shares will not be issued for cash and will not raise any funds as the Shares are to be issued as consideration for the acquisition of the YBR Shares;
- The deemed price of Shares issued to YBR Shareholders is $0.26 per Share as set out in Section 4.2.9;
- the terms of these Shares are summarised in Appendix "B"; and
- each YBR Shareholder is to be issued that number of Shares set out in Table 1 in Section 4.2.3.

For the reasons set out in Section 4.2.10, all Directors **decline** to make a recommendation with respect to the Transaction and all Resolutions including this Resolution 2.

4.9 Resolution 3 – acquisition of relevant interest by Golden Wealth Holdings Pty Ltd, YBR Nominees Pty Limited and Mark Bouris (Section 611 Item 7 of the Corporations Act)

4.9.1 Introduction

For the purposes of the Company's proposed acquisition of YBR, GWH and YBR Nominees are associates of each other. Mr Mark Bouris is associated with each of GWH and YBR Nominees. Mr Mark Bouris is the sole director of both GWH and YBR Nominees and controls both of those entities.

In this Explanatory Memorandum, the term "Associated YBR Shareholders" will be used to refer to both GWH and YBR Nominees and the term "Associated YBR Persons" will be used to refer to both the Associated YBR Shareholders and Mr Mark Bouris.

The Associated YBR Shareholders will be issued a total of 59,477,600 shares in consideration for the Company's acquisition of their YBR Shares, with GWH being issued 43,453,865 Shares and YBR Nominees being issued 16,023,735 Shares.

Although the 16,023,735 Shares to be issued to YBR Nominees will be held under a bare trust arrangement for the benefit of various members and former members of staff of YBR,

YBR Nominees will have a relevant interest in those Shares as it will have the power to vote the Shares and power to dispose of the Shares.

As the sole director and controller of both GWH and YBR Nominees, Mr Mark Bouris will also have a relevant interest in the 59,477,600 Shares to be issued to the Associated YBR Shareholders.

The issue of Shares to the Associated YBR Shareholders will be prohibited by section 606 of the Corporations Act unless a relevant exception applies.

Item 7 of section 611 of the Corporations Act exempts an acquisition of a relevant interest in Shares agreed to by a resolution passed at a general meeting on which no votes were cast in favour of the resolution by the person proposing to make the acquisition or their associates.

The Company therefore seeks Shareholder approval for the acquisition of a relevant interest in 59,477,600 Shares by the Associated YBR Persons pursuant to Resolution 3 for the purpose of Item 7 of section 611 of the Corporations Act. This Explanatory Memorandum has been prepared to provide sufficient detail for Shareholders of the Company to appropriately consider Resolution 3 and should be read in conjunction with the Independent Expert's Report.

The Shares issued to the Associated YBR Shareholders in consideration for the Company's acquisition of their YBR Shares will result in the Associated YBR Persons' voting power increasing from 0% to 60.1% prior to taking into account the Shares to be issued under the Public Offer. If Shareholders pass Resolution 3, they will be approving each of the Associated YBR Persons gaining a relevant interest in the Company (and voting power) in excess of 20%.

4.9.2 Section 611 of the Corporations Act Requirements

The requirement for shareholder approval under section 611, Item 7 of the Corporations Act 2001 is intended to protect the rights of existing shareholders where control of a company may change. In order to obtain approval pursuant to section 611, Item 7 of the Corporations Act 2001, shareholders must be provided with all the information known to the Company or the Associated YBR Persons (or their associates) that is material to the decision on how to vote on the resolution.

In particular, the Corporations Act 2001 requires that shareholders be informed as to:

- the identity of the person proposing to make the Acquisition[3] (ie, the Associated YBR Persons) and their associates;
- the voting power and the maximum extent of the increase in the Associated YBR Persons' voting power that would result from the Acquisition; and
- the voting power and the maximum extent of the increase in voting power of each of the Associated YBR Persons' associates resulting from the Acquisition.

The following information is provided regarding the Associated YBR Persons' proposed Acquisition, in accordance with section 611 Item 7 of the Corporations Act 2001 and the Australian Securities & Investments Commission's Regulatory Guide 74 'Acquisitions agreed to by shareholders'.

In compliance with ASIC Regulatory Guide 74, the Directors appointed Grant Thornton as an independent expert, to examine the proposal and to provide an opinion as to whether the proposed acquisition of the relevant interest by the Associated YBR Shareholders in the 59,477,600 Shares under Resolution 3 is fair and reasonable to the Non Associated Shareholders of the Company.

[3] In this section, "Acquisition" means the acquisition of a relevant interest in the Shares to be issued to the Associated YBR Shareholders that will result in the Associated YBR Persons' voting power in the Company increasing from zero to a maximum of 60.1%.

Further information, including an analysis of whether the proposed Acquisition is fair and reasonable when considered in the context of the Company's shareholders, is contained in the accompanying Independent Expert's Report prepared by Grant Thornton.

A copy of the IER is attached to this Notice of Meeting as Appendix "A". Grant Thornton has consented to the use of the IER in the form and context used in this Explanatory Memorandum.

Maximum Voting Power

Immediately following the Acquisition, the Associated YBR Persons will have a relevant interest in the Company (and voting power) of 60.1%. The Acquisition is however conditional upon the successful completion of the Capital Raising, and each of the Associated YBR Persons have advised the Company that they will not be subscribing for Shares under the Capital Raising in order to assist in achieving a larger spread and free float of Shares.

Under the SPA, it is a condition that a minimum of $6,000,000 must be raised. If the Capital Raising raises $6,000,000 at the minimum issue price of 26 cents per Share and no Shares are subscribed for by any of the Associated YBR Persons then the maximum extent of the increase in the Associated YBR Persons' voting power in the Company will be from 0% to 48.7%.

If the Capital Raising proceeds on the basis of issuing the maximum number of Shares of 31,250,000 Shares as will be permitted if Resolution 7 is passed, then the maximum extent of the increase in the Associated YBR Persons' voting power in the Company will be from 0% to 45.7%.

Change of Control

The Company currently has 14,087,500 Shares on issue.

Following completion of the Transaction, including the Capital Raising, and assuming none of the Existing Options have been exercised the Company will have a maximum of 130,217,000 Shares on issue, comprising:

(i) 14,087,500 Shares on issue as at the date of the Notice of Meeting;

(ii) 84,129,500 Shares pursuant to Resolution 2;

(iii) 31,250,000 Public Offer Shares (assuming the maximum number of Shares are issued pursuant to Resolution 7); and

(iv) 750,000 Adviser Shares pursuant to Resolution 9.

The details of the holding of each YBR Shareholder in the Company following the Completion of the Transaction are set out in Section 4.2.3.

The intentions of the Associated YBR Persons

The Associated YBR Persons have provided the following information to the Company to assist the Company to meet its responsibilities under ASIC Regulatory Guide 74. The Company takes no responsibility for any omission from, or any error or false or misleading statement in this section.

Identity, Qualifications, and Associations of Persons Intended to be Directors

Mark Bouris, Adrian Bouris and Owen Williams and potentially other suitably qualified persons are intended to be appointed as Directors of the Company either before or shortly after the Completion of the proposed Transaction. Any such Directors appointed to the Board will need to seek election at the Company's next Annual General Meeting, to continue as Directors, since they will not previously have been elected by Shareholders.

Mark Bouris is a founder and executive chairman of YBR. Previously Mark was a founder and executive chairman of the AFIG Group (comprising Wizard Mortgage Corporation ("Wizard") and Australia Mortgage Securities) which, in the space of a few years, grew from a start-up to being one of Australia's largest mortgage originators (with a peak of over 300 retail branches), wholesale mortgage funders (supplying funds and other services to over 400 other mortgage originators) and a master servicer with a combined mortgage book of approximately A$18.5 billion.

Adrian Bouris has over 25 years experience in corporate finance and corporate and commercial law. He is presently a principal and managing director of BBB Capital Pty Limited, a boutique advisory and investment company. Prior to founding BBB Capital, he was managing director of the Australian investment banking division of ING Bank N.V, and was previously a director of SG Hambros Australia. He was also a non-executive director of and corporate finance adviser to Wizard prior to its sale to General Electrical Company in 2004.

Owen Williams has a 30 year background in investment management, finance and investment banking, including extended periods in senior finance roles with Bain & Company, Babcock and Brown and Societe Generale.

Current intentions of the Associated YBR Persons regarding the future of the Company

If the Transaction is completed the Company's activities will become that of the YBR Group. Information in relation to the YBR Group is set out in Section 4.3. Upon termination of the IT Business, the Company's activities will be solely that of the YBR Group.

Board of Directors

Following Completion of the Transaction Mark Bouris, Adrian Bouris and Owen Williams will be Directors of the Company and other suitably qualified persons may be appointed as Directors of the Company shortly after completion of the Transaction.

Office Location

The principal place of business of the Company will be Mezzanine Level, Chifley Square, Sydney, NSW.

Employees of the Company

The Company currently employs one part time employee and no full time employees. The employment contract with the part time employee is likely to be terminated upon Completion of the Transaction.

The ITS Business

The Company's current business activities relate solely to contract management and are not substantial relative to the scale of the YBR Group business. These business activities will be wound down following completion of the Transaction.

New Business Opportunities

The Company will seek new opportunities in the financial services sector.

Any proposal for transferring property between the Company, the Associated YBR Persons or any person associated with any of them

There is no current proposal whereby any property will be transferred between the Company, the Associated YBR Persons or any person associated with any of them apart from the repayment to GWH of $1,858,398 out of the proceeds of the Capital Raising in repayment of its temporary loan to YBR of that amount.

Financial and Dividend Policies

The Associated YBR Persons and their associates have no present intention to change the financial or dividend policies of the Company. Accordingly, the payment of dividends is not expected given the present stage of development of the businesses of the YBR Group.

Redeployment of the Company's fixed assets

The Associated YBR Persons have no present intention to redeploy the Company's fixed assets.

Intention to inject further capital into the Company and how

Following the Completion of the Transaction the Company will not have any immediate requirements for capital and there is no present intention to inject further capital into the Company (other than by way of the Capital Raising as part of the Transaction).

Particulars of Terms of Proposed Transaction and Contracts Conditional upon Shareholder Approval

The terms of the Acquisition are set out in the SPA which was entered into by the YBR Shareholders and the Company on 20 December 2010. The terms of the SPA have been summarised in this Explanatory Memorandum. The Company has also entered into a mandate agreement as set out in Section 4.11 under which the issue of Shares to Bell Potter Securities Limited is conditional on Completion. There are no other contracts, agreements and proposed agreements which are conditional on, or directly or indirectly dependant on, the Acquisition being approved.

Completion of Acquisition

Subject to Completion the Acquisition will be completed and 59,477,600 Shares will be issued to the Associated YBR Shareholders as consideration for their YBR Shares at or around the time of allotment of Shares under the Public Offer, which is expected to be by no later than 30 April 2011.

Reasons for the Issue of Shares to the Associated YBR Shareholders

The issue of shares to the Associated YBR Shareholders is consideration for the transfer of all of the Associated YBR Shareholders' shares in YBR to the Company. The Company will not raise any funds by the issue of the Shares to the Associated YBR Shareholders.

Interest of Directors

(1) GWH, YBR Nominees and Mr Mark Bouris each have a material personal interest in the outcome of Resolutions 3 and 4, as YBR Shares will be acquired from GWH, YBR Nominees and Mr Mark Bouris and they will each acquire a relevant interest in the Shares to be issued to GWH and YBR Nominees in exchange for their YBR Shares.

Excluding the Shares to be issued to GWH and YBR Nominees, Mr Mark Bouris (and entities associated with him) currently hold no Shares or Options in the Company.

Other than the Shares the subject of Resolution 3, GWH, an entity associated with Mr Mark Bouris, shall receive a fee from YBR for the provision of services pursuant to the Consultancy Agreement (the terms of which are summarised in Appendix "C") and may receive director's fees as Chairman of the Company.

The sum of $1,858,398 is expected to be paid to GWH out of the proceeds of the Capital Raising in repayment of its temporary loan to YBR of that amount. Mr Mark Bouris has also provided a personal guarantee to St George Bank in respect of the term debt owed by YBR to St George Bank. The amount of the term debt currently outstanding is $5.9 million and it is repayable by YBR on 30 April 2012. YBR and each of its subsidiaries have agreed to indemnify Mr Mark Bouris in respect of any liability he may incur under the guarantee he has provided to St George Bank.

(2) Mr Adrian Bouris has a material personal interest in the outcome of Resolution 5, as it is proposed that Shares be issued to him in exchange for his YBR Shares.

Excluding the Shares to be issued pursuant to resolution 5 Mr Adrian Bouris (and entities associated with him) currently holds no Shares or Options in the Company.

Other than the Shares the subject of Resolution 5, Mr Adrian Bouris may receive director's fees as a director of the Company.

(3) Service Enterprises and Mr Owen Williams each have a material personal interest in the outcome of Resolution 6, as it proposed that Shares be issued to Service Enterprises in exchange for its YBR Shares.

Excluding the Shares to be issued pursuant to Resolution 6, Mr Owen Williams (and entities associated with him) currently holds no Shares or Options in the Company.

Other than the Shares the subject of Resolution 6, Mr Owen Williams may receive director's fees as a director of the Company.

(4) Mr Farooq Khan, Mr Scott Jones and Mr Gabriel Chiappini have no interest in the outcome of the proposed resolutions 1 to 9 inclusive other than in their capacity as shareholders, or associates of shareholders, in the Company.

(5) Each of the Directors, and the proposed directors Mark Bouris, Adrian Bouris and Owen Williams, has an interest in resolution 10 in that as directors of the Company they stand to benefit financially from any increase in the level of directors' remuneration.

Identity of Directors who Approved or Voted Against the Proposal to put Resolutions to Shareholders

Each of the Directors voted to put the Resolutions in relation to the Transaction to Shareholders.

Voting Restrictions

Voting restrictions have been set out in the Notice of General Meeting (Section 3).

Recommendation

For the reasons set out in Section 4.2.10, all Directors **decline** to make a recommendation with respect to the Transaction and all Resolutions including this Resolution 3

Examination and Evaluation of the Transaction by Directors

The process that the Directors have undertaken to examine and evaluate the Transaction is set out in Section 4.2.9.

Any other information that is reasonably required by Shareholders to make a decision and that is known to the Company or any of its Directors

Market Price movements

The trading history of the Shares on ASX in the 12 months before the announcement of the Transaction is set out below:

Table 7

	Price	Date
Highest	$0.30	21 December 2009
Lowest	$0.20	9 August 2010
Last	$0.20	20 December 2010
Volume average weighted price[1]	$0.247	na

Note:
1: The number of days on which the Company's Shares were traded in the 12 months before the announcement of the Transaction was 30 days and the total number of Shares traded in that period was 351,700 Shares.

The trading history of the Shares on ASX post the announcement of the Transaction and up to the date of this Explanatory Memorandum is set out below:

Table 8

	Price	Date
Highest	$0.60	23 December 2010
Lowest	$0.33	22 December 2010
Last	$0.535	3 February 2011
Volume average weighted price[1]	$0.514	na

Note:
1: The number of days on which the Company's Shares were traded in the period from the announcement of the Transaction and up to the date of this Explanatory Memorandum is 11 days and the total number of Shares traded in that period was 429,066 Shares.

Dilutionary Effect

If all of the Shares (subject to Completion) are issued to the YBR Shareholders, the effect on the current issued capital of the Company will be as set out in Section 4.2.7.

4.10 Resolutions 4, 5 and 6 – Issue of Shares to GWH, YBR Nominees, Adrian Bouris and Service Enterprises (Related Party Arrangements)

4.10.1 Introduction

Because some of the Shares will be issued to related parties of the Company (in exchange for the YBR Shares of the related parties), being GWH and YBR Nominees, each a company controlled by Mark Bouris who is expected to become a director of the Company and to Adrian Bouris, who is expected to become a director of the Company, and to Service Enterprises, a company controlled by Owen Williams, who is expected to become a director of the Company, Shareholder approval is sought under Listing Rule 10.1 and Chapter 2E of the Corporations Act.

Resolutions 4, 5, and 6 propose the issue and allotment of Shares to and the acquisition of a substantial asset from these related parties pursuant to the SPA. A summary of the conditions precedent to Completion under the SPA is set out in Section 4.2.5.

GWH and YBR Nominees, each a company controlled by Mr Mark Bouris who is expected to be a director of the Company as at the date of the General Meeting, are each a YBR Shareholder. Resolution 4 has been included in the Notice of Meeting to deal with the issue of 59,477,600 Shares to GWH and YBR Nominees pursuant to Listing Rule 10.1 and Chapter 2E of the Corporations Act.

Resolution 5 has been included to deal with the issue of 3,130,400 Shares to Adrian Bouris who is expected to be a director of the Company as at the date of the General Meeting, pursuant to Listing Rule 10.1 and Chapter 2E of the Corporations Act.

Resolution 6 has been included to deal with the issue of 978,250 Shares to Service Enterprises, a company controlled by Owen Williams who is expected to be a director of the Company as at the date of the General Meeting, pursuant to Listing Rule 10.1 and Chapter 2E of the Corporations Act.

The total number of Shares to be issued as consideration under the SPA is 84,129,500. The issue of the Shares is conditional on the passing of all of the Conditional Resolutions.

4.10.2 Regulatory Requirements

(a) **Listing Rule 10.1**

Listing Rule 10.1 requires the approval of shareholders to acquire a substantial asset from a related party. Mr Mark Bouris, who is expected to be a director of the Company as at the date of the General Meeting, will be a related party, together with entities associated with him. Mr Owen Williams, who is expected to be a director of the Company as at the date of the General Meeting, will be a related party together with entities associated with him. Mr Adrian Bouris, who is expected to be a director of the Company as at the date of the General Meeting, will be a related party together with entities associated with him. Therefore, approval in accordance with Listing Rule 10.1 is being sought under Resolutions 4, 5 and 6.

Listing Rule 10.10 requires that a report on the transaction be obtained from an independent expert stating whether the transaction is fair and reasonable to the holders of ordinary securities whose votes are not to be disregarded.

The Independent Expert's Report prepared by Grant Thornton is set out in Appendix “A”. The Independent Expert's Report was prepared in respect of Listing Rule 10.1 and concluded that the Acquisition was fair and reasonable to all Non-Associated Shareholders.

