

Investor Presentation

Burford Capital Limited

1H 2016 Results

July 2016

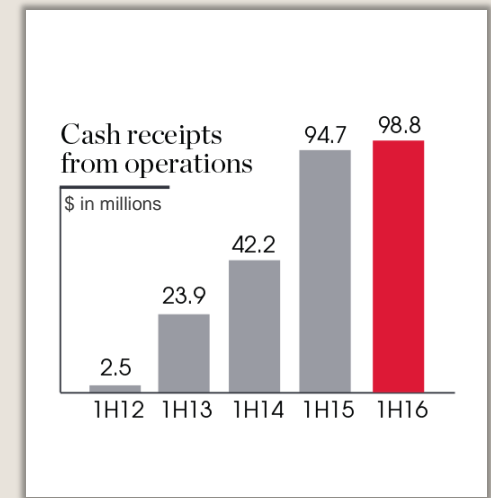
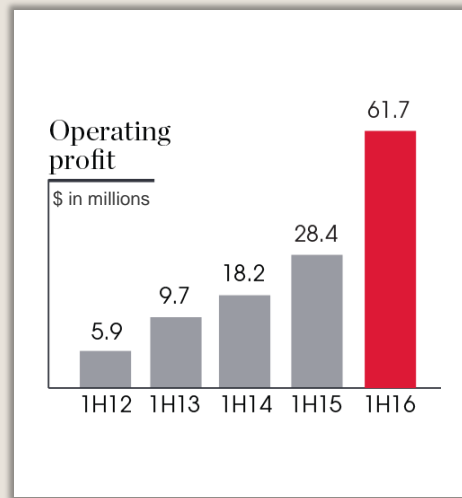
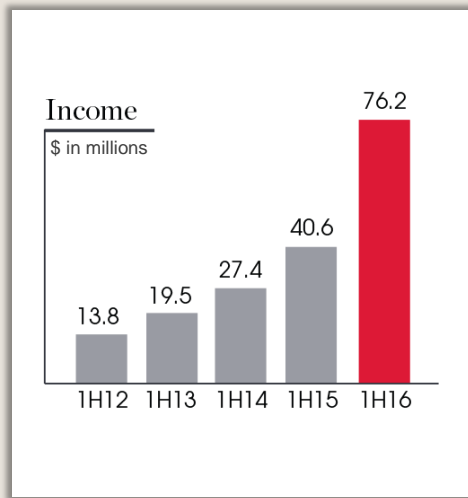




“Well-heeled investors are seeing the appeal in returns that are largely untethered to the wider stock market.”

– *Wall Street Journal*, 15 May 2016

1H 2016 Highlights



2.67¢

INTERIM
DIVIDEND

15% increase

\$200m

NEW
COMMITMENTS

147% increase

£100m

SUCCESSFUL
2ND BOND

@ 6 1/8 %

Brexit: Not bad for Burford

- Macro: demand for legal services tends to flourish during periods of uncertainty
 - Likely to be more litigation and no catalyst for any reduction in volume
- Micro: Burford is generally a beneficiary of a weaker Sterling versus the US Dollar
 - 94% of Burford's assets at 30 June are denominated in US Dollars
 - 100% of Burford's debt is denominated in Sterling

