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INVESTOR PRESENTATION
October 2014

Diane Jones
Chief Operating Officer

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WHAT IS LITIGATION FUNDING

- As a “litigation funder” IMF provides funding on a contingency basis to businesses and individuals with claims for loss and damage.
- IMF provides funding for the client’s case or to the client and, in jurisdictions where adverse costs are relevant, agrees to pay any costs (incurred during the term of the funding agreement) awarded to the other side should the client’s case be unsuccessful.
- In return, IMF generally receives a right to be reimbursed all that it has paid out and receives an assignment of a share of the amount awarded to the client by way of judgment or paid to the client by way of settlement. IMF’s return in the US is more typically a multiple of the amount invested.
- As a litigation funder IMF does not provide legal advice and is not paid “on an hourly rate”.

OVERVIEW OF BENTHAM IMF LIMITED

IMF is the pre-eminent litigation funding company operating in Australia and has, by far, the major portion of the litigation funding business in this country

Item	Description
Australia's leading litigation funder	<ul style="list-style-type: none"> Formed in 1999 and listed on ASX in 2001. Market cap of \$340m as at 7 October 2014. IMF has collected \$1.47bn for clients since its formation. IMF's Investment Managers have over 100 years collective experience in the industry. IMF operates from offices in Sydney and Perth and smaller offices manned by an Investment Manager and a small group of staff in each of Melbourne, Brisbane and Adelaide. IMF also operates in the US through its subsidiary, with offices in New York and Los Angeles, each manned by an Investment Manager and a small group of support staff. IMF recently established a joint venture in Europe.
High margin and high ROC business	<ul style="list-style-type: none"> Average life of each case is 2.3 years, and IMF has, over the past 13 years, averaged 173% gross return on funds invested in each case (including cases lost and withdrawn).
Competitive advantage	<ul style="list-style-type: none"> Superior risk mitigation process – case selection and case management expertise. Demonstrated by results – over 13 years only lost 4% of 159 cases (65% settled, 22% withdrew, 9% won in court - see slide 15).
Unique positioning	<ul style="list-style-type: none"> People with the training, knowledge and scepticism to be successful funders. Overall corporate experience with the risks and pitfalls in litigation funding. Necessary funding to enable a liquid and strong approach to aggressive defendants.
Barriers to entry	<ul style="list-style-type: none"> Size of costs and duration of large litigation matters, as well as potential for adverse costs (in Australia and the UK), preclude many plaintiffs from funding their own actions.
Australian market well established	<ul style="list-style-type: none"> Fourth or fifth largest common law litigation market in the world. IMF is the clear market leader in its home market.

OVERVIEW OF BENTHAM IMF LIMITED

IMF has identified significant growth opportunities

Item	Description
Major growth opportunities onshore	<ul style="list-style-type: none"> IMF is funding the Wivenhoe Dam case in Australia, which is expected to be its largest case funded to date. Renewed focus on the insolvency market with new products.
Major growth opportunities offshore	<ul style="list-style-type: none"> Focus on similar markets with strong rule of law, long established and respected court system, clear set of statutory laws, operating on the precedent system and with a strong legal fraternity. Recently entered into a joint venture arrangement to fund European litigation, with a focus on UK and Netherlands markets. Third party litigation funding has moved ahead quickly in both the US and the UK/Netherlands over the past five years and has been accepted as a funding alternative in these countries. IMF has a permanent presence in New York, Los Angeles and now also the UK.
Growth and diversification	<ul style="list-style-type: none"> Operations across these three major common law litigation centres will provide opportunities for growth (and thereby increased potential for income) and also diversification.
Limited global competitors	<ul style="list-style-type: none"> Only two other litigation funds vying for multi-national leadership being Burford, primarily in the US, and Harbour Litigation Funding, primarily in the UK.