(b) **Chapter 2E of the Corporations Act**

GWH and YBR Nominees (each of which is controlled by Mr Mark Bouris), Service Enterprises (which is controlled by Mr Owen Williams) and Adrian Bouris are related parties of the Company within the definition set out in Chapter 2E of the Corporations Act, as each of those individuals are expected to become a director of the Company after the date of this Notice. The issue of Shares to GWH, YBR Nominees, Service Enterprises and Adrian Bouris is therefore the provision of a financial benefit to a related party.

Whilst there is an exception to the requirement to obtain shareholder approval if the benefit is on arms length terms, the Directors have determined to seek Shareholder approval for the issue of Shares to GWH, YBR Nominees, Service Enterprises and Adrian Bouris for the purposes of Chapter 2E of the Corporations Act for the avoidance of any doubt. The fact that Shareholder approval is being sought should not be taken to imply that the financial benefits are unreasonable or that the parties were not dealing at arm’s length.

The proposed Resolutions 4, 5 and 6 (if passed) will confer financial benefits on GWH, YBR Nominees, Service Enterprises and Adrian Bouris respectively and the Company seeks to obtain Shareholder approval in accordance with the requirements of Chapter 2E of the Corporations Act. For this reason and for all other purposes the following information is provided to Shareholders.

(i) The related party to whom Resolutions 4, 5 and 6 would permit the financial benefit to be given:

Each of GWH, YBR Nominees, Service Enterprises and Adrian Bouris.

(ii) The nature of the financial benefit to be given:

- With respect to Resolution 4, the issue of 43,453,865 Shares to GWH and the issue of 16,023,735 Shares to YBR Nominees (being a total of 59,477,600 Shares);

- With respect to Resolution 5, the issue of 3,130,400 Shares to Adrian Bouris; and

- With respect to Resolution 6, the issue of 978,250 Shares to Service Enterprises.

(iii) The potential costs and detriments, from an economic and commercial point of view, of giving the financial benefits as permitted by the proposed resolutions 4, 5 and 6, are the subject of the IER which is attached as Appendix A.

(iv) Directors' recommendation

For the reasons set out in Section 4.2.10, all Directors **decline** to make a recommendation with respect to the Transaction and all Resolutions including Resolutions 4, 5 and 6.

The Directors will abstain from voting any of the Shares held by them or their associates in respect of any of the Resolutions.

4.11 Resolution 7 – Issue of Offer Shares under the Prospectus

The Company proposes to raise funds for the purposes set out in Section 4.2.6. The Public Offer is intended to raise up to $10 million with a minimum subscription condition of $6.0 million. Shareholder approval under Listing Rule 7.1 is required before the Company is able to issue and allot the Public Offer Shares referred to in Resolution 7.

The specific details of the Public Offer will be described in the Prospectus. In accordance with Listing Rule 7.3, the following additional information is provided for the purposes of Resolution 7:

(a) a maximum of 31,250,000 Offer Shares will be issued and allotted pursuant to the Prospectus;

(b) the Offer Shares will be issued and allotted on completion of the Public Offer but in any event no later than 3 months after the date that Resolution 7 is passed;

(c) the Shares will be offered at a price determined by the then directors of the Company but the minimum issue price of each Offer Share will be at least $0.26;

(d) the allottees will be subscribers to the Public Offer and the identity of the allottees is not known at this point in time;

(e) the terms of the Offer Shares are set out in Appendix "B";

(f) on issue, the Offer Shares will rank equally with the Shares on issue;

(g) funds raised under the Public Offer will be applied as set out in Section 4.2.6

The Company also confirms that as at the date of issue of the Prospectus, the directors of the Company are expected to be Mr Mark Bouris, Mr Adrian Bouris, Mr Owen Williams and Mr Scott Jones.

For the reasons set out in Section 4.2.10, all Directors **decline** to make a recommendation with respect to the Transaction and all Resolutions including this Resolution 7.

4.12 Resolution 8 – Change of Name

Section 157 of the Corporations Act requires the Company to pass a special resolution in order to adopt a new name. Resolution 8 provides that, subject to the passing of the Conditional Resolutions, the name of the Company be changed to "Yellow Brick Road Holdings Limited". As a special resolution, this resolution must be passed by at least 75% of the votes cast by Shareholders entitled to vote on this resolution at the General Meeting.

For the reasons set out in Section 4.2.10, all Directors **decline** to make a recommendation with respect to the Transaction and all Resolutions including this Resolution 8.

4.13 Resolution 9 – Issue of Adviser Shares to Bell Potter Securities Limited

Pursuant to a mandate agreement between the Company and Bell Potter Securities Limited dated 15 December 2010, in consideration for Bell Potter Securities Limited acting as Corporate Adviser to the Company for the purposes of the Transaction, the Directors have resolved to seek Shareholder approval for the issue of the Adviser Shares to Bell Potter Securities Limited. Subject to Completion of the Transaction Bell Potter Securities Limited will be issued 750,000 Adviser Shares. Bell Potter Securities Limited is also expected to be appointed Lead Manager to the Capital Raising and if appointed will also receive a fee for this role on terms still to be agreed. No fees are payable to Bell Potter Securities Limited if the Transaction does not proceed.

For the reasons set out in Section 4.2.10, all Directors **decline** to make a recommendation with respect to the Transaction and all Resolutions including this Resolution 9.

4.14 Resolution 10 – Approval of Non-Executive Directors Remuneration

In order for the total aggregate annual remuneration payable to Non-Executive Directors of the Company to be increased, Listing Rule 10.17 and Articles 38 and 42 of the Company's Constitution must be complied with. The Listing Rules and the Constitution provide that the Company must not increase the amount of remuneration payable to Non-Executive Directors of the Company unless Shareholders approve such an increase.

Additionally, Listing Rule 10.17.2 of the Listing Rules provides that if Non-Executive Directors are paid, they must be paid a fixed sum. All Non-Executive Directors will be paid a fixed sum as determined at the sole discretion of the Board.

Shareholder approval is sought to increase the total aggregate annual remuneration payable to Non-Executive Directors of the Company by $75,000 from $125,000, to a maximum aggregate amongst all Non-Executive Directors of $200,000 (to be divided between Non-Executive Directors as the Board determines).

For the reasons set out in Section 4.2.10, all Directors **decline** to make a recommendation with respect to the Transaction and all Resolutions including this Resolution 10.

Section 5: Glossary of Terms

"15% Rule" means the rule set out in Listing Rule 7.1, as described in section 4.6.2 of the Explanatory Memorandum;

"Acquisition" means the acquisition by the Company of the unencumbered legal and beneficial title in all of the YBR Shares;

"Completion Date" means the first date on which the Company completes the Transaction;

"Adviser Shares" means the 750,000 Shares to be issued to Bell Potter Securities Limited A.C.N. 006 390 772 subject to approval under Resolution 9;

"ASIC" means the Australian Securities & Investments Commission;

"Associate" has the meaning ascribed to that term in Section 12 of the Corporations Act;

"ASX" means the ASX Limited ACN. 008 624 691 or the market operated by that entity, as the context requires;

"Board" means the board of directors of the Company;

"Capital Raising" means the issue of a maximum of 31,250,000 Shares at a minimum price of $0.26 pursuant to the Public Offer;

"Company" means ITS Capital Investments Ltd ACN. 119 436 083;

"Completion" means the issue and allotment of all the Shares pursuant to the SPA and Offer Shares in accordance with the provisions of the Prospectus as a result of the completion of the Acquisition and the Public Offer;

"Conditional Resolutions" means Resolutions 1 to 9 (inclusive);

"Conditions Precedent" means the conditions described as such in the YBR Purchase Agreement;

"Constitution" means the constitution of the Company, as varied or amended from time to time;

"Corporations Act" means the *Corporations Act 2001 (Commonwealth)*;

"Director" means a member of the board of directors of the Company;

"Documents" means each of the Notice, Explanatory Memorandum, Proxy Form, IER and any or all other documents, as appendices that each constitute part of this booklet and that accompany each other when sent to each Shareholder;

"Existing Options" means:

- 66,667 options to acquire a Share in the Company, exercisable at $1.33, with an expiry date of 9 October 2013;
- 66,667 options to acquire a Share in the Company, exercisable at $0.40, with an expiry date of 9 October 2013; and
- 66,666 options to acquire a Share in the Company, exercisable at $0.24, with an expiry date of 9 October 2013;

"Explanatory Memorandum" means the explanatory memorandum set out in Section 4 of these Documents;

"Grant Thornton" means Grant Thornton Corporate Finance Pty Limited ABN 59 003 265 987;

"Group" means the Company together with YBR and its Related Bodies Corporate on completion of the Transaction;

"GWH" means Golden Wealth Holdings Pty Limited ACN 123 500 238;

"Independent Expert's Report" or **"IER"** means the report prepared by Grant Thornton, the independent expert appointed by the Company as set out in Appendix "A";

"ITS Business" means the current business activities of the Company;

"Listing Date" means the first date after the date of Completion upon which the Shares are officially quoted by the ASX;

"Listing Rules" means the rules and procedures issued and enforced by the ASX, as amended from time to time, including all guidance notes and appendices thereto;

"Meeting" means the general meeting being convened by the Directors pursuant to the Notice;

"Non Associated Shareholder" means shareholders other than those involved in the Transaction, or persons associated with such persons, who are precluded from voting at the General Meeting;

"Non Conditional Resolutions" means the Resolutions other than the Conditional Resolutions;

"Notice" means the Notice of General Meeting of the Shareholders, that accompanies and forms part of these Documents and all disclosure made in these Documents in accordance with the requirements of the Listing Rules and the Corporations Act;

"Offer Shares" means the Shares to be offered for subscription pursuant to the Public Offer and otherwise in accordance with the Prospectus;

"Option" means an option to acquire a Share;

"Prospectus" means the prospectus to be issued by the Company in relation to the offer, issue and allotment of Offer Shares under the Public Offer;

"Proxy Form" means the proxy form more particularly set out in Appendix "D";

"Public Offer" means the offer of the Offer Shares in accordance with the terms of the Prospectus to raise at least $6,000,000;

"Quotation" means the official quotation by the ASX of securities on the market conducted by the ASX;

"Record Date" means the date of the SPA, being 20 December 2010;

"Resolution" means any one of the resolutions set out in the Notice;

"**Ripoll Inquiry**" means the parliamentary committee inquiry into Australia's financial services industry delivered in November 2009;

"**Service Enterprises**" means Service Enterprises Pty Limited ACN 062 264 046;

"Share" means an ordinary share in the issued capital of the Company;

"Shareholder" means the holder of a Share;

"**SME**" means small to medium enterprises;

"SPA" means the YBR Purchase Agreement;

"Transaction" has the meaning set out in section 4.2.1 of the Explanatory Memorandum;

"Vendor" means a YBR Shareholder;

"YBR" means Yellow Brick Road Group Pty Limited ACN. 124 415 194;

“YBR Group” means YBR and its subsidiaries;

“YBR Nominees” means YBR Nominees Pty Limited ACN 141 865 867;

“YBR Purchase Agreement” or “SPA” (as the case may be) means an agreement dated 20 December 2010 between the YBR Shareholders, YBR and the Company with respect to the Acquisition;

“YBR Share” means a share in the issued capital of YBR;

“YBR Shareholder” means a holder of a YBR Share on the Record Date.

Interpretation

In these Documents, unless the context requires otherwise:

(a) a reference to a word includes the singular and the plural of the word and vice versa;

(b) a reference to a gender includes any gender;

(c) if a word or phrase is defined, then other parts of speech and grammatical forms of that word or phrase have a corresponding meaning;

(d) a term which refers to a natural person includes a company, a partnership, an association, a corporation, a body corporate, a joint venture or a governmental agency;

(e) headings are included for convenience only and do not affect interpretation;

(f) a reference to a document includes a reference to that document as amended, novated, supplemented, varied or replaced;

(g) a reference to a thing includes a part of that thing and includes but is not limited to a right;

(h) the terms "included", "including" and similar expressions when introducing a list of items do not exclude a reference to other items of the same class or genus;

(i) a reference to a statute or statutory provision includes but is not limited to:

   (i) a statute or statutory provision which amends, extends, consolidates or replaces the statute or statutory provision;

   (ii) a statute or statutory provision which has been amended, extended, consolidated or replaced by the statute or statutory provision; and

   (iii) subordinate legislation made under the statute or statutory provision including but not limited to an order, regulation, or instrument;

(j) reference to "$", "A$", "Australian Dollars" or "dollars" is a reference to the lawful tender for the time being and from time to time of the Commonwealth of Australia.

APPENDIX "A"

Independent Expert's Report

ITS Capital Investments Limited

Independent Expert's Report and Financial Services Guide

25 January 2011

The Directors
ITS Capital Investments Ltd
Level 9, The Quadrant
1 William Street
Perth
Western Australia 6000

Grant Thornton Corporate Finance Pty Ltd
ABN 59 003 265 987
AFSL 247140

Level 17, 383 Kent Street
Sydney NSW 2000
PO Locked Bag Q800
QVB Post Office
Sydney NSW 1230
T + 61 2 8297 2400
F + 61 2 9299 4445
E info@gtnsw.com.au
W www.grantthornton.com.au

25 January 2011

Dear Sirs

Independent Expert's Report and Financial Services Guide

Introduction

ITS Capital Investments Ltd ("ITS" or "the Company") is an Australian company listed on Australian Securities Exchange ("ASX"). ITS was previously engaged in the provision of immigration and recruitment services, however this business was sold in August 2010. ITS is currently a listed company with limited business operations and a cash balance of approximately $2.7 million as at 30 November 2010.

Yellow Brick Road Group Pty Limited ("YBR") provides wealth management and financial advice including financial planning, investment advice, risk management and finance broking to a diverse range of small to medium sized clients. YBR was established in July 2007 by Mr. Mark Bouris, a founder and developer of Wizard Home Loans ("Wizard")[1] and other key executives who were involved in the development and growth of Wizard. YBR is in the growth phase of its business cycle.

On 21 December 2010, ITS announced that it had entered into a sale and purchase agreement ("the Agreement") to acquire all the issued capital of YBR in exchange for the issue of new fully paid ordinary shares in ITS ("ITS Shares") (the "Proposed Transaction").

Based on the terms of the Proposed Transaction, the shareholders of YBR ("YBR Shareholders") will transfer 100% of issued capital of YBR ("YBR Shares") to ITS and in return ITS will issue 84.1 million ITS Shares to those YBR Shareholders equivalent to approximately 85% of the enlarged

[1] Mark Bouris sold Australian Financial Institutions Group Limited which comprised Wizard and Australian Mortgage Securities Limited to the General Electric Company in 2004.

share capital of ITS on an undiluted basis. The number of new ITS Shares to be issued is determined based on 3,913 ITS Shares for every 1 YBR Share.

The terms of the Proposed Transaction include certain obligations of the parties and conditions precedent as set out in Section 1 of this report.

Purpose of the report

If the Proposed Transaction is approved, the current largest shareholder of YBR, Golden Wealth Holdings Pty Ltd[2] and its associated parties ("Associated YBR Shareholders"), will hold more than 20% of ITS' issued capital.

Section 606 of the Corporations Act prohibits the acquisition of a relevant interest in issued voting shares of a company if the acquisition results in the person's voting power in the company increasing from either below 20% to more than 20%, or from a starting point between 20% and 90%, without making an offer to all shareholders of the company.

Item 7 of Section 611 of the Corporations Act allows the non-associated shareholders to waive this prohibition by passing a resolution at a general meeting. ASIC Regulatory Guidance 74 requires that shareholders approving a resolution pursuant to item 7 of Section 611 of the Corporations Act be provided with a comprehensive analysis of the proposal, including whether or not the proposal is fair and reasonable to the non-associated shareholders. However,we have been advised that Mark Bouris, Adrian Bouris and Owen Williams are not associates of each other (as defined in the Corporations Act).

Chapter 10 of the ASX Listing Rules requires the approval from the non-associated shareholders of a company if it proposes to acquire a substantial asset from a related party or a substantial holder. The acquisition of YBR is a substantial asset. Mark Bouris, Adrian Bouris and Owen Williams (collectively referred to as the "Related Parties of ITS") are expected to be common directors of YBR and ITS at the time the resolutions in relation to the Proposed Transaction are presented to the ITS Shareholders.

Accordingly, the Directors of ITS have engaged Grant Thornton Corporate Finance to prepare an independent expert's report stating whether, in its opinion, the Proposed Transaction is fair and reasonable to the Non-Associated Shareholders for the purpose of Item 7 of Section 611 of the Corporations Act and ASX Listing 10.1.

When preparing the independent expert's report, Grant Thornton Corporate Finance will have regard to ASIC Regulatory Guide 111 *Contents of expert reports* ("RG 111") and Regulatory Guide 112 *Independence of experts* ("RG 112"). The independent expert's report will also include other information and disclosures as required by ASIC.

Summary of opinion

Grant Thornton Corporate Finance has concluded that:

[2] Golden Wealth Holdings Pty Ltd is an entity associated with Mark Bouris

- **The proposed acquisition of relevant interests by the Associated YBR Shareholders under Resolution 3 is fair and reasonable to the Non-Associated Shareholders; and**

- **The proposed issue of ITS Shares to the Related Parties of ITS under Resolutions 4, 5 and 6 is fair and reasonable to the Non-Associated Shareholders.**

We note that the proposed issue of ITS Shares to the Related Parties of ITS under Resolutions 4, 5 and 6 respectively will be undertaken on the same terms as the Proposed Transaction under Resolution 3. Given that the Proposed Transaction has been undertaken on an arms length basis, the Related Parties of ITS will not be receiving any additional financial benefit over and above the other YBR Shareholders. Accordingly, Grant Thornton Corporate Finance has collectively assessed the fairness and reasonableness of Resolutions 3, 4, 5 and 6 under the Proposed Transaction.

Fairness Assessment

In forming our opinion in relation to the fairness of the Proposed Transaction, Grant Thornton Corporate Finance has compared the value per ITS Share (on a control basis) prior to the Proposed Transaction to the assessed value per ITS Share (on a minority basis) after the Proposed Transaction.

The following table summarises our assessment.

