
INTEGRATED LEGAL HOLDINGS
LIMITED

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Monday, 1 August 2011

The Manager
Company Announcements Office
Australian Stock Exchange Limited

MEMBER FIRM TUCK-IN ACQUISITION

The Directors of Integrated Legal Holdings Limited (“**ILH**” or “**the Company**”) are pleased to advise that the Company has acquired the legal business of PLN Lawyers Pty Ltd (“**PLN**”) under tuck-in arrangements with the existing member firm Argyle Lawyers Pty Ltd (“**Argyle**”).

PLN is an established and highly regarded Sydney based commercial law firm. PLN’s mission is to be the leading provider of legal and business advisory services to corporations and international institutions operating in the Pacific region. PLN’s clients include Australian, Asian, American and European based companies and financial institutions with business interests in the Asia-Pacific region.

PLN provides a range of legal services including Corporate and Financial Services, Travel and Tourism, Aviation Industry services, Infrastructure and Development, Insurance, Insolvency, Mergers, Acquisitions and IPO’s, Mining and Petroleum, Telecommunications and Information Technology.

PLN is the centre of management for the Pacific Legal Network which was established in 2002 and has developed key affiliate relationships in Vanuatu, Fiji, Papua New Guinea, Samoa, New Zealand, American Samoa, Tonga, Cook Islands, New Caledonia, French Polynesia, Solomon Islands, Hawaii, the Marshall Islands, Northern Mariana Islands, Palau, mainland USA, and across Asia. Pacific Legal Network remains the only co-ordinated legal and business advisory service in the region.

The firm consists of founder and Principal John Ridgway, Senior Associate Nitij Pal, and 4 lawyers, with a total of 8 staff, and annual fee income of approximately \$2m.

PLN is an award winning law firm having won the 2009 New South Wales Exporter of the Year Award in a recognised services industry, and in August 2010 was named joint winner of the e.law Asia-Pacific Box Breaker of the Year Award, which recognises those thinking outside the square to meet legal business challenges.

PLN will tuck-in with existing member firm Argyle, with the combined firm having 6 Principals, approximately 40 staff and annual fee income of more than \$10m.

About Argyle

Argyle commenced in 1982 and is a highly regarded commercial law firm with offices in Sydney and Melbourne.

Clients of the business are predominantly corporate, and range from small to medium businesses and high net worth individuals to multi-nationals and government.

The Argyle business combines corporate, business, family, litigation and property law, with particular specialisation in key growth industries of financial services and wealth management, superannuation and taxation and high net wealth estate planning.

Argyle has been working with the financial planning profession for more than 20 years and is an innovation leader in training and supporting dealer groups and financial planners, including major banks and insurance companies.

John Ridgway will join Managing Principal Peter Bobbin, Principals Andrew Ireland, Mark Petrucco, Glenda Laurence and Fiona Sonntag, and Practice Director Janice Duncan as the senior management of the business, all of whom are committed to growing Argyle within the ILH Group.

PLN will retain its brand, but operate going forward under the Argyle business umbrella. The tuck-in arrangements promise a sound base for the growth and expansion of the PLN brand across Asia-Pacific and via the ILH member firms in Australia.

Under the tuck-in arrangements, PLN will be relocated and integrated into the nearby offices of Argyle.

The transaction is consistent with ILH's strategy of supporting the growth and expansion of a limited number of core member firms into major businesses with competitive advantage through the scope and scale of their operations, as part of a publicly listed group.

Transaction Details

The consideration for the transaction is a combination of the issue of 3.04m ILH shares at 11.5 cents per share and cash, and includes a deferred cash component payable in September 2012 subject to the PLN business achieving revenue and profitability targets for the period to 30 June 2012.

The acquisition is structured with significant employment constraints and conditions, consistent with the Company's disciplined acquisition model and strict criteria.

The transaction is effective 1 August 2011 and has been funded through surplus cash reserves.

Comments

The Directors of ILH expect the transaction to be EPS accretive in the 2012 financial year and will enhance the Company's growth prospects.

The Directors believe that PLN is a high quality business with strong growth prospects and will provide both Argyle and ILH with a platform for further growth, in particular strengthening the organisation's commercial law services offering, and providing new access to the Pacific and Asian markets.

The Company expects to generate earnings improvements through cross referrals of client matter opportunities as well as cost synergies such as premises.

In accordance with the ILH model, the Company does not acquire debtors and work in progress as part of the acquisition. Consequently, the Directors note that the Company will invest funds from operations in the build up of working capital (including debtors and work in progress) post acquisition to normal levels.

Overall, the Directors are pleased with the progress and performance of the Company. ILH has strong future growth prospects and the acquisition is a further important step in the implementation of the Company's strategic plan.

Graeme Fowler
Managing Director

Sydney, 1 August 2011

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