



RELEASE TO AUSTRALIAN SECURITIES EXCHANGE (“ASX”)

FRIDAY, 9 DECEMBER 2011

**OVERVIEW OF IMF EXPANSION STRATEGY
INTO THE US MARKET**

1. Please find attached a presentation which was given today to institutional investors.
2. A webcast of the presentation can be accessed at www.imf.com.au.

A handwritten signature in black ink, appearing to read 'Diane Jones', enclosed within a large, loopy circular flourish.

Diane Jones
Chief Operating Officer

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Overview of IMF Expansion Strategy for US Market

Presentation to Investors

December 9, 2011

Executive Summary

- IMF Expansion to the US Market
- Bentham Team
- Overview Of US Litigation Market
- US Competitors
- Bentham Investment Strategy
- Bentham Marketing Approach
- Opportunities

The IMF Expansion to the US Market

- **Proven Market:** Successfully tested by IMF
- **Native US Trial Attorney:** Extensive knowledge of US legal system
- **Litigation Finance Professional Possessing:**
 - Network of law firms, knowledge of industry, strategic partners
 - Experience setting up and managing a funding enterprise
- **Largest Legal Market:** New York
- **Few Competitors**
- **Growing Demand for Risk Capital**
- **Controlled Growth:** Contain costs

Bentham Team



Ralph Sutton

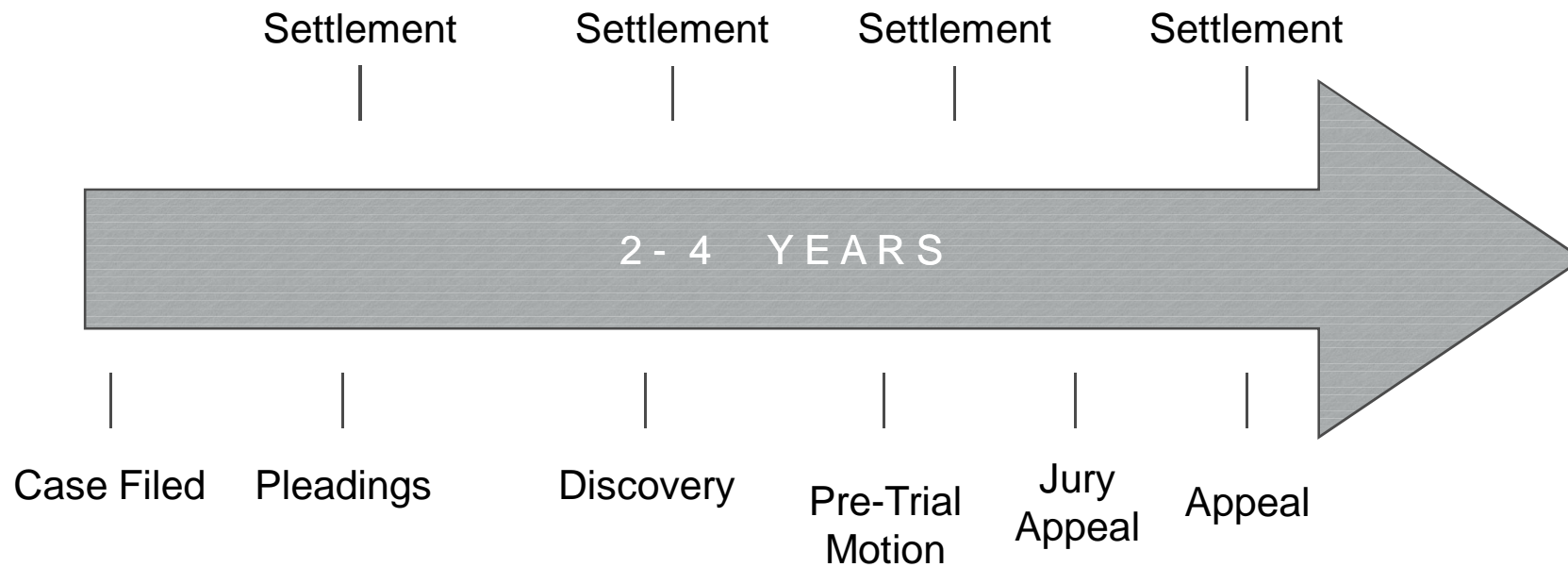
- Helped found and run Credit Suisse Litigation Risk Strategies group for over four years
- Over 17 years of trial practice; law clerk to US district court judge
- Network of US law firm relationships and strategic partnerships



Charlie Gollow

- Senior IMF investment manager of 9 years; with US market experience
- Over 16 years of trial practice; Managing Partner of WA Law Firm
- Coordinates IMF resources for Bentham