Fairness	Reference	Low $	High $
Underlying value of ITS Share before the Proposed Transaction (control basis)	*Section 7*	$0.156	$0.164
Underlying value of ITS Share after the Proposed Transaction (minority basis)	*Section 9*	$0.235	$0.237
Premium		$0.079	$0.073
Premium%		50.7%	44.6%

Source: Calculations

The value of ITS Shares after the Proposed Transaction (on a minority basis) is higher than our assessment of ITS Shares prior the completion of the Proposed Transaction (on a control basis). Accordingly, we conclude that the Proposed Transaction is fair to the Non-Associated Shareholders.

ITS Shareholders should be aware that our assessment of the value per ITS Share after the Proposed Transaction does not necessarily reflect the price at which ITS Shares will trade if the Proposed Transaction is approved. The price at which ITS Shares will ultimately trade depends on a range of factors including the liquidity of ITS Shares, macro-economic conditions, the underlying performance of the YBR business and the supply and demand for ITS Shares.

The above assessment does not include the impact of the Public Capital Raising.

Reasonableness Assessment

We also note that pursuant to RG 111, the Proposed Transaction is reasonable if it is fair. However in our assessment of the Proposed Transaction, we have also considered the following likely advantages and disadvantages associated with the Proposed Transaction.

The Proposed Transaction is fair

The Proposed Transaction is fair and our valuation assessment of one ITS share on a control basis is considerably higher than our assessment of one ITS share on a minority basis following completion of the Proposed Transaction.

Small Private company discount

Our assessment of YBR is based on recent capital raisings completed by YBR to raise $5.5 million with sophisticated investors. Whilst this is a common and widely used valuation methodology it implies a valuation assessment of YBR as a private company with limited liquidity. All other things being equal, listed public companies tend to be valued at a higher multiple than private companies to reflect the liquidity and marketability of their shares. In practice, the small private company discount is generally in the range of 20% to 30%.

If the Proposed Transaction is approved by ITS Shareholders, YBR will become a publicly listed company and may be re-rated by the share market accordingly.

Capital Raising and potential re-rating

As a condition of the Proposed Transaction and subject to prevailing market conditions, ITS will issue a prospectus to seek to raise a minimum of $6 million. If the Public Capital Raising is completed, the ITS Shareholders may benefit from an additional re-rating of the ITS Share over and above our valuation assessment of ITS.

Alternative Transactions

Based on discussions with the Directors of ITS, we understand that they have been seeking a back-door type of transaction for several months now and that they have analysed and reviewed different opportunities. If the Proposed Transaction is not completed, ITS will not have any significant revenue generating business activity and it may need to acquire some other business, which will result in additional costs and time.

In addition, the time and effort required to find potential alternative transactions may considerably reduce the existing cash balance of ITS.

YBR Management Team and growth prospects

YBR has a strong management team led by Mr. Mark Bouris, founder and developer of Wizard[3]. Mark Bouris and Wizard's management team were responsible for Wizard's growth from 2 branches in 1996 to over 250 branches in 2004, with a retail and wholesale mortgage book of $18.5 billion. We note that the current management team of YBR includes many of the key executives who were involved in the growth and development of Wizard.

The intention of the current management team of YBR is to replicate the growth and success of Wizard in YBR and accordingly, ITS Shareholders will be able to participate in the potential growth of YBR in the financial services sector.

If the Proposed Transaction is completed, key executives of YBR as a whole will hold a significant shareholding in ITS which will further align their interest to the interest of the ITS Shareholders and they will be also further incentivised to work towards the future success of ITS.

Ability to support future growth of YBR

We note that if the Proposed Transaction is completed, YBR may need significant additional capital and funds to achieve its growth and return goals. The existing shareholders of YBR include certain high profile sophisticated investors and individuals, which will improve ITS's ability to raise funds or conduct mergers and acquisitions in the future.

Furthermore, we note that the capital raising of YBR conducted in July 2010 was significantly oversubscribed which gives an indication of the significant appetite of sophisticated investors for the business model and growth prospects of YBR.

Current competitive landscape

One of the key services provided by YBR is mortgages through its mortgage broking division which arranges commercial finance, residential mortgage finance, industrial property finance and specialty equipment finance for YBR customers.

YBR Group's funding for its owned branded mortgages is provided by Gateway Credit Union ("Gateway") and Resimac Limited. In addition to receiving funding from Gateway, YBR also has an exclusive arrangement with Gateway to build and promote YBR branded home loan products. Management has advised that Gateway has also agreed with YBR to not increase the price of its finance outside of the rate rises implicated by the Reserve Bank of Australia.

Based on discussions with the Management of YBR and a review of the mortgage product available to YBR, we are of the opinion that the current competitive landscape in the banking and mortgage sector and public and political environment is favourable to the development and growth of competitors to the big four banks.

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[3] Australian Financial Institutions Group Limited which comprised Wizard and Australian Mortgage Securities Limited were sold to the General Electric Company in 2004 for a reported enterprise value of over $500 million.

This may represent further support to the development of YBR as a credible alternative mortgage broker in the financial sector which may create additional benefits to the ITS Shareholders.

Size and liquidity of ITS

If the Proposed Transaction is implemented, ITS will become a much larger company with a significant underlying business, which may attract new investors and be able to provide ITS Shareholders with a more liquid and deeply traded investment.

If the Proposed Transaction is completed and the expansion and growth of YBR continues in accordance with the current business plan, the market capitalisation of ITS may be positively impacted which may provide ITS with an improved profile in the market and greater coverage by analysts. This may have a positive impact on ITS's share price and assist future capital raising activities.

The interests of ITS Shareholders will be materially diluted

The interests of ITS Shareholders will be diluted down to 15% of the enlarged share capital of ITS. Furthermore, ITS Shareholders will be further diluted by the Public Capital Raising to the extent they do not participate. Accordingly they will have collectively a significantly less influence and control over the future direction of the Company.

Furthermore, the Proposed Transaction may potentially reduce the likelihood of a takeover offer being received as a result of the controlling interest that Mr. Mark Bouris and his associates will hold in the Company.

Different sector focus and risk profile

The investment focus of the Company following approval of the Proposed Transaction may not be consistent with the investment objectives of all ITS Shareholders and it will be fundamentally different from the previous business focus of the Company.

ITS Shareholders will be further exposed to the risks associated with the financial advisory market which is a different market compared to markets previously serviced by ITS.

The Shareholders of the Company will share the risk of YBR not being able to implement its strategy as currently set out in its business plan. We note that YBR operates in a market which is dominated by the big four banks which are able to significantly affect and influence future regulations and the competitive environment of this sector.

Other factors

ITS Shareholders' position if the Proposed Transaction is not approved

If the Proposed Transaction is not approved, it would be the current directors' intention to continue operating the Company in line with its objectives. ITS Shareholders who retain their shares will continue to share in any benefits and risks in relation to ITS's ongoing business.

ITS' short term focus will be to continue with the contract labour hire business whilst reviewing alternative investment opportunities. Future administration expenses will continue to erode the net assets position of ITS and may have a negative impact on the underlying value of ITS.

Limited warranties

The Directors note that the Agreement only includes limited warranties by YBR and the YBR Shareholders, The warranties provided relate to title, capacity and similar matters. The lack of substantial commercial warranties from the YBR Shareholders in respect of YBR may present a material risk to ITS Shareholders.

No recommendation from the Board of ITS

Shareholders of ITS should be aware that as part of the terms of the Agreement, the board of ITS have not made a recommendation in relation to the Proposed Transaction.

Other matters

Grant Thornton Corporate Finance has prepared a Financial Services Guide in accordance with the Corporations Act. The Financial Services Guide is set out in the following section.

The decision of whether or not to accept the Proposed Transaction is a matter for each ITS Shareholder to decide based on their own views of value of ITS and expectations about future market conditions, ITS' performance, risk profile and investment strategy. If ITS Shareholders are in doubt about the action they should take in relation to the Proposed Transaction, they should seek their own professional advice.

Yours faithfully
GRANT THORNTON CORPORATE FINANCE PTY LTD

ANDREA DE CIAN
Director

SCOTT GRIFFIN
Director

25 January 2011

Financial Services Guide

1 Grant Thornton Corporate Finance Pty Ltd

Grant Thornton Corporate Finance Pty Ltd ("Grant Thornton Corporate Finance") carries on a business, and has a registered office, at Level 17, 383 Kent Street, Sydney NSW 2000. Grant Thornton Corporate Finance holds Australian Financial Services Licence No 247140 authorising it to provide financial product advice in relation to securities and superannuation funds to wholesale and retail clients.

Grant Thornton Corporate Finance has been engaged by ITS Capital Investments Ltd ("ITS" or the "Company") to provide general financial product advice in the form of an independent expert's report in relation to proposed acquisition of all the issued capital of Yellow Brick Road Group Pty Ltd ("YBR"). This report is included in the Company's Notice of Meeting and Explanatory Statement dated 8 February 2011.

2 Financial Services Guide

This Financial Services Guide ("FSG") has been prepared in accordance with the Corporations Act, 2001 and provides important information to help retail clients make a decision as to their use of general financial product advice in a report, the services we offer, information about us, our dispute resolution process and how we are remunerated.

3 General financial product advice

In our report we provide general financial product advice. The advice in a report does not take into account your personal objectives, financial situation or needs.

Grant Thornton Corporate Finance does not accept instructions from retail clients. Grant Thornton Corporate Finance provides no financial services directly to retail clients and receives no remuneration from retail clients for financial services. Grant Thornton Corporate Finance does not provide any personal retail financial product advice directly to retail investors nor does it provide market-related advice directly to retail investors.

4 Remuneration

When providing the report, Grant Thornton Corporate Finance's client is the Company. Grant Thornton Corporate Finance receives its remuneration from the Company. In respect of the Report, Grant Thornton Corporate Finance will receive from ITS fees in the range of $28,000 to $34,000 plus GST, which is based on commercial rate plus reimbursement of out-of-pocket expenses for the preparation of the report. Our directors and employees providing financial services receive an annual salary, a performance bonus or profit share depending on their level of seniority.

Except for the fees referred to above, no related body corporate of Grant Thornton Corporate Finance, or any of the directors or employees of Grant Thornton Corporate Finance or any of those related bodies or any associate receives any other remuneration or other benefit attributable to the preparation of and provision of this report.

5 Independence

Grant Thornton Corporate Finance is required to be independent of ITS in order to provide this report. The guidelines for independence in the preparation of an independent expert's report are set out in Regulatory Guide 112 *Independence of expert* issued by the Australian Securities and Investments Commission ("ASIC"). The following information in relation to the independence of Grant Thornton Corporate Finance is stated below.

"Grant Thornton Corporate Finance and its related entities do not have at the date of this report, and have not had within the previous two years, any shareholding in or other relationship with ITS (and associated entities) that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation the Proposed Transaction.

Grant Thornton Corporate Finance has no involvement with, or interest in the outcome of the transaction, other than the preparation of this report.

Grant Thornton Corporate Finance will receive a fee based on commercial rates for the preparation of this report. This fee is not contingent on the outcome of the transaction. Grant Thornton Corporate Finance's out of pocket expenses in relation to the preparation of the report will be reimbursed. Grant Thornton Corporate Finance will receive no other benefit for the preparation of this report.

Grant Thornton Corporate Finance considers itself to be independent in terms of Regulatory Guide 112 "Independence of expert" issued by the ASIC."

6 Complaints process

Grant Thornton Corporate Finance has an internal complaint handling mechanism and is a member of the Financial Ombudsman Service (membership no. 11800). All complaints must be in writing and addressed to the Chief Executive Officer at Grant Thornton Corporate Finance. We will endeavour to resolve all complaints within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Financial Ombudsman Service who can be contacted at:

PO Box 579 – Collins Street West
Melbourne, VIC 8007
Telephone: 1800 335 405

Grant Thornton Corporate Finance is only responsible for this report and FSG. Complaints or questions about the General Meeting should not be directed to Grant Thornton Corporate Finance. Grant Thornton Corporate Finance will not respond in any way that might involve any provision of financial product advice to any retail investor.

Compensation arrangements

Grant Thornton Corporate Finance has professional indemnity insurance cover under its professional indemnity insurance policy. This policy meets the compensation arrangement requirements of section 912B of the Corporations Act, 2001.

Contents

1 Overview of the Proposed Transaction

1.1 Introduction

ITS Capital Investments Ltd ("ITS" or "the Company") is an Australian company listed on Australian Securities Exchange ("ASX"). ITS was previously engaged in the provision of immigration and recruitment services, however this business was sold in August 2010. ITS currently is a listed company without any significant business operations or assets with the exception of a cash balance of approximately $2.7 million as at 30 November 2010.

Yellow Brick Road Group Pty Limited ("YBR") provides wealth management and financial advice including financial planning, investment advice, risk management and finance broking to a diverse range of small to medium sized clients.

On 21 December 2010, ITS announced a proposal to acquire all the issued capital of YBR in exchange for the issue of new shares in ITS ("ITS Shares") (the "Proposed Transaction"). If the Proposed Transaction is implemented, the current largest shareholder of YBR, Golden Wealth Holdings Pty Ltd[4] and its associated parties, will hold more than 20% of ITS' issued capital.

We understand that following the extraordinary general meeting to consider the Proposed Transaction, the existing shares in ITS will be placed into suspension on the ASX until the completion of the Proposed Transaction to allow the shareholders of ITS to consider the resolutions set out in the Explanatory Statement. ITS Shares will remain suspended until ITS re-complies with the admission requirements of the ASX set out in Chapters 1 and 2 of the ASX Listing Rules, including having a minimum of 400 shareholders with a minimum marketable parcel of at least $2,000.

1.2 Structure of the Proposed Transaction

Based on the Share Purchase Agreement (the "Agreement") entered into between ITS, YBR Shareholders and YBR, the Proposed Transaction will have the following effects if implemented:

- YBR Shareholders will transfer 100% of issued capital of YBR to ITS and in return ITS will issue 84.1 million ITS Shares to those YBR Shareholders (depending on the net cash and net tangible assets of ITS at the date of lodgement of a Notice of Meeting and Explanatory Statement) equivalent to 85% of the enlarged share capital on an undiluted basis. As at the date of this report, there are 14,087,500 ITS Shares on issue and 21,500 shares in YBR ("YBR Shares");

- The number of new ITS Shares to be issued is determined based on the ratio of 3,913 ITS Shares for every 1 YBR Share;

- After obtaining shareholder approval in relation to the Proposed Transaction, ITS shall issue a prospectus in relation to the Public Capital Raising. The Public Capital Raising should meet the requirements of the ASX in order to re-commence trading of ITS Shares on ASX, including:

[4] Golden Wealth Holdings Pty Ltd is an entity associated with Mark Bouris

- There should be at least 500 holders each having a parcel of fully paid ordinary shares in ITS with a value of at least $2,000; or

- There should be at least 400 holders each having a parcel of fully paid ordinary shares in ITS with a value of at least $2,000 and persons who are not related parties of ITS must hold not less than 25% of the total number of fully paid ordinary shares in ITS;

- At completion of the Proposed Transaction, ITS will issue 750,000 ITS Shares to Bell Potter Securities Limited ("Bell Potter") for no consideration pursuant to a mandate agreement signed between ITS and Bell Potter in relation to the Proposed Transaction.

1.3 Conditions of the Proposed Transaction

Completion of the Proposed Transaction is conditional on the satisfaction or waiver of the following conditions precedent.

- The shareholders of ITS ("ITS Shareholders") approving the Proposed Transaction;

- None of the members of the Board of ITS at the date of the Agreement making any announcement, statement or recommendation against the Proposal or making any announcement, statement or recommendation to ITS Shareholders to vote against any of the resolutions relating to the Proposed Transaction;

- At least one of the members of the Board of ITS as at the date of the Agreement remains as a director of ITS until completion of the Proposed Transaction;

- At least three persons nominated by YBR ("YBR Nominated Directors") to be appointed to the ITS Board within two business days after the date of the Notice of Meeting;

- All ITS directors except the YBR Nominated Directors and one other ITS director resign from the ITS Board after obtaining the shareholder approval of the Proposed Transaction but prior to the issue of the prospectus in relation to the Public Capital Raising. The remaining ITS director resigns from the ITS Board after issue of the prospectus;

- The net cash position or net tangible assets of ITS should not be less than $2.3 million on the date two days prior to when the Notice of Meeting is lodged with the Australian Securities and Investment Commission ("ASIC") and ASX;

- The net debt position of YBR should not exceed $8.8 million as at the date that the ITS Shareholders approve the Proposed Transaction; and

- The Public Capital Raising occurs and achieves the minimum subscription of $6.0 million and meets the requirements of the ASX to re-commence trading of ITS Shares on ASX.

2 Purpose and scope of the report

2.1 Purpose

If the Proposed Transaction is approved, the current largest shareholder of YBR, Golden Wealth Holdings Pty Ltd[5] and its associated parties, will hold more than 20% of ITS' issued capital.

Section 606 of the Corporations Act prohibits the acquisition of a relevant interest in issued voting shares of a company if the acquisition results in the person's voting power in the company increasing from either below 20% to more than 20%, or from a starting point between 20% and 90%, without making an offer to all shareholders of the company.

Item 7 of Section 611 of the Corporations Act allows the non-associated shareholders to waive this prohibition by passing a resolution at a general meeting. Regulatory Guide 74 "Acquisitions agreed to by shareholders" ("RG 74") and Regulatory Guide 111 "Content of expert reports" ("RG 111") issued by ASIC set out the view of ASIC on the operation of Item 7 of Section 611 of the Corporations Act.

RG 74 requires that shareholders approving a resolution pursuant to Section 623 of the Corporations Act (the predecessor to Section 611(7) of the Corporations Act) be provided with a comprehensive analysis of the proposal, including whether or not the proposal is fair and reasonable to the non-associated shareholders. The Independent Directors (directors not associated with the proposal) may satisfy their obligations to provide such an analysis by either:

- commissioning an independent expert's report; or
- undertaking a detailed examination of the proposal themselves and preparing a report for the non-associated shareholders.

In addition to the above requirements, Chapter 10 of the ASX Listing Rules requires the approval from the non-associated shareholders of a company if it proposes to acquire a substantial asset from a related party or a substantial holder.

ASX Listing Rule 10.2 states that an asset is substantial if its value, or the value of the consideration, is 5% or more of the equity interest of the entity as set out in the latest financial statement provided to the ASX. Based on ASX Listing Rule 10.1.3, a substantial holder is a person who has a relevant interest, or had a relevant interest at any time in the six months before the transaction, in at least 10% of the voting power of the company.

