



RELEASE TO AUSTRALIAN SECURITIES EXCHANGE (“ASX”)

FRIDAY, 24 MARCH 2017

OFFER OF SECURED UNLISTED NOTES – TRANCHE 2

1. IMF Bentham Limited (**IMF**) announces the launch of a secured unlisted corporate note offering to raise a minimum of A\$18 million with the option to accept over subscriptions (**Offer**).
2. On 8 April 2016, IMF issued the first tranche of secured unlisted corporate notes pursuant to a Trust Deed and Information Memorandum dated 6 April 2016 (**Tranche 1 Notes**). The Offer will comprise the second tranche of notes (**Tranche 2 Notes**), which will be consolidated with and form a single fungible series with the existing Tranche 1 Notes. The terms and conditions of the Tranche 2 Notes will be identical to the terms and conditions of the Tranche 1 Notes, other than in respect of the issue price and the issue date.
3. The Tranche 2 Notes are being offered at a subscription price of A\$1,029.42 (including A\$19.42 of accrued but unpaid interest), being a 1 per cent premium to the redemption value of a Tranche 2 Note. IMF will use the proceeds of the Tranche 2 Notes for general corporate purposes including funding its stated growth objectives in Australia, the US, and other markets.
4. The Offer is only open to eligible professional and sophisticated investors. No prospectus or other disclosure documents in relation to the Tranche 2 Notes will be lodged with the Australian Securities and Investments Commission or any other regulatory authority. The Tranche 2 Notes will not be quoted on ASX.
5. FIIG Securities Limited has been appointed as Lead Manager and Initial Subscriber for the transaction and Acacia Partners has acted as Financial Adviser to IMF.
6. The full terms and conditions of the Tranche 2 Notes will be set out in the existing Information Memorandum and a Supplementary Information Memorandum to be lodged with ASX. The Supplementary Information Memorandum will be incorporated into, and form part of, and to the extent relevant, supplement and update the Information Memorandum. Neither the Information Memorandum nor the Supplementary Information Memorandum is a prospectus or other disclosure document for the purposes of the *Corporations Act 2001* (Cth) and, as noted above, the Offer is only open to eligible professional and sophisticated investors.

A summary of the key terms of the proposed Tranche 2 Notes is set out below:

IMF#2955298_77

Issuer	IMF Bentham Limited
Ranking	Secured and unsubordinated
Note Trustee	Australian Executor Trustee Limited (ABN 84 007 869 794)
Security Trustee	AET Structure Finance Services Pty Limited (ABN 12 106 424 088)
Minimum parcel size on initial issue	A\$25,000
Interest rate	7.40% per annum (subject to a "Step-Up" right of 1% per annum when total equity falls below A\$100,000,000)
Maturity date	30 June 2020
Interest Payment Dates	30 June and 31 December of each year, commencing on 30 June 2017 up to and including, the Maturity Date or, if redeemed earlier, an Optional Redemption Date.
Covenants	<ul style="list-style-type: none"> ▪ Negative pledge ▪ Cross default ▪ Limitation on working capital facilities of up to A\$5 million ▪ Limitation on total secured debt of the IMF group of A\$150 million ▪ Limitations on total secured debt incurrence: Current Resources of IMF (i.e. cash and receivables) are equal to or greater than 75 per cent of the total Financial Indebtedness of the IMF group) ▪ Distribution restriction: same ratio test as for secured debt incurrence plus retained earnings of IMF must be greater than A\$52 million and distributions cannot be greater than an amount lawfully permitted or made while an Event of Default is subsisting ▪ Total equity must be greater than A\$50 million
Events of Default	<ul style="list-style-type: none"> ▪ Non-payment ▪ Cross default ▪ Enforcement against assets ▪ Insolvency/winding-up/creditor arrangement ▪ Obligation relating to notes become unenforceable or unlawful ▪ No material litigation ▪ Cessation of business



Jeremy Sambrook
Company Secretary

Media and further information: **Anthony Fisk**
Citadel-MAGNUS +61 468 989 250

Notes Investors: **FIIG Securities - 1800 010 182**

Important Information

This ASX announcement does not constitute an offer to sell, or a solicitation to buy, any securities in the United States. This ASX announcement may not be distributed or released in the United States. The unlisted secured notes have not been, and will not be, registered under the U.S. Securities Act of 1933 (the U.S. Securities Act) or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons (as that term is defined in Regulation S of the U.S. Securities Act) except in accordance with an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws.