



RELEASE TO AUSTRALIAN SECURITIES EXCHANGE

THURSDAY, 30 JUNE 2016

JOINT VENTURE AND CO-FUNDING ARRANGEMENTS

1. IMF Bentham Limited ("IMF") refers to its announcement on 26 March 2014.
2. IMF announces that as a result of a deadlock having arisen between the joint venture parties, Innsworth Investments II S.a.r.l ("Innsworth") has elected to purchase IMF's interests in the joint venture for Euros 4,010,000 (equivalent to approximately \$6,000,000 at the current exchange rate).
3. The completion of the sale of these interests will result in:
 - a) the termination of the joint venture arrangements with Innsworth in Europe. IMF will no longer have an interest in the Tesco and VW cases, but will remain as a joint and several guarantor for current clients' exposure for the costs of the litigation and any adverse costs exposure, to the extent not covered by applicable insurance, with IMF being indemnified by certain affiliates of Innsworth with respect to certain of these contingent liabilities;
 - b) IMF will be precluded from funding matters in the relevant European jurisdictions for a period of 12 months. IMF will consider whether it will re-enter parts of that market after the expiry of the restraint period;
 - c) IMF will no longer be obliged to offer Innsworth Investments II BV the option of co-funding any future matters with IMF in the Asia-Pacific region; and
 - d) the existing co-funding arrangements in relation to Wivenhoe Dam and S&P UK/RBS will be unaffected by this transaction.
4. IMF did not include its interest in the Tesco or VW cases in the Group's Case Investment Portfolio as at 31 March 2016, announced on 3 May 2016.
5. IMF expects to recognise a profit before tax on the disposal of this interest equal to approximately \$3m to 4m.

IMF2628011v1

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A handwritten signature in black ink, appearing to read 'J. Sambrook', with a stylized, cursive script.

Jeremy Sambrook
Company Secretary