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Strategy Overview

Andrew Grech
Investor Day – 10 June 2011

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Overview

- Australia’s leader in consumer legal services;
- Established a successful track record for executing growth strategy;
- Invested in a platform to secure sustainable long term growth.

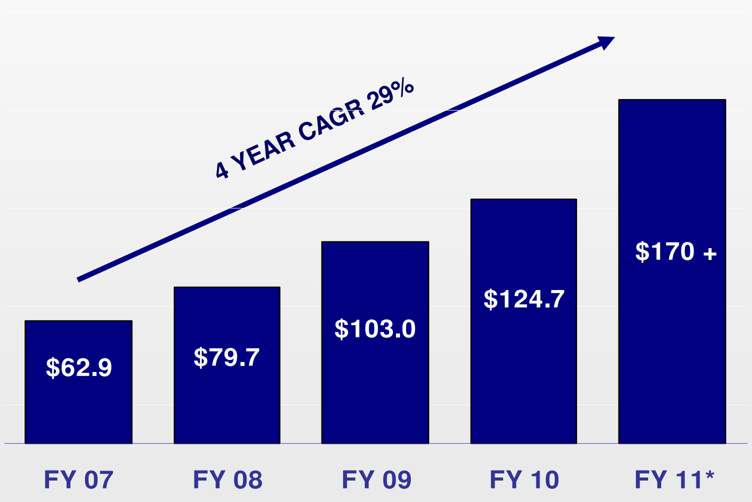
Australia’s leader in consumer legal services

- The law firm of choice for everyday people;
- Largest consumer law firm by significant margin in personal injuries litigation;
- Largest geographic reach by significant margin;
- Only large consumer law firm offering broad suite of consumer legal services outside of personal injuries work;
- Brand and work sources provide effective mitigation for key client and key person risk.

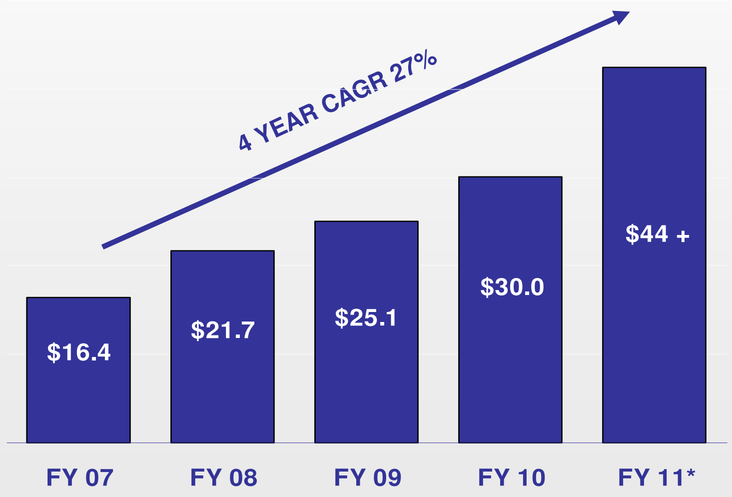
Established a successful track record for executing growth strategy

- Growth has been planned and executed with discipline:
  - Consistently strong revenue and earnings growth;
  - Executed EPS accretive acquisitions;
  - TSR since IPO in 2007 of 155%*.

Revenue $m



EBIT $m



** TSR based upon 30 day VWAP price to 6 June 2011.*

** FY11 data based upon previously disclosed SGH guidance*

Invested in a platform to secure sustainable growth

- Move to Governance by majority of independent non-executive Directors complete;
- National footprint with 50 locations in every State & ACT;
- Key senior legal and management roles filled by acquisitions and lateral recruitment;
- Scalable practice management system (PMS) well tested and now being optimised;
- Improved capability in marketing supported by newly developed Client Experience team;
- Opportunity to dominate the Australian consumer legal services market beyond personal injuries litigation.

Market opportunity for players capable of achieving scale

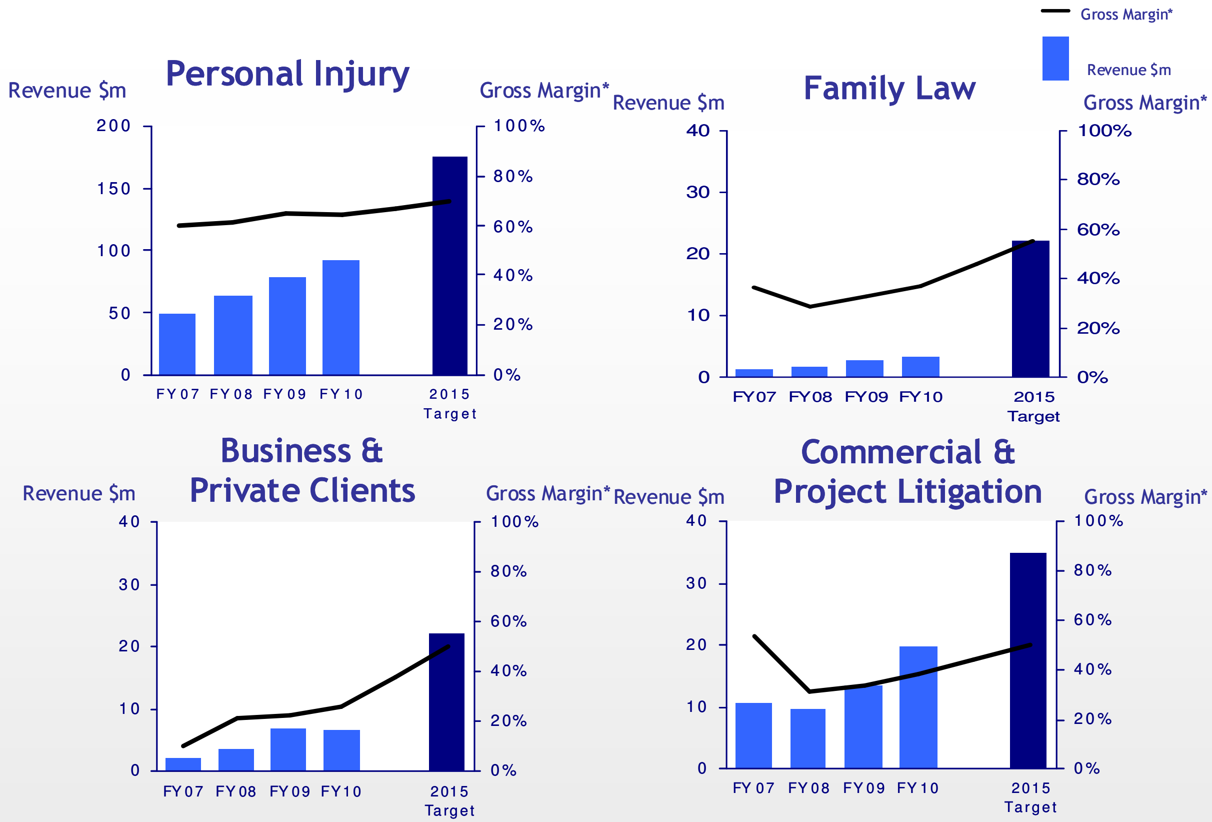
Practice Group	Personal Injury	Family Law	Private Clients	Commercial & Project Litigation
Estimated Market Size*	$550-700m	$400-500m	$700-750m	Not known
Current S&G Market Share	20-25%	<1%	<1%	-
2015 Target Market Share	25-30%	5%	3%	-