ASX Listing Rule 10.10.2 requires that the Notice of Meeting to approve the transaction to be accompanied by a report from an independent expert stating whether the transaction is fair and reasonable to the non-associated shareholders.

With respect to the Proposed Transaction we note that the consideration offered by ITS exceeds 5% of ITS's last reported net assets of approximately $2.7 million as at 30 June 2010. Accordingly,

[5] Golden Wealth Holdings Pty Ltd is an entity associated with Mark Bouris

the acquisition of YBR is considered a substantial asset for the purpose of Chapter 10 of the ASX Listing Rules.

Accordingly, the Directors of ITS have engaged Grant Thornton Corporate Finance to prepare an independent expert's report stating whether, in its opinion, the Proposed Transaction is fair and reasonable to the Non-Associated Shareholders for the purpose of Item 7 of Section 611 of the Corporations Act and Chapter 10.1 of the ASX Listing Rules.

2.2 Basis of assessment

In preparing our report Grant Thornton Corporate Finance has had regard to the Regulatory Guides issued by ASIC, particularly RG 111 which states that an issue of shares requiring approval under Item 7 of Section 611 of the Corporations Act and ASX Listing Rule 10.1 should be analysed as if it were a takeover bid. Accordingly, we have assessed the Proposed Transaction with reference to Section 640 of the Corporations Act. In this regard, RG 111 states that:

- an offer is considered fair if the value of the offer price or consideration is equal to or greater than the value of the securities that are subject to the offer. The comparison should be made assuming 100% ownership of the target company and irrespective of whether the consideration offered is scrip or cash and without consideration of the percentage holding of the offeror or its associates in the target company;

- an offer is considered reasonable if it is fair. If the offer is not fair it may still be reasonable after considering other significant factors which justify the acceptance of the offer in the absence of a higher bid. ASIC has identified the following factors which an expert might consider when determining whether an offer is reasonable:

  - the offeror's pre-existing entitlement, if any, in the shares of the target company;

  - other significant shareholding blocks in the target company;

  - the liquidity of the market in the target company's securities;

  - taxation losses, cash flow or other benefits through achieving 100% ownership of the target company;

  - any special value of the target company to the offer, such as particular technology and the potential to write off outstanding loans from the target company;

  - the likely market price if the offer is unsuccessful; and

  - the value to an alternative offeror and likelihood of an alternative offer being made.

In assessing the fairness of the Proposed Transaction, Grant Thornton Corporate Finance has determined whether the Proposed Transaction is fair to the Non-Associated Shareholders by comparing the fair market value of ITS Share before the Proposed Transaction on a control basis with the fair market value of ITS Share after the Proposed Transaction on a minority basis.

In considering whether the Proposed Transaction is reasonable to the ITS Shareholders, we have considered a number of factors, including:

- whether the Proposed Transaction is fair;
- the implications to Non-Associated Shareholders if the Proposed Transaction does not complete; and
- other likely advantages and disadvantages associated with the Proposed Transaction as required by RG111.

2.3 Independence

Prior to accepting this engagement, Grant Thornton Corporate Finance considered its independence with respect to the Proposed Transaction with reference to the ASIC Regulatory Guide 112 "Independence of Experts" ("RG 112").

In this regard, we note that Grant Thornton Corporate Finance had the following relationships with ITS within the past two years:

- preparation of a limited scope financial due diligence report for the Board of ITS in February 2010 on the YBR financial model;
- preparation of a limited scope financial due diligence report for the Board of ITS in November 2010 on the historic financial performance of YBR and the material assets and liabilities.

In our opinion, our previous independent expert engagements do not impact on our ability to provide an independent and unbiased opinion in the context of the Proposed Transaction. In our opinion, Grant Thornton Corporate Finance is independent of ITS, its Directors and all other parties involved in the Proposed Transaction.

Grant Thornton Corporate Finance has no involvement with, or interest in, the outcome of the approval of the Proposed Transaction other than that of independent expert. Grant Thornton Corporate Finance is entitled to receive a fee based on commercial rates and including reimbursement of out-of-pocket expenses for the preparation of this report.

Except for these fees, Grant Thornton Corporate Finance will not be entitled to any other pecuniary or other benefit, whether direct or indirect, in connection with the issuing of this report. The payment of this fee is in no way contingent upon the success or failure of the Proposed Transaction.

2.4 Consent and other matters

Our report is to be read in conjunction with the Notice of Extraordinary General Meeting and Explanatory Statement dated on or around 8 February 2011 in which this report is included, and is prepared for the exclusive purpose of assisting the Non-Associated Shareholders in their consideration of the Proposed Transaction. This report should not be used for any other purpose.

Grant Thornton Corporate Finance consents to the issue of this report in its form and context and consents to its inclusion in the Notice of Extraordinary General Meeting and Explanatory Statement.

Grant Thornton Corporate Finance is independent of ITS and its Directors and all other relevant parties of the Proposed Transaction. Grant Thornton Corporate Finance has no involvement with, or interest in, the outcome of the approval of the Proposed Transaction other than that of independent expert. Grant Thornton Corporate Finance is entitled to receive a fee based on commercial rates and including reimbursement of out-of-pocket expenses for the preparation of this report. Except for this fee, Grant Thornton Corporate Finance will not be entitled to any other pecuniary or other benefit, whether direct or indirect, in connection with the issuing of this report. The payment of this fee is in no way contingent upon the success or failure of the Proposed Transaction.

This report constitutes general financial product advice only and in undertaking our assessment, we have considered the likely impact of the Proposed Transaction to the ITS Shareholders as a whole. We have not considered the potential impact of the Proposed Transaction on individual ITS Shareholders. Individual shareholders have different financial circumstances and it is neither practicable nor possible to consider the implications of the Proposed Transaction on individual shareholders.

The decision of whether or not to approve the Proposed Transaction is a matter for each Non-Associated Shareholder based on their own views of value of ITS and expectations about future market conditions, ITS' performance, risk profile and investment strategy. If the Non-Associated Shareholders are in doubt about the action they should take in relation to the Proposed Transaction, they should seek their own professional advice.

3 Industry overview – Financial services

3.1 Overview

YBR is a fully integrated financial advisory and financial planning firm primarily engaged in the provision of investment, taxation and financial advisory services targeted at the retail market as well as the high net worth individual group. This section provides an overview of the Financial Planning and Investment Advice Industry (the "Industry") in Australia.

The Industry consists of a few large participants, most of which are financial conglomerates or commercial banks, as well as a significant number of smaller participants. There are approximately 15,810 financial advisers and 158 companies[6] that operate within the Industry in Australia.

The global financial crisis ("GFC") significantly deteriorated the revenue growth of this Industry during FY08 and FY09. Over the five years to FY11, an average decline in real revenue growth of 3.9% per year[6] is expected primarily due to two consecutive years of falling revenue in FY08 and FY09[6] that accounts up to 19.4% real revenue decline.

In February 2009, a Parliamentary Joint Committee conducted an inquiry into the Industry regarding the role of the financial advisers, models of remuneration, conflicts of interest, appropriateness of advice, licensing arrangement and any need for regulatory change. The rationale behind the inquiry is primarily due to the financial losses suffered by clients of financial advisers as a result of inappropriate costly investment advice and conflicts of interest. These failed companies include but were not limited to Opes Prime Group Limited, Westpoint Corporation Limited, Storm Financials Limited, Great Southern Limited and Timbercorp Limited.

As a response to the inquiry, most of the large participants in the Industry have switched or will switch from commission based remuneration to fee-for-service based remuneration structure. The Industry is expected to recover as the economy stabilises and employment increases, which will result in average growth rate of 6.9% per year from FY11 through to FY15[6].

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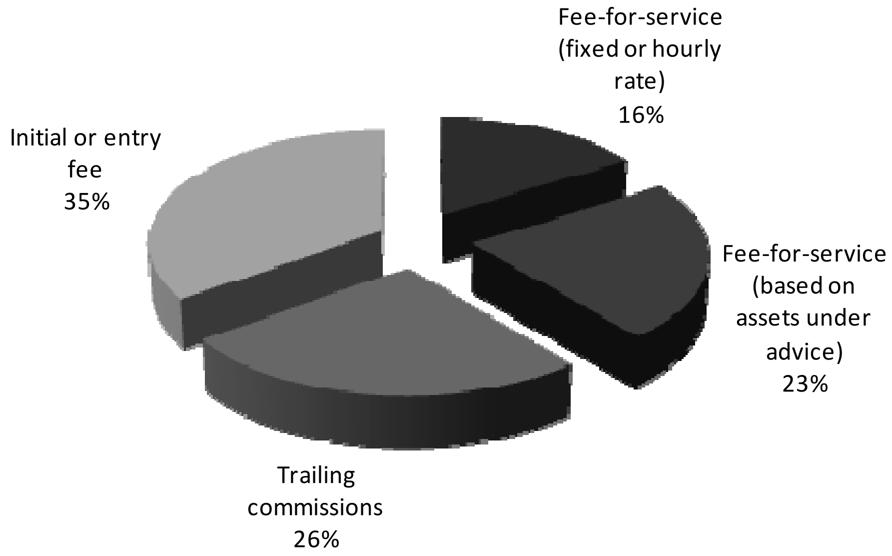
[6] *Financial Planning & Investment Advice in Australia,* IBISWorld

3.2 Major product/services segments

The following graph summarises the major products and services segments in the Industry:



Source: Ibisworld

Financial advisers provide a range of services such as retirement planning, financial planning, product advice, estate management, and taxation services. A large part of the revenue generated by financial advisers is in relation to the provision of superannuation advice services, as more people allocate income for their retirement, there has been an increasing demand for financial advisers to provide advice on the different schemes and funds available. As self managed superannuation funds ("SMSF") become more popular, there has been an increase in demand for financial advisory services.

Many financial advisers still receive a commission payment for assisting or advising a client regarding a specific product. We note that majority of the companies in the Industry still have a fee structure that requires an initial fee or entry fee. The level of entry fee varies greatly, even though in most cases it tends to be less than 5.0%[6]. Fee-only advisers receive compensation from the client directly for the services provided, and we note this is currently the only remuneration scheme that creates little or no conflict of interest.

We also note that YBR also provides mortgage related advisory services. The participants in the mortgage industry in Australia include:

- Brokers – act as an intermediary between borrowers and lenders and earn a commission for their services. An aggregator provides brokers with access to a variety of lenders. The broker may then offer a range of different loans to borrowers;

- Aggregators – many brokers join an aggregator or franchise group to access a wider panel of lenders. These groups provide many additional services to brokers such as software and technology, training, general business support and back office administration;

- Mortgage managers – relates to mortgage specialists who organise funding for home buyers and property investors (residential, commercial, industrial, retail) from a variety of funding sources. Mortgage managers are responsible for arranging the funds for loans and the ongoing prudent management of the loan throughout its life. This includes the initial credit assessment to the monitoring of loan repayments, insurance renewals, interest rate adjustments and loan variations;

- Mortgage originators – institutions that provide "own branded" loans to clients where they have control over the features of the loan provided. Mortgage originators may or may not include having control over the credit decisions of new loans.

- Non-bank lenders – source funds from investors and either provide this directly to home loan borrowers, or acts as a source of funding to mortgage managers; and

- Banks – offers financial services including deposits, personal and business lending and other services such as insurance and cash management. Revenue from mortgage lending is estimated to account for 20% of banks activities[7].

3.3 Industry competitiveness

The Industry in Australia has a medium level of industry concentration with a large number of small participants targeting a niche market as well as a few large participants that focus on more structured and full-serviced products or services. The Industry is predominantly structured in the form of dealer groups, which may be affiliated with larger financial institutions such as a bank.

Concentration within the Industry has been increasing mainly through mergers and acquisitions. The Industry consolidation is primarily driven by economy of scale, as the fixed cost of this industry is relatively stable.

Competition in this industry is moderate, however, there has been increasing competition between different financial advisers for clients, especially during the GFC, when many clients had to opt out of financial advisors due to high cost advisory services. The majority of the participants compete based on:

- reputation, fees and additional advisory services,
- the quality of investment product research;
- the number of products available;
- portfolio management and margin lending; and
- distribution channels and marketing.

[7] National and Regional Commercial Banks in Australia, 25 August 2009 - IBISWorld

Independent advisors compete on their independence, as they are not tied to any products and by being an independent advisor, they may be able to provide advice to clients that have little conflict of interest.

The barriers to entry in this Industry are considered to be medium. In order to operate in the Industry, a financial adviser must either hold an Australian Financial Services ("AFS") licence, or be an authorised representative of an AFS licence holder. Due to the application requirements and ongoing licence conditions, it may be costly for an individual to obtain such licence and in most cases, the licence will be held by a body corporate.

3.4 Key performance factors

Set out below are the key factors affecting the performance of Financial Planning & Investment Advice industry in Australia:

- Ability to effectively communicate and negotiate with clients;
- Access to qualified work force;
- Market research and understanding in terms of sector knowledge and security instruments;
- Compliance with Australian Securities and Investment Commission ("ASIC") licence requirement;
- Having a loyal customer base; and
- Having a good reputation, e.g. brand name.

3.5 Industry Outlook

The Industry is undergoing significant changes after the GFC, as result of increasing monitoring and regulation by the regulatory bodies. Even though some of the regulatory changes have not been formally made law or compulsory, the trend has shown an increasing number of financial advisory firms have switched or have planned to switch to fee-for-service based remuneration scheme. The demand in the Industry is expected to grow, primarily driven by the size of the ageing population as well as the complexity of financial markets and financial products.

4 Profile of ITS

4.1 Company overview

ITS is an ASX listed company engaged in provision of contract management services in relation to employment of offshore skilled personnel in Australia. In addition to contract management services, ITS was previously engaged in provision of immigration and recruitment services. ITS, through its immigration services, provided assistance with migration matters across all visa classes, including employer sponsored, general skilled, family and business migration. The Company is currently listed on the ASX with limited business operations or assets.

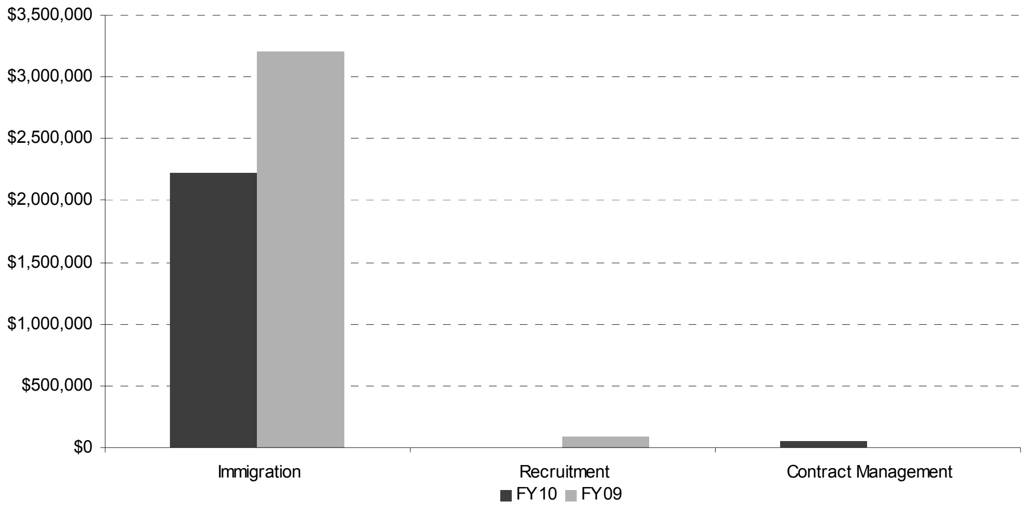
The historic operating activities of the Company can be classified into three main divisions:

- Immigration – Involves providing immigration services to applicants who live and work in Australia. On 13 May 2010, ITS announced that it had entered into an agreement with Englewood Australia Pty Ltd for the sale of its main trading activity, Immigration business, for a consideration of $260,000. Englewood Australia Pty Ltd is an entity controlled by the former Chief Executive Officer of ITS, Dan Engles and the former Senior Immigration Manager, Sheila Woods. On 5 August 2010, ITS announced the completion of the sale of the Immigration Business;

- Contract Management – Pursuant to the Labour Hire Agreement negotiated with the Commonwealth Government, ITS provides a tailored service which streamlines the process of employing offshore skilled personnel. The operations of Contract Management division commenced in FY10; and

- Recruitment – Involves providing recruitment services. However, the operations of Recruitment division were wound up in April 2009.

The revenue for FY09 and FY10 generated by the Immigration, Contract Management and Recruitment division is shown in the graph below:



Source: ITS' Annual report

4.2 Financial information

4.2.1 Income statement

The audited historical consolidated income statements of ITS for FY09 and FY10 are set out in the table below:

ITS	FY09	FY10
	Audited	Audited
Income statement	$	$
Revenue from continuing operations		
Contract Management	-	51,207
Bank Interest	213,898	121,349
Total remuneration	**213,898**	**172,556**
Administration expenses	(12,897)	(29,833)
Employee benefit expenses	(434,012)	(438,454)
Legal and professional fees	(165,716)	(187,923)
Options expenses	(35,334)	(11,924)
Change in value of available-for-sale assets	10,700	(1,520)
Net loss from continuing operations	**(423,361)**	**(497,098)**
Profit/(loss) from discontinued operations	(2,419,710)	171,276
Net loss	**(2,843,071)**	**(325,822)**

Source: ITS

We note the following in regards to the consolidated income statement of ITS.

- Due to sale of Immigration business, the results of the Immigration business are classified as results from discontinued operations. The income statement for FY09 has been restated to show results from Immigration business as discontinued operations;
- The operations of Recruitment division ceased in April 2009;
- ITS currently operates only Contract Management business. The revenue generated by ITS during the first four months of FY11 was approximately $317,000; and
- A significant proportion of expenses incurred by ITS is in relation to the public listing status of the company. As a result of Company selling off its Immigration business, ITS currently is a listed company with limited business operations and assets.

