

Slater & Gordon Limited

ABN 93 097 297 400

**Presentation on Preliminary Financial Report
28 August 2007**

Andrew Grech – Managing Director

1. 70 year history - Listed 21 May 2007
2. Over 420 staff in 21 locations nationally
3. Strong brand awareness
4. Scalable systems & processes
5. Implementation of Growth Strategy
 - ▶ Partnership → Corporate Governance structure
 - ▶ Labour law firm → Consumer law firm
 - ▶ Melbourne → National
 - ▶ Mostly Personal Injury → Diversification of Practice Groups

Highlights - 30 June 2007

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Total Income	↑	38.8% to \$62.9 million
Core Net Fees	↑	34.0% to \$58.1 million
EBIT	↑	163.1% to \$16.4 million
NPAT	↑	175.2% to 10.7m

Fully franked Dividend 2.0c per Share (Full Year 4.0c per Share)

	FY 2007	Prospectus Forecast FY 2007	FY 2006
Core Business EBIT to Net Fee Revenue	30.4%	25.9%	20.1%
EBIT to Net Fee Revenue	28.4%	25.3%	14.5%
Basic Earnings per Share (cents)	16.2 [#]	11.8	6.9
Diluted Earnings per Share (cents)	12.9	10.9	5.5

[#]Based upon Prospectus assumptions FY 2007 normalised Basic EPS 14.0 cps.

Financial Summary

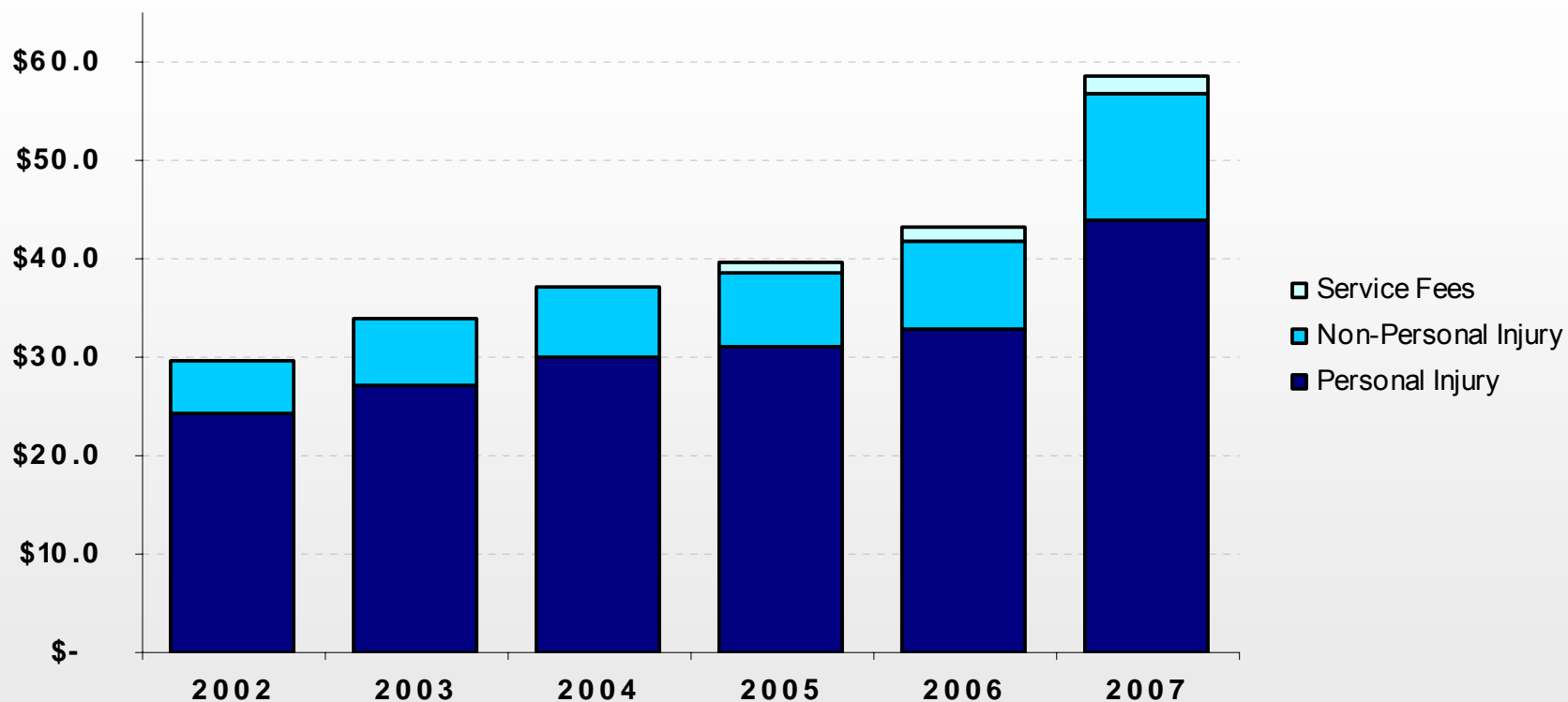
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\$'000	2007 Actual	2007 Prospectus Forecast	\$ Change from Prospectus	% Change from Prospectus	2006 Actual
Core Bus. Net Fee Revenue	58,103	55,214	2,889	5.2%	43,347
Project Lit. Net Fee Revenue	361	250	111	44.4%	378
Mvmt in WIP & Sundry Income	4,002	3,224	778	24.1%	845
Total Income	62,466	58,688	3,778	6.4%	44,570
Expenses	(46,032)	(44,644)	1,388	3.1%	(38,324)
EBIT	16,434	14,044	2,390	17.0%	6,246
Net Interest	(1,328)	(1,443)	(115)	(8.0%)	(654)
Ownership Plan Interest	280	280	-	-	-
Profit before Tax	15,386	12,881	2,505	19.4%	5,592
Income Tax Expense	(4,731)	(3,829)	903	23.6%	(1,720)
NPAT	10,655	9,052	1,603	17.7%	3,872

