



H1 FY13 Results Presentation

Andrew Grech
Managing Director

Wayne Brown
CFO

Not a problem.

**Slater &
Gordon**
Lawyers



Disclaimer

This document has been prepared by Slater & Gordon Limited (**S&G**) and comprises written materials/slides for a presentation concerning S&G.

This presentation is for information purposes only and does not constitute or form part of any offer or invitation to acquire, sell or otherwise dispose of, or issue, or any solicitation of any offer to sell or otherwise dispose of, purchase or subscribe for, any securities, nor does it constitute investment advice, nor shall it or any part of it nor the fact of its distribution form the basis of, or be relied on in connection with, any contract or investment decision.

Certain statements in this presentation are forward looking statements. You can identify these statements by the fact that they use words such as “anticipate”, “estimate”, “expect”, “project”, “intend”, “plan”, “believe”, “target”, “may”, “assume” and words of similar import. These forward looking statements speak only as at the date of this presentation. These statements are based on current expectations and beliefs and, by their nature, are subject to a number of known and unknown risks and uncertainties that could cause the actual results, performances and achievements to differ materially from any expected future results, performance or achievements expressed or implied by such forward looking statements.

No representation, warranty or assurance (express or implied) is given or made by S&G that the forward looking statements contained in this presentation are accurate, complete, reliable or adequate or that they will be achieved or prove to be correct. Except for any statutory liability which cannot be excluded, S&G and its respective officers, employees and advisers expressly disclaim any responsibility for the accuracy or completeness of the forward looking statements and exclude all liability whatsoever (including negligence) for any direct or indirect loss or damage which may be suffered by any person as a consequence of any information in this presentation or any error or omission therefrom.

Subject to any continuing obligation under applicable law or any relevant listing rules of the ASX, S&G disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements in these materials to reflect any change in expectations in relation to any forward looking statements or any change in events, conditions or circumstances on which any statement is based. Nothing in these materials shall under any circumstances create an implication that there has been no change in the affairs of S&G since the date of this presentation.

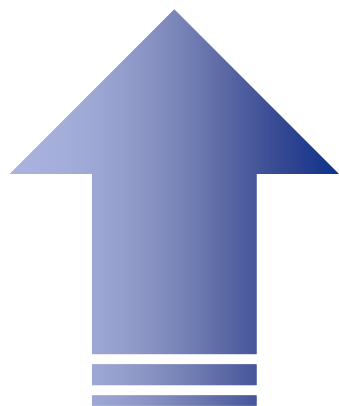
& Key Points

\$145.7m group revenue represents **46.5% growth** on prior year

Australian EBITDA margin of **23.9%**, up from 21.1% at H1FY12

Strong EPS growth (**↑43.0%** on prior half year period)

Cash flow from operations **92%** of NPAT



Gearing reduced from 42.8% to 40.6% Net Debt / Equity

Revenue and earnings in line with full year guidance of **\$290m** and **24.0% - 25.0%** EBITDA

S&G UK on track to achieve full year adjusted guidance¹

H1 FY13

Financial Results

	AUST \$M	UK \$M	H1 13 \$M	H1 12 \$M	\$M change	% change
Revenue	111.4	34.3	145.7	99.5	46.2	↑46.5%
EBITDA	26.4	6.9	33.3	20.8	12.5	↑60.3%
EBITDA Margin	23.9%	20.1%	23.0%	21.1%		
EBIT	24.8	6.0	30.8	19.2	11.6	↑60.8%
EBIT Margin	22.4%	17.6%	21.3%	19.4%		
NPAT	15.6	3.5	19.1	11.8	7.3	↑61.3%
NPAT Margin	14.0%	10.2%	13.1%	11.9%		
			Cents	Cents	Cents change	% change
Basic EPS			11.3	7.9	3.4	↑43.0%
Diluted EPS			11.0	7.6	3.4	↑44.7%
Fully Franked Dividend¹			2.75	2.5	0.25	↑10.0%

(1) The Company announced the introduction of a DRP on 27 February 2013

Progress Update

Australian Personal Injuries (PI):

- > Deliver steady organic growth to counter competitive and legislative threats
- > Exploit scale to build efficiency
- > Provide internal funding program for accelerated organic growth in non-PI areas

H1 update:

Enquiries continue to grow, supporting organic growth expectations (Half year enquiries up greater than 10% on annualised basis)

Australian non-PI:

