

ASX Announcement

12 May 2017

Market Update: SGH Claim Against Watchstone

Slater and Gordon Limited (ASX:SGH) confirms that its UK subsidiary, Slater & Gordon (UK) 1 Limited (S&G), intends to file a claim against Watchstone Group plc ("Watchstone") in the High Court of England and Wales for approximately £600m over coming weeks.

The claim is based upon serious allegations against Watchstone and its then senior management, including fraud, concerning the purchase by S&G of Watchstone's Professional Service Division in 2015. The filing and timing of the claim also take into account the recent market announcements by Watchstone that, in the face of the claim, it intends to divest itself of its remaining assets. The value of that claim exceeds the net assets of Watchstone and the monies currently held in escrow by several hundred million pounds.

As the claim will shortly be before the court, it is not appropriate to comment publically on the merits of the claim other than to say that it will be pursued vigorously.

ENDS

Contact:

- Bryce Houghton
- Melinda George
- +613 9602 6947

About Slater and Gordon

Slater and Gordon Limited ("Slater and Gordon Group", ASX:SGH) includes Slater and Gordon Lawyers in the United Kingdom and Australia, as well as Slater Gordon Solutions in the UK. Slater Gordon Solutions includes Claims, Health and Motor Services.