Impact of GBP/USD falling from 1.50 to 1.30

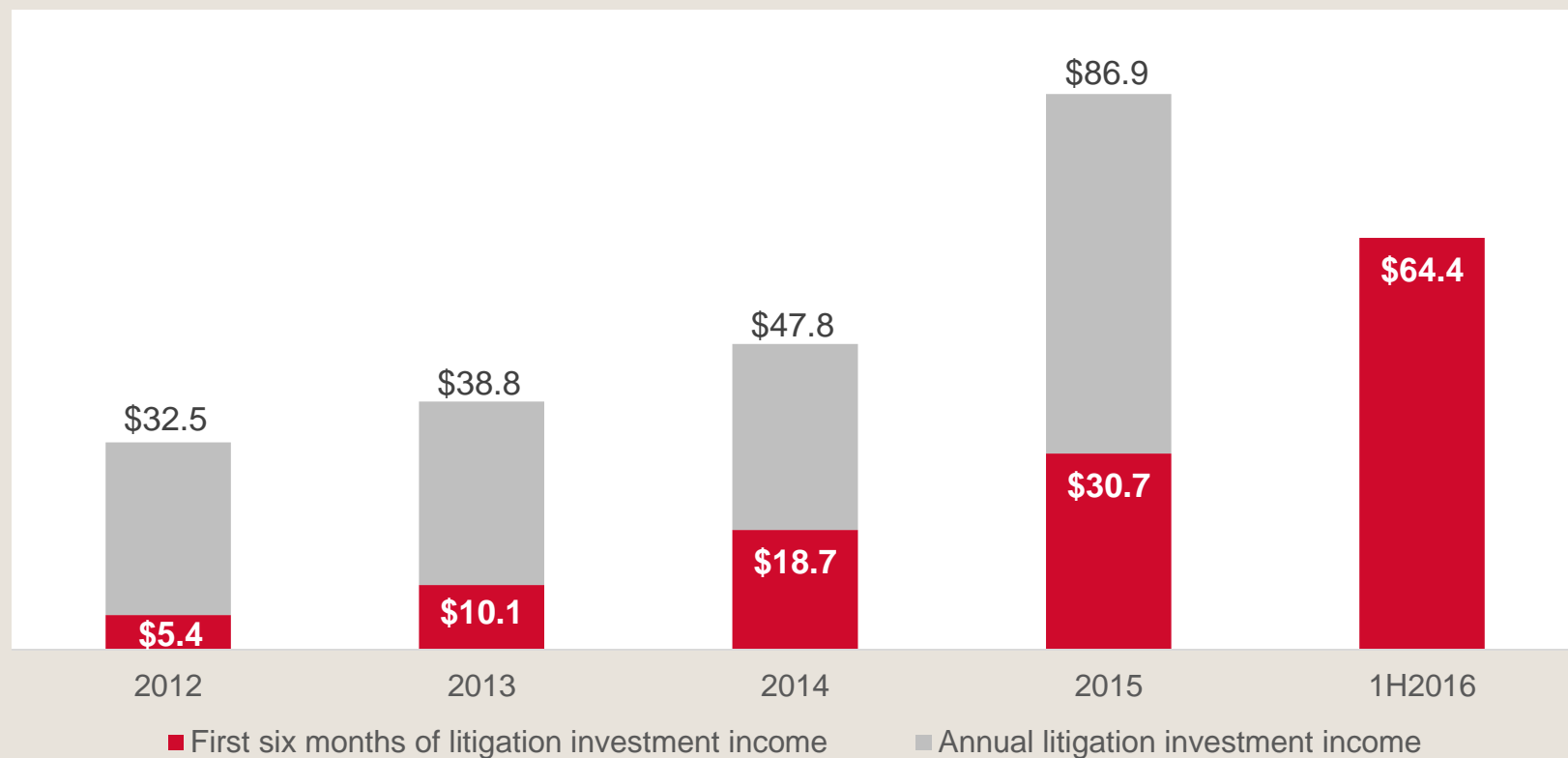
\$2.4m savings	in annual bond interest expense
\$38m reduction	in debt repayment cost
£73m increase	in Sterling value of USD-denominated assets

Another period of strong results

23 different investments contributed to the first half income of 2016

Litigation investment income

(\$ in millions)



Growth of litigation finance

Lawyers cite a significant increase in direct experience with litigation finance

- Three times as many private practice lawyers say their firms have used litigation finance directly (28%, vs. 11% in 2014 and 7% in 2013)
- Over half (55%) have talked to their clients about litigation finance, and 40% have been asked about it by their clients
- One third (31%) feel it's good practice to explain litigation finance to clients at the start of every case
- In interviews, lawyers cited a bevy of forces propelling this growth. Cost pressures, clients' desire to offload risk and increased competition among firms were the most commonly mentioned factors



