

SLATER & GORDON LIMITED
ABN 93 097 297 400

APPENDIX 4E STATEMENT
PRELIMINARY FINAL REPORT
(The accounts are in the process of being audited)

(Listing rule 4.3A)
RESULTS FOR ANNOUNCEMENT TO THE MARKET
YEAR ENDED 30 JUNE 2015

	30 June 2015 \$'000	Restated 30 June 2014 \$'000	% change to prior year	
1. Revenues from ordinary activities (Listing rule 4.3A – item 2.1)	623,348	443,311	up	40.6%
2. Profit from ordinary activities after tax attributable to members (Listing rule 4.3A – item 2.2)	82,341	77,998	up	5.6%
3. Net profit/(loss) for the period attributable to members (Listing rule 4.3A – item 2.3)	82,341	77,998	up	5.6%
4. Total dividend per ordinary share (Listing rule 4.3A – item 2.4)				
Interim dividend (partially franked (40%) at 30% tax rate) paid 23 April 2015	3.50 cents	3.00 cents		
Final dividend (partially franked (40%) at 30% tax rate) declared on 27 August 2015 and to be paid on 29 October 2015	5.50 cents	5.00 cents		
Total dividend per ordinary share	9.00 cents	8.00 cents		
5 Record date for determining entitlements to the final dividend (Listing rule 4.3A – item 2.5)	22 September 2015			
6 A brief explanation of the figures reported above. (Listing rule 4.3A – item 2.6)				

Please refer to the ASX Release dated 28 August 2015 for other information necessary to enable the figures to be understood.

SLATER & GORDON LIMITED
YEAR ENDED 30 JUNE 2015
7. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Listing rule 4.3A – item 3)

	2015	Restated
	\$'000	2014
		\$'000
Revenue		
Fee revenue	486,267	366,415
Net movement in WIP	65,881	45,398
Services revenue	20,472	-
Gain on bargain purchase	42,496	24,845
Other income	8,232	6,653
Total revenue and other income	623,348	443,311
Less Expenses		
Salaries and employee benefit expense	(263,348)	(200,270)
Payments to former owners	(14,102)	(3,651)
Share based payment expense to former owners	(11,422)	(5,379)
Cost of sales	(16,662)	-
Rental expense	(27,807)	(22,005)
Advertising and marketing expense	(56,289)	(32,786)
Administration and office expense	(44,195)	(36,391)
Consultant fees	(6,595)	(4,928)
Finance costs	(11,468)	(8,156)
Bad and doubtful debts	(11,585)	(6,904)
Depreciation and amortisation expense	(9,945)	(6,955)
Costs associated with acquisitions	(23,769)	(4,054)
Other expenses	(15,936)	(11,311)
Profit before income tax expense	110,225	100,521
Income tax expense	(27,884)	(22,523)
Profit for the year	82,341	77,998
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation differences - foreign operations	63,676	5,695
Changes in fair value of cash flow hedges, net of tax	(409)	(308)
Total items that may be reclassified subsequently to profit or loss	63,267	5,387
Other comprehensive income for the year, net of tax	63,267	5,387
Total comprehensive income for the year	145,608	83,385
Profit for the year attributed to:		
Owners of the Company	82,070	77,839
Non-controlling interests	271	159
	82,341	77,998

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YEAR ENDED 30 JUNE 2015

Total comprehensive income for the year attributed to:

Owners of the Company	145,239	83,219
Non-controlling interests	369	166
	145,608	83,385

Basic earnings per share	35.1 cents	38.8 cents
Diluted earnings per share	34.8 cents	38.1 cents

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8. CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 (Listing rule 4.3A – item 4)

	2015	Restated
	\$'000	2014
		\$'000
Current assets		
Cash and cash equivalents	96,985	25,270
Receivables	616,396	183,684
Work in progress	553,177	284,077
Current tax assets	14,860	-
Other current assets	30,022	12,403
Total current assets	1,311,440	505,434
Non-current assets		
Plant and equipment	31,657	12,964
Land and Buildings	302	-
Receivables	74,438	45,684
Work in progress	272,721	189,262
Intangible assets	1,229,398	122,574
Deferred tax assets	86,948	26,985
Other non-current assets	15,179	11,844
Total non-current assets	1,710,643	409,313
Total assets	3,022,083	914,747
Current liabilities		
Payables	597,038	179,424
Short term borrowings	4,051	9,077
Current tax liabilities	4,700	1,139
Other current liabilities	10,985	10,103
Provisions	37,337	19,807
Total current liabilities	654,111	219,550
Non-current liabilities		
Payables	22,258	19,187
Long term borrowings	716,302	117,254
Deferred tax liabilities	166,370	124,604
Derivative financial instruments	1,621	1,020
Provisions	11,875	4,760
Total non-current liabilities	918,426	266,825
Total liabilities	1,572,537	486,375
Net assets	1,449,546	428,372
Equity		
Contributed equity	1,104,707	217,049
Reserves	82,775	14,078
Retained profits	261,482	197,032
Total equity attributable to equity holders in the Company	1,448,964	428,159
Non-controlling interest	582	213
Total equity	1,449,546	428,372

