

ASX Announcement

19 September 2016

Market update: Slater and Gordon advises Watchstone Group Plc of claim in accordance with Share Purchase Agreement

Slater and Gordon Limited (ASX: SGH) advises that Slater and Gordon (UK) 1 Ltd (**SGH UK**) has advised Watchstone Group Plc (formerly Quindell Plc) (**Watchstone**) that it and/or SGH intends to bring claims against Watchstone arising from SGH UK's purchase of Quindell's Professional Services Division. The Share Purchase Agreement requires SGH UK to notify Watchstone as soon as reasonably practicable after it has formed the view that it may have a claim.

SGH has previously informed the ASX that £50 million of the purchase price for the acquisition would be held in escrow against warranty claims that may arise under the Share Purchase Agreement. If claims made under that agreement cannot be resolved prior to the release date of the escrow (currently 29 November 2016), and subject to compliance with threshold requirements under the Share Purchase Agreement including a merits assessment by an independent barrister, part or the whole of that amount may be retained in the escrow account subject to resolution of the claim.

ENDS

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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.