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**Andrew Grech - Managing Director  
Wayne Brown - Chief Financial Officer**

**FY10 Results Presentation**

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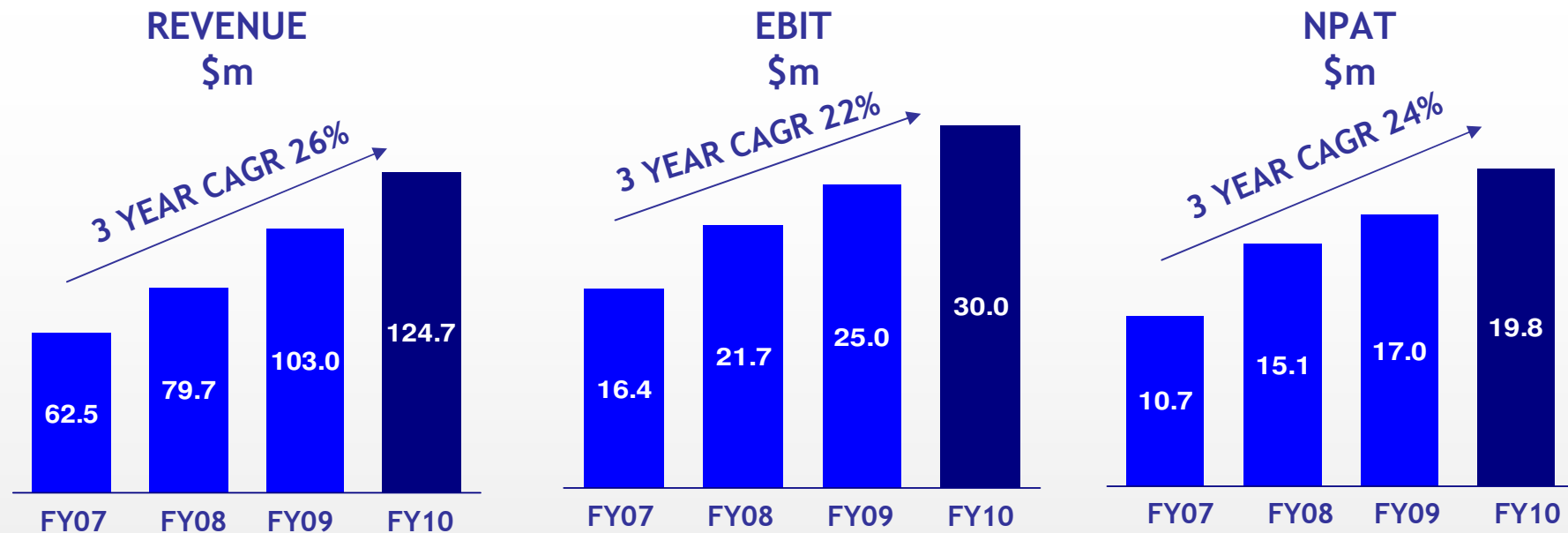
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# Delivering on our Strategy

*No challenge too great*



- ▶ Slater & Gordon is the leading consumer law firm in Australia
- ▶ Well defined growth strategy - accelerated organic growth and acquisitions
- ▶ Closing the gap between revenue and NPAT growth

# FY10 Financial Highlights

*No challenge too great*

- ▶ **Strong financial performance**
  - Revenue ↑ 21.1% to \$124.7 million
  - EBIT ↑ 19.9% to \$30.0 million
  - NPAT ↑ 16.1% to \$19.8 million
  - EPS ↑ 12.6% to 17.9 cents per share
  
- ▶ **Strong Balance Sheet**
  - Normalised net debt \$29.4 million\*
  - Normalised gearing 17.5%\* down from 26.8%
  - Capacity to fund future growth
  
- ▶ **Significant improvement in operating cash flow**
  - \$24.7m or 125% of NPAT
  - Commenced external disbursement funding
  
- ▶ **Full year dividend of 5.0 cents (fully franked) up 17.6% from 4.25 cents**

# FY10 Operating Highlights

*No challenge too great*

- ▶ **Continued strong organic fee growth in excess of 12%**
  - 4 new greenfield offices opened
  