** S&G estimate based upon ABS data and internal research*

Business opportunity for players capable of achieving scale

- Scale translated into greater specialisation, which transfers to better service, more satisfied clients and staff;

- Scale allows consumer legal services to be priced more affordably without compromising (and in some cases building) gross margin;



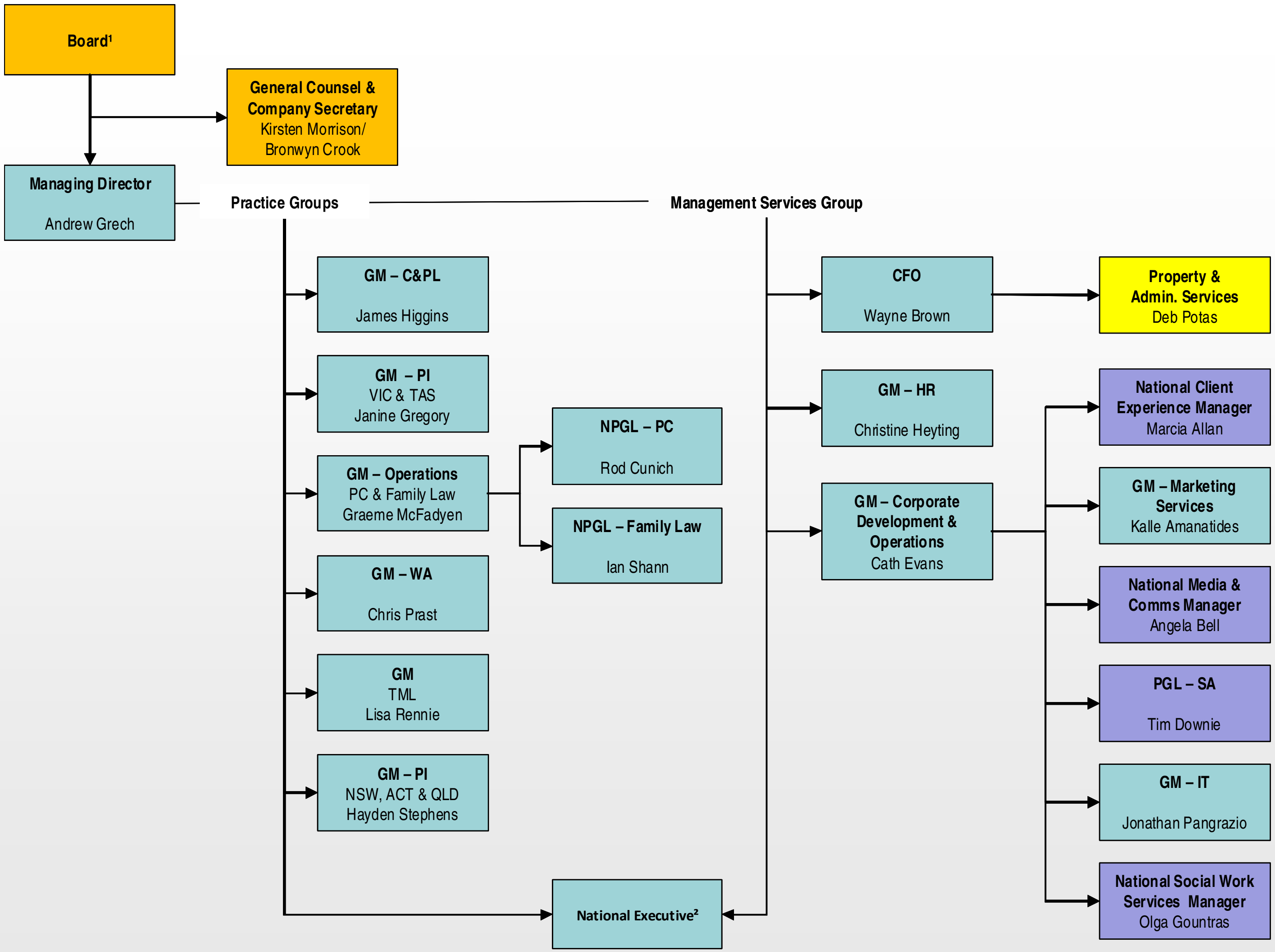
- Compared to PI practices, non PI consumer legal services have a lower profitability margin but provide comparable ROI to PI practice groups due to lower lower capital requirements.

