

**Annual General Meeting
Radisson Plaza Hotel Sydney
4 November 2011**



Annual General Meeting

Welcome to IMF's Annual General Meeting

Rob Ferguson - Non-Executive Chairman

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Agenda

- Introduction
- Overview of FY2011 – Hugh McLernon, MD
 - Highlights
 - Income
 - Financial Performance
 - Balance Sheet
 - Investment Portfolio
 - Track Record as at June 2011
 - New Agreements in FY2011
- Possible Completions in FY2012
- Capital Management – Convertible Notes
- Resolutions
- Questions



Overview of FY2011

- 7 cases resolved including:
 - Commonwealth of Australia (Pan)
 - Oz Minerals
 - Babcock & Brown (US)
- Net income from litigation funding was \$38M.
- Net profit after tax \$23M.
- IMF's investment portfolio grew by 27% – from \$1,404M to \$1,779M.



FY 2011 Income

7 cases were finalised in FY 2011.

Matter	Gross Income	Gross profit
Commonwealth of Australia (Pan)	\$24.4M	\$18.1M
Oz Minerals	\$15.6M	\$12.8M
AM Corp	\$4.0M	\$0.0M
Ceramic Fuel Cells	\$2.5M	\$1.8M
Perrin & Ors	\$1.3M	\$1.1M
Babcock and Brown - US	\$1.6M	\$0.8M
ION	\$1.5M	\$0.8M
Sub-Total – Matters Finalised	\$50.9M	\$35.4M
Others	\$7.0M	\$2.6M
Total Matter Income	\$57.9M	\$38.0M



FY2011 - Financial Performance

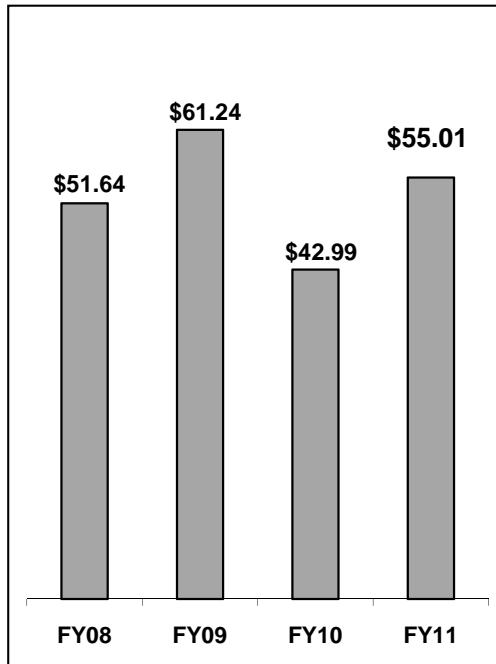
IMF delivered its largest profit since inception.

	FY2011	FY2010	%
Gross Income (from cases)	\$57.9M	\$46.1M	▲ 26%
Net Income (from cases)	\$38.0M	\$19.7M	▲ 93%
NPBT	\$32.8M	\$16.8M	▲ 95%
NPAT	\$22.9M	\$11.9M	▲ 92%
Interim Dividend (cents per share)	10.0 Franked	5.0 Franked	▲ 5.0 cps
Final Dividend (cents per share)	5.0 Franked	-	▲ 5.0 cps
EPS	18.56	9.77	▲ 90%
Net Asset Backing (cents per share)	70.77	59.52	▲ 19%
Value of Investment Portfolio	1.778B	1.404B	▲ 27%

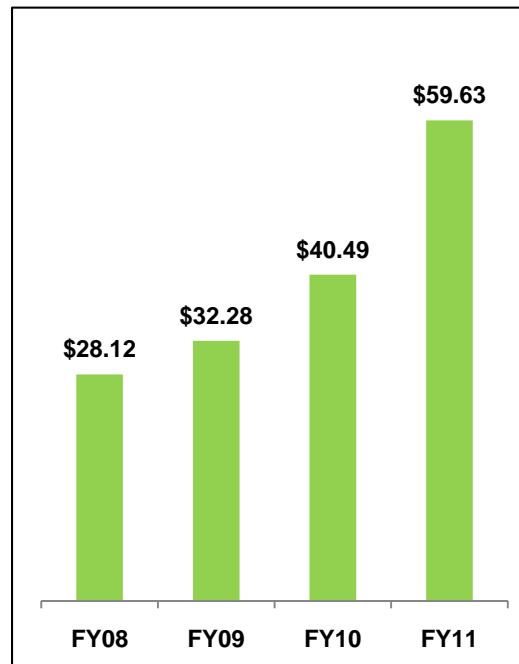


A Strengthening Balance Sheet.

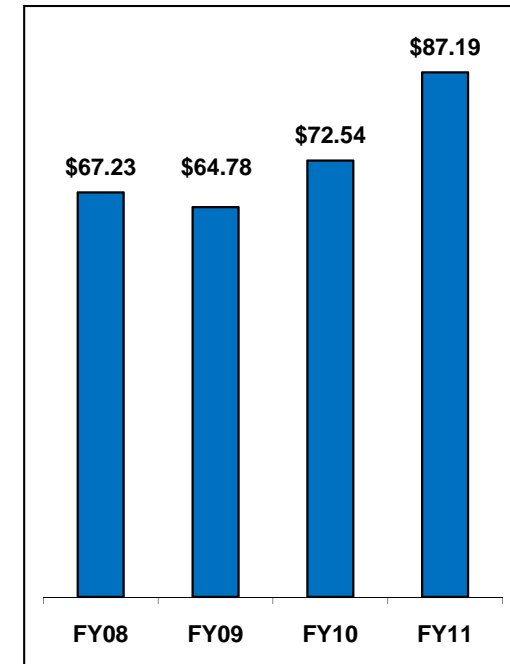
Cash
\$



Investments¹
\$



Net Assets
\$



¹ Investments includes capitalised overheads relating to the litigation.