- ▶ **Proven acquisition capability**
  - Completed 5 acquisitions contributing annualised revenue of \$12 million
  - Expanded geographic reach with 6 new sites acquired
  - Announced major acquisition of Trilby Misso in June 2010 for \$57 million
  - Strong pipeline of opportunities exist to expand national footprint
  
- ▶ **Continued expansion and diversification of practice groups**
  
- ▶ **Strong growth in Project Litigation and excellent outcomes for clients**
  - Storm Financial - reached innovative Resolution Scheme agreement with the CBA on behalf of 2,000 Storm clients
  - Vioxx - judgement in favour in class action claim in March 2010
  - Regulatory roadblock for litigation funding now removed

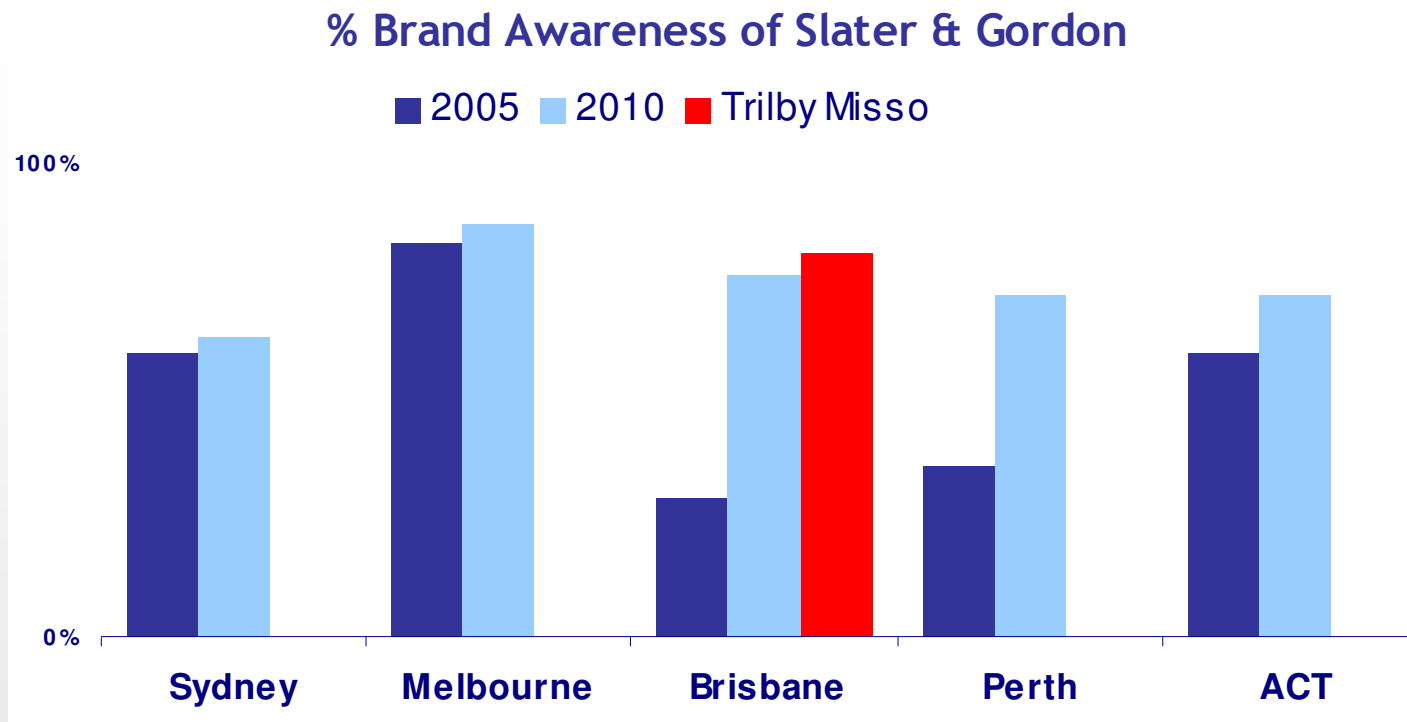
**“Think about Slater & Gordon like a retailer with slow turning inventory”**