4.2.2 Balance sheet

The consolidated balance sheets of ITS as at 30 June 2009, 30 June 2010 and 30 November 2010 are set out in the table below:

ITS	As at	As at	As at
	30-Jun-09	30-Jun-10	30-Nov-10
	Audited	Audited	Unaudited
Balance Sheet	$	$	$
Current Assets			
Cash and cash equivalents	3,283,692	2,436,814	2,664,927
Trade receivables	329,949	310,474	124,562
Prepayments	83,817	25,742	12,433
Assets classified as held for sale	-	848,623	-
	3,697,458	3,621,653	2,801,922
Non-Current Assets			
Property, plant and equipment	253,927	-	-
Available for sale financial assets	32,285	16,505	-
Intangible assets	220,348	-	3,664
	506,560	16,505	3,664
Total Assets	4,204,018	3,638,158	2,805,586
Current Liabilities			
Trade and other payables	888,014	262,006	52,042
Provisions	172,504	-	31,433
Liabilities associated w ith assets classified as held for sale	-	546,550	-
	1,060,518	808,556	83,475
Net Assets	3,143,500	2,829,602	2,722,111
Equity			
Share capital	6,735,143	6,735,143	6,635,143
Accumulated losses	(4,234,272)	(4,558,574)	(4,556,885)
Available-for-sale revaluation reserve	10,700	9,180	-
Share-based payment reserve	631,929	643,853	643,853
	3,143,500	2,829,602	2,722,111

Source: ITS

We note the following in relation to the consolidated balance sheet of ITS:

- Trade receivables are non-interest bearing and are generally provided on 30 day terms;
- Available for sale financial assets consist of investments in ASX listed securities;
- On 13 May 2010, ITS announced that it had entered into an agreement with Englewood Australia Pty Ltd for the sale of its Immigration business. Accordingly, the assets and liabilities in relation to the Immigration business to be divested are classified as held for sale;
- Intangible assets were re-classified as assets held for sale for the year ended 30 June 2010;

- Share based payments reserve is used to recognise the fair value of options issued to employees and others;

- Available-for-sale financial assets revaluation reserve is used to recognise changes in the fair value of available-for-sale financial assets.

4.3 Capital Structure

As at 24 December 2010, ITS has on issue:

- 14,087,500 ITS Shares;

- 550,000 unlisted options ("ITS Options").

4.3.1 ITS Shares

The top 10 shareholders of ITS as at 9 November 2010 are set out below:

Shareholder	No of shares	% of issued shares
Linda Sala Tenna	2,750,000	19.5%
Rosanna De Campo	1,375,000	9.8%
Farooq Khan	1,375,000	9.8%
Hoperidge Enterprise Pty Ltd	1,250,000	8.9%
Daniel George Engles	750,000	5.3%
Katana Equity Pty Ltd	475,000	3.4%
Bell Potter Nominees Pty Ltd	361,000	2.6%
Cinto Holdings Pty Ltd	250,000	1.8%
Scott Jones	250,000	1.8%
Scott Jones, Rodney Malcolm Jones and Carol Jones <Scopa Family A/C>	250,000	1.8%
Total Top Ten Shareholders	**9,086,000**	**64.5%**
Other Shareholders	5,001,500	35.5%
Total	**14,087,500**	**100.0%**

Source: ITS

4.3.2 ITS Options

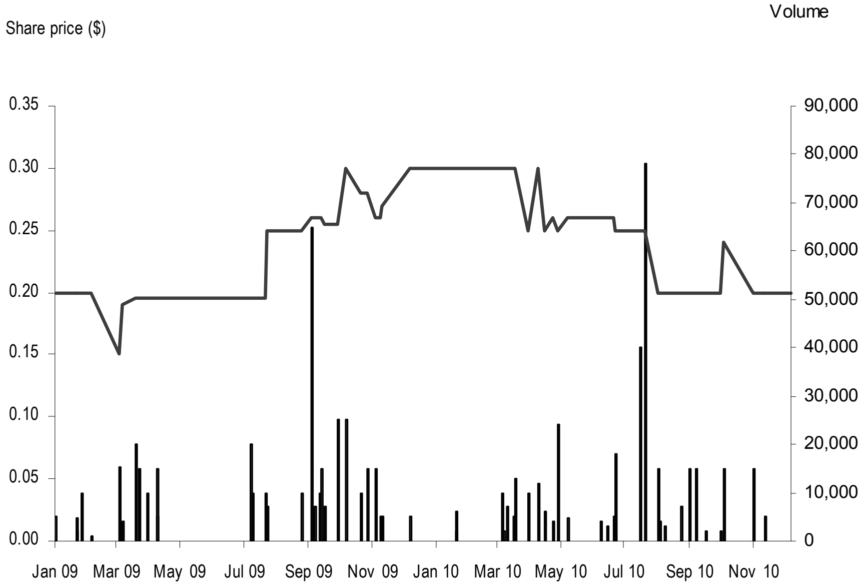
ITS Options are unlisted and each option is exercisable into one ITS Share. The following table summarises the outstanding ITS Options as at the date of this report:

Grant Date	Expiry date	Exercise Price	Number of options
23-Jan-08	26-Jan-11	$1.75	350,000
22-Sep-08	9-Oct-13	$1.33	66,667
22-Sep-08	9-Oct-13	$0.40	66,667
22-Sep-08	9-Oct-13	$0.24	66,666
			550,000

Source: ITS

4.4 Share price performance

The movements in ITS Share price and volumes traded on the ASX for the period from I Jan 2009 to 21 December 2010 is set out below.



Source: Reuters

We note the following with regard to the share price history shown above:

Date	Comments
25 August 2010	ITS announced that a total of 100,000 ITS Shares were bought back via selective buy-back. Share price closed at $0.20.
5 August 2010	ITS announced that it had completed the sale of its Immigration business. Share price closed at $0.25.
13 May 2010	ITS announced that it had agreed to sell the visa migration business division by way of management buy out for a consideration of $260,000. Share price closed at $0.25.
6 November 2009	ITS announced that it received the second year approval of its on-hire agreement with the Federal Government. Share price closed at $0.28.

Set out below is the share price performance of ITS since January 2010:

ITS	Share price ($)			Average weekly
	High	Low	Close	volume
Month ended				
Jan-10	0.30	0.30	0.30	20,000
Feb-10	0.30	0.30	0.30	-
Mar-10	0.30	0.30	0.30	37,000
Apr-10	0.30	0.25	0.26	40,000
May-10	0.26	0.25	0.26	71,750
Jun-10	0.26	0.25	0.25	37,500
Jul-10	0.25	0.25	0.25	295,000
Aug-10	0.20	0.20	0.20	36,667
Sep-10	0.20	0.20	0.20	48,750
Oct-10	0.24	0.20	0.24	42,500
Nov-10	0.20	0.20	0.20	50,000
1 Dec 10 - 21 Dec 10	0.20	0.20	0.20	-
Week ended				
3-Sep-10	0.20	0.20	0.20	7,000
10-Sep-10	0.20	0.20	0.20	15,000
17-Sep-10	0.20	0.20	0.20	15,000
24-Sep-10	0.20	0.20	0.20	2,000
1-Oct-10	0.20	0.20	0.20	-
8-Oct-10	0.20	0.20	0.20	2,000
15-Oct-10	0.24	0.24	0.24	15,000
22-Oct-10	0.24	0.24	0.24	-
29-Oct-10	0.24	0.24	0.24	-
5-Nov-10	0.24	0.24	0.24	-
12-Nov-10	0.20	0.20	0.20	15,000
19-Nov-10	0.20	0.20	0.20	5,000
26-Nov-10	0.20	0.20	0.20	-
3-Dec-10	0.20	0.20	0.20	-
10-Dec-10	0.20	0.20	0.20	-
17-Dec-10	0.20	0.20	0.20	-
1 Dec 10 - 21 Dec 10	0.20	0.20	0.20	-

Source: Reuters

5 Profile of YBR

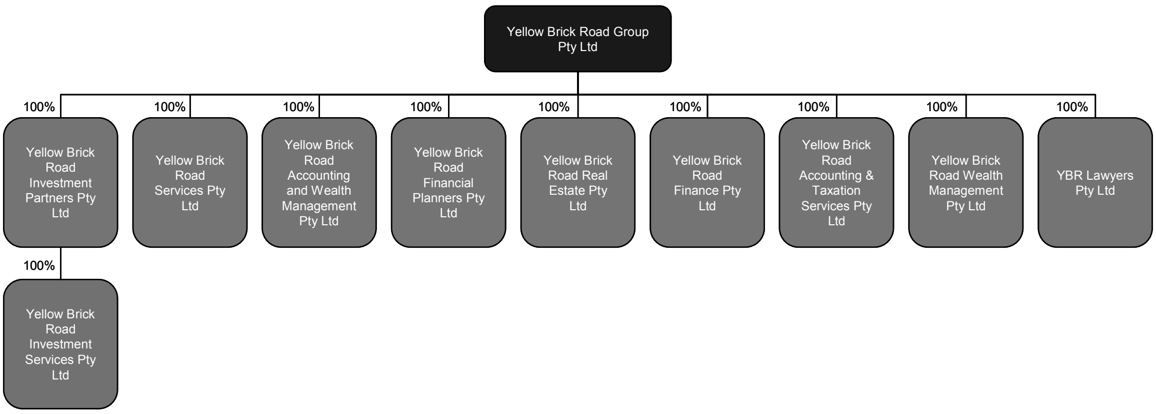
5.1 Company overview

YBR provides wealth management and financial advice including financial planning, investment advice, risk management and finance broking to a diverse range of clients.

YBR was established in July 2007 and subsequently made the following key acquisitions:

- Two chartered accounting practices;
- General insurance broking business; and
- Boutique wealth management firm.

Set out below is the corporate structure of the YBR Group:



Source: YBR Management

5.2 Operational activities

YBR is organised into the following four business divisions:

5.2.1 Finance broking

The finance broking and origination division arranges commercial finance, residential mortgage finance, industrial property finance and specialty equipment finance for YBR customers. The revenue earned by YBR is based on the upfront and trail commissions from lenders, which depends on the outstanding values of loans written. The main factors influencing revenue form this division include average loan size written, branch productivity and early repayment rates.

YBR has access to over 50 lenders and two white label programs as well as direct relationships with certain private lenders to provide lending products.

5.2.2 Investment management

The investment management division provide financial planning advice and operate in conjunction with the accounting, tax and legal division. The client base includes Small and Medium Enterprises

(“SMEs”), high net worth investors and retail investors generally with assets of greater than $200,000.

The investment management division generates revenue on a fee for service basis for the development of initial financial plans and wealth strategies, as well as updated future advice. Subsequently, the majority of revenues are derived from charging the client a disclosed set of fees or commissions based on funds under management.

5.2.3 Insurance brokerage

The insurance brokerage division mainly provides general insurance and risk insurance services. The division primarily earns revenue as commissions paid by insurers on policies taken out by clients.

The general insurance brokerage division advises clients on their personal and professional general insurance requirements including:

- Home and contents, professional indemnity and medical negligence;
- Director and officers liability indemnity cover; and
- Insurances for other related business enterprises including workers compensation advice and industrial special risk policies.

Risk insurance division mainly advises on life and permanent disability, income protection and trauma cover. The services provided by this division are based on research systems, expertise and experience on insurance requirements for specific client circumstances.

5.2.4 Accounting, tax and legal division

The accounting, tax and legal division services the accounting and tax requirements of YBR’s clients and their related entities. YBR’s client base includes SMEs, professional practices and investment vehicles. The division also provides simple legal services including conveyancing, loan and trust documentation.

The division earns project related fees which is either time-cost based or quoted price. The majority of fees relate to tax structuring advice and annual tax affairs management, book-keeping and accounting, and legal work in relation to structuring, property transactions and asset sale.

5.3 Key milestones and growth factors

Set out below are the key milestones achieved by YBR to date:

- As at 31 March 2010, YBR had 29 branches, approximately 2,500 clients, loan book of $130 million and approximately $335 million funds under management/advice. As at the date of this report, YBR has established 45 branches with an average growth rate of 3 branches per month since September 2009;

- YBR has a strong management team led by Mark Bouris, founder and developer of Wizard Home Loans ("Wizard")[8]. The current management team of YBR includes many of the key executives who were involved in the development and growth of Wizard;

- YBR has signed a Heads of Agreement and White Label Agreement with OneVue Limited ("OneVue"), to use their investment management platform that delivers a single portfolio view of all of a client's assets, liabilities and tax position regardless of the underlying investment vehicle;

- Given the Federal Government's proposed reform to remove the licensing exemptions that accountants currently have to establish SMSFs, YBR is likely to be in a position where it can attract these accountants as potential licensees;

- YBR has already signed a Heads of Agreement to partner with BGL Corporate Solutions[9], a provider of secretarial and superannuation fund management software solutions, to provide the accounting industry with a package solution incorporating the YBR licensee model;

- YBR Group's funding for YBR branded mortgages is provided by Gateway Credit Union ("Gateway") and Resimac Limited ("Resimac"). In addition to receiving funding from Gateway, YBR also has an arrangement with Gateway to build and promote YBR branded home loan products. YBR has received a stated commitment from Gateway that they will not promote or provide finance for branded products to other market participants. Management has advised that Gateway has also agreed with YBR to not increase the price of its finance outside of the rate rises implicated by the Reserve Bank of Australia allowing YBR to be a price taker within a market where the big four institutional banks are increasing interest rates higher than the rate rises driven by the Reserve Bank of Australia;

- YBR has featured in over 20 publications including Sydney Morning Herald, The Sunday Telegraph, Business Review Weekly and Channel Ten News. As a result, YBR is more likely to build substantial marketing value. YBR aims to derive substantial marketing value from:

  - Utilising the image of its key executive, Mark Bouris who was host of "The Apprentice Australia" Channel Nine Television series;

  - Developing online strategies and implementation in due course;

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[8] Mark Bouris sold Australian Financial Institutions Group Limited which comprised Wizard and Australian Mortgage Securities Limited to the General Electric Company in 2004.
[9] BGL Corporate Solutions has approximately 6,000 accounting firms as clients

– Positioning its brand as a competitor to big four banks in Australia; and

– Selectively advertising using traditional methods.

YBR's business strategy is to provide a full financial services offering to the clients seeking financial products and services. In addition to home loans, YBR is focused on providing its clients with financial planning services, investment and superannuation products and management, accounting and tax services, and insurance broking.

YBR has set a target to open 150 branches across Australia by June 2014. YBR is currently focused on signing up mortgage brokers, accounting practices and other professionals as licensees under the Yellow Brick Road Wealth Management brand.

5.4 Financial information

5.4.1 Income statement

The historical consolidated income statements of YBR are set out in the table below:

YBR	FY09	FY10	5 months to Nov-10
	Unaudited	Unaudited	Management
Income statement	$	$	$
Revenue from continuing operations	7,518,000	8,856,939	4,046,000
Cost of goods sold	(642,000)	(1,132,117)	(963,000)
Gross profit	6,876,000	7,724,822	3,083,000
Gross profit margin (%)	*91%*	*87%*	*76%*
Overhead expenditure	(5,336,000)	(6,760,184)	(3,033,000)
EBITDA	1,540,000	964,638	50,000
EBITDA margin (%)	*20%*	*11%*	*1%*
Depreciation	(336,000)	(343,286)	(145,000)
EBIT	1,204,000	621,352	(95,000)
EBIT margin (%)	*16%*	*7%*	*(2%)*
Interest expense	(867,000)	(607,747)	(206,000)
Profit before tax	**337,000**	**13,605**	**(301,000)**

Source: YBR

We note the following in regards to the consolidated income statements of YBR.

- The number of branches has increased from 15 branches at 31 December 2009 to 37 branches at 30 September 2010 due to the branch roll out strategy. The YBR Group's current strategy is to open around 3 to 4 branches a month. These branches can take between 3 months to 9 months to become fully productive depending on the experience of the franchisee;

- In FY10, YBR Group underperformed compared to budget by approximately $0.9 million at an EBITDA level. The underachievement of financial performance at an EBITDA level was due to:

- Actual revenue being approximately $0.7 million lower than budget as a result of under performance by the accounting and tax business; and

- Overhead expenses were approximately $0.5 million higher than budgeted due to YBR Group building a platform for future growth and therefore employing additional resources to assist in the execution of the strategy;

- Overhead expenditure mainly includes the following:

  - Salaries and staff costs accounting for approximately 53% of the overhead expenditure;

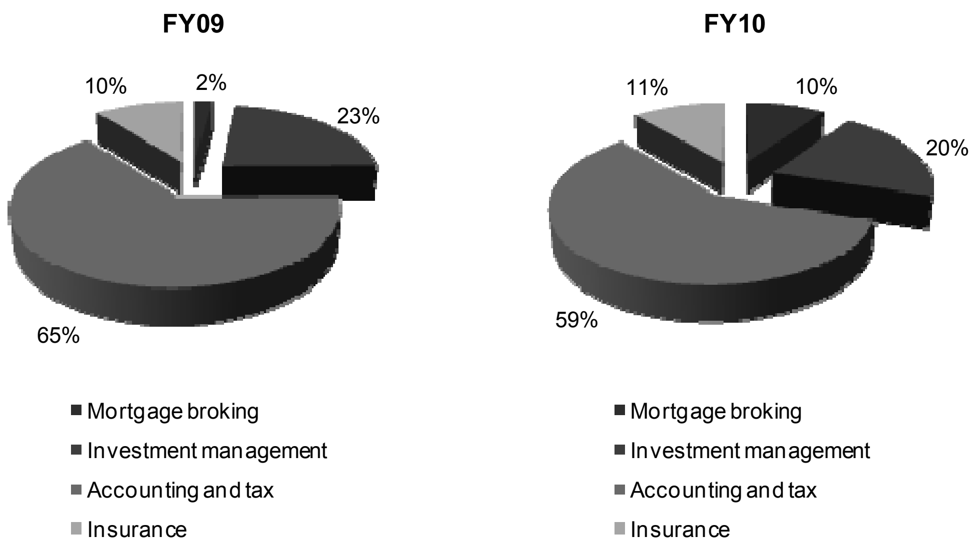
  - Compliance and premises costs accounting for approximately 13% of the overhead expenditure ; and

  - Marketing costs, external supplies and services accounting for the 10% of the overhead expenditure;

- The gross margin for five months ending November 2010 has declined significantly compared to FY2010 due to a change in the mix of revenue towards mortgage broking which has increased head line revenue albeit at a lower margin. This margin erosion is also due to the relative decrease of volume of loans being written out of the head office in this period. The YBR Group retain 100% of the commissions of these loans compared to approximately 30% when the loans are written by the branches;

5.4.2 Segment performance

The following graph shows the revenue contribution from these service offerings for FY09 and FY10.