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9. CONSOLIDATED STATEMENT OF CASH FLOWS

(Listing rule 4.3A – item 5)

	2015	Restated
	\$'000	2014
		\$'000
Cash flow from operating activities		
Receipts from customers	520,954	410,142
Payments to suppliers and employees	(464,980)	(342,758)
Payments to former owners	(2,592)	-
Interest received	2,294	401
Borrowing costs	(8,865)	(5,344)
Income tax paid	(6,049)	(8,006)
Net cash provided by operating activities	40,762	54,435
Cash flow from investing activities		
Payment for software development	(9,166)	(1,485)
Payment for plant and equipment	(13,142)	(3,284)
Costs associated with acquisition of businesses	(23,662)	(4,054)
Costs associated with originating loans	(9,464)	-
Payment for acquisition of businesses, net of cash in subsidiaries	(1,262,862)	(98,464)
Payment for acquisition of businesses - deferred consideration	(14,720)	(18,309)
Net cash used in investing activities	(1,333,016)	(125,596)
Cash flow from financing activities		
Proceeds from share issue	859,539	-
Repayment from non-controlling interests	(469)	-
Costs of raising equity	(18,438)	(120)
Proceeds from related parties and employees	3,825	5,247
Proceeds from borrowings	572,017	154,770
Repayment of borrowings	(43,966)	(73,695)
Dividends paid	(15,924)	(9,907)
Net cash provided by financing activities	1,356,584	76,295
Net increase in cash held	64,330	5,134
Effect of exchange rate fluctuations on cash held	7,385	80
Cash at beginning of financial year	25,270	20,056
Cash at end of financial year	96,985	25,270

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NOTES TO THE FINANCIAL STATEMENTS

10. BASIS OF PREPARATION (Listing rule 4.3A – item 3)

The financial report covers Slater and Gordon Limited (“the Company”) and controlled entities as a consolidated entity. Slater and Gordon Ltd is a company limited by shares, incorporated and domiciled in Australia. The consolidated financial statements of the Company as at and for the year ended 30 June 2015 comprise the Company and its controlled entities, together referred to as (“the Group”) and individually as (“Group Entities”).

This financial report has been prepared in accordance with the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standard Board, other mandatory professional reporting requirements and the *Corporations Act 2001*. The Group is a for-profit entity for the purpose of preparing the financial statements. The report is presented in Australian dollars.

This financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2015 and the announcements made by the Group during the reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the ASX Listing Rules.

The accounting policies adopted are consistent with those of the previous financial year, except as disclosed under Section 11. The financial report has been prepared on the basis of historical cost, except where assets and liabilities are stated at their fair values in accordance with the relevant accounting policies. A full description of the accounting policies adopted by the Group will be contained in the Group's Annual Report for the year ended 30 June 2015.

Classification of Work In Progress and Disbursements

Historically all of the Group's work in progress and disbursement balances have been classified as current in the Consolidated Statement of Financial Position, with the exception of the work in progress of the Group's Project Litigation practice which included a current and non-current split. The work in progress on the Group's Personal Injury Litigation (PIL) matters were historically assessed as being capable of being resolved at any stage of the matters litigation process and therefore all work in progress and disbursements on PIL matters were classified as current in the Consolidated Statement of Financial Position.

The Group has reassessed the classification of its work in progress and disbursement balances in the Consolidated Statement of Financial Position as at 30 June 2015. A historical analysis of the Group's work in progress balances and historical file velocity rates were used to form a view on the expected timing of settlements. The Group carefully considered the appropriate accounting as to this analysis and the applicable Australian Accounting Standards.

As a result of this reassessment, the Group has made adjustments to the presentation of its work in progress and disbursement balances to include a current and non-current classification in the Consolidated Statement of Financial Position as at 30 June 2015. The Group has also reclassified comparative balances in the Consolidated Statement of Financial Position as at 30 June 2014 to assist users in reviewing trends across the two reporting periods. It is not practicable to restate earlier periods.

Change to accounting for business combinations

The Group has reassessed its accounting treatment of deferred consideration payable in the context of its acquisition of legal service practices. This reassessment has taken into account an analysis of historical acquisitions both in Australia and the United Kingdom where cash and share-based consideration payable to the vendor principals of businesses acquired by the Group is deferred.

Historically, all cash payments and share issues to vendors, whether restrained, deferred, contingent or otherwise, have been treated as consideration for the relevant business acquisition.

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The Group has now carefully considered the appropriate treatment of these payments in light of the evolving interpretation of AASB 3 with regard to the treatment of specific components of deferred consideration.

An assessment has been made in relation to those arrangements that include contingent consideration to vendors of the business that are subject to so-called "bad leaver" provisions.

Included in the terms of a number of purchase agreements entered into by the Group is an arrangement whereby the payment of cash consideration to and/or the retention of share-based consideration by the vendors of acquired entities is contingent upon the relevant vendors remaining with the Group for a defined period. If a vendor ceases to remain with the Group for the prescribed period, the vendor may forfeit its entitlement to payment of the cash consideration and/or its ability to retain its share-based consideration, at the discretion of the Group.