Wilson HTM Research Report  
June 2010

.....without product obsolescence

# Strong Brand Awareness

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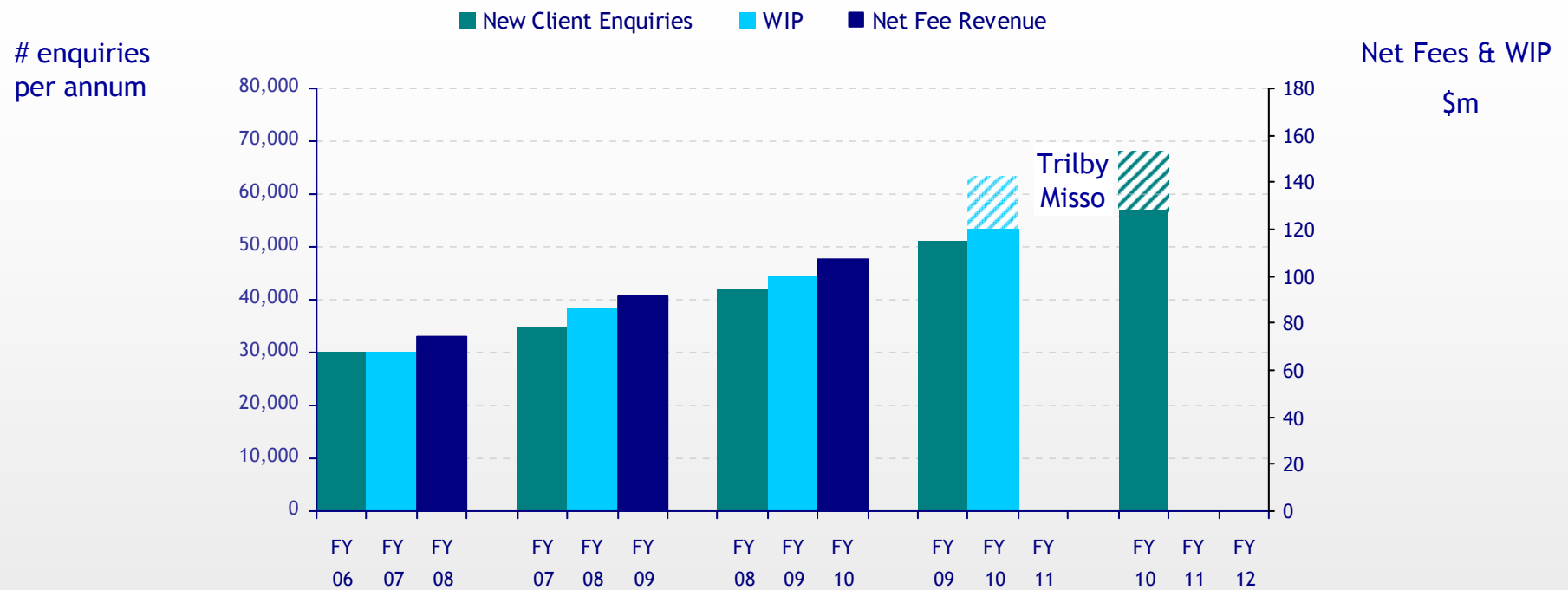
- ▶ Strong brand awareness built by quality reputation and targeted advertising



# Strong Visibility on Future Performance

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## Relationship of Enquiries to WIP to Fees



- ▶ Continued strong correlation between new client enquiries, WIP and net fee revenue

