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**BURFORD CAPITAL'S LITIGATION AND ARBITRATION FUNDING BAROMETER SHOWS
SIGNIFICANT GROWTH OF LITIGATION FINANCE IN UK**

***90% of lawyers aware of litigation finance,
and 86% recommend to clients***

***Corporate clients and financial executives increasingly use litigation finance to
de-risk and manage costs away from balance sheets***

Burford Capital has released the results of its inaugural UK litigation and arbitration funding barometer. This survey—the most comprehensive of its kind ever conducted in the UK—reveals that litigation finance is almost universally familiar to private practice lawyers as a tool to help their clients finance the rising costs of litigation.

Conducted by The Lawyer Research Service, which surveyed 250 lawyers, in-house counsel and C-level financial executives, the research definitively illustrates the growth and future potential of litigation finance. An impressive 90% of private practice lawyers and 58% of corporate clients say they're aware of litigation finance, and 9% of corporate clients say they used litigation finance in 2014.

The research also reveals that litigation finance is increasingly valued by corporate clients and financial executives as a way to de-risk and manage litigation costs off balance sheets.

Key survey findings include:

- 86% of lawyers are making clients aware of litigation finance—and 34% are doing so with every case, regardless of its size or complexity.
- 35% of lawyers said clients who had used litigation finance did so out of choice, not economic necessity—contradicting the conventional wisdom that litigation finance is exclusively for clients that couldn't otherwise afford to pursue claims.
- 19% of lawyers say their clients explicitly chose litigation finance to move litigation costs off their balance sheets—demonstrating growing savvy in the UK about the accounting benefits of litigation finance for corporate clients and financial executives.
- 19% of lawyers who had worked with litigation financiers had secured financing of a portfolio of cases—demonstrating a maturing interest in the UK in more innovative forms of litigation finance.
- 79% of lawyers whose clients used litigation finance in 2014 made the opposition aware of their outside funding—not only to show they were sufficiently capitalised

to pursue the case (56%) but also to demonstrate that the case had been validated by a third-party funder and for other reasons (44%)

Against a backdrop of the Government's move to raise civil and commercial court fees by up to 600 percent, the research also affirms the continuing value of litigation finance in providing access to justice. A sizeable majority (65%) of private practice lawyers say their clients that used litigation finance in 2014 did so because they couldn't otherwise afford to pursue claims. A smaller group (14%) chose funding to redirect capital resources that would have been spent bringing a case into other areas of their business.

Outside financing of litigation is likely to increase in use since corporate clients report significant economic pressures including increasing legal budget pressure (67%), cost-cutting (56%), and a need for discounted legal fees (39%).

Nick Rowles-Davies, Managing Director of Burford Capital UK, said: "What's most striking about the research is what it shows about the evolution of litigation economics in the UK. Three years ago, litigation finance was just emerging and only understood in the context of case funding. Now, savvy corporates are using it as a finance tool to take the cost of litigation off their books and for de-risking, or using litigation as a financeable asset to help grow the business. That's hugely important given the continuing pressures on legal budgets in the UK and where we are in the financial recovery."

Further research studies will be released by Burford in 2015 and 2016.

For the full report, please visit burfordcapital.com.

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