In light of the evolving interpretation of AASB 3 within the accounting profession, we now take the view that such arrangements will be deemed to be "separate transactions" for accounting purposes, the effect of which is that they are treated as payments to former owners, to be expensed in accordance with other applicable Australian Accounting Standards.

The effect of these changes to the financial statements for the year ended 30 June 2014 is outlined as follows:

Impact on consolidated comprehensive income of the restatement of business acquisition accounting	30/06/2014	Restatements	30/06/2014
	(Previously reported)		(Restated)
	\$'000	\$'000	\$'000
Gain on bargain purchase	-	24,845	24,845
Payments to former owners	-	(3,651)	(3,651)
Share based payment expense to former owners		(5,379)	(5,379)
Decrease in finance cost	(8,412)	257	(8,155)
Decrease in income tax expense	(23,344)	821	(22,523)
Increase in profit for the year	61,105	16,893	77,998
Increase in profit for the year attributable to:			
Owners of the Company	60,946	16,893	77,839
Non-controlling interests	159	-	159
Effect on basic earnings per share (cents)	30.30	8.45	38.75
Effect on diluted earnings per share (cents)	29.80	8.30	38.10

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Impact on assets, liabilities and equity as at 30 June 2014	30/06/2014	Restatements	30/06/2014
	(Previously reported)		(Restated)
	\$'000	\$'000	\$'000
Decrease in intangible assets	130,190	(7,616)	122,574
Decrease in payables	194,850	(15,426)	179,424
Decrease in current tax liability	1,960	(821)	1,139
Increase in provisions	16,468	3,339	19,807
Decrease in share Capital	233,638	(16,589)	217,049
Increase in reserve	9,090	4,988	14,078
Increase in retained earnings	180,139	16,893	197,032

11. PRIOR PERIOD ERROR
 (Listing rule 4.3A – item 3)

Consolidation Error

As previously advised, the Group identified two errors in the method used to report receipts from customers and payments to suppliers and employees by the UK business during the current reporting period:

1. From the initial date of acquisition of Russell Jones and Walker LLP in the year ended 30 June 2012 until the period ending 31 December 2013, the UK business reported receipts from customers on a 'gross' rather than a 'net' basis. This effect was wholly offset by the same amount being added to the calculation of total payments to suppliers and employees. The amounts represented customer disbursements and related Value Added Tax (VAT). Net cash derived from operating activities in all periods was unaffected and remains as reported.
2. In the 30 June 2014 and 31 December 2014 financial statements UK VAT is included twice in receipts from customers. This effect was wholly offset by the same amount being added to the calculation of total payments to suppliers and employees. The cause of this was an arithmetic error in the consolidation spread sheet model operated in the Company's UK business at that time. Net cash derived from operating activities in all periods was unaffected and remains as reported.

The error has been corrected by restating each of the affected financial statement line items for the prior periods, as follows:

As previously stated in the statutory financial reports

	30 June 2012 ¹	30 June 2013 ¹	30 June 2014 ²
	\$'000	\$'000	\$'000
Cash flow from operating activities			
Receipts from customers	202,929	324,279	442,609
Payments to suppliers and employees	(182,110)	(285,148)	(375,225)
Interest received	357	281	401
Borrowing costs	(5,374)	(6,158)	(5,344)
Income tax (paid)/refunded	157	(537)	(8,006)
Net cash provided by operating activities	15,959	32,717	54,435

¹ Incorrectly accounting for client disbursements and related VAT.

² Arithmetic error due to double counting of VAT.

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Restated to account for error

	30 June 2012 \$'000	30 June 2013 \$'000	30 June 2014 \$'000
Cash flow from operating activities			
Receipts from customers	199,813	288,719	410,142
Payments to suppliers and employees	(178,994)	(249,588)	(342,758)
Interest received	357	281	401
Borrowing costs	(5,374)	(6,158)	(5,344)
Income tax (paid)/refunded	157	(537)	(8,006)
Net cash provided by operating activities	15,959	32,717	54,435
Difference in net cash provided by operating activities	-	-	-

The error does not have an impact on the Company's retained earnings, profit or loss previously reported, earnings per share or the cash and cash equivalent balances in the prior periods.

12. REVENUE

(Listing rule 4.3A – item 3)

	2015 \$'000	2014 \$'000
Fee revenue		
Rendering of services	486,267	366,415
Net movement in WIP	65,881	45,398
	<u>552,148</u>	<u>411,813</u>
Services Revenue		
Ancillary revenue	15,252	-
Commission revenue	1,100	-
Rendering of services – non legal	4,120	-
	<u>20,472</u>	<u>-</u>
Gain from bargain purchase	<u>42,496</u>	<u>24,845</u>
Other income		
Interest	3,269	1,829
Other	4,963	4,824
	<u>8,232</u>	<u>6,653</u>
(a) Interest from		
Other persons	2,294	401
VCR share loans to employees	975	1,428
	<u>3,269</u>	<u>1,829</u>

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13. EXPENSES

(Listing rule 4.3A – item 3)