- > Continued expansion to meet demands of clients for consumer legal services other than in PI litigation
- > Roll-out successful Qld Conveyancing Works model into other states
- > Build profitability of national Family Law practice
- > Continued emphasis on client and third party funded work to build predictable revenue growth in the non-PI practices

H1 update:

Conveyancing model rolled out in NSW and Victoria. Both Family Law & Conveyancing practices on target for double digit revenue growth in FY13

Successful settlements achieved in Sigma and Nufarm class actions and settlement process commenced in Thalidomide

Strategic Priorities (continued)

Progress

S&G UK:

- > First priority is to settle business into the S&G group and deliver forecast results
- > Set stage for long term growth plans

H1 update:

UK acquisition bedded down and performing according to expectations

RJW completed its re-branding in February 2013 and is now trading as S&G

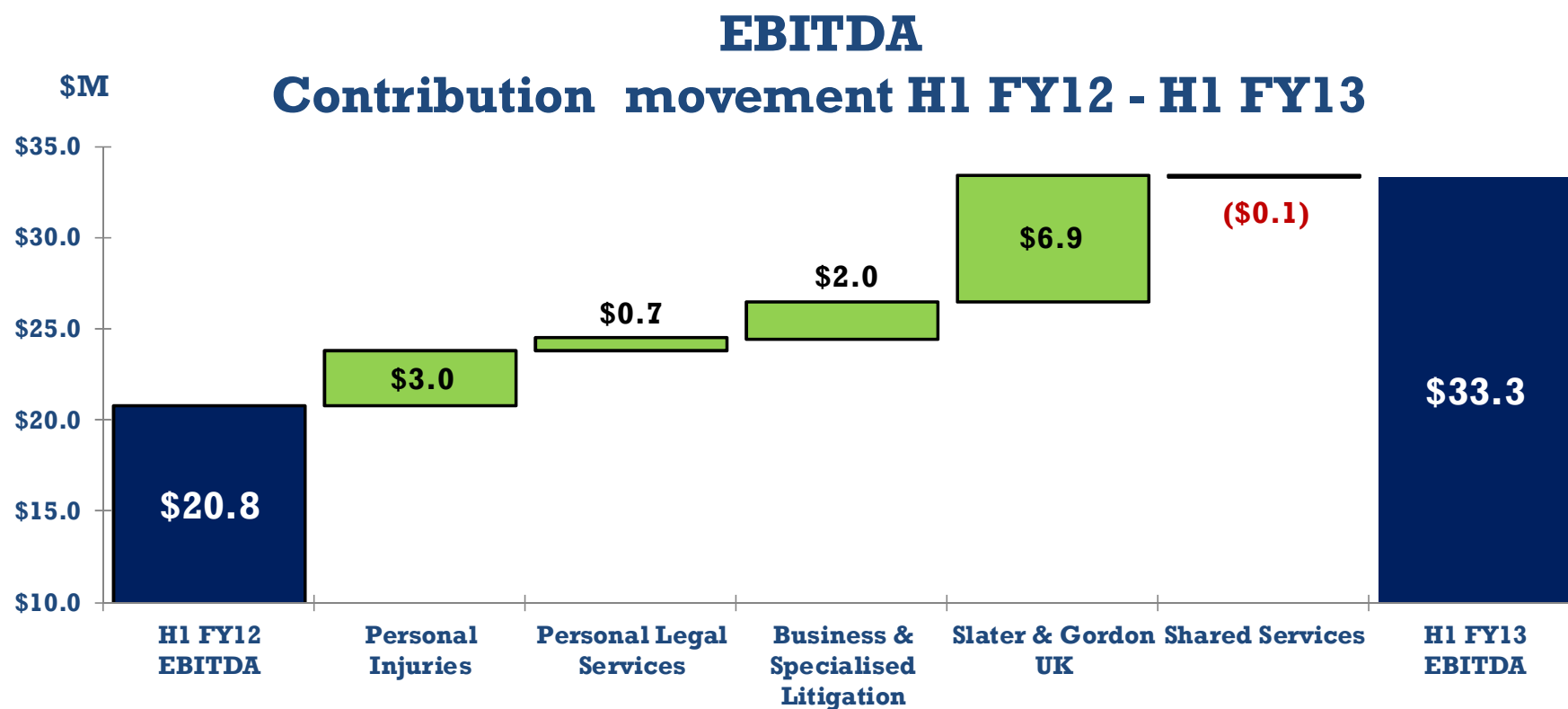
Next stage of growth into UK market (4-5 times size of Aust. Market) being developed