** Gross Margin is revenue less employee benefits and labour on-costs*

Strategic priorities

- Continued organic growth of personal injuries practices;
- Extracting more value from 70,000+ enquiries per annum:
  - Increase conversion to clients;
  - Increase take-up of Slater & Gordon services.
- Integration of Keddies and Trilby Misso;
- Aggressive development of Family Law and Private Client practices;
- Selective growth of Commercial & Project Litigation practice;
- Development of opportunities for our people.

Developing opportunities for our people



Annexure

[1] Board:

Anna Booth	Chair (Independent Non Executive Director)
Andrew Grech	Managing Director (Executive Director)
Ken Fowlie	Executive Director
Ian Court	Non Executive Director
Erica Lane	Non Executive Director
John Skippen	Non Executive Director

[2] National Executive:

Andrew Grech	Managing Director
Wayne Brown	CFO
Cath Evans	General Manager – Corporate Development and Operations
Jonathan Pangrazio	General Manager – Information Technology
Kalle Amanatides	General Manager – Marketing Services
Christine Heyting	General Manager – Human Resources
Janine Gregory	General Manager – PI (VIC & TAS)
Hayden Stephens	General Manager – PI (NSW , ACT & QLD)
Lisa Rennie	General Manager – TML
Chris Prast	General Manager – Western Australia
James Higgins	General Manager – Commercial & Project Litigation
Graeme McFadyen	General Manager – Operations, Private Clients & Family Law
Rod Cunich	National Practice Group Leader – Private Clients
Ian Shann	National Practice Group Leader – Family Law

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Applying the Victorian Personal Injuries Practice Model Nationally

Cath Evans
General Manager – Personal Injuries South

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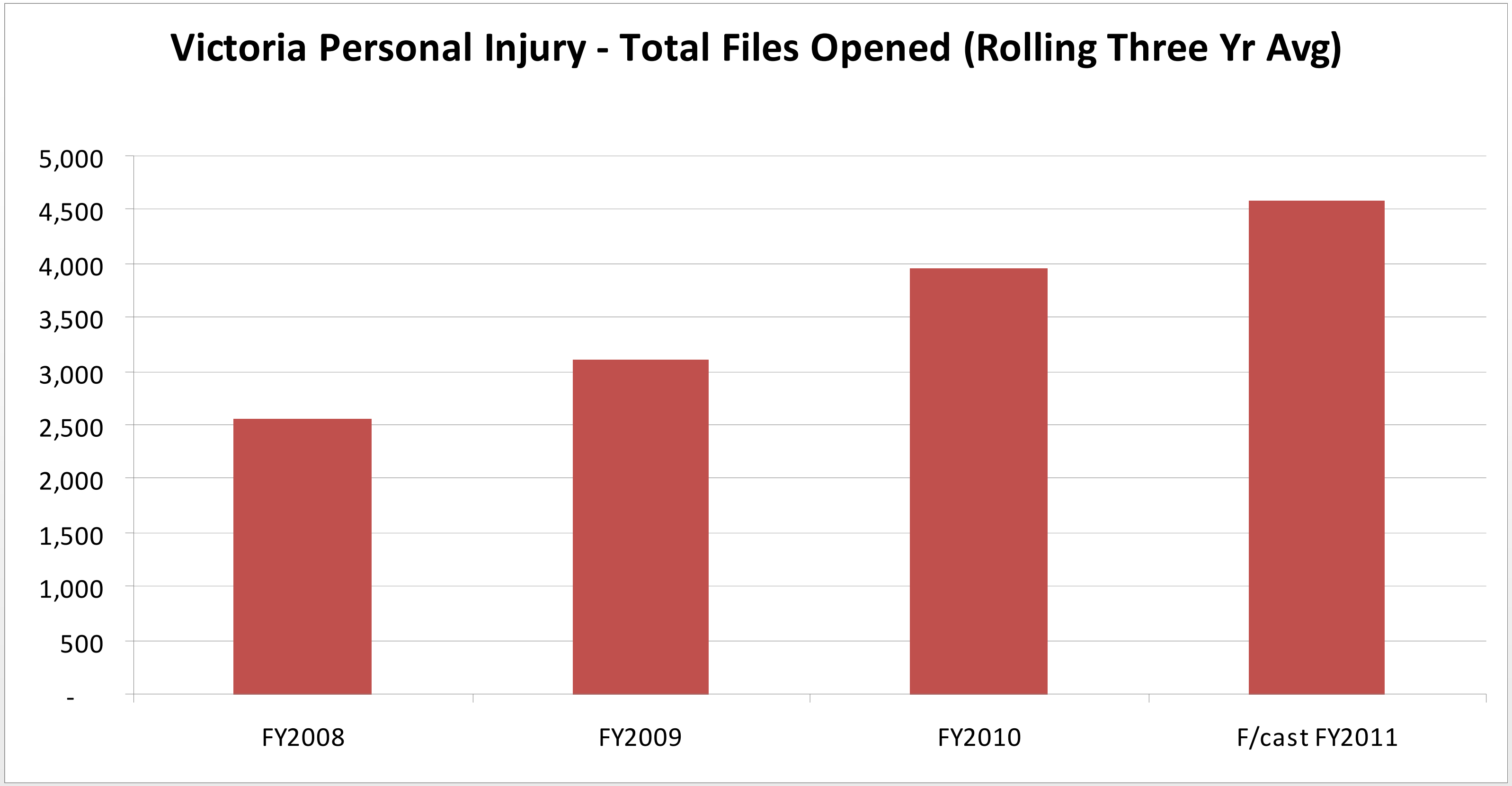
- New role & responsibilities;
- Growth in Victoria PI;
- Extracting value nationally:
  - Geographic presence – Hub and Spoke model;
  - The importance of research;
  - Improving efficiency and quality through technology;
  - Growing new business organically.