FY2014 HIGHLIGHTS

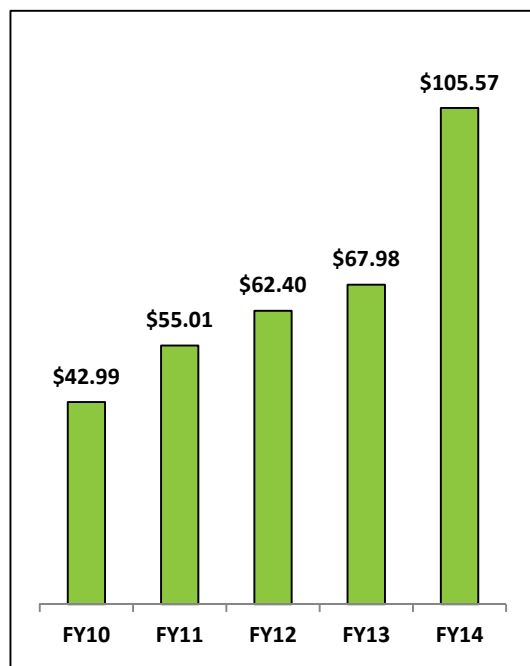
	FY2013	FY2014*	%
Gross Income (from cases)	\$43.9M	\$75.9M	▲ 73%
Net Income (from cases)	\$24.6M	\$25.3M*	▲ 3%
NPBT	\$20.1M	\$15.6M	▼ 23%
NPAT	\$13.8M	\$9.9M	▼ 29%
Dividends (cents per share)	5 cents	10 cents	▲ 5 cents
EPS	11.21	6.56	▼ 41%
Net Asset Backing	\$1.02	\$1.16	▲ 14%
Case Investment (Intangibles)	\$86.1M	\$98.6M	▲ 15%
Value of Investment Portfolio	\$1.6BN	\$2.07BN	▲ 26%

* Includes loss from the Bank of Queensland case where \$15.4M was written-off. This case is being appealed.

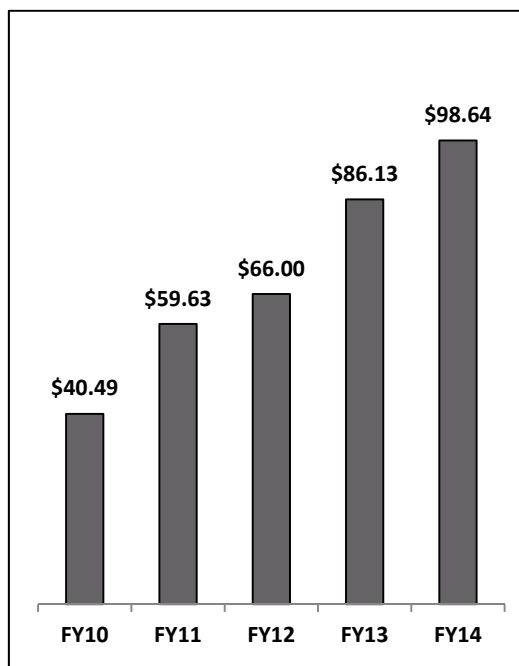
BALANCE SHEET STRENGTH

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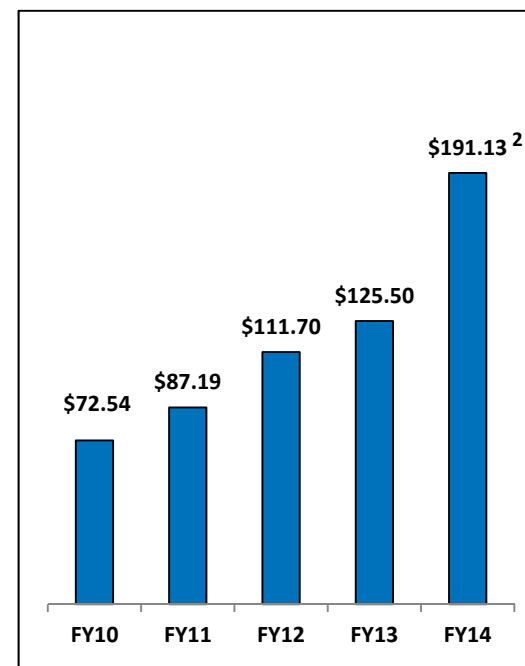
Cash
\$M



Investments¹
\$M



Net Assets
\$M



¹ Investments includes capitalised overheads relating to the litigation.

² IMF raised capital during the period totalling \$42,031,791 through its institutional placement and share placement plan. A further \$27,631,244 in equity was raised through convertible noteholders converting into shares, and convertible note redemptions totalled \$11,180,756 as a result of the early redemption of the convertible notes. In addition, \$1,673,477 was raised from shareholders participating in the dividend reinvestment plan. IMF raised \$50M in debt through the issuance of the Bentham IMF Bonds.