Growth in Core Net Fee Revenue

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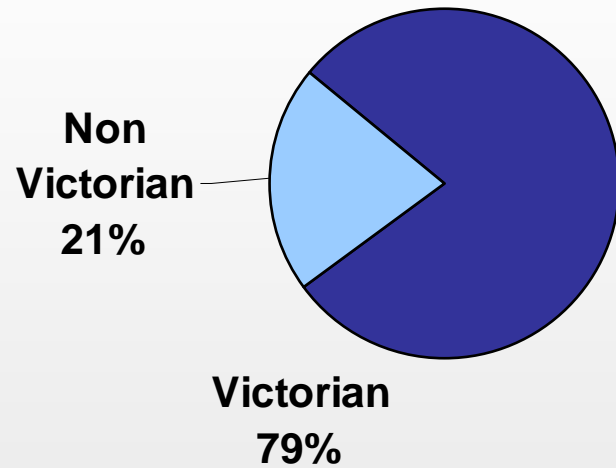
Millions



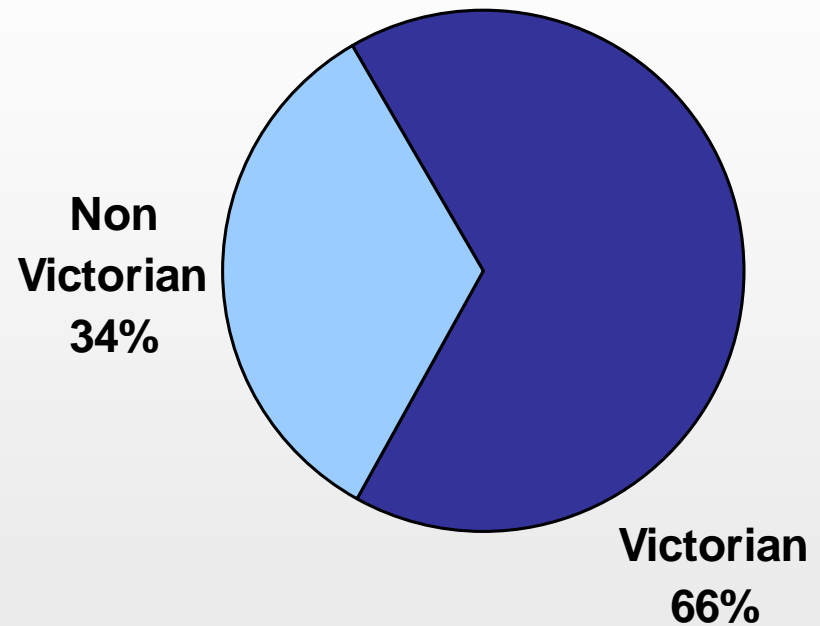
Geographic Growth

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2003 Core Net Fee Revenue *



2007 Core Net Fee Revenue*



** Excludes Service Fee Revenue*

Cash Flow

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1. Operating Cash Flow

- ▶ Net Profit before Interest & Tax
- ▶ Less Movement in WIP recognised as revenue
- ▶ Less Working Capital movement, excluding acquired Working Capital
- ▶ Less Tax Paid
- ▶ Less Interest

