Slater & Gordon Lawyers

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Andrew Grech – Managing Director

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Results presentation – H1 FY12

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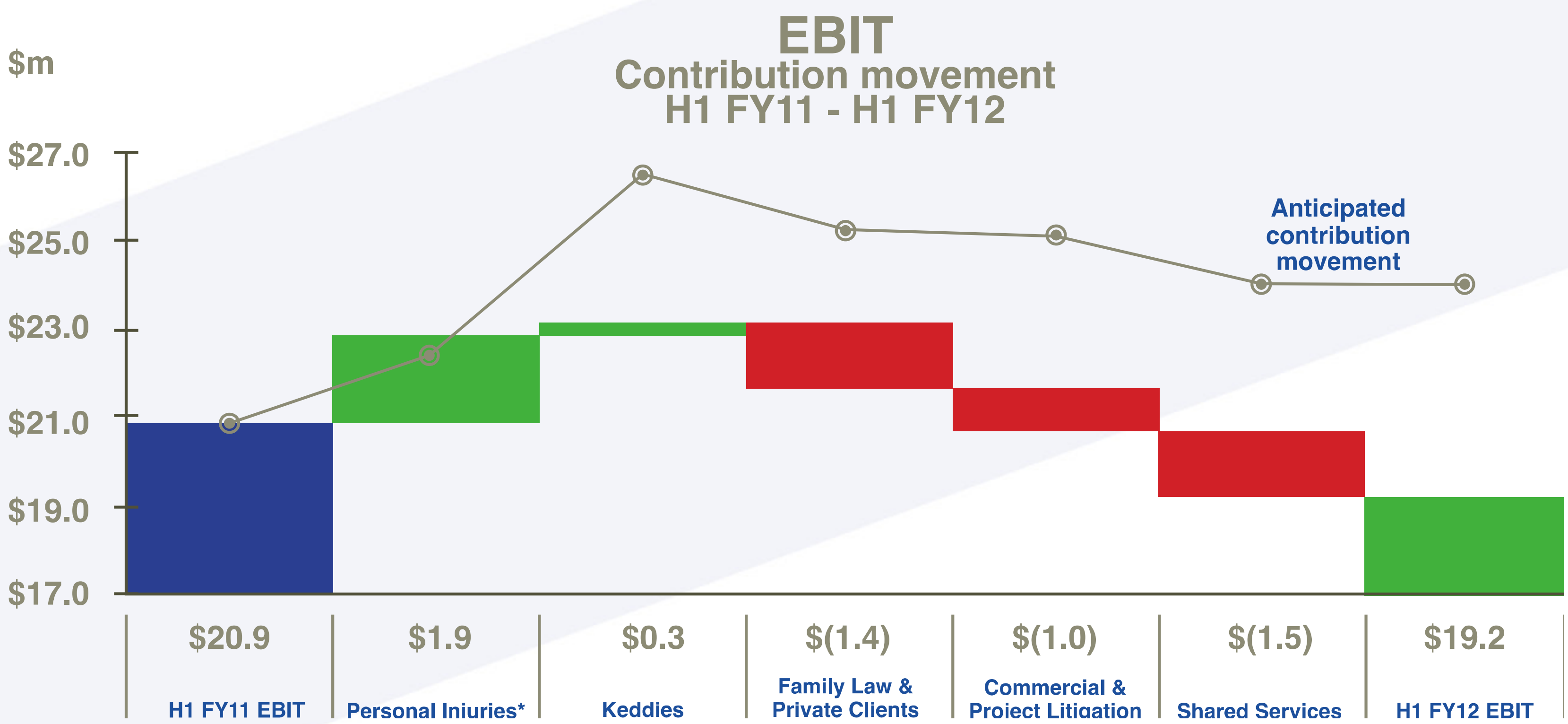
H1 FY2012

