

Slater & Gordon

Slater &
Gordon
Lawyers

Andrew Grech - Managing Director

Annual General Meeting 26 October 2010

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No challenge too great

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FY10 Operating Highlights

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- ▶ **Continued strong organic fee growth - in excess of 12%**
 - 4 new greenfield offices opened - Joondalup (WA), Frankston (Vic), Ipswich and Townsville (Qld)
- ▶ **Major advances in consolidation of personal injury market**
 - Completed 5 acquisitions contributing annualised revenue of \$12 million
 - Expanded geographic reach with 6 new sites acquired
 - Announced major acquisition of Trilby Misso in June 2010 for \$57 million (completed in August) - step change in Queensland market share
 - Today announced Keddies acquisition - large boost to NSW market share
- ▶ **Continued expansion and diversification of practice groups**
- ▶ **Strong growth in Project Litigation and excellent outcomes for clients**
 - Storm Financial - reached innovative Resolution Scheme agreement with the CBA on behalf of 2,000 Storm clients
 - VIOXX - judgement in favour of class action claimant in March 2010 (since appealed by defendant)
 - Regulatory roadblock for litigation funding now removed

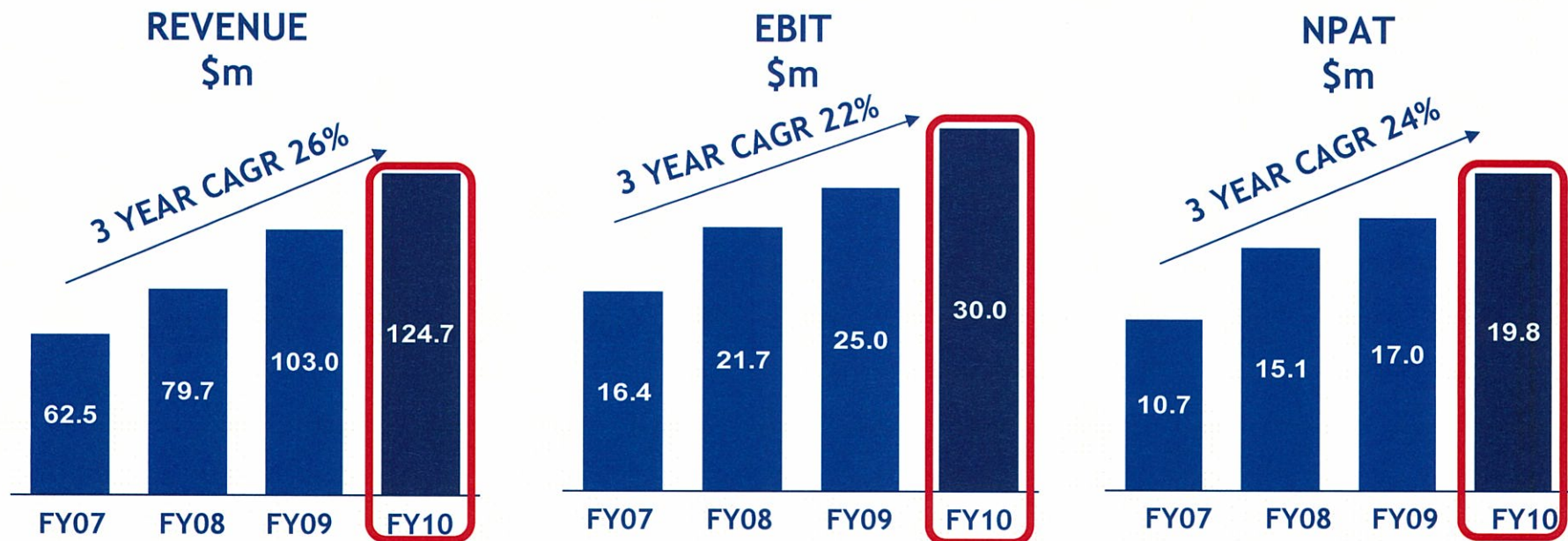
Profit & Loss

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	FY 2010 \$m	FY 2009 \$m	% change
Total Revenue	124.7	103.0	21.1%
EBITDA	31.5	25.9	21.3%
EBITDA to Revenue ¹	25.5%	25.5%	
EBIT	30.0	25.0	19.9%
EBIT to Revenue ¹	24.3%	24.6%	
NPAT	19.8	17.0	16.1%
EPS (cents)	17.9	15.9	12.7%
Dividend (cents)	5.00	4.25	17.6%