Financial Objectives

		Progress
Revenue	> Deliver consistent 5% - 7% organic revenue growth in Aust. Personal Injuries practices	✓
	> Build sustainable high growth national practices in Family Law, Conveyancing and Wills	✓
	> Deliver 8% - 10% revenue growth in UK business	✓
Earnings Growth	> Exploit scale efficiencies in PI practices to translate revenue growth into incrementally higher earnings growth	✓
	> Build Family Law, Conveyancing and Wills to minimum EBITDA margin of 15% within two years	✓
Cash	> Improve cash from operations over time by a combination of diversifying business mix and use of external disbursement funding in PI practices and litigation funding in class action practice	✓

HI FY13 EBITDA Bridge



Cash Flow Conversion

Cash Flow from Operations 92% of NPAT – contributed to by collection of June 2012 billings

	H1 FY13 \$M
NPAT	19.1
Cash Flow from Operations	17.5
Cash Flow from Operations / NPAT	91.7%

Incremental improvement in targeted Cash Flow conversion in FY13:

- > Changing practice area mix to practice areas with lower working capital requirements
- > PI disbursement funding moved to external provider, reducing pressure on cash flow
- > Continued shift of class action funding to third party litigation funders

Outlook for H2 FY13

Previous earnings guidance confirmed

Combined revenue target of \$290m¹

EBITDA margin target of 24% - 25%

Cash flow from Operations as a % of NPAT target > 70%

Australian PI business expected to continue to enjoy 5%+pa organic revenue growth after absorbing anticipated FY13 impact of legislative change in Workers Compensation law in NSW

UK business on track

FY13 forecast revenue of \$70m^{1,2}

EBITDA margin of 20.5%

- (1) Assumption of GBP:AUD exchange rate of £0.65
(2) Refer Appendix 6

Why Invest?



Continued strong financial performance since listing



Australian PI business continues to deliver predictable revenue and earnings growth



Cash flow from operations to improve with changing business mix, PI disbursement funding and class action litigation funding



UK business performing well – excellent future growth platform in market 4-5 times that of Australia



S&G brands in Australian non-PI markets still largely untapped, with progress being made



Proven capability of strengthening our powerful brands

“Our business is in good shape, we have strong prospects for further profitable growth and we have the resources and the people to be able to deliver it.”