	H1 12 $'000	H1 11 $'000	$'000 change	% change
Revenue	99,464	84,825	14,639	↑17.3%
EBITDA	**20,782**	**22,142**	**(1,185)**	**↓ 5.4%**
EBITDA Margin	**21.1%**	**26.4%**		
EBIT	19,158	20,869	(1,711)	↓ 8.2%
EBIT Margin	19.4%	24.9%		
Normalised EBIT	**19,846**	**21,572**	**(1,726)**	**↓ 8.0%**
Normalised EBIT Margin	**20.1%**	**25.7%**		
NPAT	11,830	13,331	(1,501)	↓ 11.3%
EPS (Basic)	7.9	9.4	(1.5)	↓ 15.9%
EPS (Diluted)	7.6	8.9	(1.3)	↓ 14.5%
Fully Franked Interim Dividend (cents)	2.5	2.2	0.3	↑13.6%

Impacts on P&L for 6 months

- **Keddies acquisition has proved slower to bring up to speed than anticipated**
  - Revenue down approx $4m in H1 FY12.
  - New file numbers post Keddies completion in line with expectations demonstrating brand transition is complete.
  - $3m cash reduction in consideration to vendors from $35m to $32m.
- **Strong organic growth in core Personal Injuries practices**
  - PI practice organic growth in line with expectations.
  - Trilby Misso now on target for revenues ~ $36m, performing above expectations.
- **External acquisition costs approx $700k, principally on Russell Jones & Walker**
  - Approximately $300k additional costs anticipated in H2 FY12.
- **Significant investment in Family Law and Conveyancing in H1**
  - Sub-scale practices which will require 12-18 months to mature.

H1 FY12 EBIT Bridge



** Includes S&G Personal Injuries practice areas plus Trilby Misso*

H1 FY2012 Cash Flow

	H1 FY11 $'000
NPAT	11,830
Cash flow from operations	4,086
% Recovery	34.5%

- H1 cash flow in line with previous normalised half year results.
- Investment in marketing and advertising weighted to H1 and will normalise over full year.
- FY12 cash flow from operations as a % NPAT forecast to be 65% - 70%.

Reinforces requirement for step change in cash flow recovery which will be assisted by:

- Conveyancing Works acquisition – WIP recoverable on a 90 – 120 day cycle.
- Russell Jones Walker Acquisition – Practice mix and structural differences result in cash flow from operations of 85% to 90% of NPAT for RJW in FY13.

H1 FY12 Highlights

- PI practices (excluding Keddies) achieved organic revenue growth of 6% H1 FY12 to H1 FY11, within guidance range of 5-7%.
- Full integration of TML and Keddies into practice management system.
- Acquisition of Conveyancing Works (based in Queensland) which provides a platform to roll-out conveyancing services to clients nationally.
- Launch of innovative fixed fee Family Law product in Victoria.
- Identified opportunity for expansion in the United Kingdom (refer investor presentation attached at Appendix 2).

Outlook for H2 FY12

- Slater & Gordon FY12 guidance:
  - Revenue $200m plus.
  - Normalised[1] EBIT margin expected to be 24-25%.
  - Normalised[1]EBITDA margin expected to be 25.5-26.5%.

- Impact of Russell Jones & Walker Acquisition on FY12:
  - Based upon early April completion:
    - Additional $16m revenue in FY12.
    - EBITDA and NPAT margins diluted marginally due to seasonality of UK business between April & June.

- **Consolidated Australian & UK Revenue forecast for FY12 ≃ $216m plus with normalised[1] EBITDA of 24-25%.**

1. Normalised for transaction costs associated with acquisitions

Focus Areas

- **Continuing to drive organic growth in PI practices:**
  - Geographic presence now established across eastern seaboard.
  - RJW provides strong platform for organic growth in UK.
  - No further forecast material acquisitions in Australia or UK.

- **Continuing to implement steps to improve margin trend in non-PI practices**
  - Performance of the Family Law fixed fee product.
  - National implementation of Conveyancing Works platform.