DIVIDEND

Dividend History

DATE	CENTS PER SHARE	
FY2010	5	Fully franked
FY2011	15	Fully franked
FY2012	10	Fully franked
FY2013	5	Fully franked
FY2014*	10	Fully franked

- * A 5.0 cent dividend was announced on 21 August 2014
- Record Date: 19 September 2014
 - Payment Date: 3 October 2014

Future Dividend Policy

- The Directors have determined they will consider, and where appropriate implement, a regular semi-annual dividend which reflects the cash position of the Company at the time of the dividend and the likely demand for cash over the ensuing twelve month period.

Dividend Reinvestment Plan

- The Company has put in place a Dividend Reinvestment Plan and, on appropriate occasions, will arrange underwriting to reduce the impact a particular dividend might otherwise have on cash.

INVESTMENT PORTFOLIO AT 30 JUNE 2014

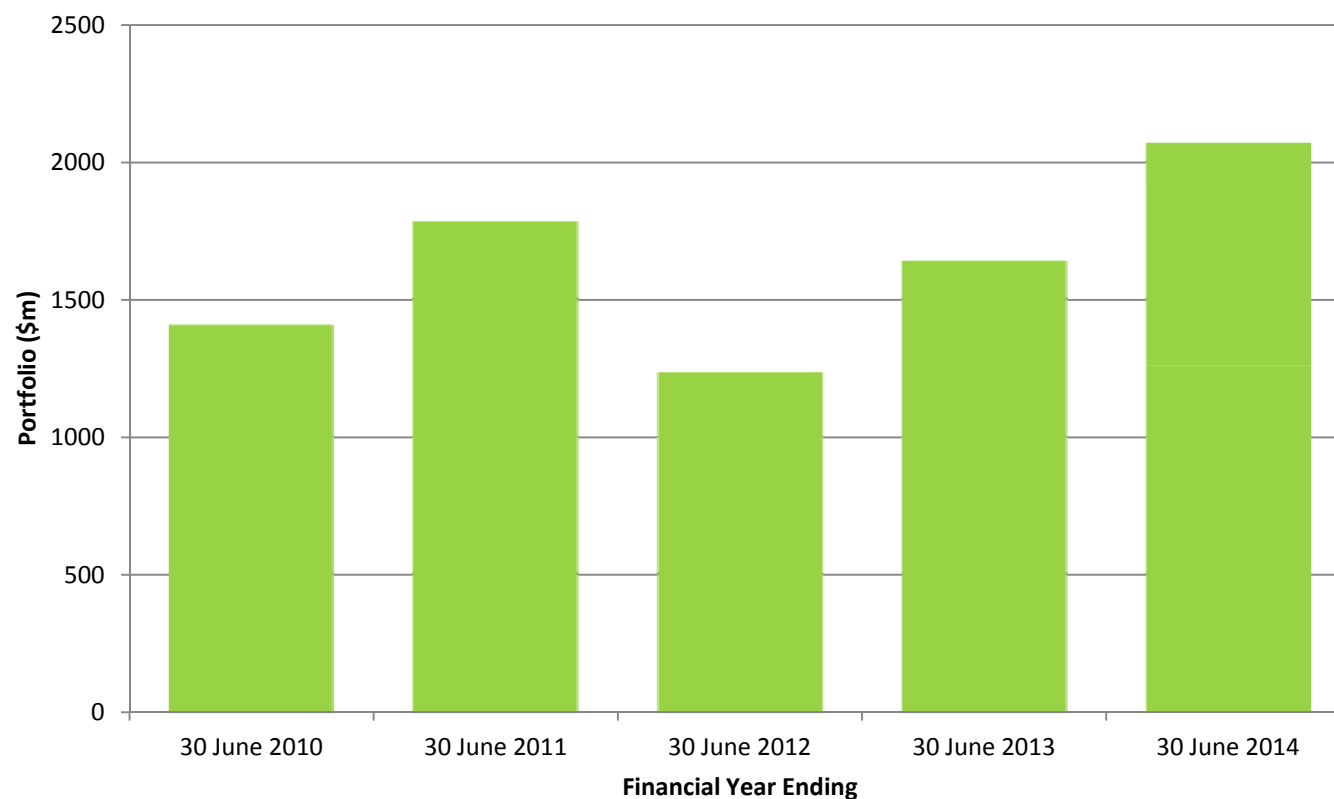
Claim Value Range	Est. Claim Value ¹	No of Cases	% of Total Value	Possible Completion FY2015 ²	Possible Completion FY2016 ²	Possible Completion FY2017 ²
<\$10M	\$32M	6	2%	\$25M	\$7M	–
\$10M - \$50M	\$395M	14	19%	\$200M	\$35M	\$160M
>\$50M	\$1,640M	10	79%	\$475M	\$700M	\$465M
Total Portfolio¹	\$2,067M	30	100%	\$700M	\$742M	\$625M

