



ASX ANNOUNCEMENT

ESPREON LIMITED (EON)

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To: Company Announcements
Australian Securities Exchange
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Subject: **Reject the Inadequate and Opportunistic Takeover Offer from Vectis**

REJECT THE INADEQUATE AND OPPORTUNISTIC TAKEOVER OFFER FROM VECTIS

On 3 December 2008 the Board of Espreon Limited ("**Espreon**" or the "**Company**") recommended that shareholders reject Vectis Group Pty Limited's ("**Vectis**") inadequate and opportunistic off market takeover offer for all of the issued shares in Espreon ("**Offer**") and outlined a number of significant concerns regarding the Offer.

The Board has carefully considered the Bidder's Statement served by Vectis on the Company, and notes that it ignores the concerns raised by Espreon.

Accordingly, the Board of Espreon reiterates its recommendation that shareholders **REJECT THE INADEQUATE AND OPPORTUNISTIC OFFER** from Vectis in respect of their shares which will **FAIL** because its conditions cannot be satisfied.

The Offer is highly conditional. One of the key conditions of the Offer is that five specified shareholders accept the Offer. Vectis has stated in its Bidder's Statement that if these five shareholders accept the Offer, it will waive all other conditions (unless any have been previously breached or become incapable of fulfilment).

As announced on 3 December 2008, two of these specified shareholders, Hunter Hall Investment Management Limited and LUT Investments Pty Limited, who together hold 31% of Espreon's shares and are the two largest shareholders after Vectis, have informed Espreon that they will not accept the current Offer. Under ASIC's "Truth in Takeovers" policy this means that those key shareholders will be bound to comply with their public statements and cannot accept the current Offer. This means that the Offer will fail.

In the opinion of Espreon, Vectis' Bidder's Statement is misleading as it fails to mention that these two key shareholders will not accept the current Offer. Vectis' statement that it will waive all conditions of the Offer if the five major shareholders accept is similarly misleading, in the opinion of the Company, since Vectis must know that this requirement cannot be satisfied.

This also means that:

- references in the Bidder's Statement to the offer price increasing from 40 cents to 42 cents are misleading, as Vectis will not be able to reach 90% and move to compulsory acquisition, so that the Offer price will not increase to 42 cents; and
- references in the Bidder's Statement to shareholders receiving certain value in cash for their shares are misleading, as shareholders who accept the Offer may be locked in and unable to otherwise sell or deal with their shares, but will not receive any cash unless Vectis decides to waive the conditions to its Offer, which may never occur. This effectively gives Vectis a free option over these shares, and it can choose whether or not to proceed to acquire these shares in its absolute discretion.

Espreon has a number of other concerns with Vectis' Bidder's Statement, including assertions the Company considers misleading regarding the value of Espreon's Property Services business. Espreon will be contacting Vectis to seek correction of these statements in its Bidder's Statement that the Company considers to be misleading and otherwise address Espreon's concerns. If Vectis fails to respond satisfactorily, Espreon will consider taking further steps to protect shareholders' interests.



The Board will provide further detailed advice to shareholders, including its formal recommendation, in its Target's Statement. In the meantime the Board reiterates that **SHAREHOLDERS SHOULD REJECT THE INADEQUATE AND OPPORTUNISTIC OFFER FROM VECTIS IN RESPECT OF THEIR SHARES.**

To REJECT the offer from Vectis, simply:

- do NOT send back the Acceptance Form that will be sent to you with the Bidder's Statement, and
- do NOT tell your broker to accept the offer.

You do not have to do anything to REJECT the offer.

- END -

For further information please contact:

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About Espreon Limited

Espreon partners with leading organisations in the financial services, legal and accounting professions, to free them from transactional processes and allow them to focus on their core business.

Espreon's offerings include Cost Recovery solutions, Corporate Services, Property Services, and Information Brokerage.

For more information about Espreon, please visit the Espreon website at www.espreon.com
