



20 June 2017

# Shareholder update

### **Downer Takeover Offer**

Spotless (ASX: SPO) notes the announcement yesterday by Downer EDI to waive all remaining Defeating Conditions to its current takeover offer (**Downer Offer**).

Downer's Offer Price of \$1.15 per Spotless share is final and will not be increased in the absence of a superior proposal. The Spotless Board continues to believe that the Downer Offer represents inadequate value for Spotless shares and restates its recommendation to shareholders to **REJECT** the Downer Offer.

Spotless Chairman Garry Hounsell said: "As we have consistently stated, Spotless is at an inflection point and we remain confident regarding the company's future prospects - particularly as the business continues to execute to plan."

Full details of the Board's recommendation to **REJECT** the Downer Offer are provided in the Target's Statement dated 27 April 2017 (as supplemented by the Supplementary Target's Statement dated 23 May 2017). To **REJECT** the Downer Offer, shareholders simply need to take no action in relation to the acceptance forms sent to them by Downer EDI.

### **Further Positive Momentum**

Spotless continues to demonstrate positive momentum in line with its strategy reset. Further to the business update announced on 15 June 2017, Spotless provides the following additional update.

### **IMF Bentham Class Action to be discontinued**

Spotless is pleased to note the attached announcement today by IMF Bentham that, subject to the approval of the Federal Court, IMF Bentham proposes to cease funding the shareholder class action against Spotless announced on 30 January 2017 and 24 February 2017 (**IMF Bentham Class Action**) and the proceeding will be discontinued.

The decision by IMF Bentham to cease funding the shareholder class action underscores Spotless' position that it has at all times been in compliance with its continuous disclosure obligations.





# Laundry property sold to reduce debt

As outlined as part of Spotless' 1H17 Results Announcements on 28 February 2017, Spotless is continuing to explore asset divestment opportunities to reduce debt. Spotless has executed a sale and leaseback of its Abbotsford laundry facility. The sale is expected to result in net proceeds of \$10.5m with settlement occurring this financial year. Proceeds will be used to reduce net debt.

Mr Hounsell said: "Today's business update is a further indication of the strong positive momentum in the business. The Board and management team will continue to maintain their focus on delivering results and enhancing value for all shareholders."

The Spotless Shareholder Information line is available to answer any questions on 1300 963 991 (for calls made from within Australia) or +61 1300 963 991 (for calls made from outside Australia) Monday to Friday between 8.30am and 5.30pm (AEST).

#### **Enquiries**

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# RELEASE TO AUSTRALIAN SECURITIES EXCHANGE

## **TUESDAY, 20 JUNE 2017**

### SPOTLESS SHAREHOLDER CLASS ACTION - DISCONTINUANCE

- IMF announces that subject to the court's approval of the terms of the discontinuance of the proceedings, it will cease funding of the shareholder class action against Spotless Group Holdings Limited
- It is anticipated that the withdrawal will result in a loss from the investment not exceeding \$510.000
- IMF has unconditionally funded seven other Australian class actions in FY17
- Globally, IMF has provided new funding and additional funding to 30 other investments in FY17, reinforcing IMF's continued focus on portfolio diversification

### **Spotless Group Holdings Limited Shareholder Class Action**

Global litigation funder, IMF Bentham Limited (IMF) refers to its previous announcements of 30 January 2017 and 24 February 2017 regarding IMF's funding of certain current and former shareholders of Spotless Group Holdings Limited (Spotless) to pursue claims against Spotless.

IMF announces that following consideration of information that became available after the proceedings commenced, it has decided that, subject to the court's approval of the terms of the discontinuance of the proceedings, it will cease funding the claims against Spotless and will write off the investment to date. IMF anticipates that this will result in a loss on the investment not exceeding \$510,000 and that any such loss would be recognised in FY17. IMF's investment portfolio will be adjusted in the next quarterly update to reflect the withdrawal.

#### IMF background

IMF is one of the leading global litigation funders, headquartered in Australia and with offices in the US, Singapore and Canada. IMF has built its reputation as a trusted provider of innovative litigation funding solutions and has established an increasingly diverse portfolio of litigation funding assets.

IMF has been a leading pioneer of litigation funding in Australia since 2001, playing a significant role in the initial steps towards a globalised industry via its international expansion in the US, Canada and Singapore. IMF has a highly experienced litigation funding team overseeing its investments, delivering, as at 31 March 2017, a 90% success rate across 159 completed cases.

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