- 1 This is IMF's current best estimate of the claims recoverable amount (or remaining recoverable amount if there has been a partial recovery). It considers, where appropriate, the perceived capacity of the defendant to pay the amount claimed. It is not necessarily the same as the amount being claimed by IMF's client/s in the matter. It is also not the estimated return to IMF from the matter if it is successful. No estimated claim value has been included for any contingently funded matters until all conditions are fulfilled.
- 2 Given the nature of litigation, allocation of the portfolio between years may change. The possible completion period is IMF's current best estimate of the period in which the case may be finalised. The case may finalise earlier or later than in this period. Completion means finalisation of the litigation by either settlement or judgment for or against the funded client. It may not follow that the financial result will be accounted for in the year of finalisation. Completion estimates are prepared and announced on a quarterly basis. If any matter proceeds to trial and is lost then IMF is likely to become liable to pay adverse costs to each successful defendant.
- 3 The Portfolio as at 30 June 2014 includes the Premium Income Fund matter and the matters concerning ABC Learning. The total claim value from these matters is \$225 million. As at 30 June 2014 the Premium Income Fund matter was (and still is) the subject of an in-principle settlement. As at 30 June 2014 the ABC matters had not resolved, although subsequent to 30 June 2014 the claim by the ABC liquidator against a number of banks settled.
- 4 The Portfolio as at 30 June 2014 includes matters funded in the USA totalling \$322M (or 16%).

INVESTMENT PORTFOLIO HISTORY

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IMF Case Investment Portfolio



POSSIBLE COMPLETIONS IN FY2015

Below is a list of matters that have completed or may complete in FY2015. Other matters may also complete in that period.

Matter	Description
Premium Income Fund	A class action by unitholders and an action by the Responsible Entity against auditors of the Premium Income Funding ("PIF"). A Settlement Deed was entered into on 19 August 2014. The settlement terms are confidential and the settlement remains subject to a number of conditions including Court approval of the settlement of the class action. There will also be a registration process to determine the PIF unitholders eligible to share in the settlement. In these circumstance IMF is not presently able to calculate its revenue and profit from this matter.
ABC Learning Centres Group of Companies	An action by the liquidator of ZYX Learning (formerly ABC Learning) claiming that the floating charges granted to various banks are void and for recovery of certain amounts received by the Banks under them. The case has settled and revenue will be recorded in 1H15. IMF estimates revenue of approximately \$17M and a profit after capitalised overheads (but before tax) of about \$5M from the ABC cases (this case and the claims by shareholders against ABC Learning).
Retail Adventures	IMF successfully funded a number of unsecured creditors to set aside the Deed of Company Arrangement ("DOCA") and Retail Adventures went into liquidation. The liquidators then settled claims for insolvent trading and unsecured creditors are expected to receive total dividends of about four times greater than what they would have received had the DOCA not been overturned. IMF will receive a return from dividends paid to the unsecured creditors it funded.