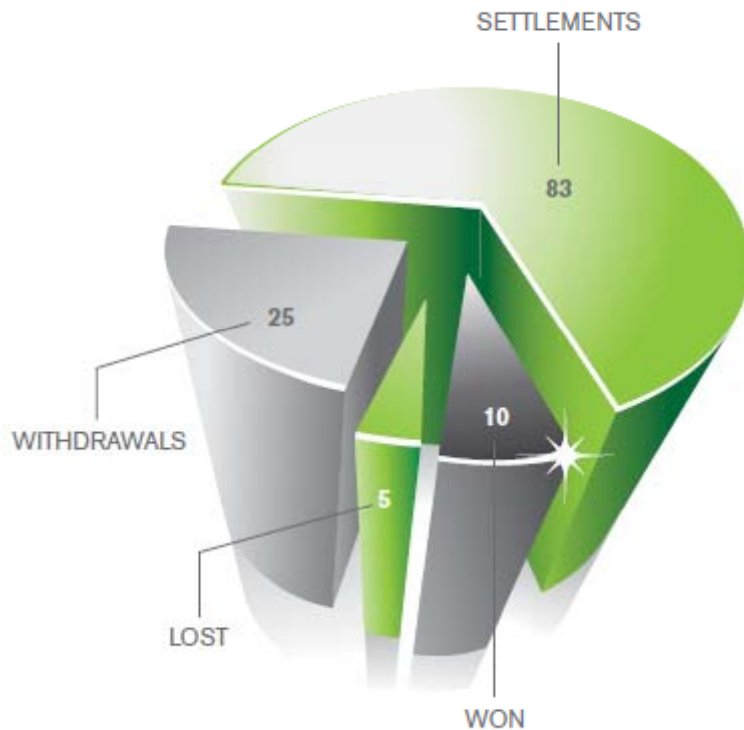


As at 30 September 2011

Claim Value Range	Est. Claim Value*	No of Cases	% of Total Value	Expected Completion FY2011	Expected Completion FY2012	Expected Completion FY2013+
<\$10M	\$18.5M	4	1%	\$13.5M	\$5.0M	-
\$10M - \$50M	\$270.0M	13	16%	\$65.0M	\$35.0M	\$170M
>\$50M	\$1,430.0M	14	83%	\$555.0M	\$560.0M	\$350M
Total Portfolio	\$1,718.5M	31	100%	\$633.5M	\$600.0M	\$485M

* This is IMF's best estimate of the claims recoverable amount. It considers, where appropriate, the perceived capacity to pay 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.





Summary

- **123** cases commenced and completed since listing.
- Generated revenue of \$273M to IMF.
- Invested \$86M.

83 Settlements

- Generated revenue of \$251M to IMF.
- Investment Portfolio

15 Judgments

- Won 10 cases. Lost 5.
- Generated revenue of \$30M to IMF

25 Not funded

- Cost \$1.8M (1% of total case costs).



New Cases in FY11

Matter
Rivercity
Westgem
Babcock & Brown – Australian claim
Downer
National Australia Bank
Others
Total \$360M



Possible Completions in FY 2012

Matters likely to be completed within the next twelve months

Matter	Description
National Potato	Judgment has been delivered in favour of IMF's client. Awaiting damages assessment. IMF expects to generate income of about \$16.5M.
Credit Corp	This matter is conditionally settled.
Lehmans	The trial in this matter is now completed. Judgment is expected in FY2012.
Uniloc	Appeal judgment awarded in favour of IMF's client. Re-trial of damages to be heard in February 2012.
LGFS	The trial in this matter commenced in October 2011.
Centro	The trial in the class actions against the Centro entities are expected to commence in March 2012.
ION	Further dividends are expected to be paid by the Deed Administrators.
Collyer Bristow	The trial in this matter commenced in October 2011.
Centrex	This matter will proceed to trial in March 2012.



- No NPAT Forecast FY2012

- Target Portfolio of \$2B:
 - US Subsidiary;
 - Marketing plans; and
 - UK opportunities.

- Economic Environment:
 - Effective litigation lag;
 - Regulatory environment clarified; and
 - Expect opportunities.



Resolution 1

“That, Mr Rob Ferguson, being a director of the Company, retires by rotation in accordance with Clause 13.2 of the Constitution and, being eligible, is hereby re-elected as a director of the Company.”



Resolution 2

“That, Mr Alden Halse, being a director of the Company, retires by rotation in accordance with Clause 13.2 of the Constitution and, being eligible, is hereby re-elected as a director of the Company.”



Resolution 3

“That, Mr Clive Bowman, being a director appointed as an additional director of the Company, retires in accordance with Clause 13.5 of the Constitution and, being eligible, is hereby re-elected as a director of the Company.”



Resolution 4

“That, for the purposes of Section 250R(2) of the Corporations Act, the Remuneration Report be adopted.”





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Questions and Answers