- **Realisation of greater value from new client enquiries by increasing conversion rates.**

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Appendix 1 - Balance Sheet

	31 Dec 11*	30 Jun 11
Debtor Days	89	102
Paid Disbursement Days	63	64
WIP Days (PI & Non PI)	365	369
WIP Days (Self Funded Projects)	22	21
Debt / Equity Ratio	31.9%	22.3%
Interest Cover	7.7	11.2

[1] *Based upon annualised figures*

[2] *Normalised for TML and Keddies transactions*

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APPENDIX 2

Slater & Gordon Ltd (SGH)

Expansion into UK Legal Market

Presentation released 30 January 2012

Launch into UK Market via Acquisition of Russell Jones & Walker

- Slater & Gordon to acquire Russell Jones & Walker, a leading UK law firm for GBP£53.8 million (AUD$79.7m)[1].
- Acquisition includes the Claims Direct brand.
- Over 12 months of extensive due diligence, complemented by a history of collaboration on litigation projects.
- Attractive acquisition metrics – FY13 EBITDA multiple 4.9x and EPS accretive FY13 of greater than 5%.
- Long standing client channels provide secure revenue base and strong platform for long term growth.
- Experienced local team with long term commitment minimises key person risk in UK and provides capacity to keep existing S&G team focussed on execution of Australian strategy.
- Completion early April 2012, subject to UK regulatory approval.

[1]Based upon AUD:GBP exchange rate of AUD $1.00 = GBP £ 0.675 as at 30 January 2012

Rationale for Expansion into UK Legal Market

- Delivers geographic expansion and diversification in market 4-5 times that of Australia's with similar legal jurisdiction.
- New platform for growth beyond current 2015 horizon with strong organic growth expected to continue.
- Recent UK legal regulation change provides first mover opportunity for Slater & Gordon to capitalise on its experience as world's first listed law firm.
- Opportunity to enter the UK market via a well aligned, established and investment ready partner.
- Slater & Gordon has experience and resources to execute.
- No external equity raising required and funded via new debt facility, deferred conditional consideration and vendor equity.

Slater & Gordon's Relative Competitive Advantage in UK

- Track record of developing and sustaining a successful consumer legal brand:
  - No dominant law firm brand in personal injuries litigation in UK.
  - Claims management companies dominate landscape providing opportunity for legal brand to be established.
- 10 year history of operating as a corporate legal entity, with established finance, governance and marketing structures in place.
- Ability to adapt to the challenge of operating successfully in times of substantial changes to market dynamics.
- Already operating in different jurisdictions which require application of different skills.

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Overview of Russell Jones & Walker

Russell Jones & Walker
Solicitors

RJW, CEO – Neil Kinsella

- Established in 1920s.
- Over 425 staff across 10 locations in England, Wales and Scotland.
- Major offices in London, Manchester, Sheffield and Birmingham.
- 60% of revenue is derived from acting for claimants in personal injury litigation, with strong referral network.
- Well established employment law and criminal defence practice and growing practice in family law.
- Strong cultural alignment with Slater & Gordon.

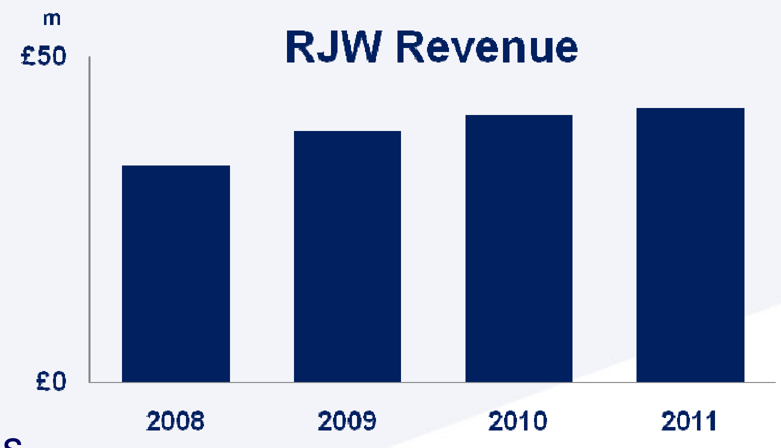
Overview of Claims Direct

- Claims Direct is one of the UK's largest and best known claims management brands.
- Claims Direct operates as a marketing co-operative for a number of law firms. Legal enquiries derived from marketing are allocated to the members of the panel.
- Claims management companies are currently a prominent feature of the UK legal landscape.
- Claims Direct is currently the third most recognised legal brand in personal injury litigation in the UK[1].

