Slater & Gordon
Lawyers

12 November 2007

ASX Announcement

Agreement to Settle Telstra Action

National law firm Slater & Gordon Limited (ASX: SGH) announced today that it has reached agreement with Telstra to settle a class action brought by Telstra investors. The settlement is subject to Federal Court approval.

The action concerns a briefing given by Telstra to the Commonwealth Government on 11 August 2005 and which was not disclosed to the ASX until 7 September 2005.

Telstra has agreed to pay up to $5 million in settlement of the matter. Slater & Gordon has sought a total of $1.25 million from that amount to cover its fees and external disbursements. Slater & Gordon's expected fees are approximately two thirds of the $1.25 million. These costs will be subject to approval by the court.

It is estimated that there will not be a significant impact on the company's net profit result for the 2007/08 financial year as a result of the settlement of this action after taking account of the value of work in progress which has been accounted for by the Company up to 30 June 2007.

ENDS

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