	2015 \$'000	Restated 2014 \$'000
Finance costs		
Interest on bank overdraft and loans	8,551	4,807
Interest on deferred consideration payable to vendors on acquisitions	2,199	2,812
Deferred costs of borrowing	218	-
Interest on obligations under hire purchases	500	537
	<u>11,468</u>	<u>8,156</u>
 Depreciation and amortisation of non-current assets		
Plant and equipment	4,436	4,352
Software development	1,813	1,141
Trademarks	3,696	1,404
Client lists	-	58
	<u>9,945</u>	<u>6,955</u>
 Cost of sales		
Ancillary revenue – cost of sales	14,490	-
Commission revenue – cost of sales	3	-
Rendering of services – non legal – cost of sales	2,169	-
	<u>16,662</u>	<u>-</u>
 Payments to former owners	14,102	3,651
Share based payment expense to former owners	11,422	5,379
Bad and doubtful debts	11,585	6,904
Share based payments expense	2,031	1,180
Post-employment benefits	11,827	9,237

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14. DIVIDENDS PAID OR PROVIDED FOR ON ORDINARY SHARES

(Listing rule 4.3A – item 7)

	2015 \$'000	2014 \$'000
Dividends paid during the year		
<i>Dividends on ordinary shares</i>		
Interim dividend partially franked (40%) at the tax rate of 30% for 2015: 3.50 cents per share (2014: 3.00 cents per share)	7,341	6,115
Final franked dividend at the tax rate of 30% for 2014: 5.00 cents per share (2013: 3.85 cents per share)	10,279	7,655
Total dividends paid during the year	<u>17,620</u>	<u>13,770</u>

15. DETAILS OF DIVIDEND

(Listing rule 4.3A – item 7)

Date the dividend (distribution) is payable	29 October 2015
Record date to determine entitlements to the dividend (distribution) (i.e. on the basis of proper instruments of transfers received by 5.00pm if securities are not CHESS approved, or security holding balances established by 5.00pm or such later time permitted by SCH Business Rules if securities are CHESS approved)	22 September 2015
Final Dividend Declared on	27 August 2015

16. DETAILS OF DIVIDEND OR DISTRIBUTION REINVESTMENT PLANS

(Listing rule 4.3A – item 8)

The entity has in place a dividend reinvestment plan which eligible shareholders may elect to take all or part of future dividends in the form of cash or shares in accordance with the plan rules. Shares are provided under the plan free of brokerage and other transaction costs. Applications or notices to participate or withdraw from the dividend reinvestment plan received after 5.00pm (Melbourne time) on 23 September 2015 will not be effective for the final dividend in respect of the current financial year but will be effective for future dividends. Shares issued under the DRP for the final dividend, will be issued at the volume weighted average prices for the pricing period from 24 September 2015 to 21 October 2015.

The last date(s) for receipt of election notices for participation in the dividend or distribution reinvestment plan: 23 September 2015.

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17. RECONCILIATION OF RETAINED PROFITS

(Listing rule 4.3A – item 6)

	2015 \$'000	Restated 2014 \$'000
Retained earnings	261,482	197,032
(a) Retained earnings		
Balance at the beginning of year	197,032	132,963
Net profit attributable to ordinary equity holders	82,070	77,839
Total available for appropriation	279,102	210,802
Dividends paid	(17,620)	(13,770)
Balance at end of year	261,482	197,032

18. NET TANGIBLE ASSETS PER SECURITY

(Listing rule 4.3A – item 9)

	2015 \$'000	Restated 2014 \$'000
Net Tangible Assets	220,148	305,798
	Number of shares	Number of shares
Total number of ordinary shares of the Company	350,719,894	204,338,625
Net tangible asset backing per ordinary security	\$0.63	\$1.50

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19. DETAILS OF ENTITIES OVER WHICH CONTROL GAINED OR LOST DURING THE PERIOD
 (Listing rule 4.3A – item 10)

Details of legal entities acquired are:

Date	Entity	Nature of transaction
31 October 2014	Schultz Toomey O'Brien Pty Ltd	Acquisition of the business operations and assets
31 October 2014	All States Legal Co Pty Ltd	Acquisition of the business operations and assets
28 November 2014	SG NSW Pty Ltd	Acquisition of the business operations and assets
30 April 2015	Walker Smith Way Limited	Acquisition of the business operations and assets
30 April 2015	WSW Limited	Acquisition of the business operations and assets
29 May 2015	iSaaS Technology Limited	Acquisition of the legal entity as part of Professional Services Division
29 May 2015	Compass Costs Consultants Ltd	Acquisition of the legal entity as part of Professional Services Division
29 May 2015	Intelligent Claims Management Limited	Acquisition of the legal entity as part of Professional Services Division
29 May 2015	Mobile Doctors Group Limited	Acquisition of the legal entity as part of Professional Services Division
29 May 2015	Medici Legal Limited	Acquisition of the legal entity as part of Professional Services Division
29 May 2015	Mobile Doctors Solutions Limited	Acquisition of the legal entity as part of Professional Services Division
29 May 2015	Mobile Doctors Limited	Acquisition of the legal entity as part of Professional Services Division
29 May 2015	MDL Medical Administration Ltd	Acquisition of the legal entity as part of Professional Services Division
29 May 2015	React & Recover Medical Group Limited	Acquisition of the legal entity as part of Professional Services Division
29 May 2015	Recover Healthcare Limited	Acquisition of the legal entity as part of Professional Services Division
29 May 2015	React Medical Reporting Limited	Acquisition of the legal entity as part of Professional Services Division
29 May 2015	React Medical Management Limited	Acquisition of the legal entity as part of Professional Services Division
29 May 2015	Medicalaw Limited	Acquisition of the legal entity as part of Professional Services Division
29 May 2015	Abstract Legal Holdings Limited	Acquisition of the legal entity as part of Professional Services Division
29 May 2015	Accident Advice Helpline Direct Limited	Acquisition of the legal entity as part of Professional Services Division
29 May 2015	Legal Facilities Management & Services Limited	Acquisition of the legal entity as part of Professional Services Division