Source: YBR

We note FY09 and FY10 were essentially platform years for the roll out of the mortgage broking business as FY09 and FY10 were spent developing and stream lining the YBR service offering.

5.4.3 Balance sheet

The consolidated balance sheets of YBR as at 30 June 2010 and 30 November 2010 are set out in the table below:

YBR	As at 30-Jun-10 Unaudited	As at 30-Nov-10 Unaudited
Balance Sheet	**$**	**$**
Cash and cash equivalents	3,721,883	2,218,788
Intangible assets	12,050,416	12,048,638
Other assets	5,022,061	5,452,799
Total assets	**20,794,360**	**19,720,225**
Related party loans payable	1,851,550	2,512,069
Borrow ings	8,842,246	6,915,825
Other liabilities	3,531,226	2,563,266
Total liabilities	**14,225,022**	**11,991,160**
Net assets	**6,569,338**	**7,729,066**
Equity		
Issued capital	8,353,825	9,853,825
Forfeited shares	549,000	546,035
Cost of equity raising	(200,000)	(237,500)
Retained losses	(2,133,487)	(2,433,294)
Total equity	**6,569,338**	**7,729,066**

Source: YBR

We note the following in relation to the consolidated balance sheet of YBR:

- As at 30 November 2010, YBR has external debt of approximately $6.9 million. Approximately $5.9 million of the total debt relates to three St George Bank Limited commercial bill facilities taken out by YBR to acquire the accounting and insurance businesses. These facilities are required to be amortised by $0.45 million on 30 April and 31 October each year until 30 April 2012 when a final repayment is required to settle the debt;

- In accordance with the Agreement, the maximum net debt for YBR on completion of the Proposed Transaction is required to be $8.8 million. We note that as at 30 November 2010, YBR has net debt of approximately $7.2 million which includes the related parties loans payable balance of $2.5 million;

- Other funding is in relation to loan from related parties. Management have advised that there are no loan agreements in place for related party loans and no interest is charged to YBR. We understand that these loans will be repaid on completion of the Proposed Transaction and the Public Capital Raising;

- Intangible assets include goodwill of $11.8 million acquired as part of the acquisition of the accounting and insurance businesses;

- YBR completed a capital raising of $5.5 million by issue of 5,500 ordinary shares in YBR at an issue price of $1,000 per share in June 2010 to sophisticated investors. The number of YBR Shares issued represented approximately 20% of the total issued capital in YBR following the capital raising.

5.5 Capital structure

The shareholders of YBR as at the date of the report are set out below:

Shareholder	No of shares	% of issued shares
Golden Wealth Holdings Pty Ltd	11,105	51.7%
YBR Nominees Pty Ltd	4,095	19.0%
Adrian Bouris	800	3.7%
Sandini Pty Ltd	1,000	4.7%
Peter Wade	250	1.2%
Remjay Investments Pty Ltd	500	2.3%
BS Capital Pty Ltd	250	1.2%
Stephen Lambert, Ruth Lambert and Simon Lambert	250	1.2%
Keneric Nominees Pty Ltd	100	0.5%
Ida Tan	300	1.4%
Blue Onion Capital Pty Ltd	600	2.8%
Twynam Agricultural Group Pty Ltd	500	2.3%
Service Enterprises Pty Ltd	250	1.2%
Gannet Capital Pty Ltd	1,500	7.0%
Total	**21,500**	**100.0%**

Source: YBR

6 Valuation methodologies

6.1 Introduction

In accordance with our adopted valuation approach set out in section 2.2, our fairness assessment involves comparing the fair market value of ITS Share before the Proposed Transaction with the fair market value of ITS Share after the Proposed Transaction. As part of our assessment, Grant Thornton Corporate Finance has analysed the fair market value of ITS and YBR.

Grant Thornton Corporate Finance has assessed the value of ITS Shares using the concept of fair market value. Fair market value is commonly defined as:

"the price that would be negotiated in an open and unrestricted market between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller acting at arm's length."

Fair market value excludes any special value. Special value is the value that may accrue to a particular purchaser. In a competitive bidding situation, potential purchasers may be prepared to pay part, or all, of the special value that they expect to realise from the acquisition to the seller.

6.2 Valuation methodologies

RG 111 outlines the appropriate methodologies that a valuer should generally consider when valuing assets or securities for the purposes of, amongst other things, share buy-backs, selective capital reductions, schemes of arrangement, takeovers and prospectuses. These include:

- discounted cash flow ("DCF") method and the estimated realisable value of any surplus assets;
- application of earnings multiples to the estimated future maintainable earnings or cash flows of the entity, added to the estimated realisable value of any surplus assets;
- amount available for distribution to security holders on an orderly realisation of assets;
- quoted price for listed securities, when there is a liquid and active market; and
- any recent genuine offers received by the target for any business units or assets as a basis for valuation of those business units or assets.

Further details on these methodologies are set out in Appendix A to this report. Each of these methodologies is appropriate in certain circumstances.

RG111 does not prescribe the above methodologies as the method(s) that an expert should use in preparing their report. The decision as to which methodology to use lies with the expert based on the expert's skill and judgement and after considering the unique circumstances of the entity or asset being valued. In general, an expert would have regard to valuation theory, the accepted and most common market practice in valuing the entity or asset in question and the availability of relevant information.

6.3 Selected valuation methodology

Valuation of ITS

When considering an appropriate valuation methodology to assess the fair market value of ITS, Grant Thornton Corporate Finance notes that Management does not prepare long-term forecasts for its business. As a result, it is not possible for us to utilise DCF methodology in assessing the fair market value of ITS.

We also note that ITS does not have significant business operations and as a result, we have not used the capitalisation of maintainable earnings approach to assess the fair market value of ITS.

Given that ITS is essentially a listed company with limited business operations, Grant Thornton Corporate Finance has selected the market value of net assets as the primary method to assess ITS' fair market value. The market value of net assets is based on the sum-of-parts of ITS' assets and liabilities as set out in ITS' unaudited balance sheet as at 30 November 2010.

It should be noted that in a net asset valuation, the value of net assets determined implicitly assumes 100% control of those assets and incorporates a premium for control. We consider that valuing ITS on a controlling basis is appropriate as the ITS Shareholders are giving up control in ITS if the Proposed Transaction is approved.

Prior to reaching our valuation conclusions, we have considered the reasonableness of our valuation by comparing our results to the share prices of ITS.

Valuation of YBR

Due to the lack of a historical track record, the assumptions implied in the forecast model provided by management of YBR are managements' best estimates and are hypothetical in nature and in most instances can not be verified to supporting documentation. This is particularly relevant for the forecast foot traffic for the branches and the forecast conversion rate of these potential walk-in customers into YBR clients.

Hypothetical assumptions are by their very nature subjective and accordingly the future cash flows are "projections" rather than "forecasts" in our opinion. Whilst there are techniques a valuer can employ to address the potential risks and uncertainties associated with these forecasted assumptions, the results could be potentially misleading when used to form a view in relation to the fairness of the Proposed Transaction.

We further note that RG 111 and ASIC Regulatory Guide 170 "Prospective financial information" indicate that prospective financial information which is based on hypothetical assumptions (rather than reasonable grounds) is likely to be misleading and provide limited information to investors.

As a result, we have not used the DCF methodology to assess the fair market value of ITS. We note that however, YBR has recently completed a capital raising via placement of shares. We have referred to this transaction as a primary method to assess the fair market value of YBR.

As a cross-check, we have compared the implied revenue multiple of YBR to companies operating in the financial investment management sector and listed on the ASX.

ITS Shareholders should note that our assessed value of ITS after the Proposed Transaction, does not include the impact of the Public Capital Raising. However, based on the terms of the Agreement, if ITS is successful with the Public Capital Raising, ITS Shareholders will likely benefit from a re-rating in ITS Shares.

7 Valuation assessment of ITS before the Proposed Transaction

As discussed in Section 6.3, we have selected the market value of net assets as the primary method to assess ITS' fair market value. The market value of net assets is based on the sum-of-parts of ITS' assets and liabilities as set out in ITS' unaudited balance sheet as at 30 November 2010. In addition, we have also deducted the value of capitalised head office costs from the net assets value of ITS as these costs have not been reflected in the balance sheet.

Set out below is a summary of our valuation assessment of ITS before the Proposed Transaction:

ITS - Valuation summary	Reference	Low $	High $
Cash and cash equivalents	*Note 1*	2,664,927	2,664,927
Trade receivables	*Section 4.2.2*	124,562	124,562
Prepayments	*Section 4.2.2*	12,433	12,433
Trade and other payables	*Section 4.2.2*	(52,042)	(52,042)
Provisions	*Section 4.2.2*	(31,434)	(31,434)
Enterprise value		**2,718,446**	**2,718,446**
Value of ITS Options	*Section 7.3*	(14,300)	(9,900)
Capitalised value of corporate overheads	*Section 7.4*	(330,000)	(247,500)
Costs in relation to Proposed Transaction	*Section 7.5*	(170,000)	(150,000)
Equity value		**$2,204,146**	**$2,311,046**
Number of shares outstanding		14,087,500	14,087,500
Value per ITS Share ($)		**$0.156**	**$0.164**

Source: ITS and Calculations

Note 1: Cash balance as at 30 November 2010 provided by management of ITS

7.1 Cash and cash equivalent

The cash balance of $2.7 million is based on the unaudited management accounts of ITS as at 30 November 2010. We note that based on the Agreement, the minimum cash balance and minimum net tangible assets balance at completion of the Proposed Transaction should not be less than $2.3 million on the date two days prior to when the Notice of Meeting is lodged with the ASIC and ASX.

7.2 Tax losses

ITS has approximately $1.9 million in accumulated tax losses which could potentially be used to offset against future taxable income. However, the amount has not been recognised as an asset for financial reporting purposes as it does not satisfy the recognition criteria under the relevant accounting standards.

For valuation purposes, unutilised tax losses may have a value as the hypothetical purchaser of a company can use the tax losses to offset against future taxable income, subject to satisfying certain taxation rules.

With respect to the potential utilisation of tax losses by ITS, Grant Thornton Corporate Finance notes that:

- ITS does not currently generate any material earnings or positive cash flows; and
- ITS does not currently have any significant business activity.

Given the current operations of ITS, it is unlikely that the tax losses will be utilised. Accordingly, we have not ascribed a value to ITS' unutilised tax losses in our assessment of ITS.

7.3 Value of ITS Options

ITS currently has 550,000 options on issue. The value derived using the market value of net assets method reflects the value of all ITS' issued securities. The value attributable to ITS' issued shares is determined by excluding the value of the ITS Options from the market value of ITS' net assets.

The value of ITS Options has been determined using the binomial option pricing model. We have assessed the total value of ITS Options to be in range of $9,900 to $14,300 having regard to the following key assumptions:

- 5 year risk free rate of 5.24% as at 15 November 2010;
- Spot price of underlying asset (ITS Share) of 20 cents as at 15 November 2010; and
- assessed volatility over the life of options between 60% and 80%.

7.4 Corporate overheads

ITS incurs corporate costs that are not directly related to the operations of approximately $165,000 per annum (pre tax). These costs include costs associated with maintaining an office, the executive management teams, finance and corporate administration and other overhead costs, including costs associated with the listing status of ITS.

As the fair market value of ITS is determined on a 100% basis, it is appropriate to consider ITS as an unlisted entity and as such, costs associated with retaining a listed status have been excluded. The exclusion of these costs reflects the potential savings an acquirer would achieve.

For the purpose of the valuation, we have capitalised the corporate overheads, excluding costs associated with the listing status of ITS using the capitalisation of earnings methodology at a multiple in range of 3 to 4 times. However, we have discounted the capitalised corporate overheads by 50% to take into account the perceived value of ITS being a shell company.

The following table calculates the capitalised value of corporate overheads:

Corporate overheads	Low $	High $
Ongoing corporate overheads (excluding costs associated with retaining listing status)	165,000	165,000
Capitalisation multiple for ongoing corporate overheads	3	4
Capitalised value of corporate overheads	495,000	660,000
50% discount for shell company status	50%	50%
Capitalised value of corporate overheads	247,500	330,000

Source: Calculations and ITS

7.5 Costs in relation to Proposed Transaction

For the purpose of the valuation, Grant Thornton Corporate Finance has taken into consideration costs associated with the Proposed Transactions payable by ITS. Management has advised that the estimated transaction costs to be incurred by ITS are in the range of $150,000 to $170,000 irrespective of whether the Proposed Transaction is completed or otherwise.

7.6 Valuation cross-check

Prior to reaching our valuation conclusion, we have considered the quoted security price as a cross check to the values derived using the market value of net assets method.

In accordance with the requirements of RG111, we have considered the listed securities' depth, liquidity, and whether or not the market value is likely to represent the value of ITS.

The following table summarises the monthly trading volume of ITS Shares since January 2010:

Month end	Volume traded	Monthly VWAP price	Total value of shares traded	Volume traded as % of free float
Jan-10	8,000	0.300	2,400	0.2%
Feb-10	-	-	-	0.0%
Mar-10	37,000	0.300	11,100	1.0%
Apr-10	32,000	0.270	8,640	0.9%
May-10	28,700	0.254	7,292	0.8%
Jun-10	30,000	0.255	7,653	0.8%
Jul-10	118,000	0.250	29,500	3.2%
Aug-10	22,000	0.200	4,400	0.6%
Sep-10	39,000	0.200	7,800	1.1%
Oct-10	17,000	0.235	4,000	0.5%
Nov-10	20,000	0.200	4,000	0.5%
1 Dec 10 - 21 Dec 10	-	-	-	0.0%

*As at 21 December 2010, there were 3,704,367 free float ITS Shares

Source: Reuters

Based on the above table we note the following:

- there has been historically low level of trading in ITS Shares;
- ITS Shares have been volatile in past months with the minimum and maximum monthly VWAP price varying between 20 cents and 30 cents between January 2010 and November 2010;
- notwithstanding the level of liquidity, ITS complies with the full disclosure regime required by the ASX. As a result, the market is fully informed about the performance of ITS; and
- in the absence of a takeover or other share offers, the trading share price represents the value in which minority shareholders could realise if they wanted to exit their investment.

Given the low level of liquidity of ITS, we have only relied on the quoted listed securities valuation method as guidance and cross-check to our primary valuation methodology based on the fair market value of net assets.

Our assessment of ITS's equity value using the quoted listed price is set out below.

The quoted price of listed securities method is based on the Efficient Market Hypothesis ("EMH") which states that the share price at any point in time reflects all publicly available information and will change "almost" instantaneously when new information becomes publicly available.

Set out below is a summary of the share market prices at which ITS Shares currently trade on the ASX.

Market share prices	Low	High	VWAP
	$	$	$
1 month prior to 21 December 2010	0.200	0.200	0.000
2 months prior to 21 December 2010	0.200	0.200	0.200
3 months prior to 21 December 2010	0.200	0.240	0.215
6 months prior to 21 December 2010	0.200	0.260	0.233

Source: Reuters and calculations

Note 1: There was no trading in ITS Shares for the month ended 21 December 2010

We note that our assessed value of ITS Shares of between $0.156 and $0.164 per share is below the current trading price of ITS of $0.20. The difference is likely to due to the following factors:

- the trading volume in ITS Shares is very low, as an example, the shares in ITS were traded for only 7 days in the last 90 days up to the date of this report. Given this low level of volume, the share price of ITS may not represent the underlying value of the business; and
- the share price may also reflect the expectation and potential upside in relation to a back door listing transaction which may result in a significant re-rating of the Company.

Based on the above table and discussions, we consider our valuation assessment using the market value of net assets method to be reasonable.

7.7 Valuation conclusion

Based on the above, we have assessed the value of ITS Share to be in range of $0.156 to $0.164 on a control basis.

8 Valuation assessment of YBR

YBR successfully completed the seed capital raising of $5.5 million from June 2010 to August 2010. As discussed in Section 6.3, we have referred to this transaction as a primary method to assess the fair market value of YBR.

In relation to the recent capital raisings, the Directors of YBR have represented the following:

- the sophisticated investors were deemed independent parties to YBR and its associates;
- the profile of the sophisticated investors satisfies the definition of “sophisticated investors” for the purpose of Chapter 6D of the Corporations Act;
- the consideration for the issue of the YBR Shares was cash;
- the YBR Shares were issued through an independent professional brokerage house and through BBB Capital Pty Limited [10]; and
- the issue of YBR Shares to the sophisticated investors was on an arm’s length basis.

Given the quantity of YBR Shares issued as a result of the capital raising and the fact that the capital raising was subscribed by sophisticated investors, it is our opinion that the share issue price of YBR represents the underlying value of YBR as at the date of this report.

Furthermore, we note that since the seed capital raising in June 2010 to August 2010, YBR has achieved a number of milestones relating the execution of its business model. These milestones include:

- launching a broader range of YBR branded mortgage products including commercial business loans;
- increased the number of branch offices from 29 to 46 as at the date of this report, with an average of three branches per month since September 2009;
- increased brand awareness of YBR through a number of channels, including newspaper and radio and capitalising on the negative sentiment against the big four banks.

Our assessment of YBR’s equity value is set out below:

Underlying value of YBR	
Assessed value per share	$1,000
Number of outstanding YBR Shares	21,500
Equity value of YBR	$21,500,000

[10] Mark Bouris and Adrian Bouris are principals at BBB Capital Pty Limited which provides advisory and investment services.

We note that the Agreement has a condition which sets the maximum level of net debt of YBR at approximately $8.8 million at the date of completion of the Proposed Transaction. If the net debt is higher than this threshold, the equity value above may be lower, however if YBR invests the residual cash at the appropriate weighted average cost of capital, then there should not be a dilution on the equity value.

Based on the unaudited balance sheet of YBR as at 30 November 2010, the net debt balance was $7.2 million which includes the related party loan balance of $2.5 million.

8.1 Valuation cross-check

As discussed in Section 6.3, we have considered the reasonableness of our valuation by comparing the implied revenue multiple of YBR to the revenue multiple of comparable companies.

We have calculated the implied revenue multiple based on YBR's actual revenue for FY10 and annualised revenue for FY11, which is based on the actual performance for the three months ended 30 November 2010.