POSSIBLE COMPLETIONS IN FY2015

Matter	Description
Bank Fees	<ul style="list-style-type: none"> ▪ On 4 February 2014 Justice Gordon delivered judgment in the Bank Fees matter. ▪ The findings in favour of IMF's clients were that late payment fees were penalties at law and that certain inter account exception fees had been charged by the Bank in breach of contract. ▪ Late payment fees are subject to an expanded limitation period which commenced in 2010. ▪ The clients were not successful in relation to their claims concerning honour fees, dishonour fees and over limit fees charged by the Bank. ▪ It is currently estimated that the successful part of the action against ANZ represents about 25% of the total claim being made in that action. ▪ Both ANZ and the clients' representatives are appealing. The hearing of the appeal was heard in August 2014 with judgment reserved. ▪ Open class actions have been instituted against the major banks in relation to late fees and a common fund application will be made in relation to these (unless the Banks win their appeal in relation to late fees). ▪ IMF is presently not able to reliably measure the impact, if any, of the above on its revenue or profit for the year ending 30 June 2015.
US cases	A number of US funded cases could complete in FY2015. IMF has taken the policy position not to disclose specific details about the US investments other than to describe them in a general manner until after the resolution of each case.
Others	A number of other matters could complete.
Total	\$700M (claim value in portfolio as at 30 June 2014)

NEW CASES

8 new cases were funded in FY2014 (with a claim size in the portfolio of \$765M).

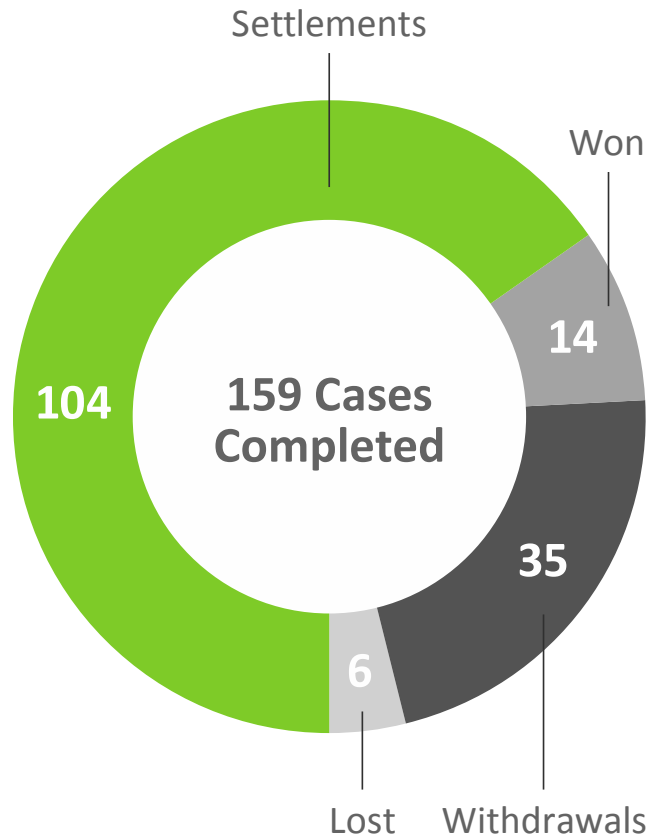
Matter	Description
Wivenhoe	<ul style="list-style-type: none"> Long investigation phase and proceedings were filed on 8 July 2014. Class action alleging the Dam was negligently operated and that material flooding would not have occurred had the Dam been operated to the standard expected. Participation agreement with interests associated with European joint venturer.
Treasury Wine Estates	<ul style="list-style-type: none"> Shareholder class action alleging Treasury Wine Estates Limited breached its disclosure obligation by failing to inform the market of material information, and made misleading representations in relation to the performance of its United States operations and its expected financial performance for the 2013 financial year. Proceedings have been filed.
Hong Kong case	<ul style="list-style-type: none"> A claim by a Hong Kong based insolvency practitioner against an auditor.
Forge	<ul style="list-style-type: none"> The claims include a proposed shareholder class action relating to issues with the two key power stations of CTEC, one of the wholly owned subsidiaries of Forge.
Bradken Resources	<ul style="list-style-type: none"> Claim that wholly owned subsidiaries of Bradken Limited and Fortesque Metals Group Limited infringed a patent concerning bulk material transport containers used in rail wagons.
Commissioner of Taxation (Desalination Technology)	<ul style="list-style-type: none"> Funding the defence of an appeal to the Federal Court by the ATO (now heard) concerning the eligibility of tax offsets for research and development expenditure.
2x US cases	<ul style="list-style-type: none"> Funding a business dispute in a US State Court and funding a case involving a claim for multiple breaches of a state False Claims Act, a state Insurance Fraud Prevention Act and other related claims.