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19. DETAILS OF ENTITIES OVER WHICH CONTROL GAINED OR LOST DURING THE PERIOD
(cont.)
 (Listing rule 4.3A – item 10)

29 May 2015	Fast Track PPI Limited	Acquisition of the legal entity as part of Professional Services Division
29 May 2015	Access to Compensation Limited	Acquisition of the legal entity as part of Professional Services Division
29 May 2015	Cab Claims Limited	Acquisition of the legal entity as part of Professional Services Division
29 May 2015	Liberty Protect Limited	Acquisition of the legal entity as part of Professional Services Division
29 May 2015	Claim4 Limited	Acquisition of the legal entity as part of Professional Services Division
29 May 2015	Accident Advice Helpline Limited	Acquisition of the legal entity as part of Professional Services Division
29 May 2015	Claim 103 Limited	Acquisition of the legal entity as part of Professional Services Division
29 May 2015	Accident Advice Insurance Management Group Limited	Acquisition of the legal entity as part of Professional Services Division
29 May 2015	Sentinel Alliance Limited	Acquisition of the legal entity as part of Professional Services Division
29 May 2015	Accident Advice (IA) Limited	Acquisition of the legal entity as part of Professional Services Division
29 May 2015	Quindell Legal Services Limited	Acquisition of the legal entity as part of Professional Services Division
29 May 2015	Quindell ACH Limited	Acquisition of the legal entity as part of Professional Services Division
29 May 2015	ACH Group Management Limited	Acquisition of the legal entity as part of Professional Services Division
29 May 2015	ACH Access Legal Limited	Acquisition of the legal entity as part of Professional Services Division
29 May 2015	ACH Claims Limited	Acquisition of the legal entity as part of Professional Services Division
29 May 2015	ACH Media Solutions Limited	Acquisition of the legal entity as part of Professional Services Division
29 May 2015	ACH Medical Limited	Acquisition of the legal entity as part of Professional Services Division
29 May 2015	ACH Broker Services Ltd	Acquisition of the legal entity as part of Professional Services Division
29 May 2015	ACH Quote Me Cover Me Limited	Acquisition of the legal entity as part of Professional Services Division
29 May 2015	Crusader Assistance Group Holdings Limited	Acquisition of the legal entity as part of Professional Services Division
29 May 2015	Accident & Equity Limited	Acquisition of the legal entity as part of Professional Services Division
29 May 2015	Crusader Group Holdings Limited	Acquisition of the legal entity as part of Professional Services Division
29 May 2015	Centurion Uninsured Loss Recovery Services Limited	Acquisition of the legal entity as part of Professional Services Division
29 May 2015	Equi-medical Reports Limited	Acquisition of the legal entity as part of Professional Services Division
29 May 2015	Equi Rehab Limited	Acquisition of the legal entity as part of Professional Services Division
29 May 2015	Crusader Uninsured Loss Recovery Service Limited	Acquisition of the legal entity as part of Professional Services Division
29 May 2015	Crusader Connect Limited	Acquisition of the legal entity as part of Professional Services Division

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19. DETAILS OF ENTITIES OVER WHICH CONTROL GAINED OR LOST DURING THE PERIOD (cont.)
 (Listing rule 4.3A – item 10)

29 May 2015	Quindell Business Process Services (UK) Limited	Acquisition of the legal entity as part of Professional Services Division
29 May 2015	Colegate Vehicle Hire Limited	Acquisition of the legal entity as part of Professional Services Division
29 May 2015	Colegate Accident Assistance Ltd	Acquisition of the legal entity as part of Professional Services Division
29 May 2015	Auto Indemnity (UK) Limited	Acquisition of the legal entity as part of Professional Services Division
29 May 2015	Overland Limited	Acquisition of the legal entity as part of Professional Services Division
29 May 2015	Overland Health Limited	Acquisition of the legal entity as part of Professional Services Division
29 May 2015	Overland Malta (Trading) Limited	Acquisition of the legal entity as part of Professional Services Division
29 May 2015	Overland Legal Limited	Acquisition of the legal entity as part of Professional Services Division
29 May 2015	Property Home Buyers Limited	Acquisition of the legal entity as part of Professional Services Division

20. DETAILS OF ASSOCIATES OR JOINT VENTURE ENTITIES
 (Listing rule 4.3A – item 11)

Not applicable

21. SIGNIFICANT INFORMATION FOR THE INVESTOR TO MAKE AN INFORMED ASSESSMENT OF THE ENTITY'S FINANCIAL PERFORMANCE AND FINANCIAL POSITION
 (Listing rule 4.3A – item 12)

Detailed below is additional information provided and to be read in conjunction with ASX Release dated 28 August 2015.

