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Slater & Gordon to acquire Conveyancing Works

- Key element in S&G's strategy to grow outside the personal injury legal market.
- Will underpin growth strategy for domestic conveyancing practice in Queensland with expansion in to New South Wales, Victoria and eventually nationally.

Slater & Gordon Limited (ASX: SGH) announced today that it had agreed to acquire the Queensland conveyancing specialist firm Conveyancing Works for a consideration of approximately \$5 million.

The acquisition of Conveyancing Works, which has forecast full year revenue of approximately \$8.0 million, will be a major step forward in Slater & Gordon's strategy of developing its non-personal injury legal practices.

Conveyancing Works currently has an estimated 14% market share of the domestic conveyancing services market in Queensland based on the number of transactions completed in 2011 and is the largest specialist firm operating in this area in Australia.

Slater & Gordon Managing Director, Andrew Grech said the company would use the acquisition as a base from which to develop a significant share of the domestic conveyancing market in Queensland, Victoria and New South Wales over the next few years and eventually nationally.

"This announcement delivers on our commitment to more actively pursue a strategy of growth in the non-personal injury consumer legal services sector.

"It also forms part of our longer-term strategy of expanding the range of legal services that we offer everyday Australians," Mr Grech said.

Conveyancing Works developed its business model and practice management system to enable it to complete high volumes of transactions for clients efficiently. It is based in Brisbane and has nine offices in Queensland (at Cairns, Caloundra, Hervey Bay, Mackay, Maroochydore, Palm Beach, Rockhampton, Southport and Townsville), and more than 50 staff members, all of whom will be retained.

Conveyancing Works Executive Chairman, Don Horsfall, said:

"This is an amazing opportunity for our business, which started in 2000 with just two staff."

"We have grown our law firm based on a strong commitment to delivering efficient conveyancing services and supporting Queenslanders in their home acquisition goals", Mr Horsfall said.

“Taking this business model beyond Queensland has been something that we have dreamed of, but we have lacked the necessary national infrastructure and competencies to realise this strategy.

“This acquisition by Slater & Gordon will enable us to expand nationally without compromising on our commitment to high service standards. As the principals from Conveyancing Works will be remaining with the business we will have the ability to support and assist in developing and expanding Slater & Gordon’s conveyancing service offering.”

It is expected that the transaction will be completed on or about 25 November 2011. The transaction has been the subject of an extensive due diligence process, which has been substantially completed over the last twelve months.

The Consideration includes shares being issued to the Vendors as well as deferred consideration (of \$1.5 million) payable within 14 months of completion, conditional on certain post completion events and targets being achieved. The share component is subject to escrow periods totaling three years.

ENDS

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