# Strong position in a highly fragmented market

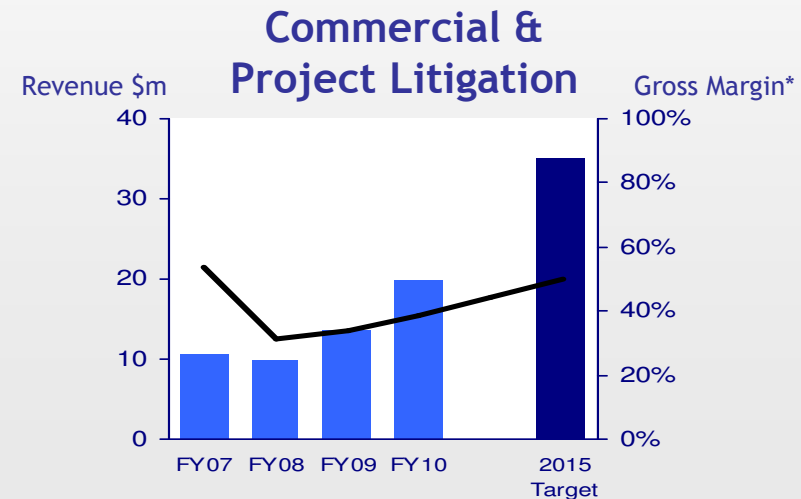
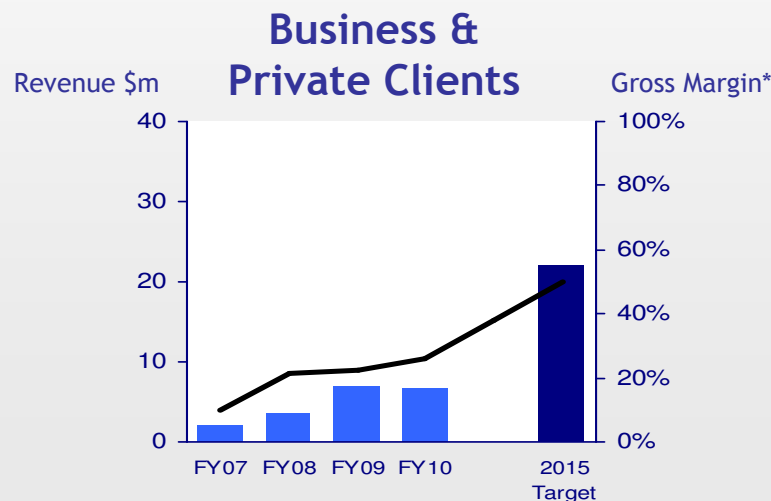
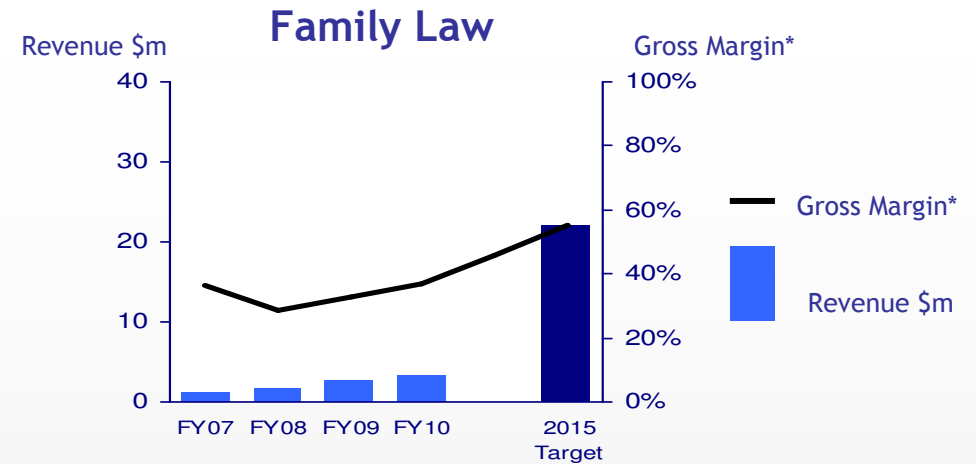
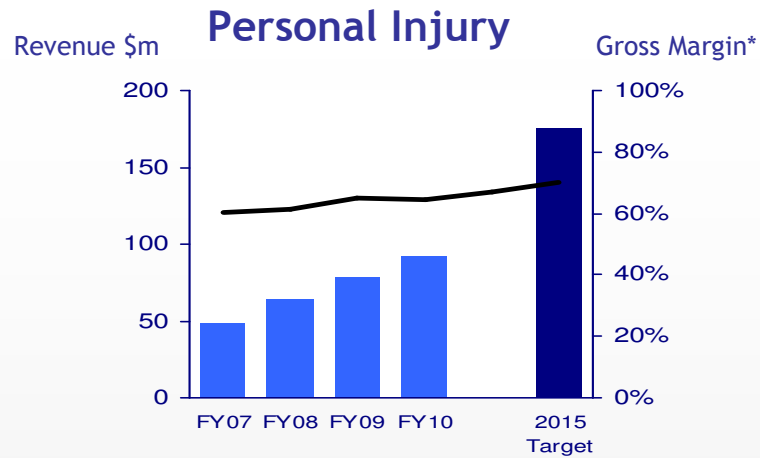
*No challenge too great*

