

ASX Announcement

9 November 2018

Annual General Meeting – Chair’s Address

Slater & Gordon Limited (“Slater and Gordon” or “the Company”)(ASX: SGH) provides below the Chair’s Address to the 2018 Annual General Meeting to be held today at 11.30am at RACV Club, 501 Bourke Street, Melbourne.

James MacKenzie, Chair:

The Slater and Gordon FY18 financial results reflect a year of significant change.

While we reported a net profit after tax of \$113.7 million, however this result was significantly affected by the Company’s one-off gain on the disposal of its UK business as part of its Recapitalisation in December 2017.

We also reported a net loss after tax on continuing operations of \$31.9 million, which reflects costs associated with the Company’s divestments in parts of its business as well as its mostly completed transformation program. As a result of this program, we now have a stronger capital structure, a simplified operating model and a clearly defined service offering - giving the stability required so that we can now focus on growing our core services of Personal Injury Law and Class Actions/ Commercial and Project Litigation, and Industrial practices

The Recapitalisation of the Company which was completed in December last year has provided a strong capital structure with a more sustainable level of debt and increased liquidity. All UK operations and UK subsidiaries were separated from the Company, enabling us to focus on our strategic strengths and reduce significant overheads.

The Company’s majority shareholder, Anchorage Capital Group, has a strong global track record of restructuring businesses and nurturing their turnaround. Without their support, the more than 12,000 clients that Slater and Gordon helped last year would not have benefited from the support and expertise that the Firm could provide. Anchorage believes in the strength of Slater and Gordon’s brand and its people, who are incredibly passionate about achieving the very best outcomes for their clients, and understands the Firm’s success is built on this dedication to delivering for its clients.

A new Board has been appointed and sits here before you today. The new Board brings to the table a wealth of experience across both the public and private sectors, working with corporations, governments and unions. In addition, they have considerable expertise in the transformation and turnaround of businesses and years of Board experience between them. I am honoured to Chair a Board so diverse and with such depth of experience.

In the past twelve months, we have implemented a strong program of initiatives that we believe will set us up for long-term sustainability so we can continue to unlock access to justice for the thousands of Australians who need our help. This transformation to date would not have been possible without the tireless efforts of the Slater and Gordon family. I would like to thank the staff, leadership team and Board for their passion, professionalism and resolute commitment to our clients and the on-going success of the business. In particular, I would like to thank our new CEO, John Somerville, who has hit the ground running since he commenced in February and has provided strong leadership and a clear vision for the team.

I also want to thank our unions, regulators, industry bodies, sponsorship partners and business partners for the support they have given us in stabilising the business.

As I said in the Annual Report, I am very pleased to say, we have in place good strategy, good leadership and good governance.

Before I get to the formal business of today's meeting, I want to let you know about an initiative that the Board approved this morning to tidy up the Company's share register and to try and improve liquidity in the Company's shares.

The Board is conscious that there are a number of shareholdings where there are restrictions placed on selling those shares. Those restrictions were put in place some time ago, either as part of a prior employee share acquisition plan or employee incentive plan or following the acquisition of a law practice where part of the consideration was paid to the vendors in shares.

The Recapitalisation of the Company approved in December 2017, which included a 1 for 100 share consolidation, has rendered the reasons for imposing those restrictions irrelevant. Accordingly, the Board has resolved today to lift all restrictions effective on Monday.

The Board hopes these measures may go some way to improving liquidity for shareholders, particularly for small shareholders.

ENDS

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