

## ASX ANNOUNCEMENT

### Shine Corporate Ltd (SHJ) Chairman's Address and Managing Director's Presentation

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In compliance with the listing rule 3.13.3 please find attached are the following documents that will be presented at the Annual General Meeting of Shine Corporate Ltd. The meeting commences at 1:00pm (EST) on 22 October 2015.

1. Copy of Chairman's Address
2. Copy of Managing Director's Presentation

A handwritten signature in black ink, appearing to read "John George".

John George  
Company Secretary

Shine Corporate Ltd  
Level 6, 30 Makerston Street  
Brisbane QLD 4000  
22 October 2015

**For more information**

Simon Morrison, Managing Director - Shine Corporate Limited 07 3837 9435

Daniel Wilkie, Chief Financial Officer - Shine Corporate Limited 07 3837 9431

**CHAIRMAN'S ADDRESS**  
**SHINE CORPORATE LTD**  
**ANNUAL GENERAL MEETING**  
**22 OCTOBER 2015**

Before Simon presents his summary of the Company's performance over the past year and the outlook for this year, I would like to make a few observations of my own regarding the key factors affecting the performance of the business and the Plaintiff litigation sector more broadly.

I would also like to reflect on a couple of factors that set us apart from some of our competitors. First of all, Shine has a strong balance sheet and relatively low levels of debt to service. We could take on more debt but choose at this time to take a more conservative approach to balance sheet management.

Related to this, we manage our work in progress and cash flows very carefully. We closely monitor all active cases on a day-to-day basis and they are appropriately reflected in our accounts.

Secondly, and just as importantly, we don't bet the farm. Our investments in making acquisitions, in developing new systems to better support our operations or expand our service offering are modest, affordable, manageable and add value for our shareholders.

We have also invested judiciously in our people to build an even stronger, commercially focussed senior management team. Courtney Petersen was recruited into the position of CEO of Shine Lawyers, managing the core operations of the company. As well, we have a new CFO with Top 50 company experience who, together with two new and well credentialed and experienced executives recruited into the important areas of marketing and human resource management, have added depth to our top team.

I have enormous confidence in Simon and his leadership team as we continue to consolidate current operations and expand into new geographies and new service offerings in the area of compensation based law.

Last year, I made the observation that the industry has been evolving and consolidating by acquisition and merger. This trend is continuing and Shine will continue to be part of that evolution, as it takes advantage of the scalability of its systems and processes.

Importantly, we will do this in a very measured way, ensuring there is cultural alignment, risks are well understood and manageable, the strength of our balance sheet is not compromised and we can add value for our shareholders.

On this point, I wish to advise that the Shine Group yesterday acquired Best Wilson Buckley, a firm specialising in family law matters based in Toowoomba and Brisbane. Shine has been practising Family Law for some time through the prior acquisitions of Shannon Donaldson and Sciacca's Lawyers.

Simon Morrison will outline the detail of the acquisition and how it supports our strategic expansion plans both in terms of our emerging practice areas and through its synergies with our existing personal injury business.

I would like to make special mention of Stephen Roche who remains part of our team as a consultant to the board and senior management team on key strategic issues. As well, he remains a major shareholder and will remain active in creating wealth for all shareholders as we seek to right wrong by delivering professional services in support of our clients.

I thank Stephen for his continuing contribution to the Shine Group as a consultant to the Board, and for his continued commitment as a major shareholder.

Once again this year, the board has been solidly engaged in the governance of the company with over 26 regular meetings of the board and board committees and a further 6 unscheduled meetings. As well, the board has participated in separate meetings with the executive on corporate strategy.

We have all witnessed the change in economic conditions both in Australia and the broader global economy. Companies large and small have had to deal with this economic variability and with the somewhat fluid political landscape at both State and Federal level.

Whilst these conditions require us all to be vigilant in the management of our enterprises, for those who have positioned themselves well, both financially and operationally, these conditions can also present commercial opportunity.