[1] *Source: Datamonitor Report: Personal Injury Litigation in the UK 2011*

Financial Overview

- ► RJW Forecast GBP£53 million (AUD$79m) revenue in FY2013.
- ► RJW EBITDA margin in FY2013 of 20%.
- ► Forecast annual revenue growth of 8% -10% p.a.



- ► Positive step change in operating cashflow returns
  - ➢ Difference in business mix (S&G 80% personal injuries, RJW 60% personal injuries).
  - ➢ The acquisition will improve the cashflow cycle due to structural difference between UK and Australian consumer legal services markets.
  - ➢ RJW cash flows from operations / NPAT approaching 90%, having positive impact upon S&G group cash flows

Transaction Summary

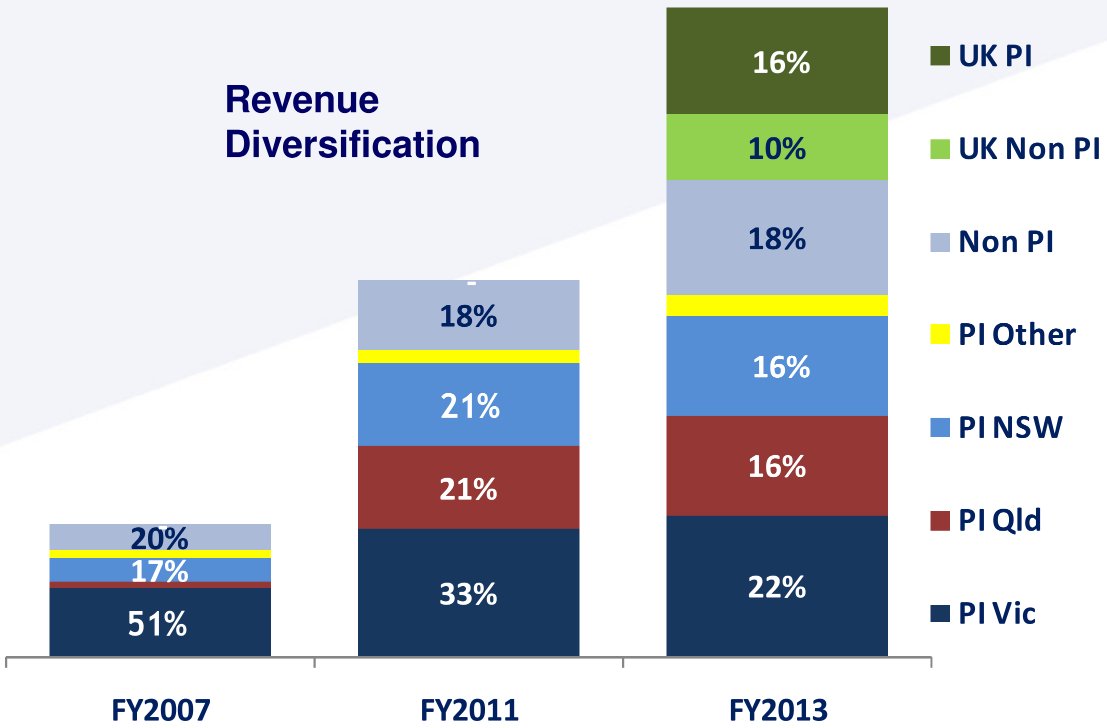
- The transaction is the acquisition of the business of the existing RJW partnership, including its investment in Claims Direct, via UK subsidiary 'Slater & Gordon (UK) Ltd'.
- Slater & Gordon's debt facility has been increased to $160m to cover this transaction and to provide headroom for continued Australian growth.
- Debt funding not expected to exceed Slater & Gordon's preferred range of 30% - 40% debt / equity ratio.
- Alignment of interests with more than 20 key RJW people to hold equity with restraints for 4 years or more.

