

PROPOSED CLASS ACTION ALLEGING ACCOUNTING STANDARDS CONTRAVENTION BY SPOTLESS

IMF Bentham and William Roberts Lawyers today announce that IMF is proposing to fund proceedings in the Federal Court of Australia against Spotless Group Holdings Ltd. The allegation is that Spotless' financial results for the 12 months to 30 June 2015, released on 25 August 2015, were misleading and in breach of Spotless' continuous disclosure obligations.

The proposed proceedings will be conducted by William Roberts Lawyers.

It appears that between the end of FY14 and the publication of the FY15 financial statements, Spotless changed its policy in relation to the capitalisation of 'pre-contract costs' and that this change concealed the fact that Spotless did not meet its prospectus earnings forecasts for FY15 on a like-for-like basis when applying the accounting policies used for the original forecast.

The proposed claim will allege that the change of the accounting policy and the financial impact of the change were not disclosed in the FY15 accounts as required under Australian accounting standard AASB 108.

William Roberts Principal Bill Petrovski said "although Spotless announced that it had beaten its prospectus FY 15 earnings forecasts, this does not appear to have been the case on a like-for-like basis. Spotless has allegedly modified an accounting policy, without disclosing the change in accordance with the accounting standards. It appears that FY15 NPAT was increased by almost 25% over what it would have been had the prior accounting policy been used. Spotless' margins in FY15 also appeared to be healthier than was actually the case. Accordingly, it will be alleged that Spotless' shares traded at an inflated price."

The claim is proposed to be brought on behalf of Spotless shareholders who acquired shares between 25 August 2015 and 1 December 2015. The relevant period may date back further. Shareholders who acquired shares in Spotless in this period (and also between 24 February 2015 and 24 August 2015) are encouraged to contact IMF Bentham to register their interest.

IMF Bentham Investment Manager Ewen McNee said losses suffered by Spotless shareholders are likely to be significant.

"Spotless' shares fell 40% on 2 December 2015 after Spotless issued a trading update to the ASX reporting that its FY2016 forecast would not be achieved. To this day the share price has not recovered. Spotless shareholders who purchased shares in the relevant period may have suffered tens if not hundreds of millions of dollars of loss".

To register interest in participating in the proposed claim and to find out more about the proposed funding, contact www.imf.com.au/spotless or call the IMF client team on [1800 016 464](tel:1800016464).

About IMF Bentham Limited:

IMF Bentham Limited, previously known as IMF (Australia) Ltd, (“**IMF**”) is Australia’s largest litigation funder and a pioneer of the global litigation funding industry. IMF is a public company that has been listed on the Australian Securities Exchange since 2001 (ASX: IMF). IMF operates through offices in Australia, the United States and Canada and funds litigation in a number of jurisdictions around the world. IMF provides funding for a wide range of litigation, including insolvency, intellectual property, environmental and commercial claims and for class actions, and has a strong track record of backing and resolving successful claims. Information about IMF can be found on the IMF website at www.imf.com.au.

About William Roberts Lawyers:

William Roberts is a dynamic and innovative law firm with a focus on commercial dispute resolution and litigation. The firm has offices across Sydney, Melbourne, Brisbane and Singapore.

William Roberts’ class action team are experienced in managing class action matters on behalf of claimants, defendants and advising other stakeholders in such disputes, such as insurers (including ATE insurers) and funders.

Information about William Roberts’ class action team can be found on the William Roberts website at <http://www.williamroberts.com.au/Expertise/Financial-Institutions/Class-Actions>

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