ASX Announcement

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17 April 2015

Quindell Shareholders Approve Sale of Professional Services Division to Slater and Gordon

On 17 April 2015, Quindell plc ("Quindell") shareholders approved the sale of the Professional Services Division ("PSD") to Slater and Gordon Limited ("Slater and Gordon").

Slater and Gordon's Group Managing Director, Andrew Grech, said: "The acquisition of PSD is a transformational opportunity for Slater and Gordon. The Slater and Gordon Board and management team are excited about the potential of PSD.

It is anticipated the acquisition will deliver significant value to Slater and Gordon shareholders[1]:

- PSD expected to be more than 30% EPS accretive[2] in first year of ownership;
- Continued operating cash to NPAT conversion target of greater than 70%; and
- Attractive transaction multiple of 6.9 times pro forma adjusted volume trend core EBITDA of £86 million[3].

PSD complements Slater and Gordon's existing UK operations and will operate as a standalone division with minimal integration requirements."

Ken Fowlie, who on completion will become Slater and Gordon's Managing Director United Kingdom (UK) & Europe, said: "In reaching the decision to acquire PSD, we have undertaken a bottom-up, fundamental assessment of PSD's historical performance and future potential, leveraging a large team of internal experts and external advisers. As part of this we restated PSD's financials using Slater and Gordon's own evidence-based accounting policies. This work, together with our firm's deep UK market experience and track record of successful acquisitions and integrations, underpins our confidence in the opportunity. I am looking forward to moving back to the UK to lead the local team and our enhanced UK and European operations."

As previously announced, the acquisition is to be funded through a mix of new equity, via a pro rata accelerated renounceable entitlement offer ("Entitlement Offer"), and debt. The institutional component of the Entitlement Offer was completed on 2 April 2015, while the retail component will be finalised 20 April 2015.

The transaction remains subject to customary regulatory approvals and financial close is expected in May 2015.

ENDS

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About Slater and Gordon

Slater and Gordon Limited ("Slater and Gordon", ASX:SGH) is a leading international consumer law firm employing 1,300 people in 82 locations across Australia and 1,300 people across 14 locations in the United Kingdom. Slater and Gordon's mission is to give people easier access to world class legal services. The firm provides specialist legal services in a range of practice areas including Personal Injury, Conveyancing, Family Law and Business and Specialised Litigation Services.

[1] Refer to 30 March 2015 investor presentation for further detail on basis of EPS impact and acquisition multiple.

[2] First full year of ownership refers to FY2016 (June y/e). Assumes full year contribution from PSD. EPS is exclusive of TERP adjustment.

[3] Assumes FY2014 volume trend core PSD EBITDA excluding legacy noise induced hearing loss (NIHL) of £86 million. Based on adjusted transaction value of £597 million (upfront cash consideration of £637 million less £40 million NPV of 50% earnout related to legacy NIHL portfolio).