General Manager - Corporate Development & Operations - FY2012

- New responsibilities:
  - Improve efficiency and quality through technology;
  - Increase file conversion rates;
  - Increase client referrals to non PI practices;
  - Increase enquiries.

Victoria Personal Injury - Organic Growth since FY2007



FY11 - Implementing Hub & Spoke Model

- **Hub - Central office (approx 20- 24 FTE):**
  - Located in central geographic area, all work processed from this site;
  - Managed by senior lawyers, supervising junior lawyers;
  - Leverages cost of transacting work down;
  - Maintains high level of service and quality;
  - Quality control and risk management;
  - Manage resources more effectively with higher staff numbers.

- **Spoke - Regional office (<4 FTE):**
  - Located in regional areas where populations are smaller;
  - Staffed by lawyers visiting from Hub to advise new and existing clients;
  - Lower capital requirement of `spoke' site ie. floor space, fit out.

Research is key to identifying potential new sites

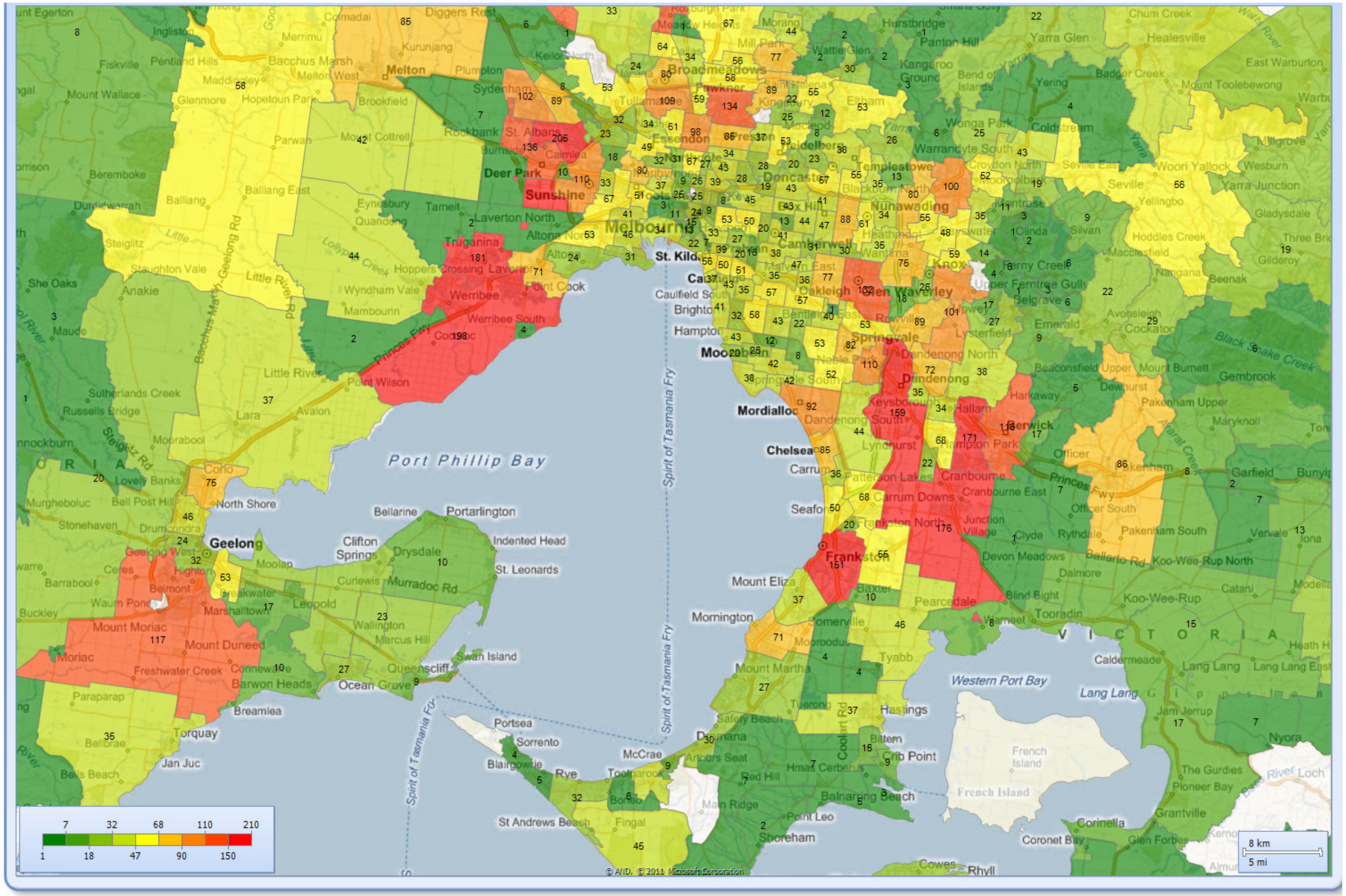
Ringwood Catchment

2006

- *2 staff*
- 95 PI files

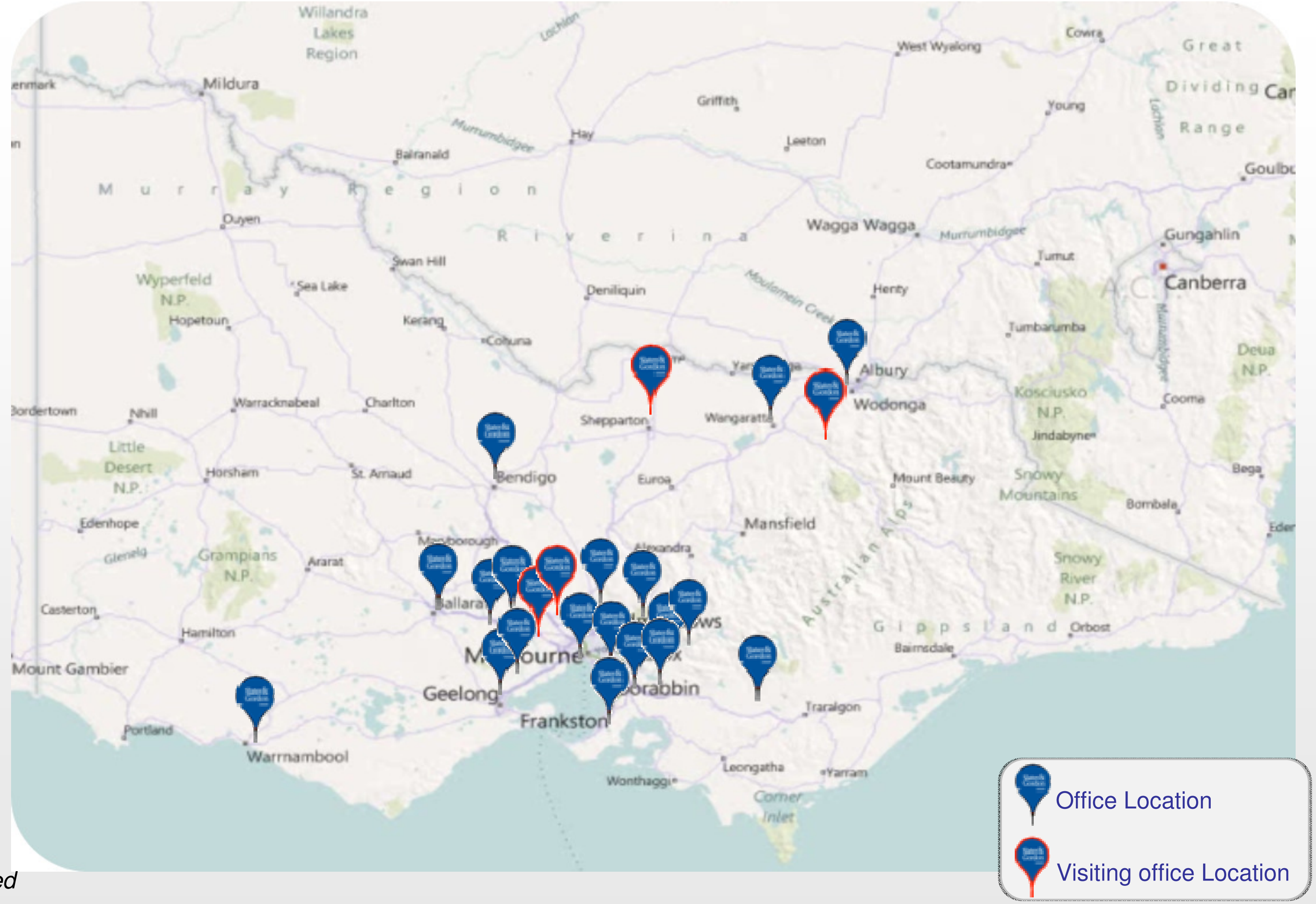
2011

- *14 staff*
- 420 PI files



Our Victorian Offices

- **2007 and prior**
  Melbourne
  Ballarat
  Carlton
  Dandenong
  Footscray
  Geelong
  Morwell
  Ringwood
  Reservoir
- **2008**
  Shepparton
  Sunshine
- **2009**
  Bendigo
  Keilor
  Preston
  Wodonga
- **2010**
  Frankston
  Myrtleford
  Wangaratta
- **2011**
  Werribee
  Bendigo
  Warrnambool
  Cranbourne - *proposed*
  Box Hill - *proposed*



Improve efficiency and quality through technology

- S&G invested heavily in development of a Practice Management system (PMS);