The following table summarises our assessment:

Cross check	FY10	FY11*
Assessed equity value of YBR	21,500,000	21,500,000
Net debt as at 30 November 2010	7,209,105	7,209,105
Enterprise value	28,709,105	28,709,105
Revenue of YBR	8,856,939	9,710,400
Implied revenue multiple	**3.2**	**3.0**

* Revenue for FY11 has been calculated by annualising the actual performance for first five months of FY11

Source: Calculations

Set out below are the revenue multiples of the comparable companies that operate in the financial investment management sector in Australia as at 20 December 2010. Refer to Appendix B for a brief description of the comparable companies.

Company	Country	Market Cap $'million	EV/Revenue Actual 2009	EV/Revenue Actual 2010	EV/Revenue Forecast 2011
Count Financial Ltd	Australia	335	2.93	2.76	2.59
Equity Trustees Limited	Australia	132	3.69	3.61	3.52
Snow ball Group Ltd	Australia	63	3.18	2.66	2.76
Mortgage Choice Ltd	Australia	162	0.79	0.89	1.08
Homeloans Ltd	Australia	75	5.37	6.97	na
FSA Group Ltd	Australia	48	4.24	4.12	na
WHK Group Ltd	Australia	266	0.72	0.74	0.72
Low (excluding outliers)			**0.7x**	**0.7x**	**0.7x**
High (excluding outliers)			**4.2x**	**4.1x**	**3.5x**
Average (excluding outliers)			**2.6x**	**2.5x**	**2.1x**
Median (excluding outliers)			**3.1x**	**2.7x**	**2.6x**

Source: Reuters and annual reports

We note the following with regard to the revenue multiple of comparable companies:

- Equity Trustees Limited is primarily engaged in fund management, wealth management and product management of Equity Trustee Limited co-branded products;

- Mortgage Choice Limited mainly provides mortgage broking services and is not as diversified as YBR;

- Similarly, Homeloans Limited is primarily engaged in mortgage origination and management of home loans, and securitization of mortgages through the residential mortgage trust. It does not provide other services provided by YBR including investment management and accounting and tax services;

- WHK Group Limited is the fifth largest accounting business in Australasia providing business and financial services. Business services account for the majority of the revenue of the company., however the business services division of WHK Group Limited was affected due to subdued demand for discretionary non-compliance work; and

- We consider Count Financial Limited and Snowball Group Limited to be the most comparable companies due to similarity of operations. Similar to YBR, Count Financial Limited is engaged in financial services, personal insurance, superannuation, home and investment loans, business loans and accounting services. Although Snowball Group Limited is not engaged in mortgage broking business, we note that the revenue contribution from YBR's Mortgage broking business is not significant.

The implied revenue multiple of YBR is higher than the revenue multiple of the comparable companies. The higher observed multiple is in our view attributable to the following:

- YBR is in the growth phase of its business life cycle and has not reached its full potential. The higher multiple also reflects the experience of YBR management in executing the successful roll out of YBR branch offices in Australia;

- YBR has rolled out 46 branches with an average growth rate of 3 branches per month since September 2009 with a high potential for future growth. YBR's target is to achieve 150 branch offices by 2014;

- YBR has a strong management team led by Mark Bouris. The current management team of YBR includes many of the key executives who were involved in development and growth of Wizard;

- The higher multiple for YBR may reflect the potential opportunities in relation to the Federal Government's proposed reform to remove the licensing exemptions that accountants currently have to establish SMSFs. If such reforms are introduced, YBR is likely to be in a position where it can attract these accountants as potential licensees; and

- YBR with its strong branding has been able to successfully build substantial marketing value.

Based on the above, we conclude that our valuation assessment of YBR based on recent capital raisings is reasonable.

9 Underlying value of ITS after the Proposed Transaction

When considering the underlying value of ITS after the Proposed Transaction, Grant Thornton Corporate Finance has aggregated the underlying value of ITS and YBR, and estimated transaction costs resulting from the Proposed Transaction. The following table calculates the value of ITS Shares if the Proposed Transaction is implemented.

ITS - Valuation summary	Reference	Low	High
		$	$
Assessed equity value of ITS	*Section 7*	2,204,147	2,311,047
Minority discount	*Section 9.1*	20%	15%
Assessed equity value of ITS on minority basis		1,763,318	1,964,390
Assessed equity value of YBR	*Section 8*	21,500,000	21,500,000
Equity value after the Proposed Transaction	*A*	23,263,318	23,464,390
Existing YBR Shares		21,500	21,500
Exchange ratio as Agreement (New ITS Shares: YTR Shares)		3,913	3,913
New ITS Shares to be issued		84,129,500	84,129,500
Existing ITS Shares(1)		14,837,500	14,837,500
Total ITS Shares after the Proposed Transaction	*B*	98,967,000	98,967,000
Value per ITS Share after the Proposed Transaction	*A / B*	**0.235**	**0.237**

(1) Includes 750,000 ITS Shares to be issued to Bell Potter Securities Limited if the Proposed Transaction is successful

Source: Calculations

For the purposes of the calculation above, we have assumed an exchange ratio of 3,913 ITS Shares for every 1 YBR Share given that ITS' cash balance was higher than $2,565,000 two days prior to the Notice of Meeting and Explanatory Statement being lodged with ASIC. We also note that the calculation above does not include the impact of the Public Capital Raising.

9.1 Minority discount

Our valuations of ITS are on a 100% and stand alone basis and are inclusive of a premium for control. If the Proposed Transaction is implemented, YBR will immediately own approximately 85% of the enlarged share capital of ITS. Accordingly, from the existing ITS Shareholders' perspective, we have considered the value of the ITS Shares post the Proposed Transaction on a minority parcel basis by applying a minority discount in the range of 15% to 20% to the value ITS prior to the completion of the Proposed Transaction.

9.2 ITS Share trading after the announcement of the Proposed Transaction

Following the announcement of the Proposed Transaction, the Shares in ITS have traded at approximately $0.43 and $0.50 based on the 1 day VWAP and 5 day VWAP after 21 December 2010.

We note that the 1 day and 5 day VWAP are significantly above our valuation assessment of ITS after the Proposed Transaction. In this regard we note the following in relation to the market price of ITS Shares after the announcement of the Proposed Transaction:

- the trading activity is for a very limited period of time and it may not be representative of the fair market value of ITS;

- the potential future prospects of YBR may not have been fully incorporated in our valuation assessment of ITS after the Proposed Transaction due to the application of the comparable transaction valuation methodology. The valuation assessment of YBR was based on the capital raising completed in July 2010; and

- management of YBR have made significant developments since the capital raising of $5.5 million in July 2010. These significant developments include the opening of new branch offices and launching a broader range of mortgage products. Our valuation assessment of YBR does not take into account the full value of these business developments.

If the Proposed Transaction does not take place, ITS's share price may fall to pre announcement levels.

9.3 Valuation conclusion

Based on the above, we have assessed the value of ITS Share after the Proposed Transaction on minority basis to be in range of $0.235 to $0.237.

10 Evaluation of the Proposed Transaction

10.1 Fairness

In forming our opinion in relation to the fairness of the Proposed Transaction, Grant Thornton Corporate Finance has compared the value per ITS Share (on a control basis) prior to the Proposed Transaction to the assessed value per ITS Share (on a minority basis) after the Proposed Transaction.

The following table summarises our assessment.

Fairness	Reference	Low $	High $
Underlying value of ITS Share before the Proposed Transaction (control basis)	*Section 7*	$0.156	$0.164
Underlying value of ITS Share after the Proposed Transaction (minority basis)	*Section 9*	$0.235	$0.237
Premium		$0.079	$0.073
Premium%		50.7%	44.6%

Source: Calculations

The value of ITS Shares after the Proposed Transaction (on a minority basis) is higher than our assessment of ITS Shares prior the completion of the Proposed Transaction (on a control basis). Accordingly, we conclude that the Proposed Transaction is fair to the Non-Associated Shareholders.

ITS Shareholders should be aware that our assessment of the value per ITS Share after the Proposed Transaction does not necessarily reflect the price at which ITS Shares will trade if the Proposed Transaction is approved. The price at which ITS Shares will ultimately trade depends on a range of factors including the liquidity of ITS Shares, macro-economic conditions, the underlying performance of the YBR business and the supply and demand for ITS Shares.

10.2 Reasonableness

We also note that pursuant to RG 111, the Proposed Transaction is reasonable if it is fair. However in our assessment of the Proposed Transaction, we have also considered the following likely advantages and disadvantages associated with the Proposed Transaction.

The Proposed Transaction is fair

The Proposed Transaction is fair and our valuation assessment of one ITS share on a control basis is considerably higher than our assessment of one ITS share on a minority basis following completion of the Proposed Transaction.

Small Private company discount

Our assessment of YBR is based on recent capital raisings completed by YBR to raise $5.5 million with sophisticated investors. Whilst this is a common and widely used valuation methodology it implies a valuation assessment of YBR as a private company with limited liquidity. All other things being equal, listed public companies tend to be valued at a higher multiple than private companies to reflect the liquidity and marketability of their shares. In practice, the small private company discount is generally in the range of 20% to 30%.

If the Proposed Transaction is approved by ITS Shareholders, YBR will become a publicly listed company and may be re-rated by the share market accordingly.

Capital Raising and potential re-rating

As a condition of the Proposed Transaction and subject to prevailing market conditions, ITS will issue a prospectus to seek to raise a minimum of $6 million. If the Public Capital Raising is completed, the ITS Shareholders may benefit from an additional re-rating of the ITS Share over and above our valuation assessment of ITS.

Alternative Transactions

Based on discussions with the Directors of ITS, we understand that they have been seeking a back-door type of transaction for several months now and that they have analysed and reviewed different opportunities. If the Proposed Transaction is not completed, ITS will not have any significant revenue generating business activity and it may need to acquire some other business, which will result in additional costs and time.

In addition, the time and effort required to find potential alternative transactions may considerably reduce the existing cash balance of ITS.

YBR Management Team and growth prospects

YBR has a strong management team led by Mr. Mark Bouris, founder and developer of Wizard[11]. Mark Bouris and Wizard's management team were responsible for Wizard's growth from 2 branches in 1996 to over 250 branches in 2004, with a retail and wholesale mortgage book of $18.5 billion. We note that the current management team of YBR includes many of the key executives who were involved in the growth and development of Wizard.

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[11] Australian Financial Institutions Group Limited which comprised Wizard and Australian Mortgage Securities Limited were sold to the General Electric Company in 2004 for a reported enterprise value of over $500 million.

The intention of the current management team of YBR is to replicate the growth and success of Wizard in YBR and accordingly, ITS Shareholders will be able to participate in the potential growth of YBR in the financial services sector.

If the Proposed Transaction is completed, key executives of YBR as a whole will hold a significant shareholding in ITS which will further align their interest to the interest of the ITS Shareholders and they will be also further incentivised to work towards the future success of ITS.

Ability to support future growth of YBR

We note that if the Proposed Transaction is completed, YBR may need significant additional capital and funds to achieve its growth and return goals. The existing shareholders of YBR include certain high profile sophisticated investors and individuals, which will improve ITS's ability to raise funds or conduct mergers and acquisitions in the future.

Furthermore, we note that the capital raising of YBR conducted in July 2010 was significantly oversubscribed which gives an indication of the significant appetite of sophisticated investors for the business model and growth prospects of YBR.

Current competitive landscape

One of the key services provided by YBR is mortgages through its mortgage broking division which arranges commercial finance, residential mortgage finance, industrial property finance and specialty equipment finance for YBR customers.

YBR Group's funding for its owned branded mortgages is provided by Gateway and Resimac. In addition to receiving funding from Gateway, YBR also has an exclusive arrangement with Gateway to build and promote YBR branded home loan products. Management has advised that Gateway has also agreed with YBR to not increase the price of its finance outside of the rate rises implicated by the Reserve Bank of Australia.

Based on discussions with the Management of YBR and a review of the mortgage product available to YBR, we are of the opinion that the current competitive landscape in the banking and mortgage sector and public and political environment is favourable to the development and growth of competitors to the big four banks.

This may represent further support to the development of YBR as a credible alternative mortgage broker in the financial sector which may create additional benefits to the ITS Shareholders.

Size and liquidity of ITS

If the Proposed Transaction is implemented, ITS will become a much larger company with a significant underlying business, which may attract new investors and be able to provide ITS Shareholders with a more liquid and deeply traded investment.

If the Proposed Transaction is completed and the expansion and growth of YBR continues in accordance with the current business plan, the market capitalisation of ITS may be positively impacted which may provide ITS with an improved profile in the market and greater coverage by analysts. This may have a positive impact on ITS's share price and assist future capital raising activities.

The interests of ITS Shareholders will be materially diluted

The interests of ITS Shareholders will be diluted down to 15% of the enlarged share capital of ITS. Furthermore, ITS Shareholders will be further diluted by the Public Capital Raising to the extent they do not participate. Accordingly they will have collectively a significantly less influence and control over the future direction of the Company.

Furthermore, the Proposed Transaction may potentially reduce the likelihood of a takeover offer being received as a result of the controlling interest that Mr. Mark Bouris and his associates will hold in the Company.

Different sector focus and risk profile

The investment focus of the Company following approval of the Proposed Transaction may not be consistent with the investment objectives of all ITS Shareholders and it will be fundamentally different from the previous business focus of the Company.

ITS Shareholders will be further exposed to the risks associated with the financial advisory market which is a different market compared to markets previously serviced by ITS.

The Shareholders of the Company will share the risk of YBR not being able to implement its strategy as currently set out in its business plan. We note that YBR operates in a market which is dominated by the big four banks which are able to significantly affect and influence future regulations and the competitive environment of this sector.

10.2.1 Other factors

ITS Shareholders' position if the Proposed Transaction is not approved

If the Proposed Transaction is not approved, it would be the current directors' intention to continue operating the Company in line with its objectives. ITS Shareholders who retain their shares will continue to share in any benefits and risks in relation to ITS's ongoing business.

ITS' short term focus will be to continue with the contract labour hire business whilst reviewing alternative investment opportunities. Future administration expenses will continue to erode the net assets position of ITS and may have a negative impact on the underlying value of ITS.

Limited warranties

The Directors note that the Agreement only includes limited warranties by YBR and the YBR Shareholders. The limited warranties relate to title, capacity and similar matters. The lack of substantial commercial warranties from the YBR Shareholders in respect of YBR may present a material risk to ITS Shareholders.

No recommendation from the Board of ITS

Shareholders of ITS should be aware that as part of the terms of the Agreement, the board of ITS have not made a recommendation in relation to the Proposed Transaction.

10.2.2 Reasonableness conclusion

Based on the above likely advantages and disadvantages associated with the Proposed Transaction, it is our opinion that the Proposed Transaction is reasonable to the ITS Shareholders.

10.3 Overall conclusion

Grant Thornton Corporate Finance has concluded that:

- **The proposed acquisition of relevant interests by the Associated YBR Shareholders under Resolution 3 is fair and reasonable to the Non-Associated Shareholders; and**

- **The proposed issue of ITS Shares to the Related Parties of ITS under Resolutions 4, 5 and 6 is fair and reasonable to the Non-Associated Shareholders.**

We note that the proposed issue of ITS Shares to the Related Parties of ITS under Resolutions 4, 5 and 6 respectively will be undertaken on the same terms as the Proposed Transaction under Resolution 3. Given that the Proposed Transaction has been undertaken on an arms length basis, the Related Parties of ITS will not be receiving any additional financial benefit over and above the other YBR Shareholders. Accordingly, Grant Thornton Corporate Finance has collectively assessed the fairness and reasonableness of Resolutions 3, 4, 5 and 6 under the Proposed Transaction.

11 Sources of information, disclaimer and consents

11.1 Sources of information

In preparing this report Grant Thornton Corporate Finance has used various sources of information, including:

- Share purchase Agreement;
- Draft Notice of Meeting;
- Draft Term Sheet;
- Information Memorandum prepared by YBR;
- Annual reports of ITS;
- Management Accounts of ITS;
- Annual reports of YBR;
- Management Accounts of YBR;
- Releases and announcements by ITS on ASX;
- IBISWorld Industry Report, "Financial Planning & Investment Advice in Australia";
- Other information provided by ITS;
- Onesource;
- Other publicly available information;
- Reuters;
- Mergermarket; and
- Discussions with Management.

11.2 Qualifications and independence

Grant Thornton Corporate Finance Pty Ltd holds Australian Financial Service Licence number 247140 under the Corporations Act 2001 and its authorised representatives are qualified to provide this report.

Grant Thornton Corporate Finance provides a full range of corporate finance services and has advised on numerous takeovers, corporate valuations, acquisitions, and restructures. Prior to accepting this engagement, Grant Thornton Corporate Finance considered its independence with respect to ITS and all other parties involved in the Proposed Transaction with reference to the ASIC Regulatory Guide 112 "Independence of expert" and APES 110 "Code of Ethics for Professional Accountants" issued by the Accounting Professional and Ethical Standard Board. We conclude that there are no conflicts of interest with respect to ITS, its shareholders and all other parties involved in the Proposed Transaction.

Grant Thornton Corporate Finance and its related entities do not have at the date of this report, and have not had within the previous two years, any shareholding in or other relationship with ITS or its associated entities that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Proposed Transaction.

Grant Thornton Corporate Finance has no involvement with, or interest in the outcome of the Proposed Transaction, other than the preparation of this report.

Grant Thornton Corporate Finance will receive a fee based on commercial rates for the preparation of this report. This fee is not contingent on the outcome of the Proposed Transaction. Grant Thornton Corporate Finance's out of pocket expenses in relation to the preparation of the report will be reimbursed. Grant Thornton Corporate Finance will receive no other benefit for the preparation of this report.

11.3 Limitations and reliance on information

This report and opinion is based on economic, market and other conditions prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.

Grant Thornton Corporate Finance has prepared this report on the basis of financial and other information provided by ITS and publicly available information. Grant Thornton Corporate Finance has considered and relied upon this information. Grant Thornton Corporate Finance has no reason to believe that any information supplied was false or that any material information has been withheld. Grant Thornton Corporate Finance has evaluated the information provided by ITS and other experts through inquiry, analysis and review, and nothing has come to our attention to indicate the information provided was materially misstated or would not afford reasonable grounds upon which to base our report. Nothing in this report should be taken to imply that Grant Thornton Corporate Finance has audited any information supplied to us, or has in any way carried out an audit on the books of accounts or other records of ITS or YBR.