Purchase of Professional Services Division (PSD) from Quindell PLC (Quindell)

On 29 May 2015, the Company acquired businesses from Quindell Plc, which it now refers to as the Professional Services Division (PSD). The Company is continuing a process of reviewing the businesses and assets within the PSD and in that context continues to gain a better understanding of those assets and businesses.

On 5 August 2015, Quindell Plc, the vendor of the PSD, published qualified financial statements in which the current directors and auditors of Quindell Plc explained, inter alia, that relevant information relating to transactions entered into by the former directors that could impact on the accounting, intention, commercial purpose or value of certain transactions was not available to them.

On 5 August 2015 the Serious Fraud Office in the United Kingdom advised that it has opened a criminal investigation into the business and accounting practices of Quindell Plc. The acquisition of the PSD was structured as an acquisition of the PSD entities rather than an acquisition of the common stock of Quindell Plc. Moreover, Quindell Plc provided detailed warranties to the Company in relation to the operations of the PSD. Those warranties are secured by a Warranty Escrow account holding GBP 50m.

The Directors are confident that the Company has no liability as a result of the matters described above.

SLATER & GORDON LIMITED

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21. SIGNIFICANT INFORMATION FOR THE INVESTOR TO MAKE AN INFORMED ASSESSMENT OF THE ENTITY'S FINANCIAL PERFORMANCE AND FINANCIAL POSITION (cont.) (Listing rule 4.3A – item 12)

In the course of preparing these financial statements, the Directors have sought to identify, understand and properly account for all relevant prior transactions undertaken by entities within the PSD. Despite reasonable inquiries including of current directors of Quindell Plc, the Directors are unable to identify or rationalise every historic transaction undertaken by the former directors of the PSD entities and have made fair value adjustments as appropriate. We believe that none of the known transactions relate to the fundamental business activities or economics of the PSD and none of the known transactions are material in value or effect.

Deferred Consideration for Noise Induced Hearing Loss (NIHL) profit share

The purchase transaction for the PSD incorporated a deferred consideration for NIHL cases. The sale and purchase agreement specifies a deferred consideration pertaining to an earnout based on the performance of PSD's legacy NIHL case portfolio. The earnout will be based on a 50% sharing of after tax profits from the settlement of existing NIHL files.

Subsequent to the purchase transaction, Quindell published a value for the deferred consideration for NIHL Profit Share (approximately GBP 40m as reported in Quindell PLC financial statements as at 31 December, 2014).

Slater and Gordon management and directors have formed the view that there is not sufficient information available to provide a preliminary valuation on the deferred consideration at this stage. Management is still undergoing the process of validating the underlying assumptions (stock take of files and average fees per file) which are critical to the valuation exercise.

As a result, in the PSD provisional business combination note the deferred consideration for Quindell's share of NIHL profit will be disclosed as a contingent liability.

ACCOUNTING STANDARDS USED BY FOREIGN ENTITIES

(Listing rule 4.3A – item 13)

International Financial Reporting Standards

22. COMMENTARY ON THE RESULT FOR THE PERIOD, DISCUSSION OF PERFORMANCE TRENDS AND FEATURES OF OPERATING PERFORMANCE (Listing rule 4.3A – item 14, item 14.3 and item 14.5)

Refer to ASX Release dated 28 August 2015.

SLATER & GORDON LIMITED
YEAR ENDED 30 JUNE 2015
23. THE EARNINGS PER SECURITY AND THE NATURE OF ANY DILUTION ASPECTS
 (Listing rule 4.3A – item 14.1)

Earnings per security (“EPS”)	2015	Restated 2014
Basic EPS	35.1 cents	38.8 cents
Diluted EPS	34.8 cents	38.1 cents
	\$'000	\$'000
Earnings used in calculating Basic and Diluted EPS	82,341	77,998
	Number of Shares '000	Number of Shares '000
Weighted average number of ordinary shares on issue used in the calculation of Basic EPS	234,842	201,306
Effect of dilutive securities:		
VCR shares	1,377	3,437
Performance rights	303	-
Adjusted weighted average number of ordinary shares used in calculating Diluted EPS	<u>236,522</u>	<u>204,743</u>

VCR Shares

The Company operates an Employee Ownership Plan (“EOP”). The Plan allows employees to purchase VCR shares in the Company by way of an interest-free loan.

VCR shares are considered to be potentially ordinary shares and have been included in the determination of diluted earnings per share.

