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15 August 2014

Ms Fiona Murphy
Senior Adviser, Listings Compliance (Perth)
Australian Stock Exchange Limited
Level 8, Exchange Plaza
2 The Esplanade
PERTH WA 6000

By email: fiona.murphy@asx.com.au

Dear Fiona

Price Query

We refer to your letter dated 15 August 2014 querying the change in trading price of ILH Group Limited shares from a closing price of \$0.024 on Thursday, 14 August 2014 to an intra-day high of \$0.05 today, 15 August 2014.

In response to your questions outlined in the letter, we provide the following information:

1. The Company is not aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in the Company's securities.
2. Not applicable.
3. The Company is not aware of any other explanation for the price change in the securities of the Company. We do, however, refer to comments made in numerous announcements over the course of the past few weeks:
 - 3 June 2014 - Operational review to implement \$2.4m in cost savings to enhance the value of the business and improve earnings and profitability.
 - 12 June 2014 – Rockwell Olivier growth continues with the expansion of the Company's taxation, financial services and corporate and commercial teams both domestically and internationally.
 - 18 June 2014 – Law Central announces joint venture with PantherCorp to enhance the reach of the two companies by offering cross-referral opportunities to their different client bases.
 - 25 June 2014 – New heads of Legal Services and Wealth Management business units appointed.
 - 1 August 2014 – Update on FY14 and management initiatives in which it was noted that the Company is on track to deliver the \$2.4m cost reductions, which include cost savings from the Perth merger and reductions in remuneration of the Managing Director and the Board.

Reference was also made to continuing future announcements of management initiatives and prospects for FY15.

Additionally, the Board also advised that the second half financial results will show a worse result than the first half following the underperformance of the legal businesses and with the newly acquired Corporate Advisory business (Eaton Capital Partners) not meeting the Board's expectations.

We can see no reason why today's announcement of the sale of Eaton Capital Partners in isolation would have specific influence on the share price.

4. The Company confirms it is in compliance with Listing Rules, in particular 3.1. We also assert that the Board resolution for the sale of the business was not completed until earlier this morning following the finalisation of the sale agreement and completion of stamp duty, taxation and accounting considerations.

Please do not hesitate to contact me if further information is required.

Yours sincerely

A handwritten signature in black ink, appearing to read 'J. Rudd'.

Jean-Marie Rudd
Company Secretary



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15 August 2014

Jean-Marie Rudd
Company Secretary
ILH Group Limited
Level 8
Wesfarmers House
40 The Esplanade
PERTH WA 6000

By email: jmr@ilh.com.au

Dear Jean Marie,

ILH Group Limited (the "Entity"): ASX price and volume query

We have noted a change in the price of the Entity's securities from a closing price of \$0.024 on Thursday, 14 August 2014 to an intra-day high of \$0.05 at the time of writing today. We have also noted an increase in the volume of trading in the Entity's securities over this period.

In light of the price change and increase in volume, ASX asks you to respond separately to each of the following questions:

1. Is the Entity aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is "yes":
 - (a) Is the Entity relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?

Please note that the recent trading in the Entity's securities would suggest to ASX that such information may have ceased to be confidential and therefore the Entity may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.
 - (b) Can an announcement be made immediately?

Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).
 - (c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is "no", is there any other explanation that the Entity may have for the recent trading in its securities?

4. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than **5:00 pm (WST) today Friday, 15 August 2014**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Entity's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Entity's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at fiona.murphy@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

The obligation of the Entity to disclose information under Listing Rules 3.1 and 3.1A is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

In responding to this letter, you should have regard to the Entity's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in the Entity's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Fiona Murphy

Senior Adviser, Listings Compliance (Perth)