

RELEASE TO AUSTRALIAN SECURITIES EXCHANGE ("ASX")

MONDAY, 2 DECEMBER 2013

CONDITIONAL SETTLEMENT - LEHMAN BROTHERS AUSTRALIA LTD (IN LIQUIDATION) ("LEHMAN")

1. The Board of Bentham IMF Limited ("IMF") refers to its many previous announcements in relation to this matter, the last of which was 1 November 2013.
2. Since 2009, IMF has been funding churches, council and charities ("IMF Client Creditors") in an attempt to have their claims admitted by Lehman for a reasonable sum.
3. This initially involved funding a claim to have the High Court of Australia declare void a Deed of Company Arrangement that would have limited the distribution to IMF's Client Creditors to about \$25 million.
4. Once the High Court overturned the Deed of Company Arrangement, IMF Client Creditors were then required to commence a class action in the Federal Court of Australia funded by IMF.
5. These proceedings culminated in the delivery of a Judgment by Rares J on 21 September 2012, which was favourable to IMF Client Creditors; although the liquidators of Lehman subsequently lodged an appeal against this decision.
6. IMF is, however, now pleased to announce that it has successfully negotiated a conditional settlement of the class action and appeal on the basis that IMF Client Creditor claims be submitted to a non adversarial claims resolution process (CRP) largely consistent with the judgment of Rares J.
7. IMF Client Creditors will shortly file an application for Court approval of the settlement of the class action in conjunction with an application by the liquidators of Lehman to obtain court approval for their entry into the settlement agreement. If the Court grants the settlement approval applications without subsequent appeal, the settlement becomes unconditional.
8. IMF presently expects the applications to be heard in December and, if both applications are granted this calendar year, the liquidators have announced their expectation that distributions to Lehman creditors will commence in April 2014 and conclude in June 2014.
9. If the conditional settlement is subsequently approved we expect our clients to be admitted for in excess of \$170 million and receive about \$85 million from the liquidator.
10. IMF is expecting to generate revenue of between \$30 million and \$40 million from these distributions.
11. At this point in time it is uncertain what, if any, revenue or profit arising from this matter will be recognised in the period ended 31 December 2013. However, if the liquidators' distributions occur as expected, it appears likely the majority of expected revenue and profit from this matter will be recognised in the year ending 30 June 2014.

12. Further information can be obtained by contacting IMF on 1800 016 464 or on IMF's website at www.benthamimf.com.au or www.imf.com.au.

A handwritten signature in black ink, appearing to read 'Diane Jones', is enclosed within a hand-drawn oval.

Diane Jones
Chief Operating Officer