AGM 2011 - Chair's Address

Ladies and gentlemen, welcome to the 2011 AGM of our company. I am Anna Booth and I have the honour of chairing your company.

I am advised that we have a quorum and I therefore formally declare the meeting open.

I'm delighted to welcome you here to our brand new home in Sydney. The paintwork is barely dry.

This new office is another indicator of how our company has grown and in particular how much we have grown outside our traditional Victorian base. Only 3 years ago, 56% of our revenue came from Victoria. Now it's down to 41% and that's while the Victorian business is still enjoying strong organic growth. We now have well over 50 offices across every state and territory except Northern Territory. This geographical diversification has made Slater & Gordon a much stronger business.

Now it is my pleasure to introduce the members of our board.

Firstly, my fellow independent non executive directors - Ian Court, Erica Lane and John Skippen. Ian chairs the board's Audit, Compliance and Risk Management committee and Erica Lane is the chair of the Nomination and Remuneration committee.

Our long serving managing director Andrew Grech is no doubt well known to all of you. Executive director Ken Fowlie would also be a familiar face to many of you. Ken must be particularly proud of this new office and of the growth in the NSW practice. Ken was one of only two S&G employees in New South Wales not that many years ago.

I'd also like to introduce our chief financial officer and joint company secretary Wayne Brown and our acting general counsel Bronwyn Crook.

The company's auditor, the lead engagement partner of Pitcher Partners, Matthew Pringle, is also present at today's meeting.

Ladies and gentlemen I am again pleased to be standing in front of you reporting on a strong year for Slater & Gordon. Since we listed in 2007, our company has enjoyed compound annual earnings growth of almost 30% per annum.

This time last year our presentations were mostly about the then recently announced acquisitions of Trilby Misso in Queensland and Keddies in New South Wales. The main focus for our company in the 2011 financial year was on the integration of those acquired firms into our business. The strong contribution both made to our results is the best indicator that the integration has gone very well so far.

While the two acquisitions necessarily took a lot of management attention, it is exceptionally pleasing to note that the rest of our business continued to perform well. I think that is an excellent indicator of the depth of management expertise in our company. Career development and succession planning have been areas of significant focus for the board's Nomination and Remuneration committee over the past few years. The attention given and the resources invested are clearly bearing fruit.

While we certainly see scope for further growth in the Australian personal injuries litigation market, there are limited opportunities for more acquisitions of the Trilby Misso or Keddies size. We'll continue to pursue opportunities to accelerate the organic growth of the personal injuries business while we develop other avenues for the long term growth of the company.

At our annual planning retreat in March, the Board confirmed its commitment to supporting the exponential growth of the Family Law and Private Clients practices, part of our overarching strategy to become the law firm of choice for everyday Australians across a range of legal service offerings.

We also launched our innovative fixed fee offering for Family Law with some fanfare last month. Your board supported a substantial investment in the marketing of that launch in Victoria and I understand results to date have been very good. . I thought shareholders would be interested in hearing some more about the launch so I've asked national practice group leader for Family Law, Ian Shann, to do a short presentation at this meeting.

Your board also continues to give its support to management to explore opportunities for Slater & Gordon in overseas markets, particularly in the UK which is a similar legal jurisdiction to Australia and where regulations are changing soon to permit a range of Alternate Business Structures including incorporated law firms to operate. There are many similarities between the Australian and UK legal markets and some differences. I wish to assure shareholders that your Board will ensure that every similarity and every difference has been critically assessed before we consider any investment overseas.

On Wednesday last week the judgment in the Vioxx class action appeal was handed down. Unfortunately the original judgement in favour of our lead plaintiff client, Mr. Peterson, was overturned. It is important to note that Mr Peterson still has the right to seek leave to appeal to the High Court and the rights of other members of the class have not been extinguished. The Board will continue to take advice on the strength of the remaining rights available to Mr Peterson and other class members to determine whether any write down of the carrying value of the $9.8 million we have invested in this case is appropriate.

Ladies and gentlemen thank you for your continued support of our company. I would also like to thank my fellow directors and all of the 1,150 or so Slater & Gordon staff for their contribution to our great company during the year.

Thank you for coming today ladies and gentlemen. I am now pleased to introduce our managing director Andrew Grech.