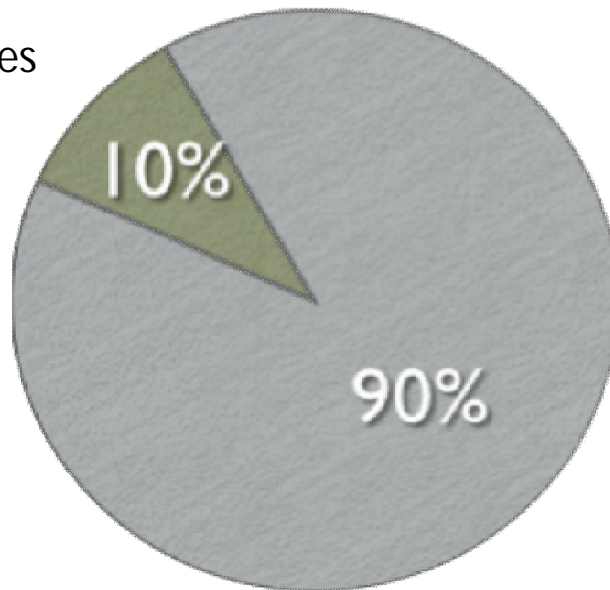
Stages of US Litigation and Settlement Points



Vast Majority of Civil Cases are Settled Before Trial

- AmLaw 200 firms carry an estimated average of 100 - 200 significant litigation matters each for total: 20,000 - 40,000
- Approximately 90% of civil cases settle before trial

Trial or Appeal:
2,000 - 4,000 cases



Settled Before Trial
18,000 - 36,000 cases

SOURCE: T. EISENBERG AND C. LANVERS, "WHAT IS THE SETTLEMENT RATE AND WHY DO WE CARE," 6 JOURNAL OF EMPIRICAL LEGAL STUDIES, 111-146 (2009)

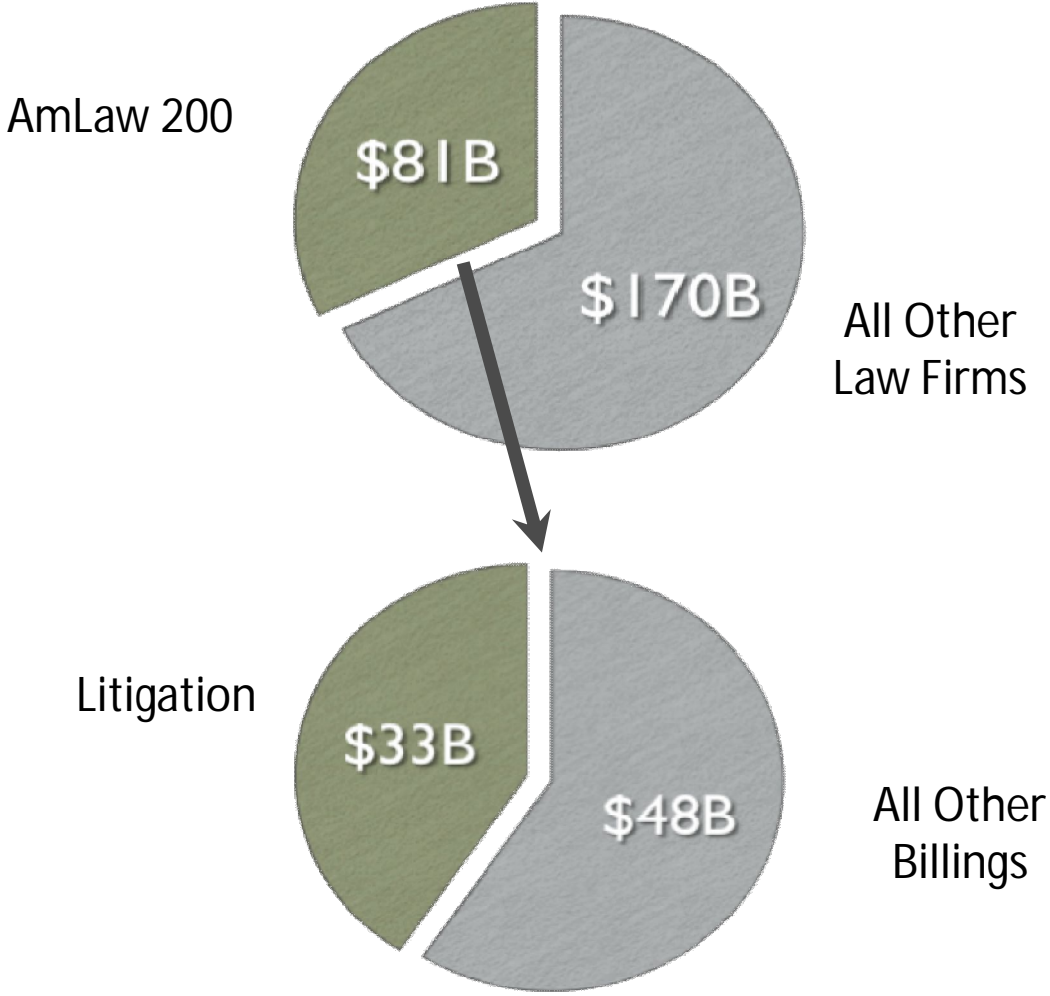
US Competitors

- **Burford** – Direct competitor, focused on larger cases; AIM listed Oct '09 (£80), Further raise in 2010 (£110)
- **Juridica** – Direct competitor; AIM listed Dec '07 (£80)
- **Credit Suisse** – Direct Competitor
- **BlackRobe** – Just launched
- **Fulbrook** – Just launched
- **UK Funders Expanding Reach:** Harbour, Calunius
- **Patent Funds/Investors:** Altitude, Acacia, Rembrandt, Eton Park, Invesco

