



ASX SPOTLIGHT CONFERENCE

Singapore – 26 May 2015
Hong Kong – 28 May 2015

CONTENTS

- What is Litigation Funding?
- Overview of IMF Bentham Limited
- HY2015 Highlights
- Balance Sheet Strength
- Dividend
- Investment Portfolio
- Investment Portfolio History
- Track Record
- US Business
- Future Outlook
- Key Risks

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 IMF BENTHAM 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	- Listed on ASX in 2001. - Market cap of \$315m as at 14 May 2015. - IMF has collected \$1.6bn 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, Los Angeles and San Francisco. - IMF operates in Europe through a joint venture.
High margin and high ROI business	Average life of each case is 2.4 years, and IMF has, over the past 14 years, averaged 157% gross return on funds invested in each case (including cases lost and withdrawn).
Competitive advantage	- Superior risk mitigation process – case selection and case management expertise. - Demonstrated by results – over 14 years only lost 6% of 172 cases (66% settled, 20% withdrew, 8% won in court - see slide 11).
Unique positioning	- 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	- 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. - Litigation funding requires specialist skill set.
Australian market well established	- Fourth or fifth largest common law litigation market in the world. - IMF is the clear market leader in its home market.

OVERVIEW OF IMF BENTHAM LIMITED

IMF has identified significant growth opportunities

Item	Description
Major growth opportunities onshore	■ Renewed focus on the insolvency market with new products. ■ Additional products being developed to be launched by end of calendar 2015.
Major growth opportunities offshore	■ 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. ■ 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 San Francisco and is experiencing significant growth in the US. ■ Joint venture arrangement to fund European litigation, with a focus on UK and Netherlands markets established over 12 months ago. ■ Now funding two cases in Hong Kong and expect further growth in Asia.
Growth and diversification	■ 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	■ Only two other litigation funds vying for multi-national leadership.