2. Working Capital

- ▶ Movement in Debtors and Disbursements usually significant determinant

3. Borrowings

- ▶ Approx. \$20m facility for growth funding

Balance Sheet Highlights

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1. Work In Progress

- ▶ Increased \$7.2 m to \$67.7m
- ▶ WIP days / Net Fee Revenue ↓16.3% to 423 days

2. Trade Debtors

- ▶ Net Trade Debtors increased \$3.6m to \$15.4m
- ▶ Net Trade Debtor days ↓ 2.4% to 95.9 days

3. Disbursements

- ▶ Net Disbursements Increased \$1.5m to \$17.5m
- ▶ Represents both incurred and anticipated disbursements

4. Creditors & Accruals

- ▶ Includes Legal Creditors of \$10.1m - represents deferred case costs largely subject to conditional fee arrangements

Key Balance Sheet Items

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	30 June 2007 \$'000	30 June 06 \$'000	\$'000 Change	% Change
Net Trade Debtors	15,355	11,778	3,577	↑ 30.4%
Net Disbursements	17,489	15,992	1,497	↑ 9.4%
Work In Progress	67,702	60,499	7,203	↑ 11.9%
Intangible Assets	3,460	3,049	411	↑ 13.5%
O' ship Plan Receivable	7,373	-	7,373	-
Legal Creditors & Accruals	15,841	16,275	(434)	↓ 2.7%
Borrowings	9,797	17,517	(7,720)	↓ 44.1%
Deferred Tax	21,604	20,569	1,035	↑ 5.0%
Net Assets	67,549	35,729	31,820	↑ 89.1%

McClellands Lawyers

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1. Prominent NSW personal injury litigation firm
2. Largest to date - Completion date target 31 August 2007
3. 18 of original 23 staff transferring into the existing S&G offices in Sydney, Parramatta and Wollongong
4. Increases utilisation of existing NSW & ACT resources
5. Expected to be earnings accretive from year one

D'Arcys Solicitors

Reputation & Results™

1. D'Arcys is one of Australia's leading Military Compensation law firms
2. Addition of D'Arcys' business will make Slater & Gordon the clear leader in federal compensation litigation.
3. Completion date 1 July 2007
4. D'Arcys have moved into the Slater & Gordon Brisbane office
5. Expected to be earnings accretive from year one.

Integration of Mergers & Acquisitions

Reputation & Results™

1. Six completed since March 2006
 - ▶ 4 NSW
 - ▶ 1 ACT
 - ▶ 1 Qld
2. Ability to utilise expertise of incoming principals across firm
3. Equity a key component in transactions
4. Initial integration period has negative impact on revenue for localised office - average of 3 month impact on revenue
5. Deferred consideration linked to post completion performance
6. Ongoing need to manage integration and training of new staff and accelerate delivery of earnings

2008 Financial Year

Reputation & Results™

1. Continued organic growth

- ▶ Core Net Fee Revenue has grown in excess of 10% p.a. since 2002
- ▶ No Project Litigation fees revenue forecast in FY 2008 due to nature of cases
- ▶ Enhancement of systems and procedures to enable growth

2. Accelerated Growth

- ▶ Tailored marketing campaign, including extensive advertising in most regions in which S&G operates

3. Mergers & Acquisitions

- ▶ Continue to pursue most attractive acquisition opportunities
- ▶ Aim to conclude one or more during FY08
- ▶ Existing finance facilities adequate to execute plans
- ▶ Initial focus is to ensure the smooth integration of McClellands & D'Arcys - forecast to provide incremental revenue growth of \$5m

Ready for growth

Reputation & Results™

1. Consistent growth in core business
2. Investment in people
 - ▶ Employee Ownership Plan for recruitment, retention, reward and development of staff
3. Scalable systems and processes
4. Completed and integrated 9 acquisitions, 6 in last 2 years
5. Continued investment in marketing and advertising
6. National footprint with strong brand recognition in most markets
7. Strong referral sources