*Andrew Grech
Managing Director*

Members of the Board

Slater &
Gordon
Lawyers



John Skippen
Chair



Andrew Grech
Managing Director



Ken Fowlie
Executive Director



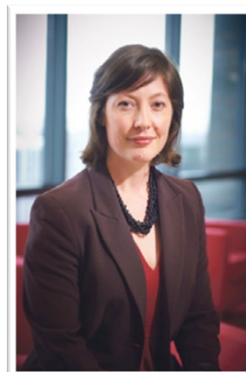
Ian Court
Non-Executive
Director



Erica Lane
Non-Executive
Director



Wayne Brown
Chief Financial
Officer



Kirsten Morrison
Company Secretary

For further information visit
www.slatergordon.com.au

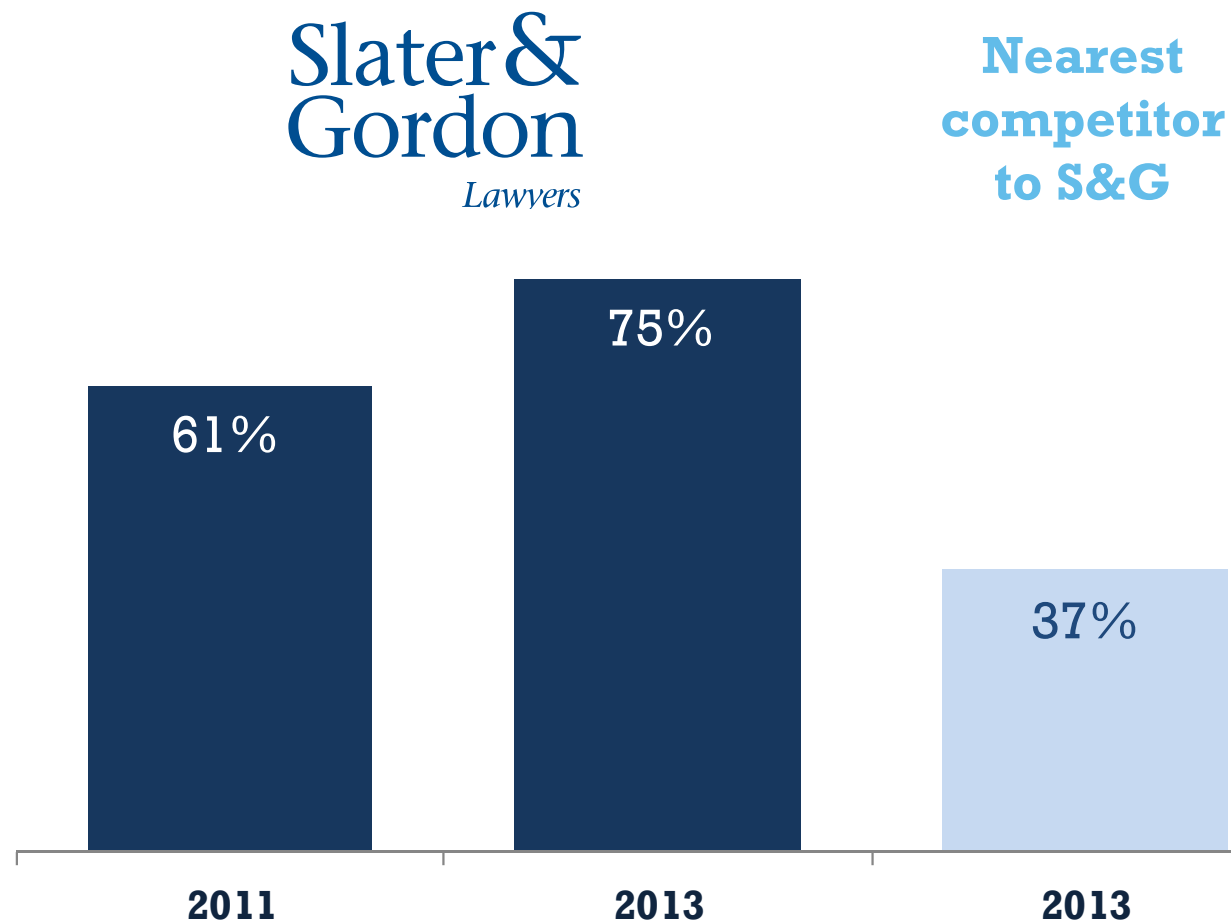
or contact
Andrew Grech
Managing Director

Phone: (03) 9602 6839
Email: agrech@slatergordon.com.au

Appendix 1: Australia's Best Known Law Firm

Slater &
Gordon
Lawyers

National Brand awareness survey[#]