You can be assured that the Board and management of Shine remain diligent in positioning the company to take advantage of these opportunities as we consolidate and grow our business and seek to ensure the company delivers on the expectations of its shareholders, clients and other stakeholders.

I will now hand over to the Managing Director.

# SHINE CORPORATE LTD

## 2015 ANNUAL GENERAL MEETING

Simon Morrison  
Managing Director  
22 October 2015

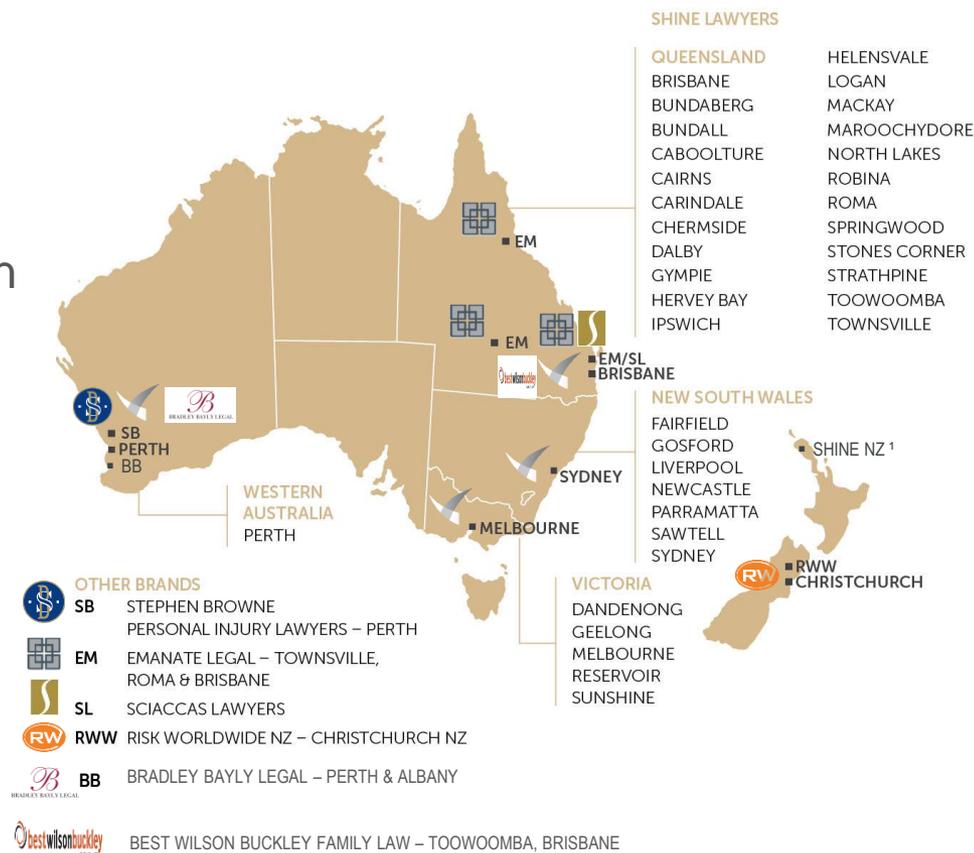
## AGENDA

- Introduction
- FY15 Achievements
- FY15 Results
- Key Operational Drivers
- Business Improvement Initiatives
- Acquisition update
- Reform update
- FY16 Priorities

# INTRODUCTION

## Group Holding Company

- 6 law firms and other interests
- Our Values “Right Wrong”
- Decentralised national operation
- Continued clear vision and systems to grow
- Broadening our footprint
- Domestic and international opportunities



<sup>1</sup> Member of the Shine Lawyers International Alliance (SLIA)

# INTRODUCTION

## Shine Lawyers Firm

**Personal  
Injury  
Litigation**

**Emerging  
Practice  
Litigation**

### Practice Areas

**Workers' compensation  
Motor vehicle accidents  
Medical negligence  
Public liability**

**Product liability  
Professional negligence  
Environmental  
Disability insurance & superannuation  
Class actions  
First party insurance  
Landowners' rights  
Aviation  
Asbestos  
Human rights**