- Central to the PMS is the development of Workflows that map the key stages of a litigation file, linked to a review system and precedents.

Improves ROI:

Reduces resolution time	Over 4 years, time per file reduced from 4-5 years to 1.5 to 3.0 years
Optimises labour ratio	Controls the number of cases each lawyer carries/support staff ratio/reduces training time/greater flexibility in recruitment
Consistent service offering	Strategy and suite of precedents that lawyers must follow
Manages risk	Ensures that lawyers implement best practice

Improve efficiency and quality through technology…….

- Implemented automated workflow system targeting practices that are:
  - Higher volume;
  - Easily customised.

FY11

- Launched WF2 for Vic/NSW MVA & Workplace Accident;
- Trilby Misso implementation complete and will shortly launch WF2 in S&G QLD;
- Conveyancing Group;
- Family Law PMS due for Release 1 July 2011.

FY12

- Workflow program to be extended to Civil Liability - Public Liability, Asbestos, Medical Law.

New business initiatives to lift client conversion and cross sell services

Client Assist: Pilot program being rolled out in Victoria:

- One of several initiatives across the business;
- Staff linked to Hub/Spoke model with Client Assist Consultant providing reception service to `Spoke' office, and undertaking Client Assist function;
- Client Assist Consultant makes contact with target clients at critical stages throughout the engagement:
  - Increase client conversion rates;
  - Builds awareness of other SG services;
  - Assists in facilitating cross referrals to additional services;
  - Assists in managing client expectations of service delivery;
  - Act as the initial contact point for localised customer service enquiries.