The VCR shares vest over a specified period of time. At the time of vesting, VCR shares convert into ordinary shares with disposal restrictions.

Performance Rights

The Company's shareholders approved the Slater and Gordon Executive Equity Incentive Scheme (“EEIS”) under which grants of performance right have been made to executives. The EEIS replaces the existing EOP without prejudice to the rights of current participants in the EOP. The performance rights vest based on a three year service condition and the financial performance of the Australian, UK or Group operations (depending on the executive role) over the three financial years FY15 to FY17. Performance measures include total shareholder return and earnings measures. Each performance right grants the holder one ordinary share if vested, hence they have been included in the calculation of diluted earnings per share.

Basic and Diluted EPS

Basic earnings per share (“EPS”) is calculated as net profit attributable to ordinary equity holders of the Company divided by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated as net profit attributable to ordinary equity holders of the Company divided by the weighted average number of ordinary shares and dilutive potential ordinary shares.

SLATER & GORDON LIMITED
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24. RETURNS TO SHAREHOLDERS INCLUDING DISTRIBUTIONS AND BUY BACKS

(Listing rule 4.3A – item 14.2)

ISSUED, BUY BACK AND QUOTED SECURITIES AT END OF CURRENT PERIOD

		2015	2015	2014	Restated
		Shares	\$'000	Shares	2014
					\$'000
Ordinary shares fully paid	(a)	350,719,894	1,104,289	204,338,625	214,514
VCR shares	(b)	833,334	418	2,629,333	2,535
Balance at end of the year		351,553,228	1,104,707	206,967,958	217,049

(a) Movement in ordinary share capital

Balance at the beginning of the year	204,338,625	214,514	196,809,265	206,506
<i>Shares issued as consideration for acquisitions:</i>				
- 31 October 2013	-	-	2,911,498	10,058
- 2 December 2013	-	-	211,835	870
- 17 February 2014	-	-	1,339,886	5,918
- 17 September 2014	9,966	54	-	-
- 14 November 2014	2,885,333	16,900	-	-
- 11 March 2015	994,908	5,402	-	-
- 1 May 2015	983,493	7,038	-	-
- Change to account for business combinations (refer to note 10)	-	(14,155)	-	(16,589)
	4,873,700	15,239	4,463,219	257
<i>Conversion of vested VCR shares to ordinary share</i>				
- 26 September 2013	-	-	2,037,333	3,851
- 2 December 2013	-	-	83,000	157
- 15 September 2014	1,235,333	2,332	-	-
- 11 March 2015	40,000	65	-	-
	1,275,333	2,397	2,120,333	4,008
<i>Shares issued under the Equity Incentive Plan</i>				
- 7 November 2014	65,688	406	-	-
- 21 April 2015	85,980	353	-	-
	151,668	759	-	-
<i>Shares issued under Dividend Reinvestment Plan:</i>				
- 14 November 2013	-	-	428,725	1,586
- 24 April 2014	-	-	517,083	2,277
- 24 October 2014	160,676	967	-	-
- 23 April 2015	97,043	729	-	-
	257,719	1,696	945,808	3,863
<i>Shares issued under Entitlement Offer</i>				
- 14 April 2015	94,253,906	600,397	-	-
- 29 April 2015	45,568,943	290,542	-	-
	139,822,849	890,939	-	-
Less capital raising costs, net of tax	-	(21,255)	-	(120)
Balance at end of the year	350,719,894	1,104,289	204,338,625	214,514

SLATER & GORDON LIMITED
YEAR ENDED 30 JUNE 2015
25. RETURNS TO SHAREHOLDERS INCLUDING DISTRIBUTIONS AND BUY BACKS (cont.)

(Listing rule 4.3A – item 14.2)

	2015 Shares	2015 \$'000	2014 Shares	2014 \$'000
(b) Movement in VCR share capital				
Balance at the beginning of the year	2,629,333	2,535	5,111,334	5,868
<i>Conversion of vested VCR shares to ordinary shares:</i>				
- 26 September 2013	-	-	(2,037,333)	(3,851)
- 2 December 2013	-	-	(83,000)	(157)
- 15 September 2014	(1,235,333)	(2,332)	-	-
- 11 March 2015	(40,000)	(65)	-	-
	<u>(1,275,333)</u>	<u>(2,397)</u>	<u>(2,120,333)</u>	<u>(4,008)</u>
<i>Employee share scheme buy-back:</i>				
- 24 April 2014	-	-	(361,668)	(438)
- 31 December 2014	(520,666)	(161)	-	-
	<u>(520,666)</u>	<u>(161)</u>	<u>(361,668)</u>	<u>(438)</u>
Share based payments expense	-	441	-	1,113
Balance at end of the year	833,334	418	2,629,333	2,535

26. SEGMENT RESULTS

(Listing rule 4.3A – item 14.4)

The group has three operating segments, as described below, which are the Group's strategic business units. The strategic business units are managed separately. For each of the strategic business units, the Group Managing Director reviews internal management reports on a monthly basis. The following summary describes each of the Group's reportable segments:

- **Slater & Gordon Australia ("AUS")** - includes the parent company Slater and Gordon Limited and its subsidiaries in Australia. This segment conducts a range of legal services, within the geographical area of Australia. This segment also includes investments in the Group's other segment, and borrowings and capital raising activities to finance investment and operations of the combined Group. There is recharge of ongoing management support to the other segment in the Group.
- **Slater & Gordon UK ("UK")** – includes the Group's operations, conducting a range of legal services including personal injury and general law.
- **PSD ("Professional Services Division")** – includes 52 legal entities based in the United Kingdom and Malta acquired by Slater & Gordon in the year ended 30 June 2015. The entities operate across the claims value chain, offering both legal services relating to road traffic accident, employee liability / public liability and noise induced hearing loss claims as well as complementary services in health and motor services.