Practice Group	Personal Injury	Family Law	Business & Private Clients	Commercial & Project Litigation
Market Size	\$550-700m	\$400-500m	\$700-750m	Not known
Current S&G Market Share	15-20%	~1%	~1%	-
2015 Target Market Share	25-30%	5%	3%	-
2015 Target Revenue	\$175m	\$25m	\$22m	\$35m

- ▶ Post 2015 continued incremental growth remains achievable in Personal Injury
- ▶ Well positioned to participate in the consolidation of the non Personal Injury consumer legal services market

# Building a Sustainable & Competitive Advantage

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# Project Litigation Pipeline

*No challenge too great*

Matter	Start	Comment	Expected Completion
<b>Self Funded</b>			
Vioxx	FY04	<ul style="list-style-type: none"> <li>Judgment in favour of plaintiff</li> <li>Appealed by defendant</li> </ul>	FY11-FY12
Brookland Greens	FY09	<ul style="list-style-type: none"> <li>Mediation continuing</li> </ul>	FY11-FY12
Fincorp	FY09	<ul style="list-style-type: none"> <li>Preliminary Mediation in September</li> </ul>	FY11-FY12
Storm Financial (BOQ cases)	FY10	<ul style="list-style-type: none"> <li>Test cases proceeding through interlocutory court procedures</li> </ul>	FY11-FY12
Others matters (13)		<ul style="list-style-type: none"> <li>Various stages of completion</li> </ul>	FY11-FY12
Others matters (7)		<ul style="list-style-type: none"> <li>Various stages of assessment / completion</li> </ul>	FY12 +
Self funded Projects Discounted WIP			\$7.9 million
Self funded Projects Paid Disbursements			\$4.6 million

## Third Party Funded (15 matters)

CBA Storm Financial		<ul style="list-style-type: none"> <li>Most SG clients' claims resolved / Most billings in FY10</li> </ul>	FY11 1H
Centro		<ul style="list-style-type: none"> <li>Awaiting judgment on joinder of Centro Auditor</li> </ul>	FY12 +
GPT		<ul style="list-style-type: none"> <li>Informal discussions proposed / Outcome critical to exp. completion timing</li> </ul>	

- ▶ Acquisition of Trilby Misso effective from 13 August 2010
  - expected to contribute from date of acquisition approx \$30 million in revenue in FY11 with EBIT margin in excess of 30%
  - expected to be in the order of 9% earnings per share accretive in FY11
  
- ▶ Provides expanded geographic coverage and scale in Queensland
  - combined market share of 20-25% of the personal injury market in Queensland
  
- ▶ Funded by successful capital raising
  - \$38 million placement to sophisticated and professional investors
  - \$1.4 million through Share Purchase Plan

# Strategic Priorities

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- ▶ Continue to consolidate the national market for plaintiff personal injury legal services
- ▶ Deliver the benefits of the Trilby Misso acquisition
- ▶ Strong focus on growing market share in NSW with particular emphasis on Western Sydney
- ▶ Accelerate growth in non personal injury practices and increase profitability

# Strong Momentum to Continue

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## Outlook for FY11

- ▶ Continued organic revenue growth in excess of 10%
- ▶ Acquisition of additional annualised revenue of \$10-15 million
  - Acquisition of firms with up to \$10 million revenue is a core competency
- ▶ Revenue target of ~\$160 million
- ▶ EBIT margin target of 26%
- ▶ Continued improvement in cash flow management
- ▶ Balance Sheet to remain strong providing capacity for future growth