This report has been prepared to assist the director of ITS in advising the ITS Shareholders in relation to the Proposed Transaction. This report should not be used for any other purpose. In particular, it is not intended that this report should be used for any purpose other than as an expression of Grant Thornton Corporate Finance's opinion as to whether the Proposed Transaction is fair and reasonable.

ITS has indemnified Grant Thornton Corporate Finance, its affiliated companies and their respective officers and employees, who may be involved in or in any way associated with the performance of services contemplated by our engagement letter, against any and all losses, claims, damages and liabilities arising out of or related to the performance of those services whether by reason of their negligence or otherwise, excepting gross negligence and wilful misconduct, and which arise from reliance on information provided by ITS, which ITS knew or should have known to be false and/or reliance on information, which was material information ITS had in its possession and which ITS knew or should have known to be material and which ITS did not provide to Grant Thornton Corporate Finance. ITS will reimburse any indemnified party for all expenses (including without limitation, legal expenses) on a full indemnity basis as they are incurred.

11.4 Consents

Grant Thornton Corporate Finance consents to the issuing of this report in the form and context in which it is included in the Notice of General Meeting and Explanatory Statement to be sent to the shareholders of ITS. Neither the whole nor part of this report nor any reference thereto may be included in or with or attached to any other document, resolution, letter or statement without the prior written consent of Grant Thornton Corporate Finance as to the form and content in which it appears.

Appendix A – Valuation methodologies

Capitalisation of future maintainable earnings

The capitalisation of future maintainable earnings multiplied by appropriate earnings multiple is a suitable valuation method for businesses that are expected to trade profitably into the foreseeable future. Maintainable earnings are the assessed sustainable profits that can be derived by a company's business and excludes any abnormal or "one off" profits or losses.

This approach involves a review of the multiples at which shares in listed companies in the same industry sector trade on the share market. These multiples give an indication of the price payable by portfolio investors for the acquisition of a parcel shareholding in the company.

Discounted future cash flows

An analysis of the net present value of forecast cash flows or DCF is a valuation technique based on the premise that the value of the business is the present value of its future cash flows. This technique is particularly suited to a business with a finite life. In applying this method, the expected level of future cash flows are discounted by an appropriate discount rate based on the weighted average cost of capital. The cost of equity capital, being a component of the WACC, is estimated using the Capital Asset Pricing Model.

Predicting future cash flows is a complex exercise requiring assumptions as to the future direction of the company, growth rates, operating and capital expenditure and numerous other factors. An application of this method generally requires cash flow forecasts for a minimum of five years.

Orderly realisation of assets

The amount that would be distributed to shareholders on an orderly realisation of assets is based on the assumption that a company is liquidated with the funds realised from the sale of its assets, after payment of all liabilities, including realisation costs and taxation charges that arise, being distributed to shareholders.

Market value of quoted securities

Market value is the price per issued share as quoted on the ASX or other recognised securities exchange. The share market price would, prima facie, constitute the market value of the shares of a publicly traded company, although such market price usually reflects the price paid for a minority holding or small parcel of shares, and does not reflect the market value offering control to the acquirer.

Comparable market transactions

The comparable transactions method is the value of similar assets established through comparative transactions to which is added the realisable value of surplus assets. The comparable transactions method uses similar or comparative transactions to establish a value for the current transaction.

Comparable transactions methodology involves applying multiples extracted from the market transaction price of similar assets to the equivalent assets and earnings of the company.

The risk attached to this valuation methodology is that in many cases, the relevant transactions contain features that are unique to that transaction and it is often difficult to establish sufficient detail of all the material factors that contributed to the transaction price.

Appendix B - Description of comparable companies

Company	Description
Count Financial Limited	Count Financial Limited provides financial planning services, investment reviews, personal insurance, superannuation, home and investment loans, business loans and leasing via its network of accounting franchises. Count also develops customized Internet sites for their clients, in addition to offering wealth-e-shares,' an online broking service.
Equity Trustees Limited	Equity Trustees Limited is an Australia-based company. The company is principally engaged in the provision of a range of financial services to clients of its private clients, funds management, fund services and superannuation business units.
Snowball Group Limited	Snowball Group Limited is an independent financial services company primarily providing financial planning, portfolio administration and accounting services.
Mortgage Choice Ltd	Mortgage Choice Limited is an Australia-based mortgage broking company. The company provides various types of loans, such as variable home loans, fixed rate home loans, split rate home loans, interest-only home loans, line of credit home loans, low-doc home loans, introductory home loan and non-conforming home loan.
Homeloans Ltd	Homeloans Limited is an Australia-based company engaged in mortgage origination and management of home loans, and securitization of mortgages through the residential mortgage trust, a special purpose vehicle used to issue residential mortgage backed securities. The principal activities were conducted under the brand names Homeloans Limited, Access Home Loans, Independent Mortgage Corporation Pty Ltd, Auspak Financial Services Pty Limited and FAI First Mortgage Pty Ltd.
FSA Group Ltd	FSA Group Limited is engaged in providing debt solutions and direct lending services to individuals and businesses. The company operates in three segments: Services, Home Loan Broking and Home Loan Lending.
WHK Group Ltd	WHK Group Limited is an Australia-based company. The company is engaged in the business and financial services encompassing accounting, taxation, audit and assurance, estate planning, corporate and business advisory, wealth management, financial planning, superannuation advice, risk and general insurance and finance broking services.

Appendix C – Glossary

Agreement	Share Purchase Agreement
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
Bell Potter	Bell Potter Securities Limited
CAPM	Capital Asset Pricing Model
Corporations Act	Corporations Act 2001
DCF	Discounted cash flow
EMH	Efficient Market Hypothesis
FSG	Financial Services Guide
FY09	Financial year ended 30 June 2009
FY10	Financial year ended 30 June 2010
Gateway	Gateway Credit Union
GFC	Global financial crisis
Grant Thornton Corporate Finance	Grant Thornton Corporate Finance Pty Ltd
ICR	Interest Coverage Ratio
Industry	Financial Planning and Investment Advice Industry
ITS Options	Unlisted options in ITS
ITS or the "Company"	ITS Capital Investments Ltd
ITS Shareholders	Shareholders of ITS
ITS Shares	Shares in ITS
Maximum YBR Net Debt Position	Net debt of YBR, being $8.0 million as per Agreement
Minimum ITS Net Asset Position	Net cash of ITS, being $2.7 million as per Agreement
OneVue	OneVue Limited
Proposed Transaction	ITS' proposal to acquire all the issued capital of YBR in exchange for the issue of new shares in ITS
Public Capital Raising	Prospectus to raise not less than $6.0 million
Resimac	Resimac Limited
RG 74	Regulatory Guide 74 "Acquisitions agreed to by shareholders"
RG 111	Regulatory Guide 111 "Content of expert reports"
RG 112	Regulatory Guide 112 "Independence of Experts
SME's	Small and Medium Enterprises
SMSF's	self managed superannuation funds
VWAP	Volume Weighted Average Price
WACC	Weighted Average Cost of Capital
Wizard	Wizard Home Loans

YBR	Yellow Brick Road Group Pty Ltd
YBR Nominated Directors	Persons nominated by YBR to be appointed to the ITS Board
YBR Shares	Shares in YBR

Grant Thornton

APPENDIX “B”

Terms and Conditions of Shares

1. Voting

At a general meeting of the Company on a show of hands, every member present in person or by proxy, attorney or representative has one vote and upon a poll, every member present in person, or by proxy, attorney or representative has one vote for every Share held by them.

2. Dividends

The Shares will rank equally with all other issued Shares in the capital of the Company and will participate in dividends of the Company from time to time. Subject to the rights of holders of Shares of any special preferential or qualified rights attaching thereto, dividends may be paid to the holders of Shares in proportion to the amounts paid up on such Shares respectively at the date of declaration of the dividend. The Directors may from time to time pay to Shareholders such interim and final dividends as in their judgment the position of the Company justifies.

3. Winding Up

Upon paying in full the issue price for their shares, Shareholders will have no further liability to make payments to the Company in the event of the Company being wound up pursuant to the provisions of the Corporations Act.

4. Transfer of Securities

Generally, the Shares and Options in the Company will be freely transferable, subject to satisfying the usual requirements of security transfers on the ASX and subject to any escrow requirements imposed by the ASX in respect of particular Shares. The Directors may decline to register any transfer of Shares or Options, but only where permitted or required to do so under its Constitution, the Corporations Act or the Listing Rules. The current Constitution of the Company permits the Directors to decline to register any transfer of Shares in a number of additional circumstances which relate to Shares over which the Company has a lien, creation of an unmarketable parcel, Shares reserved for a bidder off-market, breach of a stamp duty law or a Court order.

5. Sale of Non-Marketable Holdings

The Company may take steps in respect of non-marketable holdings of Shares in the Company to effect an orderly sale of those Shares in the event that holders do not take steps to retain their holdings.

The Company may only take steps to eliminate non-marketable holdings in accordance with the Constitution and the Listing Rules.

6. Future Increases, Alteration and Reduction of Capital

The allotment and issue of securities is under the control of the Directors. Subject to restrictions on the allotment of securities to related parties, the Listing Rules, the Constitution of the Company and the Corporations Act, the Directors may allot, issue or otherwise dispose of new securities on such terms and conditions as they decide.

The Company in general meeting may convert its securities into a larger or smaller number of securities, and subject to the Corporations Act and the Listing Rules, the Company may reduce its share capital and buy-back Shares in itself.

7. Variation of Rights

The Company may only modify or vary the rights attaching to any class of Shares with the consent in writing of the holders of at least 75% of the issued Shares of the class or the sanction of a special resolution passed at a meeting of the holders of the issued Shares of that class.

Full details of the rights attaching to Shares are set out in the Constitution of the Company, a copy of which can be obtained through ASIC or from the Company Secretary. The Shares to be issued pursuant to the Transaction and the Prospectus will rank equally with all of the Company's Existing Shares.

APPENDIX “C”

Consultancy Agreement and Associated Deed of Guarantee

Yellow Brick Road Group Pty Limited (“YBR”) entered into a consultancy agreement dated 7 December 2010 with Golden Wealth Holdings Pty Limited (“GWH”). The main terms of the agreement are:

1. YBR engages the Consultant (GWH) as an independent contractor to provide various consultancy services.

2. The Consultant must procure that its Representative (initially Mark Bouris) performs the services on behalf of the Consultant. A representative other than Mark Bouris can be appointed at any time if the Consultant nominates a person other than Mark Bouris and YBR agrees to the change in representative.

3. The services to be performed are such services as requested by YBR as would be consistent with the services to be performed by the chairman of the YBR Group.

4. The term of the agreement expires on 30 June 2015.

5. The Representative is entitled to remain as the chairman of YBR and of any YBR Group company.

6. YBR shall not during the term appoint any person other than the Representative as YBR’s chairman.

7. The consultancy fee is $750,000 per financial year. However, for the year ended 30 June 2013 and each subsequent financial year, the fee is halved, to $375,000, if for the immediately preceding financial year YBR achieves less than 80% of the relevant target for that year.

8. The targets for the financial years ending 30 June 2012 to 30 June 2015 inclusive will be as reasonably determined by the YBR Board with Mark Bouris having no entitlement to vote at or attend any meeting of the YBR Board that decides the targets. The target for each financial year must be higher than the target for the previous year.

9. If YBR becomes a subsidiary of another company, and Mark Bouris becomes a director of and is paid directors fees by that holding company, the consultancy fee will be reduced by the amount of such directors fees.

10. A claw back of any prior year’s “halved” consultancy fee is payable in the years ending 30 June 2013 and thereafter if YBR achieves 80% or more of the target for the previous financial year. The claw back amount is equal to the difference (if any) between $750,000 and the aggregate of the consultancy fee paid and any directors fees paid to Mark Bouris by a holding company for that year. The net result would be that where 80% or more of the target has been achieved, there would be no reduction in the consultancy fee or any directors fees paid by the holding company to Mark Bouris.

11. The Consultant grants YBR a royalty free sub-licence to use the Mark Bouris image in the promotion of its businesses on an exclusive basis but subject to the prior written consent of the Consultant in respect of each particular usage made of the image.

12. Standard provisions relating to the termination, restraint of trade and intellectual property are included.

Under the deed of guarantee by Mark Bouris in favour of YBR, also dated 7 December 2010, Mark Bouris guarantees the performance by GWH of its obligations under the consultancy agreement. Mark Bouris also enters into various covenants for the benefit of YBR, including with respect to ensuring that YBR gets the benefit of the licence to use his image and the assignment of relevant intellectual property. Mark Bouris enters into a restraint of trade provision for the benefit of YBR for a period of 18 months after termination of the consultancy agreement.

APPENDIX "D"

Proxies and Proxy Forms

(a) **Right to appoint:** Each Shareholder entitled to vote at the General Meeting has the right to appoint a proxy to attend and vote for the Shareholder at the General Meeting. To appoint a proxy, use the Proxy Form sent out with this Notice. A proxy or attorney is not entitled to vote while the Shareholder appointing them is present at the General Meeting.

(b) **Who may be a proxy:** A Shareholder can appoint anyone to be their proxy. A proxy need not be a Shareholder of the Company. The proxy appointed can be described in the Proxy Form by an office held e.g. "Chair of the General Meeting".

(c) **Two proxies:** A Shareholder who is entitled to 2 or more votes at the General Meeting, may appoint 2 proxies. Where 2 proxies are appointed:

(1) a separate Proxy Form should be used to appoint each proxy; and

(2) the Proxy form may specify the proportion, or the number, of votes that each proxy may exercise, and if it does not do so each proxy may exercise half of the votes.

(d) **Signature(s) of individuals:** In the case of Shareholders who are individuals, the Proxy Form must be signed if the Shares are held:

(1) by one person, by that Shareholder; or

(2) in joint names, by both of them.

(e) **Signatures on behalf of companies:** In the case of Shareholders which are companies, the Proxy Form must be signed:

(1) if it has a sole director who is also sole secretary, by that director (and stating that fact next to or under the signature on the Proxy Form); or

(2) in the case of any other company, by two directors or by a director and secretary.

(f) **Lodgement place and deadline:** Proxy forms must be received by the Company with the original or a certified copy of the authority under which the Proxy Form is signed (if the Proxy Form is signed by an attorney or other representative):

- mail the duly completed Proxy Form to Computershare Investor Services Pty Limited at GPO Box 242, Melbourne Victoria, 3001; or

- fax the duly completed Proxy Form to Computershare Investor Services Pty Limited on facsimile number 1800 783 447 within Australia or +61 3 9473 2555 outside of Australia,

by no later than **3:00pm (Perth time) on Tuesday 15 March 2011**. Please mark them to the attention of the Company Secretary.

CORPORATE REPRESENTATIVES

A body corporate may appoint an individual to act as its representative to exercise any of the rights the body may exercise at a meeting of the Company's Shareholders. Unless otherwise stated, the corporate representative may exercise all of the rights the appointing body can exercise. The certificate evidencing the appointment of a corporate representative (or a photocopy or facsimile of it) must be received by Computershare Investor Services Pty Limited by mail at GPO Box 242, Melbourne Victoria, 3001or by facsimile number 1800 783 447 within Australia or +61 3 9473 2555 outside of Australia, by no later than 3:00pm (Perth time) on Tuesday 15 March 2011.

SHAREHOLDERS WHO ARE ENTITLED TO VOTE

In accordance with Section 1074E(2)(g)(i) of the Corporations Act and regulation 7.11.37 of the Corporations Act regulations, the Directors have determined that a person's entitlement to vote at the General Meeting will be the entitlement of that person set out in the register of Shareholders as at 3:00pm (Perth time) on Tuesday 15 March 2011.

ITS Capital Investments Ltd

ABN 44 119 436 083

Lodge your vote:

By Mail:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 541 205
(outside Australia) +61 3 9938 4315

000001 000 ITS
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form

For your vote to be effective it must be received by 3:00pm (Perth Time) Tuesday 15 March 2011

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.
Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.
Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate “Certificate of Appointment of Corporate Representative” prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form →

View your securityholder information, 24 hours a day, 7 days a week:

www.investorcentre.com

☑ **Review your securityholding**

☑ **Update your securityholding**

Your secure access information is:

SRN/HIN: I9999999999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

I 9999999999 I ND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of ITS Capital Investments Ltd hereby appoint

☐ **the Chairman of the Meeting** **OR** ____________________

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the General Meeting of ITS Capital Investments Ltd to be held at Level 36 Exchange Plaza, 2 The Esplanade, Perth, Western Australia on Thursday, 17 March 2011at 3:00pm (Perth Time) and at any adjournment of that meeting.

Important for Resolution 10: If the Chairman of the Meeting is your proxy and you have not directed him/her how to vote on Resolution 10 below, please mark the box in this section. If you do not mark this box and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Resolution 10 and your votes will not be counted in computing the required majority if a poll is called on this Resolution. The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 10.

☐ I/We acknowledge that the Chairman of the Meeting may exercise my proxy even if he/she has an interest in the outcome of that Item and that votes cast by him/her, other than as proxy holder, would be disregarded because of that interest.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Approval of Acquisition of YBR - Change of Activities	☐	☐	☐
Resolution 2	Issue of Shares to YBR Shareholders	☐	☐	☐
Resolution 3	Acquisition of a Relevant Interest by Golden Wealth Holdings Pty Ltd, YBR Nominees Pty Limited and Mark Bouris	☐	☐	☐
Resolution 4	Issue of Shares to Golden Wealth Holdings Pty Ltd and YBR Nominees Pty Limited	☐	☐	☐
Resolution 5	Issue of Shares to Adrian Bouris	☐	☐	☐
Resolution 6	Issue of Shares to Service Enterprises Pty Ltd	☐	☐	☐
Resolution 7	Issue of Offer Shares under the Prospectus	☐	☐	☐
Resolution 8	Change of Name	☐	☐	☐
Resolution 9	Issue of Adviser Shares to Bell Potter Securities Limited	☐	☐	☐
Resolution 10	Approval of Non-Executive Directors Remuneration	☐	☐	☐

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Contact Name ____________________ **Contact Daytime Telephone** ____________________ **Date** ___ / ___ / ___