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NSW and QLD Personal Injuries Practice Post Acquisitions

Hayden Stephens
General Manager – Personal Injuries North
Investor Day – 10 June 2011

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Acquisitions: Trilby Misso and Keddies Lawyers

- What we said then:
  - Grow our PI business in NSW & QLD;
  - Achieve greater geographical spread;
  - Create a game changing opportunity: a critical mass of clients and staff;
  - With critical mass:
    - Improve margin;
    - Client service through systems and processes;
    - A strong competitive position from a combined marketing spend.
  - Financial performance to date of both are in line with forecast.

Acquisitions (continued)

- How we are executing the plan to leverage these opportunities in QLD and NSW?

- Focus today:
  - People;
  - Footprint;
  - Technology;
  - Clients and markets.

NSW Keddies: Executing the Plan

- People:
  - Over 80 new staff;
  - Strong leadership;
  - Utilising *acquired* leadership;
    - South Coast and Southern Sydney region (Scott Roulstone);
    - Greater Western Sydney (Tony Barakat).
  - Better utilising our *existing* leadership;
    - Practice group development (Roshana May and Genevieve Henderson).

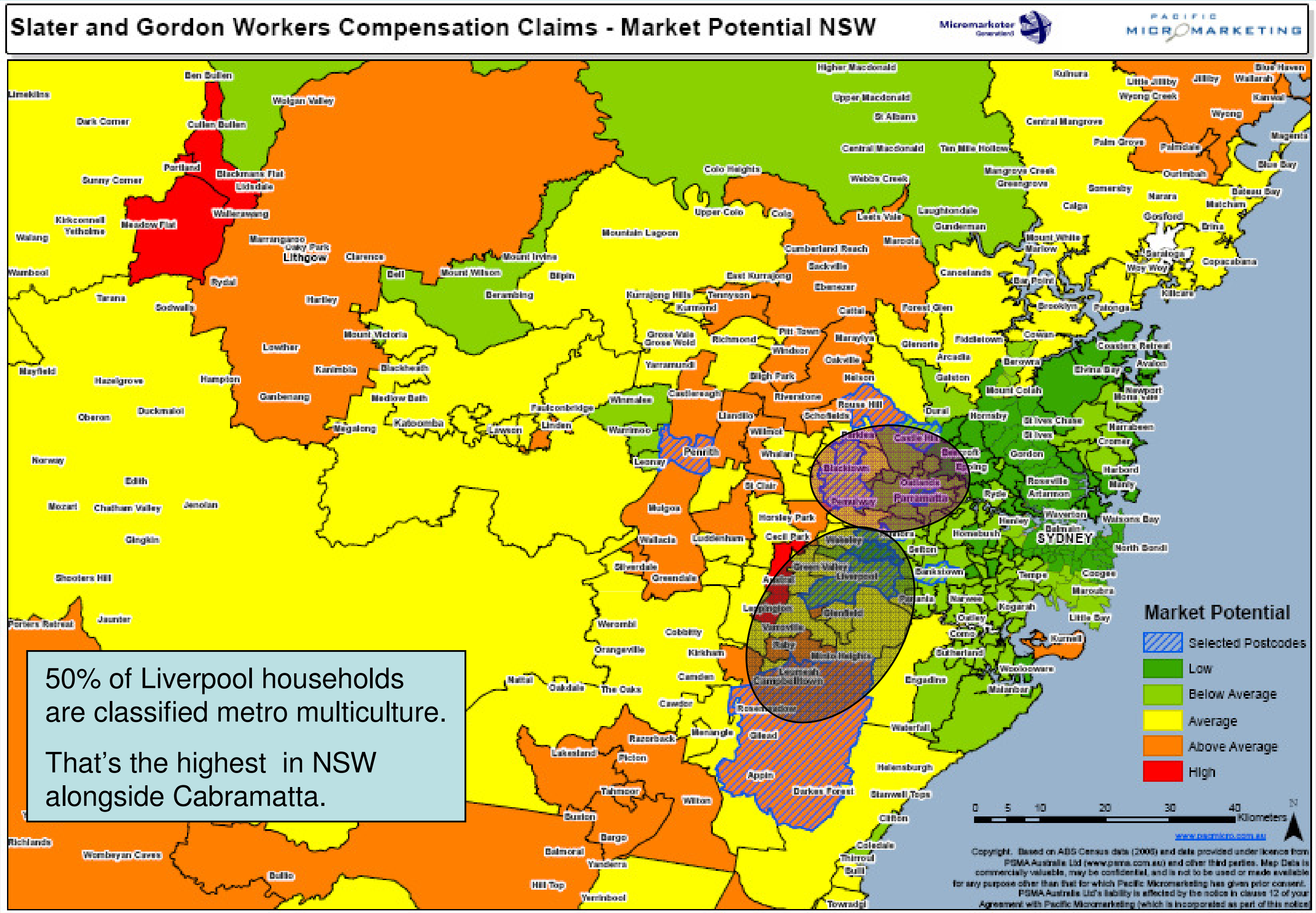
NSW Keddies: Executing the Plan (continued)

- Footprint:
  - Added 3 new sites – Redfern, Ashfield & Liverpool;
  - Integrated existing sites: Wollongong, Brisbane & Parramatta;
  - Combined NSW footprint of 14 sites;
  - Hub and Spoke: Southern NSW Region.
- Technology:
  - Workflow Roll out – WC & MVA – April 2011;
  - Practice Management System integration August 2011.