SLATER & GORDON LIMITED
YEAR ENDED 30 JUNE 2015
26. SEGMENT RESULTS (cont.)
 (Listing rule 4.3A – item 14.4)

2015	AUS \$'000	UK \$'000	PSD \$'000	Total \$'000
Total segment revenue	312,582	280,934	37,181	630,697
Inter-segment revenue	(7,349)	-	-	(7,349)
Revenue from external customers	305,233	280,934	37,181	623,348
Earnings/(loss) before interest tax depreciation and amortisation	65,419	68,326	(5,376)	128,369
Interest revenue	2,997	272	-	3,269
Interest expense	(6,354)	(5,110)	(4)	(11,468)
Depreciation and amortisation	(5,712)	(4,024)	(209)	(9,945)
Income tax (expense)/benefit	(19,239)	(9,608)	963	(27,884)
Net profit/(loss) after income tax	37,111	49,856	(4,626)	82,341
Segment assets				
Total segment assets*	1,650,300	1,143,671	754,554	3,548,525
Inter-segment assets	(131,464)	(394,978)	-	(526,442)
Total assets per the balance sheet	1,518,836	748,693	754,554	3,022,083
Segment liabilities				
Total segment liabilities	344,604	994,787	759,588	2,098,979
Inter-segment liabilities	-	(131,464)	(394,978)	(526,442)
Total liabilities per the balance sheet	344,604	863,323	364,610	1,572,537
*Additions to non-current assets				
Plant and equipment	7,837	12,040	5,086	24,963
Intangibles, including goodwill	6,421	9,980	1,082,519	1,098,920
Total additions to non-current assets	14,258	22,020	1,087,605	1,123,883

SLATER & GORDON LIMITED
YEAR ENDED 30 JUNE 2015
26. SEGMENT RESULTS (cont.)
 (Listing rule 4.3A – item 14.4)

2014	AUS \$'000	Restated UK \$'000	Total \$'000
Total segment revenue	241,487	207,291	448,778
Inter-segment revenue	(5,467)	-	(5,467)
Revenue from external customers	236,020	207,291	443,311
Earnings before interest tax depreciation and amortisation	56,914	56,888	113,802
Interest revenue	1,584	245	1,829
Interest expense	(5,142)	(3,013)	(8,155)
Depreciation and amortisation	(3,450)	(3,505)	(6,955)
Income tax expense	(16,253)	(6,270)	(22,523)
Net profit after income tax	33,653	44,345	77,998
Segment assets			
Total segment assets*	604,377	409,398	1,013,775
Inter-segment assets	(126,013)	-	(126,013)
Total assets per the balance sheet	478,364	409,398	887,762
Segment liabilities			
Total segment liabilities	221,224	364,179	585,403
Inter-segment liabilities	-	(126,013)	(126,013)
Total liabilities per the balance sheet	221,224	238,166	459,390
*Additions to non-current assets			
Plant and equipment	763	4,238	5,001
Intangibles, including goodwill	2,558	18,626	21,184
Total additions to non-current assets	3,321	22,864	26,185

UK Segment has been restated to account for change to accounting for business combinations.

27. SUBSEQUENT EVENTS
 (Listing rule 4.3A – item 12)

There are no subsequent events.

28. ANY OTHER FACTORS WHICH HAVE AFFECTED THE RESULTS IN THE PERIOD WHICH ARE LIKELY TO AFFECT RESULTS IN THE FUTURE, INCLUDING THOSE WHERE THE EFFECT COULD NOT BE QUANTIFIED
 (Listing rule 4.3A – item 14.6)

Refer Note 21. With regard to the contingent liability disclosure for Noise Induced Hearing (NIHL) cases.

In addition to items referred to above also refer to ASX Release dated 28 August 2015.

SLATER & GORDON LIMITED
YEAR ENDED 30 JUNE 2015

29. COMPLIANCE STATEMENT

(Listing rule 4.3A – item 15)

- (i) The financial report is in the process of being audited and is not likely to be subject to audit dispute or qualification.

The entity has a formally constituted audit committee.



Sign here: Date: 28 August 2015

Print name:

Andrew Grech
Group Managing Director

30. ANNUAL MEETING

The annual meeting will be held as follows:

Place:

Hilton Hotel
488 George Street
Sydney NSW 2000

Date: 20 November 2015

Time: 11.00am

Approximate date the annual report will be available 20 October 2015