2016 Judgment Enforcement Survey

Key findings

1. Enforcing judgments is not a foregone conclusion
2. Most clients have experience with unenforced judgments
3. Unenforced judgments are a significant unrealised corporate asset
4. Enforcement options are available, including financing
5. Understanding of the options available remains a significant barrier



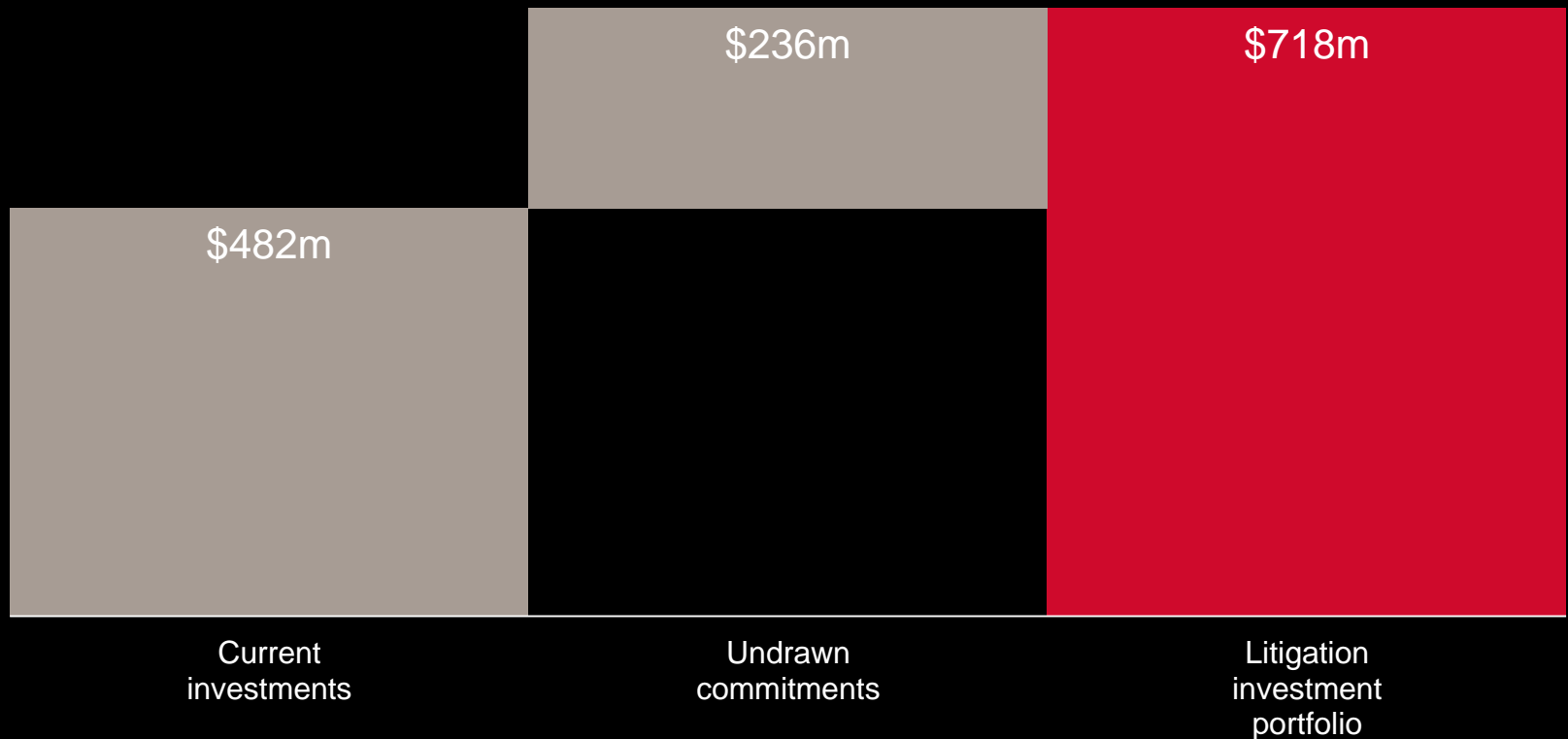
58%

*of corporates have not been
paid the full face value of a
judgment or arbitration award
(last five years)*