Delivering on our Strategy

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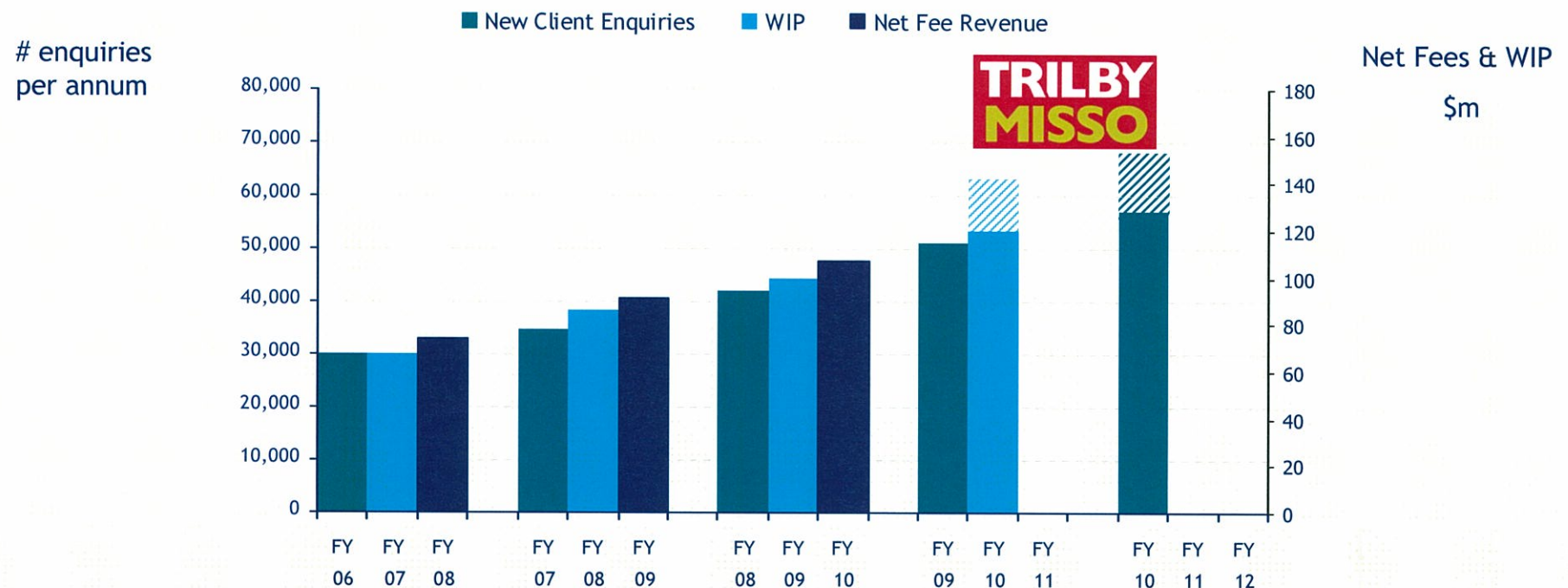


- ▶ Slater & Gordon is the leading consumer law firm in Australia
- ▶ Well defined growth strategy - accelerated organic growth and acquisitions
- ▶ Closing the gap between revenue and NPAT growth

Strong Visibility on Future Performance

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Relationship of Enquiries to WIP to Fees



- Continued strong correlation between new client enquiries, WIP and net fee revenue

- ▶ Acquisition effective from 13 August 2010
 - \$57 million consideration - funded by successful capital raising
 - expected to contribute approx \$30 million in revenue in FY11 with EBIT margin in excess of 30%
 - expected to be in the order of 9% earnings per share accretive in FY11
- ▶ Provides expanded geographic coverage and scale in Queensland
 - combined market share of 20-25% of the personal injury market in Queensland
 - strong base for further growth
- ▶ Operating as a standalone business under Trilby Misso brand
 - key operators in the business transferred in the acquisition
 - close marketing co-operation to maximise total S&G share of Qld market
 - meeting all performance expectations to date

Keddies Highlights

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- ▶ Slater & Gordon has agreed in principle to acquire Keddies, the largest specialist personal injury litigation firm in NSW for \$35 million, subject to execution of a formal agreement and final due diligence
- ▶ Significant acquisition providing geographic coverage and scale
 - Compelling strategic rationale, amplifying Slater & Gordon's presence in the growing western Sydney area
 - Attractive acquisition metrics 14% earnings accretive in full year terms
 - Funded by combination of cash and bank debt
 - Slater & Gordon to fund the cash component from its debt facilities and cash flow
 - Slater & Gordon new bank facility of \$95 million - this revised facility contemplates this and future transactions

Outlook for FY11

- ▶ Continued organic revenue growth
- ▶ Full year revenue target of approximately \$170 million, assuming Keddie's completes in January
- ▶ Full year EBIT margin target of 26%
- ▶ Balance Sheet to remain strong providing capacity for future growth