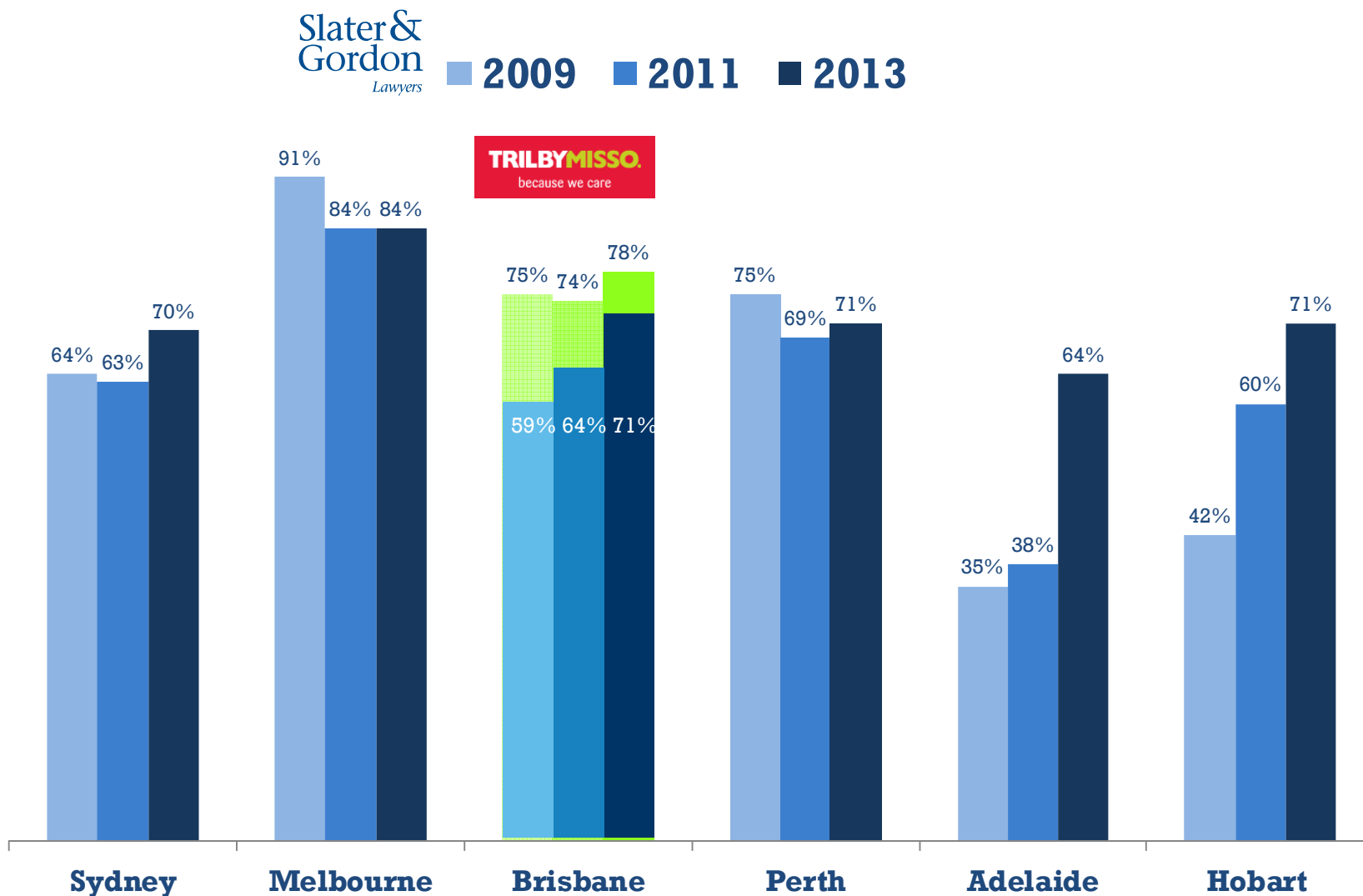


[#] Brand awareness study undertaken November 2011 and January 2013 by TNS

Appendix 2: Australia's Leading Consumer Law Firm

Slater &
Gordon
Lawyers

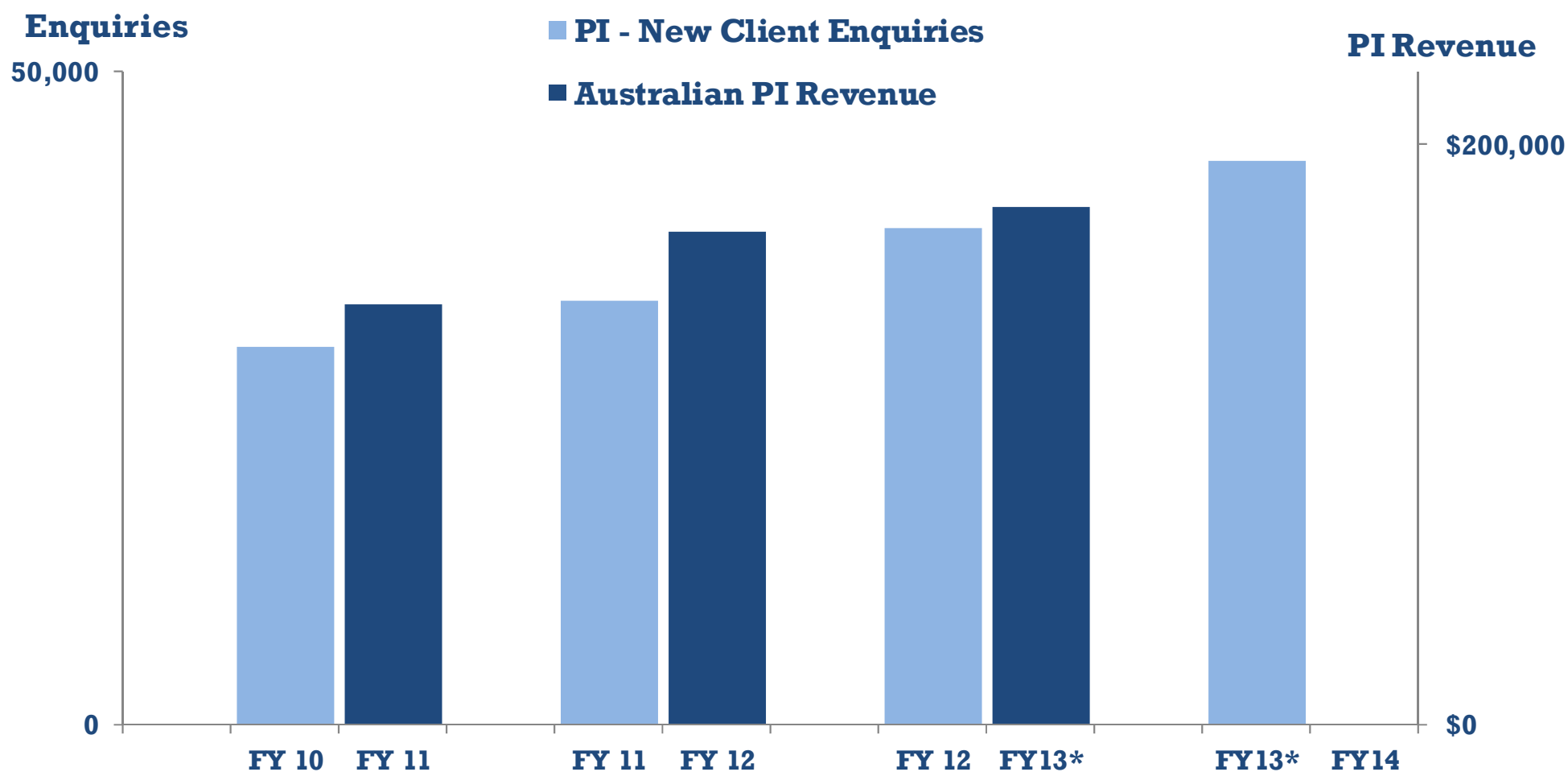
Brand awareness survey[#]