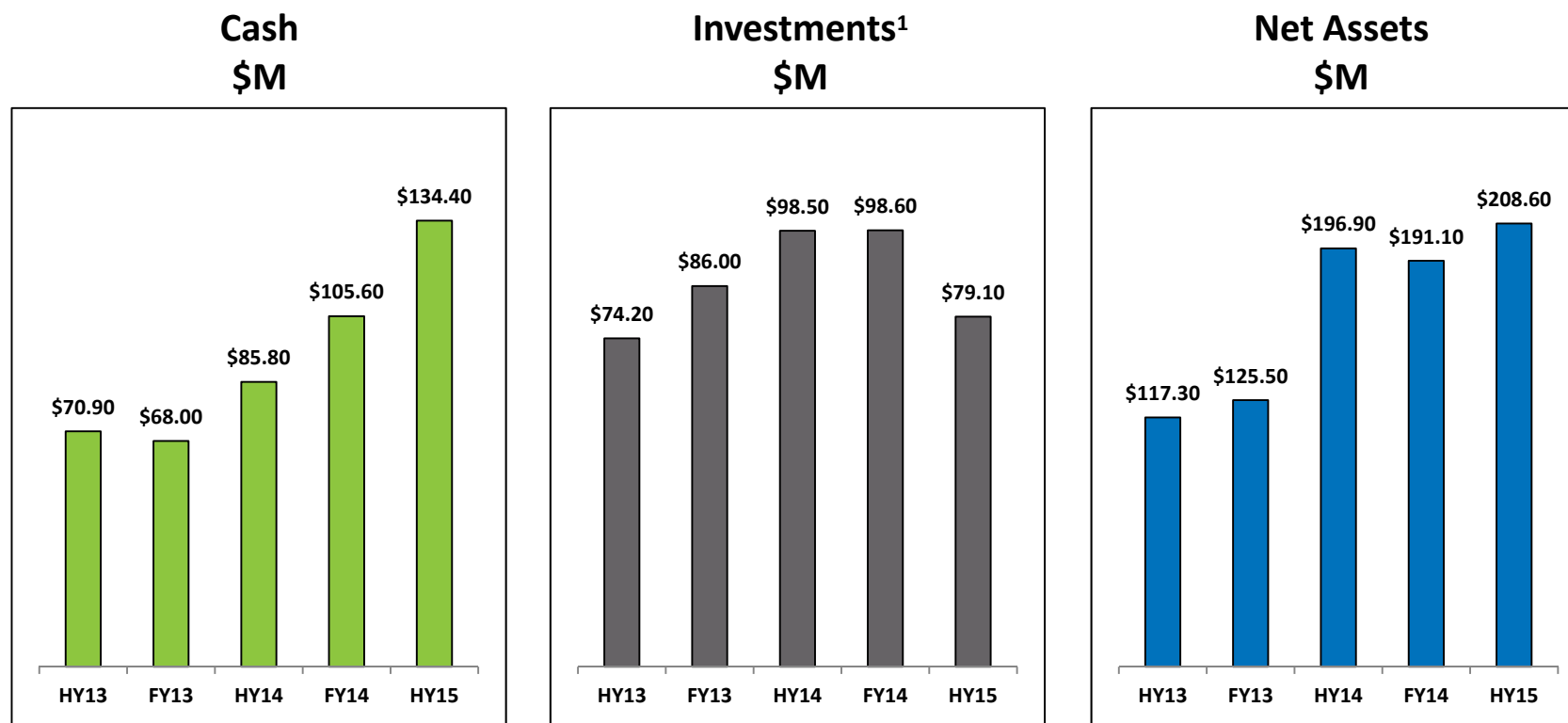
HY2015 HIGHLIGHTS

	HY2014	FY2014	HY2015	HY2015 v HY2014
Gross Income (from cases)	\$33.6M	\$75.9M	\$77.6M	▲ 131%
Net Income (from cases)	\$17.0M	\$26M	\$35.2M	▲ 107%
NPBT	\$13.6M	\$15.6M	\$32.5M	▲ 139%
NPAT	\$9.1M	\$9.9M	\$23M	▲ 152%
Dividends (cents per share)	5 cents	10 cents	5 cents	-
EPS	6.70	6.56	13.81	▲ 106%
Net Asset Backing	\$1.20	\$1.16	\$1.25	▲ 5%
Case Investment (Intangibles)	\$98.5M	\$98.6M	\$79.1M	▼ 20%
Value of Investment Portfolio	\$1.94BN	\$2.07BN	\$1.82BN	▼ 6%

The second half of FY2015 will be impacted by recent losses:

- The National Potato case in South Africa, which is being appealed, however the impact is \$17.9M;
- The Bank Fees case in Australia, which is also being appealed, however the impact is \$5.5M; and
- Two losses in the US, one of which is being appealed, however the impact is \$2.1M.

BALANCE SHEET STRENGTH



¹ Investments include capitalised overheads relating to the litigation.

DIVIDEND

Dividend History

DATE	CENTS PER SHARE	
FY2009	15	Fully franked
FY2010	5	Fully franked
FY2011	15	Fully franked
FY2012	10	Fully franked
FY2013	5	Fully franked
FY2014	10	Fully franked
HY2015	5	Fully franked

* Average of 10 cents per share over last six years.

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.

