

ASX Announcement

2 May 2016

Slater and Gordon Group Successfully Agrees Bank Facility Amendments

Slater and Gordon Limited ("Slater and Gordon") today announces that it has successfully agreed with its lenders amendments to the terms of its existing Syndicated Facility Agreement ("Facility"), and executed documentation.

The Board and Management consider that the support received from its lending group for the reorganisation strategy to be a positive and clear endorsement of the Company's performance improvement program.

The Facility is subject to the Company satisfying a number of conditions precedent, usual for a facility of this nature. Under the key terms of the Facility, the Company has maintained both its facility limits and a prudent maturity profile which provides both capacity and a clear runway to execute and realise the full benefits from the performance improvement program ahead of its nearest maturity and refinancing in May 2018.

Slater and Gordon Group Managing Director Andrew Grech said, "We are both very pleased and grateful for the strong level of support that we have received from our lending group. We remain focused as a management team, on executing our performance improvement program across the business to improve profitability and cash flow, and reduce debt. We are confident that the amendments we have entered into today with our lending group provide us with the flexibility and time to execute and continue our performance improvement program."

ENDS

Contacts:

- Bryce Houghton, Chief Financial Officer +61 3 9602 6977

**SLATER
AND GORDON
GROUP**

Facility Amendment | Overview

2 May 2016

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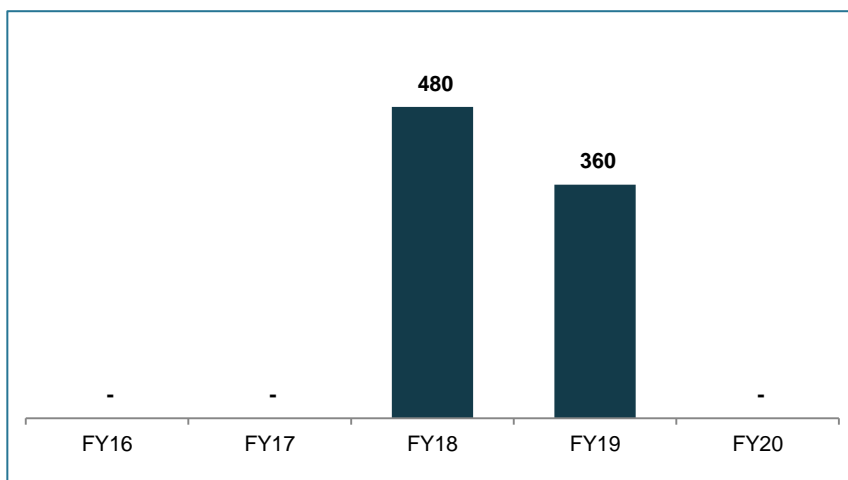
3. Key Terms

- + Slater and Gordon today announces that it has successfully agreed with its lenders amendments to the terms of its existing Syndicated Facility Agreement (“Facility”)
- + The Board and Management consider that the support received from its lending group for the reorganisation strategy to be a positive and clear endorsement of the Company’s performance improvement program
- + Lenders have agreed to continue to provide the Company with the Facility on substantially the same terms as the existing Facility with no change to the term maturity profile and the earliest maturing tranche not until May 2018

Facility Structure

- + The maturity profile provides an appropriate runway to execute the performance improvement program, improve profitability and cash flow, and reduce debt
- + Earliest maturing tranche not until May 2018 mitigating refinancing risk and enabling the full expected benefits from the performance improvement program to be realised ahead of future refinancing
- + The facilities are structured as term loans with the Company maintaining a prudent level of liquidity for working capital purposes

MATURITY PROFILE (A\$)



FACILITY SUMMARY

FACILITY	LIMIT A\$ ¹	MATURITY
A	315	May 18
B	315	Mar 19
C	120	May 18
D	45	May 18
E	45	Mar 19

1. Facility Limit presented in A\$ equivalent and converted where appropriate at A\$/£ of 0.50

Key Terms

- + Slater and Gordon's key terms under the Facility are substantially unchanged to those under the existing Facility and are otherwise usual for a facility of this nature
- + The Company has, however, agreed to certain amendments to the Facility with lenders including:
 - + Simplification and reset of financial covenants to provide ongoing prudent headroom
 - + Increased frequency of reporting to lenders
 - + Facilities are now structured as term loans
 - + Semi-annual debt amortisation from June 2017
 - + Not to declare or pay any dividends

Key Terms (Cont'd)

- + Amendment fees are payable in respect of the Facility but lenders at their election, within 30 days of the effective date of the amendment, may accept securities (referred to in the Facility as warrants) in lieu of such fee, reducing the cash cost to the Company
- + The warrants provide for a placement of shares on refinancing or maturity of a facility of up to 15% of any uplift in the market capitalisation of the Company from the effective date of the amendment to such refinancing or maturity
- + The maximum number of shares the subject of these warrants is under 15% of the issued shares in the Company (as at the time of any such issue), where the uplift in the Company's market capitalisation is very substantial
- + The Company expects that more than 55% of the lending group will take the amendment fee in cash therefore the maximum expected dilutive impact will be between 6% - 7%. The Company is not required to seek shareholder approval in respect of the issue of the warrants
- + The Company regards this structure as reinforcing both the support of the lending group and alignment of the Company's interests with those of its lenders

For more information visit
<https://www.slatergordon.com.au/investors>