

# 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

# Disclaimer

For personal use only

This document has been prepared by Slater and Gordon Limited (Slater and Gordon) and comprises written materials/slides for a presentation concerning Slater and Gordon.

This presentation is for information purposes only and does not constitute or form part of any offer or invitation to acquire, sell or otherwise dispose of, or issue, or any solicitation of any offer to sell or otherwise dispose of, purchase or subscribe for, any securities, nor does it constitute investment advice, nor shall it or any part of it nor the fact of its distribution form the basis of, or be relied on in connection with, any contract or investment decision.

Certain statements in this presentation are forward looking statements. You can identify these statements by the fact that they use words such as “anticipate”, “estimate”, “expect”, “project”, “intend”, “plan”, “believe”, “target”, “may”, “assume” and words of similar import.

These forward looking statements speak only as at the date of this presentation. These statements are based on current expectations and beliefs and, by their nature, are subject to a number of known and unknown risks and uncertainties that could cause the actual results, performances and achievements to differ materially from any expected future results, performance or achievements expressed or implied by such forward looking statements.

No representation, warranty or assurance (express or implied) is given or made by Slater and Gordon that the forward looking statements contained in this presentation are accurate, complete, reliable or adequate or that they will be achieved or prove to be correct. Except for any statutory liability which cannot be excluded, Slater and Gordon and its respective officers, employees and advisers expressly disclaim any responsibility for the accuracy or completeness of the forward looking statements and exclude all liability whatsoever (including negligence) for any direct or indirect loss or damage which may be suffered by any person as a consequence of any information in this presentation or any error or omission therefrom.

Subject to any continuing obligation under applicable law or any relevant listing rules of the ASX, Slater and Gordon disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements in these materials to reflect any change in expectations in relation to any forward looking statements or any change in events, conditions or circumstances on which any statement is based. Nothing in these materials shall under any circumstances create an implication that there has been no change in the affairs of Slater and Gordon since the date of this presentation.

# Contents

---

1. Overview

---

2. Facility Structure

---

3. Key Terms

---

For personal use only

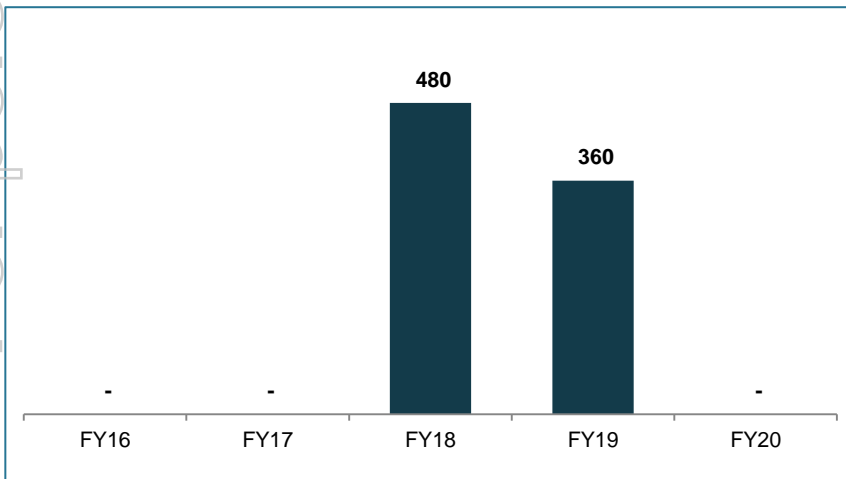
- + Slater and Gordon today announces that it has successfully agreed with its lenders amendments to the terms of its existing Syndicated Facility Agreement (“Facility”)
- + The Board and Management consider that the support received from its lending group for the reorganisation strategy to be a positive 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

For personal use only

- + 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\$ <sup>1</sup>	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)

For personal use only

- + 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 personal use only

SLATER  
AND GORDON  
GROUP

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