# INTRODUCTION

## Shine Law Firms

  	<p><b>Emanate</b></p> <ul style="list-style-type: none"> <li>• Townsville, Roma and Brisbane – land owner compensation</li> </ul> <p><b>Stephen Browne</b></p> <ul style="list-style-type: none"> <li>• WA Personal Injury Firm</li> <li>• Strategic &amp; Complimentary with Bradley Bayly and Shine</li> </ul> <p><b>Sciaccas Lawyers</b></p> <ul style="list-style-type: none"> <li>• Qld based Personal Injury Firm and strong union network</li> </ul>
 <p>BRADLEY BAYLY LEGAL</p>	<p><b>Bradley Bayly Legal</b></p> <ul style="list-style-type: none"> <li>• Catastrophic &amp; personal injuries, medical and professional negligence</li> <li>• Strategic &amp; Complimentary with Stephen Browne and Shine</li> </ul>
	<p><b>Best Wilson Buckley</b></p> <ul style="list-style-type: none"> <li>• Specialist Family Law Practice</li> <li>• Toowoomba and Brisbane</li> </ul>

## INTRODUCTION

### Other Interests

- RWWNZ - NZ joint venture specialising in disaster recovery claims
- Partnership with Erin Brockovich in the United States managing enquiries and assisting claimants seeking legal remedy where appropriate



## KEY HIGHLIGHTS

### Strategy

- Continued focus on inch-wide, mile-deep growth in plaintiff-based litigation
- Continued diversification of geographic spread of core PI business and enhancement of capability across emerging practice areas
- Measured approach to acquisitions – consistent with strategy, manageable and value accretive from day 1

### Results

- Strong result in challenging year for core PI business with changes to QLD workcover and aggressive marketing by competitors
- Group statutory revenue of \$150.9M, up 30.4% on prior year
- Statutory EBITDA of \$44.0M, up 28.7% on prior year, in line with guidance
- Statutory NPAT of \$29.6M, up 33.3% on prior year
- EPS of 17.2c, up 20.3% on prior year

### Operating ratios

- Group EBITDA Margin of 29.3% in line with previous year
- Emerging practice areas revenue growth of 90.8% to \$33.7M
- Gross operating cash flow of \$13.0M, 43.8% of NPAT
- Normalised net operating cash flow of \$11.5M, 37.6% of normalised NPAT<sup>1</sup>

### Dividends

- Final dividend of 1.75cps, unfranked
- Total dividend of 3.75cps, unfranked
- Payout ratio 21.8%

<sup>1</sup> Normalised NPAT is statutory NPAT plus acquisition costs of \$1.4M and normalised NOCF is after adding back tax payments of \$1,116,000 refunded in July '16 following the successful ATO tax ruling.

## FINANCIAL RESULTS

Measure	FY15	FY14	% change to PCP
Revenue <sup>1</sup>	\$150.6m	\$115.5m	↑ 30.4%
Statutory EBITDA	\$44.0m	\$34.2m	↑ 28.7%
Normalised EBITDA <sup>2</sup>	\$45.4m	\$34.2m	↑ 32.7%
Normalised EBITDA margin <sup>2</sup>	30.1%	29.6%	↑
Normalised NPAT <sup>3</sup>	\$30.6m	\$22.2m	↑ 37.8%
Normalised Net Operating Cash Flow <sup>4</sup>	\$11.5m	\$11.4m	↑ 0.9%
Dividend <sup>5</sup>	3.75 cents	3.5 cents	↑ 7.1%
EPS	17.2 cents	14.3 cents	↑ 20.3%

<sup>1</sup> Revenue excludes Interest Revenue

<sup>2</sup> Normalised EBITDA is after adjusting Statutory EBITDA for Acquisition Costs of \$1,399,890

<sup>3</sup> Normalised NPAT is after adjusting for Acquisition Costs (after tax) of \$980,000

<sup>4</sup> Normalised net operating cash flow is after adjusting for tax paid in FY15 refunded in July '16 as a result of the successful ATO private ruling