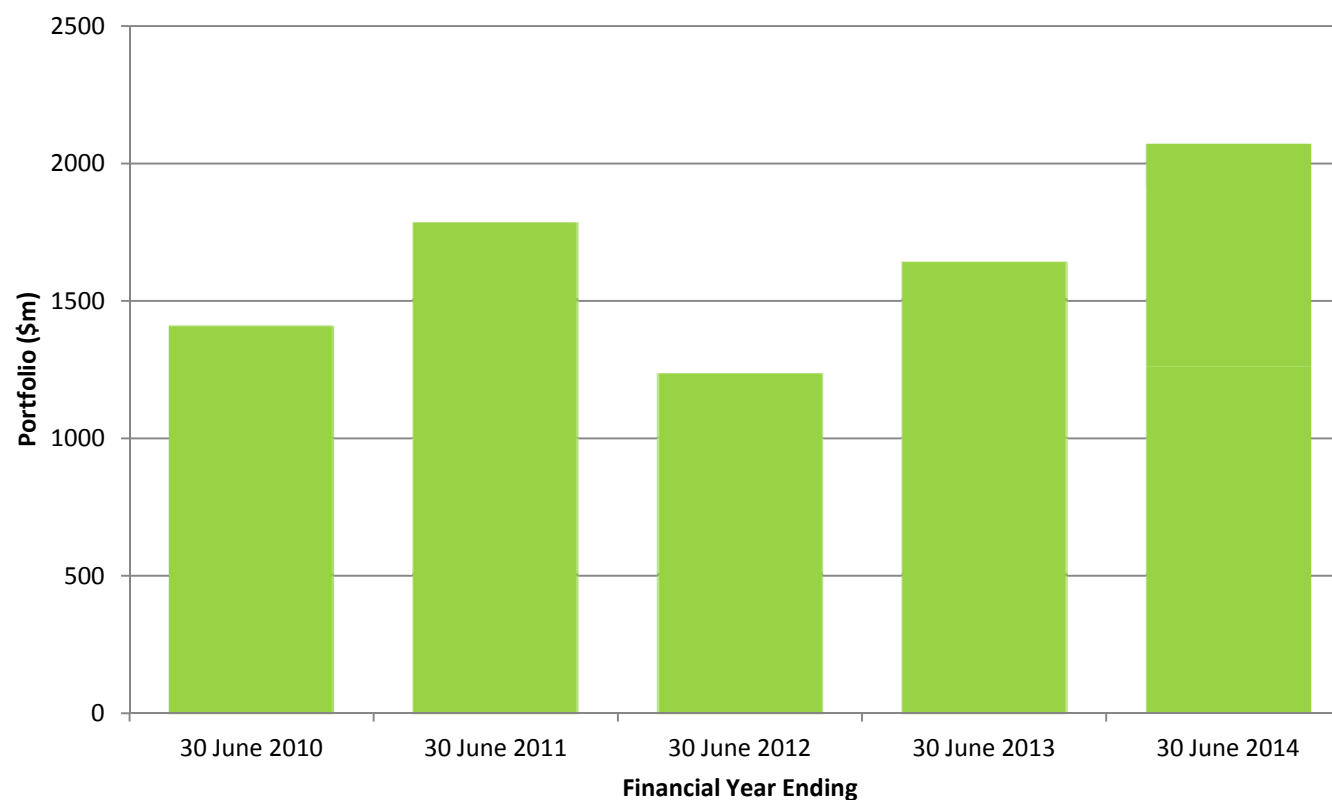
INVESTMENT PORTFOLIO AS AT 31 MARCH 2015

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	Possible Completion FY2018 ²
<\$10M	\$23M	6	1%	\$10M	\$10M	\$3M	-
\$10M - \$50M	\$646M	22	32%	\$35M	\$181M	\$220M	\$210M
>\$50M	\$1,336M	8	67%	-	\$590M	\$615M	\$131M
Total Portfolio¹	\$2,005M	36	100%	\$45M	\$781M	\$838M	\$341M
US Cases incl. in Portfolio¹	\$479M	14	24%	\$20M	\$141M	\$63M	\$255M

- 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.

