



Annual General Meeting

7 November 2008





Annual General Meeting

Welcome to IMF's Annual General Meeting

Rob Ferguson
Executive Chairman and
Chief Executive Officer



- 2008 profit increased by 188% to \$17.2M (2007: \$5.97M)
- Settlement of 17 cases (including 12 major cases)
- Cash receipts from litigation funding of \$52M (2007: \$23M)
- 5 cent fully franked dividend (2007: 3 cent unfranked)
- Strengthening balance sheet - increase in net assets of 44% to \$67.2M (2007: \$46.8M)
- Reached max claim value of cases funded of \$1,098M (2007: \$874M). Caution on collectability.
- Conditional settlement of Aristocrat action (unconditional in August 08)
- Cash: \$51.64M (2007: \$23.9M)
- No debt - early redemption of Convertible Notes



Shareholder Returns

Matter	2008 ¢	2007 ¢
Basic earnings per share (cents per share)	15.04	5.24
Diluted earnings per share (cents per share)	14.70	5.24
Return on Asset % (NPAT / Total Assets)	17.70	8.96
Return on Equity % (NPAT / Total Equity)	25.52	12.75
Net debt / equity ratio %	Nil	28.61



2008 Settlements

Date Commenced	Matter name	Total Litigation contracts income \$ (M's)	Litigation contracts expenses (including capitalised costs) \$ (M's)	Net gain on disposal of intangible assets \$ (M's)
Jul-05	Wright v Wright	21.1	(1.9)	19.2
Jan-05	Ipernica Ltd v Ericsson	4.4	(0.7)	3.8
Jan-02	Finance Brokers (second tranche)	5.3	(1.6)	3.7
Nov-04	Sons of Gwalia	3.1	(0.3)	2.8
Dec-06	Eurogold v Oxus	2.7	(0.3)	2.4
Jan-02	Finance Brokers – (ex gratia payments)	1.9	(0.3)	1.6
Feb-02	Nomad	2.7	(1.1)	1.6
Aug-04	Truckies	1.4	(0.8)	0.6
Jul-04	Spatialinfo	3.9	(3.3)	0.6
Nov-04	Vogue Homes	0.9	(0.3)	0.5
Jun-03	Kingsheath	3.4	(3.0)	0.4
Nov-03	Coplex	1.5	(1.3)	0.3
Oct-03	Performance Finance	1.2	(1.1)	0.2
	Major Cases	53.6	(15.9)	37.7
	Other matters*	1.6	(5.8)	(4.2)
		\$55.2M	\$(21.7)M	\$33.5M

* Includes the costs of cases where the Group withdrew funding during 2008.

A Strengthening Balance Sheet

	2004	2005	2006	2007	2008	Sept 08
Cash	\$10.3m	\$16.3m	\$20.8m	\$23.9m	\$51.6m	\$83.5m
Investments	\$12.5m	\$24.0m	\$32.8m	\$30.3m	\$28.1m	\$19.9m
Net Assets	\$22.0m	\$36.7m	\$40.1m	\$46.8m	\$67.2m	\$85.5m



Settlements in FY09

Matter	Investment¹	Income
Aristocrat	\$12.7M	\$36.5M
Shenton Park	\$1.1M	\$3.5M
Concept Equity ²	\$0.4M	\$1.4M
Downer EDI ³	\$1.0M	\$6.8M
Total	\$15.2M	\$48.2M

¹ Includes capitalised overheads.

² Judgement delivered 7 August 08, however, defendant is appealing.

³ Settlement is conditional.



- Buy-back announced 15 February 2008
 - Unable to buy on market due to Wright and Aristocrat.
 - No shares purchased to date.
- Convertible Note Redemption
- Dividend of 5 cents fully franked declared
- Proposal for reduction of Share Capital by up to \$10M or approximately \$0.083 per share (subject to ATO rulings)
- 2009 forecast will enable ability to pay franked dividends in the future



- Expected FY09 Results:
 - NPBT \$29M
 - NPAT \$20M
 - First half FY09 result will be better than second half
- Healthy cash balance (30 Sept 2008 \$83.95M) and no debt
- Future capital return (subject to ATO rulings)
- Future fully franked dividends



IMF's Short Term Future - Operational

- Current economic climate is positive for improving the size of the investment portfolio
- Build portfolio – Shareholder class actions; Cartel actions.
- Increasing competition



New Agreements

Matter	Maximum Claim Value
Miles West Group v Transfield	\$6M
Allco Finance Group ¹	-
Octavia Ltd ¹	-
Centro Retail & Centro MCS Manager	\$100M+
Centro Properties & CPT Manager	\$100M+
OPES Prime Stockbroking	\$150M
Beconwood v ANZ	\$6M
Pan Pharmaceuticals v Commonwealth of Aust	\$150M
Credit Corp Group Ltd	\$15M
ABC Learning Centres Ltd	\$100M
Total	\$627M

¹ The claim values in these matters is still being determined. However, the maximum claim value is impaired due to the perceived inability of the defendant to pay the maximum claim.



- Decision to withdraw from joint venture:
 - Significant depreciation of AUD
 - Global economic crises
- Wrote-off \$0.4M in FY08
- Expect costs of \$1M in FY09 (included in the FY09 forecast)



Bonus Calculations

	2007	2008
Weighted Net Assets (WNA)	\$42.8M	\$47.1M
Target Return on WNA	15%	20%
Target Profit pre-tax before bonus kicks in	\$6.4M	\$9.4M
Actual Profit pre-tax	\$8.2M	\$24.8M
Actual Profit pre-tax > target (B)	\$1.8M	\$15.4M
Maximum bonus pool before cap (35% of B) ¹	\$0.6M	\$5.4M ¹
Actual Bonus Pool	\$0.3M	\$2.8M
Bonus pool as % of maximum pool	53%	73%
Actual bonus as % of pre-tax profit	5%	11%
Total wages + bonus as % of pre-tax profit	47%	32%

¹ The maximum bonus pool is capped at total eligible wages. Therefore in 2008 the bonus pool was capped at \$3.9M.



“That, Mr Robert 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.”



“That, Mr John Walker, 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.”



“That, for the purposes of Section 250R(2) of the Corporations Act 2001 (Cth), the remuneration report be adopted.”



“Subject to the Directors resolving to reduce the share capital of the Company and determining and announcing a Record Date that, for the purposes of Section 256C(1) of the Corporations Act 2001 (Cth), approval is given for the share capital of the company to be reduced by paying the sum of up to \$10M or approximately \$0.083 per fully paid ordinary share on issue on the Record Date, to be nominated by the Board.”





Questions and Answers