Bentham Investment Strategy

- Fund cases in major states without legal impediments such as champerty, maintenance or usury (New York, California, Texas, Florida -- 28 states)
- Focus on contingency fee cases at top firms
- Early stage commercial contingency cases
- Early stage patent contingency cases
- Shorter duration cases (appeals, others)

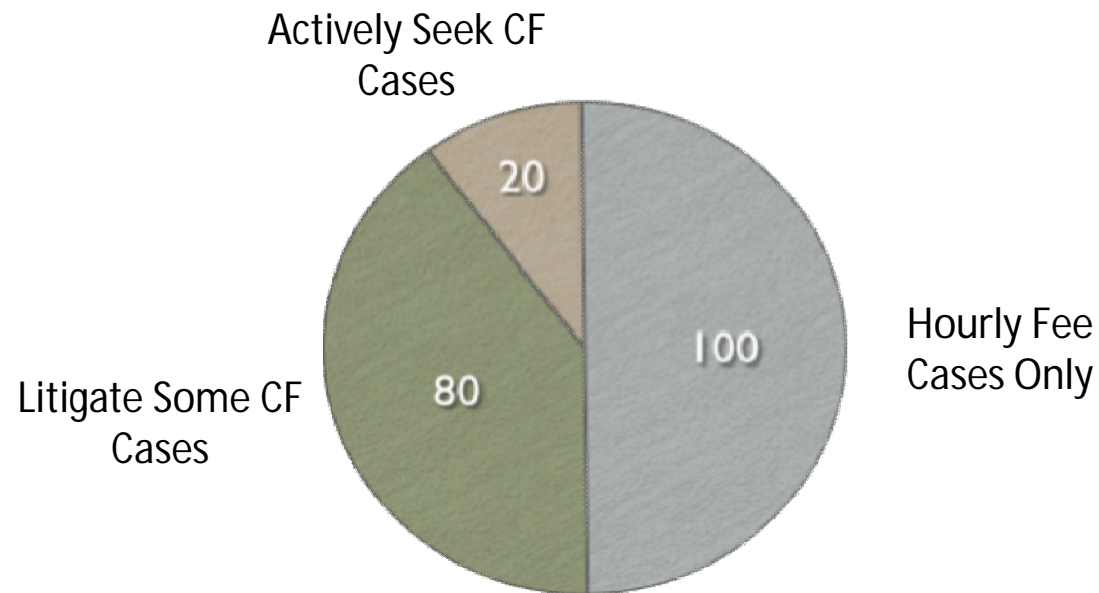
Breakdown of AmLaw 200 Litigation Revenue (2009)



SOURCE: AMERICAN LAWYER MAGAZINE

AmLaw 200 Law Firms Focusing on Contingency Fee Cases

- Estimated 50% of AmLaw 200 firms do only hourly fee cases
- Estimated 80 AmLaw 200 firms litigate some CF cases
- Estimated 20 AmLaw 200 firms actively seek CF cases



SOURCE: UNCONFIRMED MARKET DATA

BENTHAM FOCUS ON CONTINGENCY FEE CASES

- Attorneys defer all or part of fees and costs until case resolves
- Attorneys bargain for 10 - 40% of settlement/judgment, depending on client's contribution, size of expected recovery, leverage
- Law firms develop portfolio of CF cases to boost their profitability and spread risk
- CF cases allow Bentham to:
 - Establish preliminary quality of legal claims
 - Fund the firms' fees and/or costs for percentage of client recovery
 - Align incentives with top firms (firms need "skin in the game")

Bentham Products and Investment Details

- **Products:**
 - Early stage commercial cases on contingency
 - Early stage patent cases on contingency
 - Shorter duration investments
- **Characteristics:**
 - Average investment size: \$2-5 m for fees/costs or working capital
 - Expected returns: 3x-5x (\$6-25 m)
 - Duration: 2-4 years
- **Plaintiffs' motivation:**
 - Bentham funding litigation fees and/or costs
 - Bentham monetizes claim for working capital

US Marketing Goals

- Introduce and develop the Bentham brand to the US legal market
- Differentiate the brand from the competitors
- Achieve a diversified portfolio of investments:
 - Commercial litigation: 50%
 - Patent cases: 30-35%
 - Appeals and special/niche: 15-20%

US Opportunities to Date

- Deal flow is robust
- Not in full marketing mode
- Representative Areas
 - Breach of Contract / Commercial Litigation
 - Patent
 - Anti-Trust