Interim Results for six months ended 30 June 2017

2017-07-27

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Burford Capital
27 July 2017

This announcement contains inside information.

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BURFORD CAPITAL DELIVERS 151% GROWTH IN FIRST HALF OPERATING PROFIT
Investment income up 148%

Burford Capital Limited ("Burford" or the "Company"), a leading global finance firm focused on law, announces its financial results for the half year ended 30 June 2017.

Highlights

- Best ever results in Burford's history: 1H 2017 profit exceeds record profit for full year 2016

- Income increased by 130% to $175.5 million (H1 2016: $76.2 million), driven by a 148% increase in investment income to $161.6 million (H1 2016: $65.3 million)

- 151% increase in operating profit to half-year record of $155.0 million (H1 2016: $61.7 million), and 170% increase in profit after tax to $142.7 million (H1 2016: $52.8 million)

- Interim dividend of 3.05¢ (H1 2016: 2.67¢) declared, at the rate of one third of total 2016 dividend - an increase of 14% over last year's interim dividend. Interim dividend payable on 15 November 2017 with record date of 20 October 2017

- Strong demand for Burford's capital, with record new commitments to investments of $488 million (comprising $226 million from our balance sheet and $262 million from our investment funds), $289 million of which already deployed

- Record investment performance underpinned by 11 investments, including largest cash generation from a single investment in our history, the sale of 25% of our ongoing Petersen investment

- Cash generation of $173.7 million from investments on balance sheet, exceeding every previous half-year period

- Oversubscribed retail bond offering, raising £175 million at a 5% coupon, to further support client demand and future growth

- Gerchen Keller acquisition and integration successful and well-received, first fund starting to generate performance fees. Burford's new investment management business closed largest investment fund ever raised in sector, at $500 million, to invest in complex strategies

Sir Peter Middleton, Chairman of Burford, commented:

"In just under eight years, Burford has grown from an £80 million startup to become the clear industry leader. In six months, we have committed almost half a billion dollars to new investments. We look forward to continuing to develop our core business while supporting all our clients with a broad range of financial solutions."

Christopher Bogart, Chief Executive Officer of Burford, added:

"Burford has had an exceedingly active first half. Our continued strong growth has been driven by rising client demand as well as our ongoing investment in broadening our product offering and pioneering new markets. As the industry advances, we continue to innovate legal cost and risk management techniques while delivering strong investment returns for shareholders."

Financial Summary

A financial summary is set out below. Burford's complete interim report and unaudited accounts are available at http://www.rns-pdf.londonstockexchange.com/rns/2196M_-2017-7-26.pdf or from the Burford website: www.burfordcapital.com/investors.

	Six months ended 30 June 2017 $'000	**Six months ended 30 June 2016 $'000**	***% change***
Investment income †	161,633	65,267	
Investment management income	7,534	-	
Insurance income	4,626	5,113	
New initiatives income †	897	5,313	
Other income	834	522	
Total Income	**175,524**	**76,215**	***130%***
Operating expenses - investments †	(10,611)	(9,811)	
Operating expenses - investment management	(3,569)	-	
Operating expenses - insurance	(914)	(830)	
Operating expenses - new initiatives †	(1,755)	(1,457)	
Operating expenses - corporate	(3,720)	(2,437)	
Operating profit *	**154,955**	**61,680**	***151%***
Finance costs	(10,015)	(5,876)	
Profit before tax *	**144,940**	**55,804**	***160%***
Total taxation	(2,206)	(3,000)	
Profit after tax *	**142,734**	**52,804**	***170%***
	Cents	*Cents*	
Basic and diluted profit per ordinary share**	**63.89**	**25.52**	***150%***

† As reported in the 2016 interim report, law firm lending investments are included in the investments segment commencing with the 2016 annual report whereas historically they were included in the new initiatives segment. The 30 June 2016 figures have been restated for comparative purposes.

* Operating profit, profit before tax and profit after tax for 30 June 2017 do not include the amortisation of intangible asset relating to the Gerchen Keller acquisition and investment banking and brokerage fees.

** Calculated on a pure IFRS basis as shown on the Consolidated Statement of Comprehensive Income on page 11 of the 2017 interim report.

Investor and Analyst Conference Call

Management will host a conference call for investors and analysts at 2:00pm (BST) / 9.00am (EDT) on Thursday 27 July 2017. The dial-in number for the conference call is +44 (0) 20 3003 2666 / +1 646 843 4608 / (Toll free +44 (0) 808 109 0700 / +1 866 966 5335) and the password is 'Burford'.

An accompanying presentation will be available on the Burford Capital website: http://www.burfordcapital.com/investors/

A replay facility will be available until Thursday 10 August 2017 by dialling +44 (0) 20 8196 1998 / +1 866 583 1035 with the passcode '5490256#'.

The person responsible for arranging for the release of this announcement on behalf of the Company is Elizabeth O'Connell, Managing Director.

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About Burford Capital

Burford Capital is a leading global finance and investment management firm focused on law. Its businesses include litigation finance and risk management, asset recovery and a wide range of legal finance and advisory activities. Burford is publicly traded on the London Stock Exchange, and it works with law firms and clients around the world from its principal offices in New York, London and Chicago.

For more information about Burford: www.burfordcapital.com

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