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28 June 2010

Slater & Gordon announces the acquisition of Trilby Misso Lawyers Limited and a \$40m capital raising

Key points

- **Slater & Gordon to acquire leading Queensland personal injury litigation firm Trilby Misso for \$57 million**
- **Trilby Misso provides expanded geographic coverage**
- **Acquisition is in the order of 9% annualised earnings per share accretive in FY11***
- **Transaction to be equity funded through a fully underwritten placement and a non-underwritten SPP totalling \$40 million****

Slater & Gordon Limited (Slater & Gordon) (ASX: SGH) announced today that it has entered into an agreement to acquire leading Queensland personal injury litigation firm Trilby Misso Lawyers Limited (Trilby Misso) for \$57 million.

The acquisition of Trilby Misso will be a boost to Slater & Gordon's strategic goal of leading the Australian personal injuries litigation market.

The acquisition will be funded by a combination of cash, equity and deferred consideration and is expected to be in the order of 9% annualised earnings per share accretive in FY11*.

Slater & Gordon also announced today a capital raising to raise approximately \$40 million at \$1.40 per share to fund the cash component of the acquisition.

Trilby Misso

Slater & Gordon Managing Director Andrew Grech described Trilby Misso as the perfect vehicle to advance the company's long held ambition to grow its personal injury market share in Queensland. "Trilby Misso delivers growth that would have taken us a number of years and a heavy investment to achieve organically," he said. "It also gives us a fantastic revenue base and highly skilled and experienced practitioners."

Trilby Misso employs 150 people across its five offices in south east Queensland. It also operates an extensive referral network across the state. 53% of the practice is in motor vehicle accident claims and 40% is in workers compensation.

Mr Grech said "I have long admired the dedication to providing highly professional service shown by the Trilby Misso team."

The acquisition brings together two of the best known names in the Queensland personal injury litigation sector. In brand awareness surveys from 2009 Trilby Misso enjoyed 76% total (prompted and unprompted) awareness in Brisbane while Slater & Gordon recorded 59%. The next highest firm was measured at 32%.

* Refer to key underlying assumptions detailed in slide 17 of the investor presentation accompanying this announcement.

**Subject to shareholder approval of the Tranche 2 Placement.

The Trilby Misso business will continue to operate as a stand alone business under the Trilby Misso name after the acquisition.

“With two such powerful brand names, it makes sense to keep both going and there is certainly a place for both in the marketplace,” Mr Grech said. “We plan to have the Trilby Misso and Slater & Gordon businesses focused on what each does best.”

The vendors of Trilby Misso, who will not be transferring to Slater & Gordon, have not played any active role in operations for some time. They have however developed a highly qualified and experienced management team which will continue to run the business post acquisition. The senior staff are shareholders in Trilby Misso and will receive over 95% of their consideration as equity in Slater & Gordon, subject to a reducing escrow over three years.

Austock Corporate Finance acted as corporate and financial advisor to the Trilby Misso acquisition.

Capital raising

The capital raising comprises a A\$38 million share placement to sophisticated and professional investors (“Placement”) and a share purchase plan to raise approximately A\$2 million to eligible shareholders to subscribe for up to A\$15,000 worth of new ordinary shares in Slater & Gordon (“New Shares”) (“SPP”).

Placement

The Placement is being conducted in two parts:

- a) A\$23.5 million fully underwritten unconditional share placement to sophisticated and professional investors (“Tranche 1 Placement”); and
- b) A\$14.5 million conditional share placement to sophisticated and professional investors, conducted in conjunction with the Tranche 1 Placement and to be completed and underwritten conditional on shareholder approval (“Tranche 2 Placement”).

The Tranche 1 Placement and Tranche 2 Placement were conducted together and offered to sophisticated and professional investors at an issue price of \$1.40 per New Share, compared with the closing price of \$1.50 per share on 23 June 2010, the last day of trading prior to the trading halt. Slater & Gordon will issue approximately 16.8 million New Shares under the Tranche 1 Placement. It is expected that the New Shares issued under the Tranche 1 Placement will be allotted on 1 July 2010.

Completion of the Tranche 2 Placement is conditional on shareholder approval at an Extraordinary General Meeting of shareholders to be held on 9 August 2010. Those professional and sophisticated investors who participated in the Tranche 2 Placement will be ineligible to vote on the resolution at the Extraordinary General Meeting to approve the Tranche 2 Placement. Subject to shareholder approval and following the Extraordinary General Meeting, Slater & Gordon will issue approximately 10.3 million New Shares under the Tranche 2 Placement.

A Notice of Extraordinary General Meeting and accompanying Explanatory Memorandum will be provided to shareholders shortly.

Share Purchase Plan

Following the Placement, Slater & Gordon intends to offer eligible shareholders the opportunity to participate in a non-underwritten SPP. The SPP will provide eligible shareholders with the opportunity to pay up to A\$15,000 to subscribe for New Shares at the same issue price of New Shares under the Placement, being \$1.40 per New Share, without incurring brokerage and other transaction costs. The maximum participation level is \$15,000 and we estimate the number of eligible shareholders to be approximately 1,127.

Further details of the SPP will be provided to eligible shareholders shortly. The record date for participation in the SPP was 7.00pm (Melbourne time), 25 June 2010.

All New Shares issued under the capital raising will rank equally with existing shares.

Key dates

Event ¹	Date
Record Date for eligible shareholders to participate in SPP	7.00pm (Melbourne time), 25 June 2010
Trading halt requested	24 June 2010
Conduct Placement ²	24 - 25 June 2010
Shares recommence trading	28 June 2010
Lodgement of SPP Booklet, Notice of EGM and Explanatory Memorandum	29 June 2010
Settlement of Tranche 1 Placement	30 June 2010
Allotment of New Shares issued under Tranche 1 Placement	1 July 2010
Trading of New Shares under Tranche 1 Placement	1 July 2010
Dispatch of notice of EGM and SPP booklet	5 July 2010
SPP opens	5 July 2010
SPP closes	30 July 2010
Date of EGM	9 August 2010
Settlement of SPP	12 August 2010
Settlement of Tranche 2 Placement (if approved)	12 August 2010
Allotment of New Shares issued under SPP	13 August 2010
Allotment of New Shares issued under Tranche 2 Placement (if approved)	13 August 2010
Trading of New Shares issued under Tranche 2 Placement (if approved)	13 August 2010
Trading of New Shares under SPP	16 August 2010

¹Timetable is subject to change in Slater & Gordon's absolute discretion. Slater & Gordon reserves the right to withdraw or vary the timetable without notice subject to the Corporations Act 2001 (Cth), the ASX Listing Rules and other applicable laws. In particular, Slater & Gordon reserves the right to extend the closing dates for the SPP, Unconditional Placement and Conditional Placement, to accept late applications either generally, or in particular cases, to withdraw the SPP, the Unconditional Placement or Conditional Placement without prior notice. The commencement of quotation of new shares is subject to confirmation from ASX.

²Refers to both the Tranche 1 Placement and Tranche 2 Placement.

ENDS

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