SELECT CASE UPDATES

Matter	Update
Rivercity	<ul style="list-style-type: none"> ▪ Class action by persons who purchased units under the product disclosure statement alleging that the traffic forecasts in the PDS were misleading and deceptive and omitted information. ▪ Multiple interlocutory disputes. Expert evidence being served. ▪ Trial date of 7 September 2015.
Westgem	<ul style="list-style-type: none"> ▪ Claim against Bankwest (CBA) for damages flowing from alleged conduct of the bank including in claiming penalty interest and in seizing control of the secured asset (Raine Square in Perth). ▪ No defence has yet been filed. ▪ The Bank's strike out application is to be heard on 2 October 2014.
Structured Finance Ratings Claims	<ul style="list-style-type: none"> ▪ Appeal by S&P, ABN Amro and LGFS has been determined against these entities. This case is now complete and a smaller case is currently under review. ▪ Lehman cases <ul style="list-style-type: none"> ➤ Proof process is continuing in Lehman Australia in respect of claims against it. ➤ Claim against S&P by persons who bought CDO's from Lehman Australia and others has been filed. ▪ Claim against ABN Amro and S&P in the Netherlands <ul style="list-style-type: none"> ➤ Claim filed in the Netherlands but S&P had earlier filed in the UK seeking negative declarations. ➤ Jurisdictional issues are being determined.

TRACK RECORD

IMF's track record to 30 June 2014



Summary

- **159** cases commenced and completed since listing.
- Average investment period of 2.3 years.
- Generated revenue of \$1.47B:
 - \$957M to Clients (65%);
 - \$514M to IMF comprising:
 - \$189M reimbursement of costs (13%); and
 - \$325M net revenue to IMF (excluding overheads) (22%);
 - Gross ROI of 273%.
- Lost cases cost \$16M including adverse costs.
- Withdrawals cost \$4.9M.
- Losses and withdrawals cost 4% of IMF revenue.

FUTURE OUTLOOK

- Further development of international funding platform:
 - Expansion in the US (new staff, more cases).
 - Expansion in the UK and Europe (joint venture).
 - Funding in Hong Kong (focus on insolvency cases).
- Building the investment portfolio above \$2B claim size.
- New managing director (Andrew Saker) as from January 2015. Hugh McLernon to remain in the company with a focus on major cases and special projects.
- In Australia, renewed focus on opportunities for funding in insolvency situations.
- More competition in Australia and internationally, reflecting a maturing industry.
- Potentially more regulation in Australia (Productivity Commission's report has been released to the Government but not yet publicly).

KEY RISKS

Item	Description
Choosing, and remaining in, a funded case that is ultimately lost	<ul style="list-style-type: none"> If a funded case is lost IMF will lose not only its investment but may also have to pay the defendant's costs.
Reliance on key management	<ul style="list-style-type: none"> IMF depends substantially on its executive directors and senior management and key personnel to oversee the day-to-day operations and the strategic management of IMF. There can be no assurance given that there will be no detrimental impact on IMF if one or more of these directors or employees cease their employment.
Government regulation	<ul style="list-style-type: none"> No assurance can be given that regulation in Australia and overseas will not change in the future and adversely affect IMF's business and financial performance. However, there is presently no legislation proposed in the markets in which IMF operates of which it is aware.
Judicial decisions	<ul style="list-style-type: none"> To date, the Courts have generally found in favour of litigation funding arrangements in Australia but the Courts, in Australia or overseas, will continue to oversee the development of the litigation funding industry and adverse decisions may impact on the business of IMF.
Multiple defendants	<ul style="list-style-type: none"> In some cases defendants may add third parties to the funded litigation or more defendants may be joined, potentially increasing adverse costs if the litigation is unsuccessful.
Technology	<ul style="list-style-type: none"> IMF is dependent on technological services for its Case Management System. These systems may fail or may not operate properly. IMF may fail to keep its technology up to date with the resultant loss of business opportunities.
Competition	<ul style="list-style-type: none"> IMF currently has a handful of competitors in the Australian litigation funding market, including overseas based competitors, who are becoming more active. There are also two other litigation funders vying for a multinational litigation funding business. As time passes and litigation funding becomes more widespread, competition will develop, and such competition may impact on the performance of IMF.