- ▶ Proven track record of delivering profitable growth
- ▶ Strong and strengthening brand position
- ▶ Positioned for further revenue and margin growth
- ▶ FY 2015 Target
  - Continue to deliver revenue growth of at least 20% per annum
  - Achieve \$250 million revenue base by FY2015





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# Profit & Loss

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	FY 2010 \$m	FY 2009 \$m	% change
Total Revenue	124.7	103.0	21.1%
EBITDA	31.5	25.9	21.3%
EBITDA to Revenue	25.5%	25.5%	
EBIT	30.0	25.0	19.9%
EBIT to Revenue <sup>1</sup>	24.3%	24.6%	
NPAT	19.8	17.0	16.1%
EPS (cents)	17.9	15.9	12.7%
Dividend (cents)	5.00	4.25	17.6%

# Balance Sheet

*No challenge too great*

	FY 2010	FY 2009
Debtor Days	97	125
Paid Disbursement Days	85	84
WIP days PI	353 <sup>1</sup>	352
WIP days Non PI	12	16
WIP days (Self Funded Projects)	30	29
Debt/Equity	17.5% <sup>2</sup>	26.8%
Interest cover	11.7	17.3
Return on Equity	15.9% <sup>2</sup>	16.2%

*1 Normalised for acquisition of Adams Leyland - March 2010*

*2 Normalised for acquisition of Trilby Misso and capital raising*

- ▶ Strong focus on improving the cash performance of the business and reducing working capital funding requirements
  - Further improvement in debtor days and paid disbursement days expected in FY11
- ▶ Balance sheet to strengthen further following completion of capital raising

# Significant Improvement in Cash Flow

*No challenge too great*

	FY 2008 \$m	FY 2009 \$m	FY 2010 \$m
NPAT	15.1	17.0	19.8
Cash flow from Operations	11.6	(0.8)	24.7
% Recovery	76.6%	(4.5%)	124.7%

- ▶ Strong improvement in cash recovery in FY10
- ▶ Normalised cash flow approx 75% over the last 2 years
- ▶ Management target 75-80% annualised cash flow from operations as a % of NPAT
- ▶ External disbursement funding expected to improve cash flow in FY11

## ▶ Disbursement Funding

- \$3 million of external disbursement funding forecast to be diverted to ASK Funding in FY11

## ▶ Debt Facility

- \$53 million facility with Westpac secured to 2014

## ▶ Acquisition Funding

- Acquisitions continue to be funded by a blend of:
  - ⇒ cash
  - ⇒ equity
  - ⇒ deferred and conditional consideration
- Existing funding sufficient to enable ongoing acquisitions of annualised revenue of \$10-15 million

# Corporate Snapshot

*No challenge too great*

## Slater & Gordon Limited

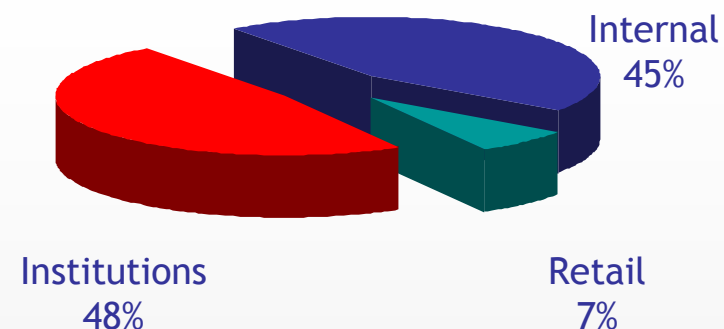
ASX Code	SGH
Revenue (FY10)	\$124.7m
EBIT (FY10)	\$30.0m
Net Debt	\$27.6m*
Shareholders Equity (FY10)	\$146.5m
Enterprise Value	\$231m
Employees	800
Shares on issue	143.5m
Market Capitalisation	~\$210m

\* Normalised for acquisition of Trilby Misso and capital raising  
All other figures at 17 August 2010

## Share Price Performance



## Shareholder Profile



## Board & Management

Anna Booth	Chair
Andrew Grech	Managing Director
Ken Fowlie	Executive Director
Ian Court	Director
Erica Lane	Director
John Skippen	Director
Wayne Brown	Chief Financial Officer
Kirsten Morrison	Company Secretary