

ANNUAL GENERAL MEETING

20 NOVEMBER 2015

CHAIR'S ADDRESS

Chair John Skippen

The past year has certainly been a year of opportunity and challenges, both of which I believe have made us a stronger and better company.

FY15 Results

Slater and Gordon delivered a strong financial performance in the 2015 financial year with core practice areas performing well and delivering results in line with previous management guidance.

Total revenue increased to \$627.3 million, Profit after tax increased to \$83.8 million and earnings per share increased to 35.6 cents per share.

The annual dividend was 9 cents per share, resulting in 31.8% of after tax profits being distributed to shareholders.

In Australia, our Personal Injury Law business remained resilient with strong growth in fee revenue from Victoria and New South Wales in particular. The acquisition of high quality firms Nowicki Carbone in Victoria and Schultz Toomey O'Brien in Queensland added strength to the Australian operations.

The Australian General Law practice continued to make good progress with strong revenue growth across all practice groups and improved contribution to earnings.

In the UK, the Slater and Gordon Lawyers business delivered strong increases in file openings across the Personal Injury Law practice and we continued to build momentum in General Law. Pleasingly, the Slater and Gordon Lawyers brand achieved 24% brand awareness and is now one of the best known law firm brands in the UK.

PSD Acquisition

In May we acquired Quindell's Professional Services Division. This business, now rebranded Slater Gordon Solutions (SGS), is the leading fast track personal injury law service provider in the UK. It operates uniquely across the personal injury claims management value chain.

With the addition of Slater Gordon Solutions we now have a compelling service offering across the full range of personal legal services in the UK and believe we have a platform which can deliver significant and sustainable value for shareholders over time.

Equity Raising

The acquisition of SGS was funded through a mix of debt and equity. The equity was raised using a pro rata renounceable rights offer, a decision made in consultation with our advisors Greenhill and Citi.

We were, and remain, confident that the acquisition would deliver value for shareholders, and therefore wanted to ensure all existing investors had the opportunity to participate if they desired. As such, we were advised that a pro-rata rights offer was the most equitable structure and most appropriate due to the tight timing constraints of the transaction.

While our prior raisings had been done on a non-renounceable basis, which meant shareholders needed to participate or be diluted, we believed it was critical there was potential for non-participating shareholders to receive value for their rights and decided to undertake a renounceable offer.

We considered rights trading but concluded it was not appropriate, particularly given Quindell's shareholder vote would have been at the back end of the retail offer period with the attendant uncertainty significantly impacting rights trading.

The Board and senior management team have spent a considerable amount of time reflecting on the raising, and believe that the process and structure was appropriate given the circumstances at the time.

Balance Sheet

The debt component of the transaction was funded via a new multi-currency syndicated debt facility negotiated with our existing lenders NAB and Westpac incorporating additional banks. The facility has an overall limit of GBP375 million and AUD90 million. At 30 June 2015, net debt was \$623.4 million and gearing, net debt to equity, 43.4%. This is slightly above our preferred 30 to 40% band due to the SGS transaction but we are very focussed on reducing this debt and forecast gearing to be back within our preferred range during this financial year.

Shareholder returns

While our operating performance for the 2015 financial year was strong, our share price performance in recent months has been disappointing. The current share price is not reflective of the Board's view on the underlying value of the Slater and Gordon business. We share the frustration expressed by our investors. I can assure you that the board and senior management team are working hard to deliver strong, sustainable results and to put this period of volatility and uncertainty behind us.

Financial disclosure

In June, the Company was notified that the Australian Securities and Investments Commission intended to commence a review process regarding the Group's FY 2014 accounts. We continue to co-operate with ASIC on this review.

When we released the results in August we outlined several enhancements to our reporting aimed to improve the quality and transparency of our financial disclosures. We also commenced a process to appoint new external auditors for the Group. I am pleased to confirm that following a competitive tender process EY have been appointed to become the Group's statutory auditors. This appointment is subject to ASIC's consent to the resignation of Pitcher Partners and we will be seeking ratification by shareholders at the next Annual General Meeting.

A number of adjustments and corrections have been made to our financial accounts in recent months. While none of the changes reflect any change in the previously reported trading performance of the Company, I acknowledge these errors undermine confidence in Slater and Gordon. Not to put too fine a point on it, these errors should not have occurred. We are bolstering our internal and external resources to assure the robustness of reporting going

forward. Yesterday we announced the appointment of Bryce Houghton as our new Group Chief Financial Officer. Bryce has extensive experience in CFO and accounting roles in a listed environment and we look forward to him joining us. I would also like to thank Wayne Brown for his tremendous contribution to Slater and Gordon over the past 12 years.

Governance

In September we announced our intention to expand our board with the appointment of two additional non-executive directors. I am pleased to welcome James Millar to the board and as the new Chair of the Audit, Compliance and Risk Management Committee commencing on the 1st of December. James enjoyed a 30 year career at Ernst & Young, culminating as Chief Executive Officer of the firm in the Oceania region and as a member of the firm's global executive. He has extensive public company board experience. We very much look forward to James's contribution. Discussions to secure a second board appointee are underway and will be announced in due course.

We also have appointed a new General Counsel and Company Secretary Moana Weir who joins us with 15 years' experience with ASX listed companies, including as General Counsel at REA and more recently SEEK Ltd.

Conclusion

In summary, the 2015 financial year was a pivotal one for Slater and Gordon. I and the board are confident that Slater and Gordon is moving forward as a stronger and better company that will succeed in delivering sustainable value for shareholders. I'll now hand over to our Group Managing Director, Andrew Grech to talk about our strategic priorities and outlook for this financial year.
