



Henry Morgan

Announcement

Henry Morgan Limited

ACN 602 041 770

6 March 2018

Update on BDO's IER

Henry Morgan Limited (ASX: HML) (**Henry Morgan** or **Company**) refers to previous announcements¹ regarding the offer by John Bridgeman Limited (**John Bridgeman**) to acquire part or all of Henry Morgan's shareholding in JB Financial Group Ltd (**JB Financial**) and the Independent Expert's Report (**IER**) being prepared by BDO Corporate Finance (Qld) Ltd (**BDO**) in respect of this offer.

In response to market speculation in relation to a perceived delay in the IER's finalization, the Board of Henry Morgan wishes to update the market on current progress and anticipated timing.

Finalisation of the IER requires BDO to provide their expert opinion on the fairness and reasonableness of John Bridgeman's offer for Henry Morgan's JB Financial shareholding. The Henry Morgan Independent Committee of Directors has been advised that, subject to receipt of updated information, BDO is close to finalising its IER.

John Bridgeman amended the original offer on 4 January 2018, subsequently increasing the consideration on 28 February 2018 to a then market value of \$6.60 per JB Financial Share in response to positive business developments in JB Financial that have occurred over the prior 6 months.

Henry Morgan notes that the carrying value of its unlisted assets has been signed off by the Company's auditors KPMG in the Company's audited financial statements for the financial year ended 30 June 2017², together with its audit-reviewed financial statements for the half year period ended 31 December 2017³. It is anticipated that a sale of the Company's JB Financial investment would result in a substantial before tax gain of approximately \$6 million to the Company above its book value if this transaction is consummated.

Henry Morgan has announced⁴ that it is negotiating to divest its investment in all unlisted assets. If John Bridgeman's Current Offer (which is subject to shareholder and regulatory approvals) is accepted by the Company's shareholders, Henry Morgan will then only hold investments in cash, readily realisable securities and listed assets.

Further details will be provided as they become available.

Kevin Mischewski

Company Secretary

Henry Morgan Limited

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¹ 26 May 2017 Update on proposed sale of stake in JB Financial Group,
3 August 2017 Appointment of Independent Expert,
30 November 2017 Henry Morgan and John Bridgeman execute Share Sale Put & Call Option Agreement,
4 January 2018 John Bridgeman Group Offer for all of JB Financial Group, and
28 February 2018 Update on JBL offer to acquire JB Financial shares.

² 30 October 2017 Henry Morgan Limited 2017 Annual Report.

³ 28 February 2018 Henry Morgan Limited Interim Report 31 December 2017.

⁴ 5 February 2018 Business update.



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Timeline for John Bridgeman Limited's Offer for Henry Morgan Limited's Shares in JB Financial Group Ltd

Date	Event
25 May 2017	Henry Morgan received an offer from John Bridgeman for 100% of its shareholding in JB Financial.
30 November 2017	Negotiations between the Independent Director Committees of Henry Morgan and John Bridgeman were then undertaken leading to the execution of a Share Sale Put & Call Option Agreement (Original Offer).
4 January 2018	The Original Offer was amended when John Bridgeman revised its proposal and offered to purchase 100% of Henry Morgan's shareholding in JB Financial (and all shares held in JB Financial by JB Financial's other shareholders) in return for the issue of John Bridgeman listed shares and options, rather than the originally proposed cash consideration for 50% of the Company's JB Financial shareholding (Amended Offer). The then market value of the consideration offered by John Bridgeman under the Amended Offer was \$6.00 per JB Financial share.
28 February 2018	In response to positive business developments in JB Financial that have occurred over the prior 6 months, John Bridgeman subsequently increased its Amended Offer to a then market value of \$6.60 per JB Financial share by an increase in the John Bridgeman share consideration payable to Henry Morgan and JB Financial's other shareholders (Current Offer).
To be confirmed	Following finalisation of the IER assessing the fairness and reasonableness of John Bridgeman's Current Offer for Henry Morgan's JB Financial shareholding, it will be provided to Henry Morgan's shareholders along with the requisite Notice of Meeting, Explanatory Memorandum and other relevant materials for Henry Morgan shareholders' consideration of the merits of John Bridgeman's offer in general meeting of the Company.