<sup>5</sup> Full year FY15 dividend of 3.75 cents (1.75 cents final dividend and 2.00 cents interim dividend), compares to the FY14 full year dividend of 3.50 cents

## BALANCE SHEET

As at (\$M)	30 Jun 15	30 Jun 14
Cash and receivables	29.9	20.1
WIP and disbursements	239.3	172.0
PP&E and intangibles	46.2	13.5
Other assets	0.7	1.2
<b>Total Assets</b>	<b>316.1</b>	<b>206.8</b>
Trade payables	26.8	16.4
Borrowings	21.7	17.3
Other financial liabilities	26.2	-
Current and deferred tax liabilities	56.5	46.3
Provisions	8.7	6.9
<b>Total liabilities</b>	<b>139.9</b>	<b>86.9</b>
<b>Net assets</b>	<b>176.2</b>	<b>119.9</b>

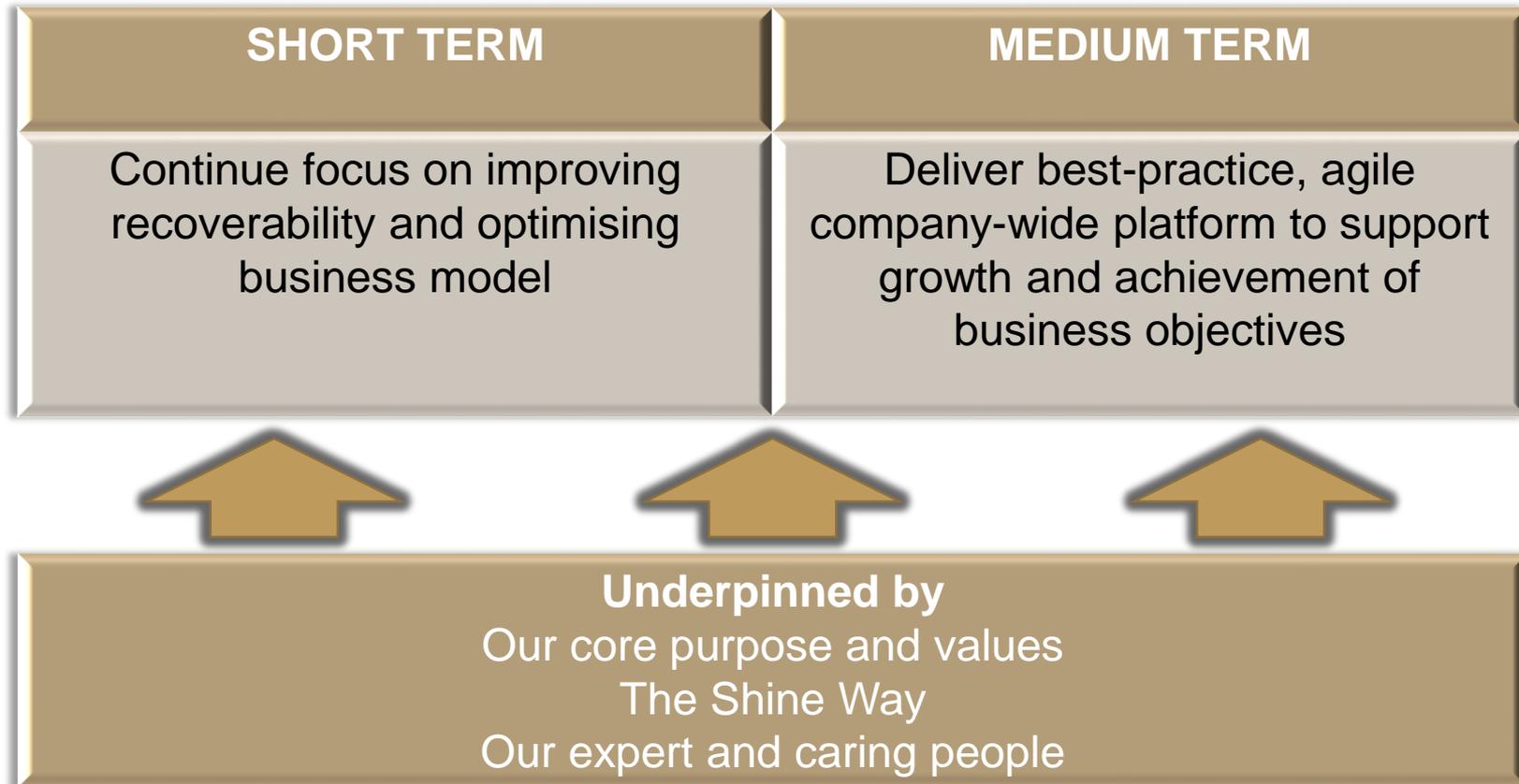
### Strong balance sheet:

