



RELEASE TO AUSTRALIAN SECURITIES EXCHANGE (“ASX”)

MONDAY, 15 APRIL 2013

UPDATE – LEHMAN BROTHERS AUSTRALIA LTD (IN LIQUIDATION) (“LEHMAN”)

1. The Board of directors of IMF (Australia) Ltd refers to its announcement on 24 September 2012.
2. On 12 April 2013 the liquidators of Lehman filed an application in the Federal Court of Australia seeking approval for the convening of a meeting of creditors of Lehman to vote on whether a Scheme of Company Arrangement ought to be passed.
3. The Scheme has been drafted in consultation with all major stakeholders, including IMF on behalf of the group members in the class action funded by IMF referred to in prior announcements (“IMF’s Clients”).
4. The purpose of the Scheme is to facilitate a compromise between Scheme Creditors, including IMF’s Clients, and Lehman, amongst other parties, so as to achieve a settlement of their claims and proceedings.
5. The key commercial terms of the Scheme include:
 - a) the payment by US professional indemnity insurers of US\$45m to Lehman for distribution to clients of Lehman, including IMF’s Clients (“Client Creditors”);
 - b) a procedure being established (the “CRP”) for the resolution of claims of Client Creditors; and
 - c) the discontinuance of the class action.
6. The liquidators have stated the asset and liability position of Lehman includes:
 - a) total assets of between \$297m and \$303m;
 - b) total creditors of between \$596m and \$654m; and
 - c) Client Creditor claims of between \$441m and \$498m, including IMF’s Clients’ claims of \$143.5m.
7. The liquidators have also confirmed that Client Creditors will, if admitted under the Scheme, receive a dividend of between 39.9 and 49.2 cents in the dollar.

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8. Whilst IMF will be in a better position to quantify the likely return to IMF resulting from the Scheme if it proceeds in the near future, IMF presently:
 - a) estimates it will receive reimbursement of its investment of about \$9m and a further \$20m; and
 - b) considers that it will be able to determine whether income relating to Lehman will be included in the 2013 financial year and, if so, to what extent, after the results of any creditors meeting convened to vote on the Scheme are available.
9. An application to the Court for approval for the convening of a creditors meeting to address the proposed Scheme is to be made on 7 May 2013.
10. IMF will make a further announcement after the hearing of the application on 7 May 2013 at which time it will know whether the Scheme is to be the subject of a creditors' meeting and, if so, the date on which the meeting will be convened.
11. Further information can be obtained by contacting IMF on 1800 016 464 or on IMF's website at www.imf.com.au.



Diane Jones
Chief Operating Officer

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