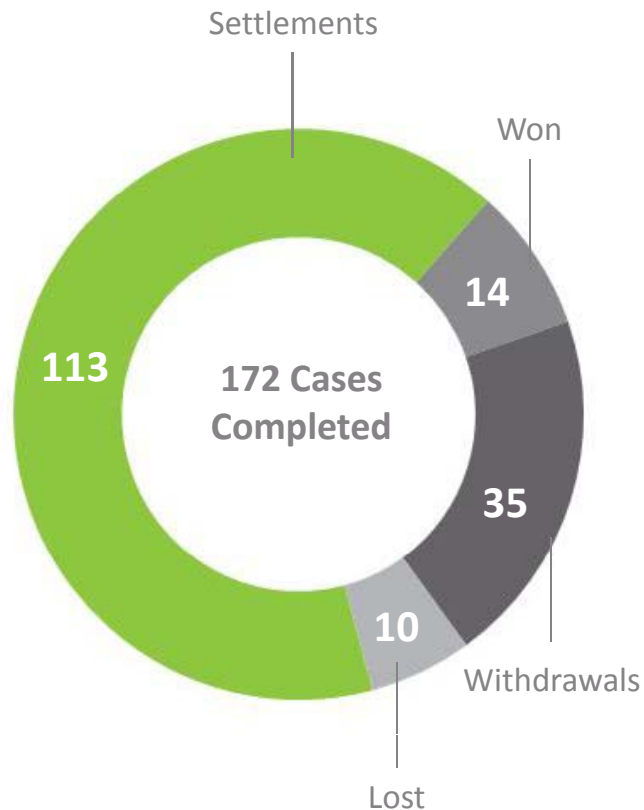
INVESTMENT PORTFOLIO HISTORY

IMF Case Investment Portfolio



TRACK RECORD

IMF's track record to 30 April 2015



Summary

- **172** cases commenced and completed since listing.
- Average investment period of 2.4 years.
- Generated revenue of \$1.6B:
 - \$1023M to Clients (64%);
 - \$578M to IMF comprising:
 - \$225M reimbursement of costs (14%); and
 - \$346M net revenue to IMF (excluding overheads) (22%);
 - ROI of 157%.
- Lost cases cost \$30M including adverse costs (and provisions raised).
- Withdrawals cost \$5M.
- Losses and withdrawals cost 6% of IMF revenue.

US BUSINESS

- IMF established a US subsidiary in August 2011 and opened its first office in New York. Following growth, our Los Angeles office was opened in September 2013 and San Francisco in May 2015.
- US business now has 10 staff including 6 investment managers and 2 legal counsel. Investment managers are all former senior litigation attorneys, each of between 15 – 25 years legal experience.
- 20 cases have been funded since inception.
- Five of these cases have now been successfully completed with a further one partially completed, resulting in 6 matters producing income to the Group (two of these matters being smaller generating less than \$300,000 profit). Two have been lost with one under appeal.
- The claim value of the remaining cases funded in the US at 31 March 2015 was \$479M (June 2014: \$322M).
- US law concerning whether funders' communications are protected by privilege inhibit IMF's usual transparency about its business.
- Gross revenue from completed cases to date of \$41M. Net profit of \$20M. (from inception of US business and including YTD FY2015).
- Portfolio spread across a variety of case types including commercial, patent, appeal and multi-party.
- Different funding products to Australia: client funding using hybrid fee arrangements, funding client operational costs, funding to law firms across a portfolio of cases.
- Growing competition in the US market, but market knowledge of litigation funding remains at a relatively early stage.

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).
- Maintaining and growing the investment portfolio above \$2B claim size.
- In Australia, renewed focus on opportunities for funding in insolvency situations and other products.
- More competition in Australia and internationally, reflecting a maturing industry.
- Potentially more regulation in Australia - Productivity Commission recommended litigation funders be licensed to ensure they hold adequate capital and properly manage risks and conflicts of interests.

KEY RISKS

Item	Description
Choosing, and remaining in, a funded case that is ultimately lost	▪ 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	▪ IMF depends substantially on its executive directors, 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	▪ 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	▪ 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	▪ 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 (in certain markets).
Technology	▪ 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	▪ 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.