Litigation portfolio: Scale and diversification

\$193 million of new commitments made in first six months of 2016

More than 90% of these commitments were in portfolio and complex structures



Cash generation continues

Harvesting capital to reinvest in new investments

- \$99 million in cash generated in period, \$84 million of which was from the litigation finance business
- Examples of cash generation include:
 - Arizona real estate investment concluded producing total cash receipts of \$38.1 million on an investment of \$7.4 million generating a 47% IRR
 - \$2.3 million profit generated from a \$20.4 million investment within five days producing a 1,570,311% IRR

“Burford Capital has reported record earnings. And the company is deploying its investments in increasingly audacious way, marking a bold scaling up for the New York-based company as they move away from underwriting riskier one-off suits toward funding large pools of cases.”

American Lawyer, 24 March 2016

Successfully issued 2nd listed bond

Capitalises the business for future growth

- Over-subscribed offering that closed in April
- Raised £100 million 8 ½ year debt, 6.125% coupon
- Converted to USD shortly after issuance at an exchange rate of GBP/USD 1.4400
 - We converted our 2014 £90 million bond offering shortly after raising the capital at an exchange rate of GBP/USD 1.6660
 - Achieved GBP/USD 1.5471 weighted average exchange rate of conversion on total £190 million bond proceeds
 - Action reduces principal indebtedness by \$43 million compared with current exchange rates
- Burford's capital structure remains conservative with 0.3x leverage ratio
- Redeemed contingent preferred shares
 - Annual cash savings to Burford of \$1.2 million

Summary income statement

US\$ '000	30 June 2016	% change	30 June 2015
Litigation investment income	64,439		30,695
Insurance income	5,113		6,469
New Initiatives income	6,141		2,273
Other income	522		1,168
Total income	76,215	+88%	40,605
Operating expenses – litigation investment	(8,636)		(6,444)
Operating expenses – insurance	(830)		(1,508)
Operating expenses – new initiatives	(2,632)		(2,497)
Operating expenses – corporate	(2,437)		(1,782)
Operating profit	61,680	+117%	28,374
Finance costs	(5,876)		(4,589)
Taxation	(3,000)		(69)
Profit after tax	52,804	+123%	23,716

Segmental balance sheet – 1H 2016 and 1H 2015

30 June 2016 US\$ '000	Litigation Investment	Litigation Insurance	New Initiatives	Other corporate activity	Total
Non-current assets	494,262	347	18,418	1,653	514,680
Current assets	48,709	11,913	4,261	177,215	242,098
Total assets	542,971	12,260	22,679	178,868	756,778
Current liabilities	7,877	400	12	4,677	12,966
Non-current liabilities	194	-	-	251,262	251,456
Total liabilities	8,071	400	12	255,939	264,422
Total net assets	534,900	11,860	22,667	(77,071)	492,356

30 June 2015 US\$ '000	Litigation Investment	Litigation Insurance	New Initiatives	Other corporate activity	Total
Non-current assets	351,963	415	18,106	1,300	371,784
Current assets	70,891	7,792	1,066	142,572	222,321
Total assets	422,854	8,207	19,172	143,872	594,105
Current liabilities	22,364	1,040	647	3,649	27,700
Non-current liabilities	1,053	45	-	131,280	132,378
Total liabilities	23,417	1,085	647	134,929	160,078
Total net assets	399,437	7,122	18,525	8,943	434,027

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