		GBP £m	AUD[2] $m
Completion Date Cash Payment[1]		£27.7	$41.0
Deferred Cash Payments	FY13	£6.0	$8.9
	FY14	£2.8	$4.1
Equity Issue to Vendors[3]		£17.3	$25.6
Total Cost		**£53.8**	**$79.7**

1. *Completion payment includes the retirement of existing debt within the existing RJW partnership*
2. *Based upon AUD:GBP exchange rate of AUD $1.00 = GBP £ 0.675 as at **30 January 2012***
3. *Equity to be issued at VWAP at lower of announcement and completion at prevailing exchange rates*

Advantages of Jurisdictional and Geographic Expansion

- Scope of attainable target markets in UK is 4-5 times Australian market.
- Scope of markets in Employment Law & Criminal Defence and current business base of RJW provide immediate opportunity to alter risk profile of PI to non-PI.
- Diversification into new jurisdictions mitigates the risk of legislative change.
- Geographic diversification reduces risk of impact of localised economic conditions – especially for the non personal injuries practice groups for which there is significant growth forecast in Australia.



Execution of Growth Strategy

- UK growth strategy will be focussed on organic growth, leveraging upon Russell Jones & Walker's already strong geographic and practice area diversification.

- Russell Jones & Walker already have significant corporate resources to drive growth:
  - Highly committed management with aligned interests supported by key external appointments including redeployment of 3 key senior Slater & Gordon staff.
  - Existing, well established risk management and quality assurance systems to be overlayed with Slater & Gordon governance framework.

- Claims Direct provides a strong brand in the UK claims management sector, providing flexibility to take advantage of potential UK market changes .

Significant Opportunity

- Delivers geographic expansion and diversification in market 4-5 times that of Australia's with similar legal jurisdiction.
- New platform for growth beyond current 2015 horizon with strong organic growth expected to continue.
- Recent UK legal regulation change provides first mover opportunity for Slater & Gordon to capitalise on its experience as world's first listed law firm.
- Opportunity to enter the UK market via a well aligned, established and investment ready partner.
- S&G has experience and resources to execute.
- No external equity raising required and will be funded via new debt facility, deferred conditional consideration and vendor equity.

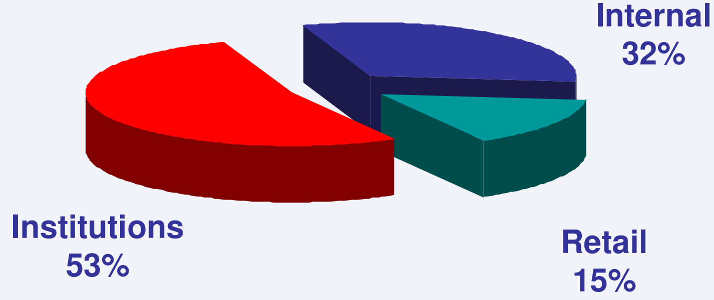
Corporate Snapshot

Slater & Gordon Limited

ASX Code	SGH
Net Debt (Dec '11)	$65.7m
Shareholders Equity (Dec '11)	$205.7m
Employees	1,150
Shares on issue	151.7m
Market Capitalisation	$284m*

* Based upon share price of $1.87 as at 13 February 2012

Shareholder Profile



Share Price Performance

Board & Management

Anna Booth	Chair
Andrew Grech	Managing Director
Ken Fowlie	Executive Director
Ian Court	Director
Erica Lane	Director
John Skippen	Director
Wayne Brown	Chief Financial Officer
Kirsten Morrison	Company Secretary

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