

ASX Announcement

17 March 2017

Market Update: Update on Capital Structure

Slater and Gordon (ASX:SGH, the "Company") updates the market in relation to recent confidential discussions with its Lenders regarding the stabilisation of its capital structure, as previously disclosed on 28 December 2016 and 16 February 2017.

The Company notes recent media speculation regarding trading in its debt.

The Company has recently been notified that in excess of 94% of its debt facility has traded from its original syndicate of par lenders to secondary debt buyers (the "New Senior Lenders").

The Company has been informed by the New Senior Lenders that they fully intend to implement a solvent restructure of the Company ('Restructure') and to work cooperatively with the Company to enter into binding agreements to reset its debt structure to ensure that the company has a sustainable level of debt and a stable platform for its future operations both in Australia and the UK. The Company and New Senior Lenders believe a Restructure by a debt for equity Lender Scheme of Arrangement is in the best interests of all stakeholders.

The Company is continuing its confidential discussions with the New Senior Lenders regarding the Restructure and anticipates that a further update will be provided in the coming weeks.

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.