NSW Keddies: Executing the Plan (continued)

- Clients & Markets:
  - Increased file numbers fuel organic growth;
    - Keddies over 50% new business from existing clients.
  - Increased size gives capacity to better resource current referral marketing;
  - New referral opportunities: expansion of ethnic markets strategy;
  - Orderly dismantling of Keddies brand & transition to S&G.

Where Do They Live & Work



50% of Liverpool households are classified metro multiculture.

That's the highest in NSW alongside Cabramatta.

33.9% M/C

UK
Philippines
India
China
NZ

38.2% M/C

Vietnam
UK
Iraq
Italy
NZ

QLD Trilby Misso: Executing the Plan

- People:
  - 150 new staff to the SGH group;
  - Strong management team;
  - Spreading that expertise across wider SGH group;
    - Graeme McFadyen appointed GM in Private Client Division;
    - Lisa Rennie now assuming the role of GM at TML;
    - Luke Short transferring to SGH to take responsibility for regional Queensland.

QLD Trilby Misso: Executing the Plan (continued)

- Footprint:
  - Marketing of both brands to continue;
  - Rationalising operations: geographic and practice group;
  - Appropriate integration of key management services staff to underpin state-wide operations;
  - Expansion of TML south east QLD (spoke) office network;
  - Development of regional offices – build scale into existing S&G sites, expansion into new locations.

QLD Trilby Misso: Executing the Plan (continued)

- Technology:
  - Utilising combined knowledge: Workflow Roll out TML May 2011 and S&G August 2011.

- Client and Markets:
  - Implement findings on joint brand & client profile research.

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What's next …

- First priority for FY12 is consolidating key acquisitions & extracting full value;
- Long term value closely connected with effectively harnessing skills of senior practitioners;
- Will look for 'tuck in' opportunities;
- Be nimble and finesse approach to client & markets to maximise return on investment.

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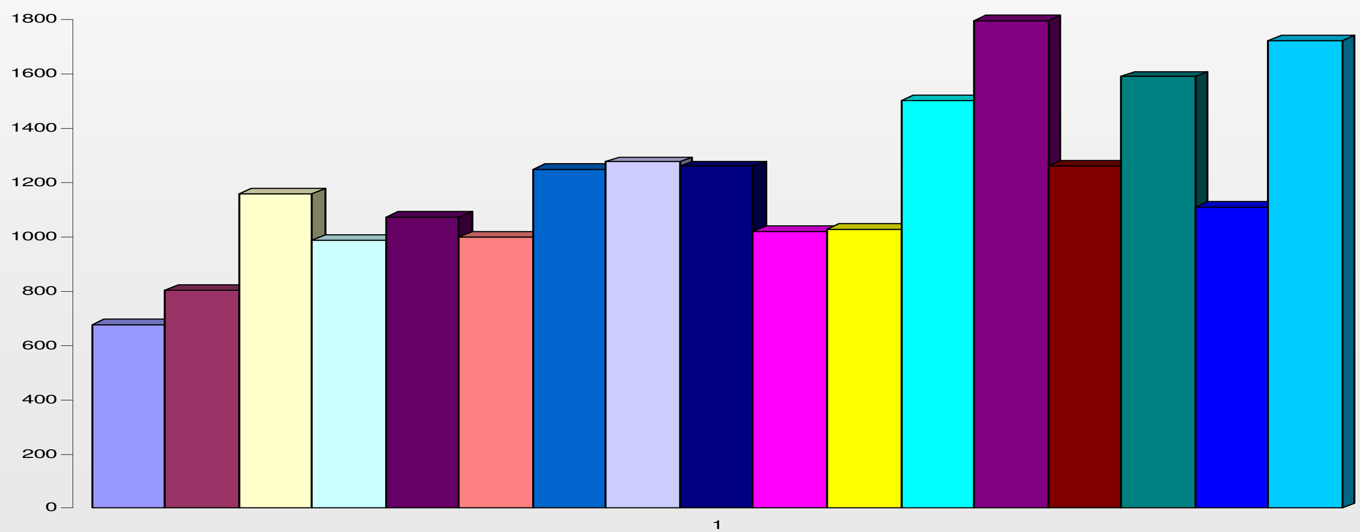
Commercial & Project Litigation

Ken Fowlie
Investor Day – 10 June 2011

Project Litigation: Key Brand Builder

- Project Litigation, matters involving:
  - a significant investment by the firm;
  - a higher than usual public profile.
- Substantial driver of media and customer touch points.



Project Litigation: Assessing Opportunities

- Prospective investments carefully assessed against internal criteria.
- Wholly self funded WIP valued at cost less discount for risk.
- Risk management policies in place.
- 3 significant cases so far concluded in FY2011.

Investment Criteria	What do they look like?
Legal merit	Compelling cases with high potential for success
Economic merit	Fee event which delivers an appropriate return on investment Usually > 2 year time horizon
Reputational	Allows SGH to build its profile and attract new business

Brookland Greens

Investment Criteria	Description
Legal merit	➢ Action against councils & EPA over contamination ➢ Case consistent with investigation & regulatory outcomes
Economic merit	➢ Significant impact on large group ➢ Class action an appropriate vehicle ➢ Principle-based differential compensation delivered through settlement scheme
Reputational	➢ Acting for core constituency ➢ Significant exposure, particularly, in VIC media ➢ Building on established reputation for conducting environmental litigation

Fincorp – Sandhurst Nominees

Investment Criteria	Description
Legal merit	➢ Pursuit of trustee company by little used but powerful provision of Corporations Act ➢ Carefully targeted case
Economic merit	➢ Significant impact on large group ➢ Class action an appropriate vehicle ➢ Principle-based differential compensation through settlement scheme – delivering strong returns to best claims
Reputational	➢ Connected with significant financial collapse impacting mainly older clients - over 5,000 claimants ➢ Legal first in financial services litigation

Going Forward…

- More of the same:
  - Shareholder and other financial services project litigation;
  - Actions connected with real property;
    - Compensation for compulsory acquisition of or access to land.
- More Innovation:
  - S&G RECOVER™ – better approach to professional negligence claims;
  - Three key elements:
    - Fixed Fee Assessment;
    - Conditional Fee conduct;
    - Access to Insurance.

