

9 February 2018

**Australian Securities Exchange Limited Via e-lodgement
ASX Code ICT**

Litigation Update:

Walker Enterprises (Australia) Pty Ltd v iCollege Limited

Supreme Court of New South Wales

Walker ordered to pay security for costs

The Supreme Court of New South Wales today ordered Walker Enterprises (Australia) Pty Ltd (**Walker**) to pay the sum of **\$231,000** by way of security for iCollege's costs of defending the proceedings brought against it by Walker. Walker has until **1 March 2018** to provide the security.

Walker reduces claim

The Court also granted leave for Walker to reduce its claim from \$9 million to approximately \$3.25 million.

The matter is next listed before the court on **2 March 2018**.

Background

On **10 August 2017**, Walker Enterprises (Australia) Pty Ltd (**Walker**) filed a Commercial List Statement in the Supreme Court of New South Wales (Equity Division) seeking payment of the sum of \$9,000,000.00. On **2 February 2018**, Walker filed a Notice of Motion seeking the Court's leave to file an Amended Commercial List Statement which reduces the quantum of the claim from \$9 million to \$3,243,822.00. Leave to reduce that claim was provided by the Court on **9 February 2018**.

Walker seeks recovery of the balance sale price alleged to be payable under a share sale agreement (**SSA**) for the acquisition by iCollege of 100% of the capital of certain MIA companies (Walker subsidiaries). These MIA Companies were subsequently placed into liquidation by iCollege following completion of the transaction.

iCollege has defended the proceeding and filed an amended Commercial List Response. iCollege's defence asserts misrepresentations by Walker, breaches of certain obligations under SSA and inaccurate warranties in the SSA rendering each of the MIA companies of no value.

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In addition, iCollege has claimed by way of set-off and cross claim, orders permitting iCollege to cancel the shares issued by iCollege in the name of Walker's nominee, being shares issued as part of the purchase consideration and an Order that Walker pay iCollege \$1 million, being cash paid to Walker pursuant to the SSA. In the alternative, iCollege seeks an Order that Walker pay to iCollege the sum of \$2 million, being the return of the cash component paid by iCollege and the value of the shares issued by iCollege to Walker pursuant to the SSA.

On **8 December 2017**, the Court ordered Walker to provide security for iCollege's costs of the proceeding against it (excluding costs attributable solely to iCollege's cross claim). The amount to be paid by Walker by way of security was determined on Friday, **9 February 2018** in the sum of \$231,000.00.

On **2 February 2018**, Walker filed a Notice of Motion seeking Orders that iCollege provide security for Walker's costs of defending the cross-claim brought by iCollege. No final Order in respect of that Notice of Motion has yet been made and the Motion has been listed either for directions or hearing on **2 March 2018**.

- Ends -

For further Information:

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