

ASX Announcement

24 August 2016

Slater and Gordon Group FY16 Results Update

Slater and Gordon Limited ("Slater and Gordon") (ASX: SGH) today provides an update on key earnings and balance sheet expectations for the financial year ended 30 June 2016.

- Total Revenue (and other income) is expected to be \$908.2m.
- H2 FY16 Group Earnings before interest, tax, depreciation, amortisation and movement in work in progress (EBITDAW) are expected to be \$8.9m, which compares to a first half loss of \$58.3m. On a normalised basis, after allowing for AASB 3 adjustments, asset provisioning and non-recurring restructuring costs, full year EBITDAW is expected to be \$36.6m.
- The H2 FY16 reported net loss after tax is expected to be \$59.3m, which compares to a first half loss of \$958.3m. Accordingly the full year net loss after tax is expected to be \$1,017.6m, which includes a significant level of goodwill impairment, non-recurring restructuring expenditure and refinancing costs.
- Net debt¹ at 30 June 2016 is expected to be \$682.3m (30 June 2015: \$614.1m), noting there has been a material favourable foreign exchange translation impact with the post Brexit weakening of the GBP.

The estimates provided are still subject to approval by the Slater and Gordon Board as well as final audit clearance.

Detailed information regarding FY16 financial and operating performance will be provided to the market with the release of Slater and Gordon's audited results on 30 August 2016.

Slater and Gordon Group Managing Director Andrew Grech said: "Slater and Gordon's FY16 performance is a story of two different halves. The results for the first half were extremely disappointing and well below expectations. In the second half we have taken significant steps towards turning around the performance of the UK business. Whilst the UK performance improvement programme is still in its early stages, the second half results indicate that our efforts are beginning to bear fruit."

ENDS

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¹. Total borrowings less cash and cash equivalents.