- Net WIP and disbursements increased by \$67.3M reflecting both organic growth (\$36.0M) and acquisitions during the year (\$31.3M at 30 Jun)
- Trade and other payables includes disbursement creditors of \$16.7M in FY15 and \$10.3M in FY14. These amounts are only payable to third party suppliers upon success of the respective cases
- Other financial liabilities represent deferred and contingent consideration payable to vendors over a period of between one and three years. It is anticipated that these amounts will be financed
- Large deferred tax liability relates primarily to WIP
- Low gearing ratio

## KEY OPERATIONAL DRIVERS

<b>Personal Injury</b> <ul style="list-style-type: none"> <li>➤ Revenue \$116.4M</li> <li>➤ EBITDA \$32.7M</li> <li>➤ EBITDA Margin 28.1%</li> </ul>	<b>Emerging Practice Areas</b> <ul style="list-style-type: none"> <li>➤ Revenue \$33.7M</li> <li>➤ EBITDA \$11.2M</li> <li>➤ EBITDA Margin 33.2%</li> </ul>
<ul style="list-style-type: none"> <li>• Strong performance for the year</li> <li>• Three new branches opened in NSW and Victoria</li> <li>• Broadened footprint in QLD and WA</li> </ul>	<ul style="list-style-type: none"> <li>• Strong performance whilst continuing to deliver on our strategy of diversification of the portfolio</li> </ul>
<ul style="list-style-type: none"> <li>• Challenging external environment               <ul style="list-style-type: none"> <li>- Intensely competitive market with aggressive advertising spend by competitors – impacts pipeline of new cases</li> <li>- Tort Reform - change to QLD workcover legislation with impact previously estimated of \$2.50M NPAT</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Widened geographic footprint</li> <li>• Added Insolvency practice area</li> <li>• Significant high-profile High Court win on asbestos-related matter</li> </ul>
<ul style="list-style-type: none"> <li>• Strong contribution from Stephen Browne to the Group result</li> </ul>	<ul style="list-style-type: none"> <li>• Strong contribution from Emanate practice to the Group result</li> </ul>

## BUSINESS IMPROVEMENT INITIATIVES



## ACQUISITION UPDATE

- Acquisition of Bradley Bayly effective 1 June 2015 (completed 14 August 2015) significantly strengthens presence in WA
- Acquisition of Best Wilson Buckley - leading specialist in the family law sector in Queensland. Strategic expansion into new and emerging opportunities
- More prospects in the pipeline
- Continue to focus on damages-based loss recovery – ‘Inch wide, mile deep’ strategy:
  - Widen geographic footprint
  - Continue to grow Emerging Practice Areas
  - Take advantage of scalable model and systems

## REFORM UPDATE

### Workcover Queensland

- Legislation to overturn previous changes was passed in September
- Change in legislation was made retrospective from 1<sup>st</sup> February 2015
- Passing of legislation and removal of 5% threshold will have a small positive impact on results in FY16.
- Greater impact in FY17 and beyond

## FY16 PRIORITIES AND GUIDANCE

- Internal focus on improving recoverability
- Anticipate more growth through acquisitions
- Improvement in operating cash flows through disbursement funding
- Continued rollout of transformation project
- EBITDA guidance – \$52.0M to \$56.0M

**QUESTIONS?**



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