* Brand awareness study undertaken in 2009, 2011 and 2013 by TNS

Appendix 3:

Relationship of Enquiries to Revenue



* Annualised H1FY13 data

Appendix 4:

Balance Sheet

	H1 FY13 ⁽¹⁾	FY12
Debtor Days ⁽²⁾	90	108
Paid Disbursement Days ⁽²⁾	58	59
WIP Days (Australia) ⁽³⁾	384	377
WIP Days (UK) ⁽³⁾	200	195
Net Debt/Equity ⁽⁴⁾	40.6%	42.8%
Interest Cover (times) ^{(4) (5)}	9.4	9.2
Return on Equity ⁽⁴⁾	14.7%	13.3%

(1) H1 FY13 annualised

(2) Based on net fees

(3) Based on total revenue

(4) Normalised for Vioxx and acquisition costs in FY12

(5) Interest cover excludes notional interest on deferred consideration

Appendix 5:

UK Operations Update

Implications of Jackson reforms

Jackson reforms to be implemented April 2013

Significant impact upon Claims Management Companies (CMCs) and law firms that acquire clients via CMCs

Coupled with new Alternative Business Structure (ABS) environment is driving consolidation of the consumer legal services market

Opportunities for S&G

Changes in market create opportunity to consolidate market

Build direct to consumer brand as law firm of choice for everyday people

No dominant law firm brand currently exists in consumer legal services in UK

Transition to S&G brand completed in February 2013

& Appendix 6:

Adjustment to UK guidance

- ⇒ Tactical decision made in December 2012 to reduce revenue from panel firm member contributions (Claims Direct) by \$2.0m¹ in FY13, with corresponding \$2.0m¹ reduction in advertising expense
- ⇒ As such UK EBITDA margin increasing to 20.5%
- ⇒ No impact upon cash flow
- ⇒ Reduced cost of acquisition per enquiry

	Previous Guidance A\$M ¹	Adjusted Guidance A\$M ¹
Legal Firm Revenue	67.0	67.0
Claims Direct Revenue ¹	5.0	3.0
Total Revenue	72.0	70.0
External Claims Direct Marketing Spend	5.0	3.0
EBITDA	14.4	14.4
EBITDA %	20.0%	20.5%

(1) Assumption of GBP:AUD exchange rate of £0.65

(2) Represents external contributions to Claims Direct from third party law firms

Corporate Snapshot

Slater & Gordon Limited

ASX Code	SGH
Net Debt (Dec' 12)	\$108.0m
Shareholders Equity (Dec' 12)	\$261.2m
Employees	1,600
Shares on issue	170.5m
Market Capitalisation	\$400m*

* Based upon share price of \$2.35 as at 21 February 2013

Share Price Performance



Shareholder Profile

