Burford Capital Announces First Two Investments

2009-11-23

RNS Number : 8871C
Burford Capital
23 November 2009

23 November 2009

Burford Capital Announces First Two Investments

- Investments Confirm Burford's High Return Portfolio Model -

Burford Capital Limited ("Burford" or "the Company"), the commercial dispute investor, today announces that it has made its first two investments in commercial disputes following its successful IPO and admission to the AIM Market of the London Stock Exchange last month.

These two investments are for Burford's short duration portfolio, which aims to make investments expected to generate realizations within 12-18 months. Because of their proximity to resolution, short duration investments tend to be smaller than Burford's average investment because of the lower need for funding to reach resolution.

In addition to these investments, Burford has reviewed over 25 potential investments of widely varying size and duration in its first month of operations, a number of which remain in active due diligence.

The first investment is in a trade secret theft and breach of contract matter pending in US federal court with a trial date set for May 2010. Burford's investment is US$2.0 million to cover costs to get the matter to trial and the payment of some prior legal fees. If successful, the structure of the investment provides high returns for Burford with Burford entitled to a range of 35% to 67% of settlements or judgments depending on amount, with a lower result in the case providing a higher share of recovery to Burford.

The second investment is an arbitration matter concerning a shareholder dispute over the application of proceeds from the sale of a business with the arbitration hearing scheduled for February 2010. Burford's investment is US$2.3 million in this matter. The structure of the investment provides for a payment of 3x its investment to Burford (as first dollar recovery, before any money is received by the claimant) if the matter settles before or during the arbitration hearing, or 4x (also as first dollar recovery) if the matter is resolved thereafter.

Christopher Bogart, Principal of Burford Group, commented:

"Our ability to close two investments in less than a month following our IPO, both with the potential to deliver significant returns in a rapid period of time, validates the Burford business model and represents an important first step in creating a diversified portfolio of attractive investments."

For further information, please contact:

Fox-Pitt, Kelton Limited
Marc Milmo +44 (0)20 7663 6011
Jonny Franklin-Adams +44 (0)20 7663 6029

Financial Dynamics
Rob Bailhache +44 (0)20 7269 7200
Nick Henderson +44 (0)20 7269 7114

www.burfordcapital.com

Notes to Editors

- Burford Capital's strategy is to create and manage a portfolio of commercial dispute financing investments diversified by duration, claim type, geography and a number of other variables, with the aim of providing shareholders with attractive levels of dividends and capital growth. The Company expects returns to be uncorrelated to general equity market performance.

- In the short term, the Company intends to focus on commercial disputes in the United States and on international arbitration matters; in the medium term, the Company may expand its focus to other attractive and suitable jurisdictions.

- In the absence of unforeseen circumstances, the Company anticipates that the net proceeds of the IPO should be fully invested (or committed to be invested) within 18 to 24 months of Admission.

- Burford Group Limited (the "Investment Adviser") will act as Investment Adviser to the Company. The principals of the Investment Adviser are Christopher Bogart and Selvyn Seidel. Mr. Seidel has 40 years of experience as a practising litigator and chaired a variety of litigation and arbitration activities and cases for one of the largest law firms in the world. Mr. Bogart has been a practising litigator, the general counsel of a Fortune 50 corporation managing a portfolio of litigation, and an investment manager.

- The Company is chaired by Sir Peter Middleton, former Group Chairman and Group Chief Executive of Barclays Bank plc. Sir Peter is currently UK Chairman of Marsh & McLennan Companies, Chairman of Camelot Group plc and Chairman of the Centre for Effective Dispute Resolution, and also chaired a review of Civil Justice for the Blair Government.

This information is provided by RNS
The company news service from the London Stock Exchange

END

MSCCKKKQFBDDADB