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Next Opportunities

Andrew Grech
Investor Day – 10 June 2011

What will we look like in….2015?

- 1,300 people across 50 – 60 sites in Australia.
- 100,000+ New – Client Enquiries.
- $300m+ in Revenue.
- Business mix:

	2012		2015
Personal Injuries Litigation	82%	→	75%
Non Personal Injuries Services	18%	→	25%

- Improved Practice Area and Geographic Diversification.

The Family Law & Private Clients Opportunities

- Participate in significant and profitable sector of the consumer legal services market.
- Deliver a broader service to our existing clients.
- Reduce our overall business risk exposure to legislative changes.
- Provide innovative products to utilise our technological advantages and keep us at the forefront of change.

The Family Law Opportunity

1. SUSTAINABILITY	2. FEASIBILITY
➢ Fits our strategic objectives ➢ Attractive market economics ➢ Strong and growing customer demand ➢ Innovative and attractive service lines ➢ Exploit our competitive advantages	➢ 4-7 small acquisitions over 3 years ➢ 20% EBIT achievable with low ongoing working capital requirements ➢ Service offerings and investment in PMS will improve client satisfaction and operating cashflow performance
3. ACCEPTABILITY	**4. DOABILITY**
➢ Extension of our proven core competency - litigation services ➢ Leverage existing clients ➢ Response to testing of proposed offering - strongly positive ➢ Staff responding positively to challenge of changing work practices	➢ New leadership structure in place ➢ Proven acquisition capability ➢ Marketing plan: ready for launch in August 2012 ➢ Training and skills development ➢ PMS ready for testing and launch in 1st quarter of 2012

The Private Clients Opportunity

1. SUSTAINABILITY	2. FEASIBILTY
➢ Fits our strategic objectives ➢ Attractive market economics ➢ Strong and growing customer demand ➢ Complements core business ➢ Exploits a unique source of S&G competitive advantage	➢ Conveyancing model requires scale to succeed ➢ Wills are able to be delivered affordably ➢ Wills are lead generators for estate planning, probate and estate litigation ➢ 15% EBIT achievable - with very low ongoing working capital requirements
3. ACCEPTABILITY	**4. DOABILITY**
➢ Low risk option - extracts opportunity from existing clients in an area of growing concern for everyday people - asset protection and wealth setting ➢ Current clients have unmet needs which are looking for a solution ➢ Opportunity to develop wholesale distribution channels and contribute to development of the brand	➢ Investment in service and product development critical ➢ Must achieve growth to fully test scalability of systems and business model ➢ Training of workforce will be critical

What other opportunities have been considered?

- Further acquisitions within PI space in Australia.
- Professional services ancillary to legal services.
- Overseas expansion in consumer legal services.

Opportunities considered

- **Acquisitions within PI space in Australia**
  - Good prospect of small number of firms in $3-10m revenue space in key geographic locations in next 3 years.
  - Low prospect of substantial transaction which meets strategic goals and internal return hurdles.

- **Professional services ancillary to legal services**
  - Not part of core expertise.
  - Current environment presents high brand risk profile.
  - Very large institutions have a first mover advantage on consolidation.
  - Comparative margins lower in attainable segment of market and more cyclical than legal services.

Opportunities under consideration

- **Overseas expansion in consumer legal services**
  - Legal systems in the “common law” world very similar.
  - Structure of legal profession very similar, highly fragmented with pockets of intense concentration.
  - Core skills of workforce relatively transferable.
  - Drive towards consolidation in consumer legal services – a global phenomenon.
  - Accelerating movement towards removing prohibitions on non lawyer ownership of law firms.

Common Law Jurisdictions Regulatory Structures

NON LEGAL PRACTITIONER OWNERSHIP OF LEGAL PRACTICES	
PERMITTED	**PROHIBITED**
➢ Australia ➢ UK (England and Wales)*	➢ Canada ➢ Hong Kong ➢ India ➢ Malaysia ➢ New Zealand ➢ United States ➢ Scotland

* Up to 25% external ownership permitted now – moving to 100% on 6 October 2011.

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Size of UK Consumer Legal Services Market*

	UK £	UK AUD	AUST AUD
PI	2.16	3.50	0.70
Wills, Estate Planning, Probate & Estate Litigation	1.20	1.90	0.50
Domestic Conveyancing	0.75	1.20	0.25
Family Law	0.85	1.30	0.50
Criminal Defence	0.25	0.40	N/A
Employment Law	0.75	1.20	N/A
	5.96B	9.5B	1.95B

* Baseline data sourced from IRN Research of the UK Legal Services Market published in April 2010. Adjusted by estimation of attainable market.

Potential Opportunity in the UK

- UK market for consumer legal services is undergoing significant change drive by a number of factors
  - Changing regulatory environment – structure of ownership of legal practices.
  - Changing regulatory environment – reduce cost of personal injuries litigation – impact on profitability for small firms.
  - Impact of the GFC.
- S&G has long standing relationships with UK firms.
- S&G Brand – as first listed law firm in the world recognised by lawyers operating in comparative legal systems.
- Opportunity being more seriously evaluated.

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