Slater & Gordon Limited

ABN 93 097 297 400

Presentation on Half Year Results

22 February 2008

Andrew Grech – Managing Director

Business Highlights

- Strong performance across virtually all practice areas
- Continued geographical spread of the business – 43% of revenue now from outside Victoria (34% H1 2007)
- Completed acquisitions of D'Arcys (Brisbane), McClellands (Sydney), Edwin Abdo (Bunbury, WA) and Nagle & McGuire (Nowra, NSW)
- Announced acquisitions of Crane Butcher McKinnon (Coffs Harbour, NSW) and part of Quinn & Scattini (Brisbane & Gold Coast)
- Opened new offices in Reservoir (Vic), Southport (Qld) and Gosford (NSW)

Financial Highlights

Total Income ↑ 25.2% to $37.4 million

Core Net Fees ↑ 26.1% to $33.8 million

EBIT ↑ 44.7% to $9.9 million

NPAT ↑ 56.1% to $6.9 million

Fully franked Dividend 2.0c per Share

	Dec 2007	Dec 2006
Core Business EBIT to Net Fee Revenue	27.8%	24.6%
EBIT to Net Fee Revenue	28.4%	24.9%
Basic Earnings per Share (cents)	7.2	7.9
Diluted Earnings per Share (cents)	6.4	6.3

Strategy Overview

Reputation & Results™

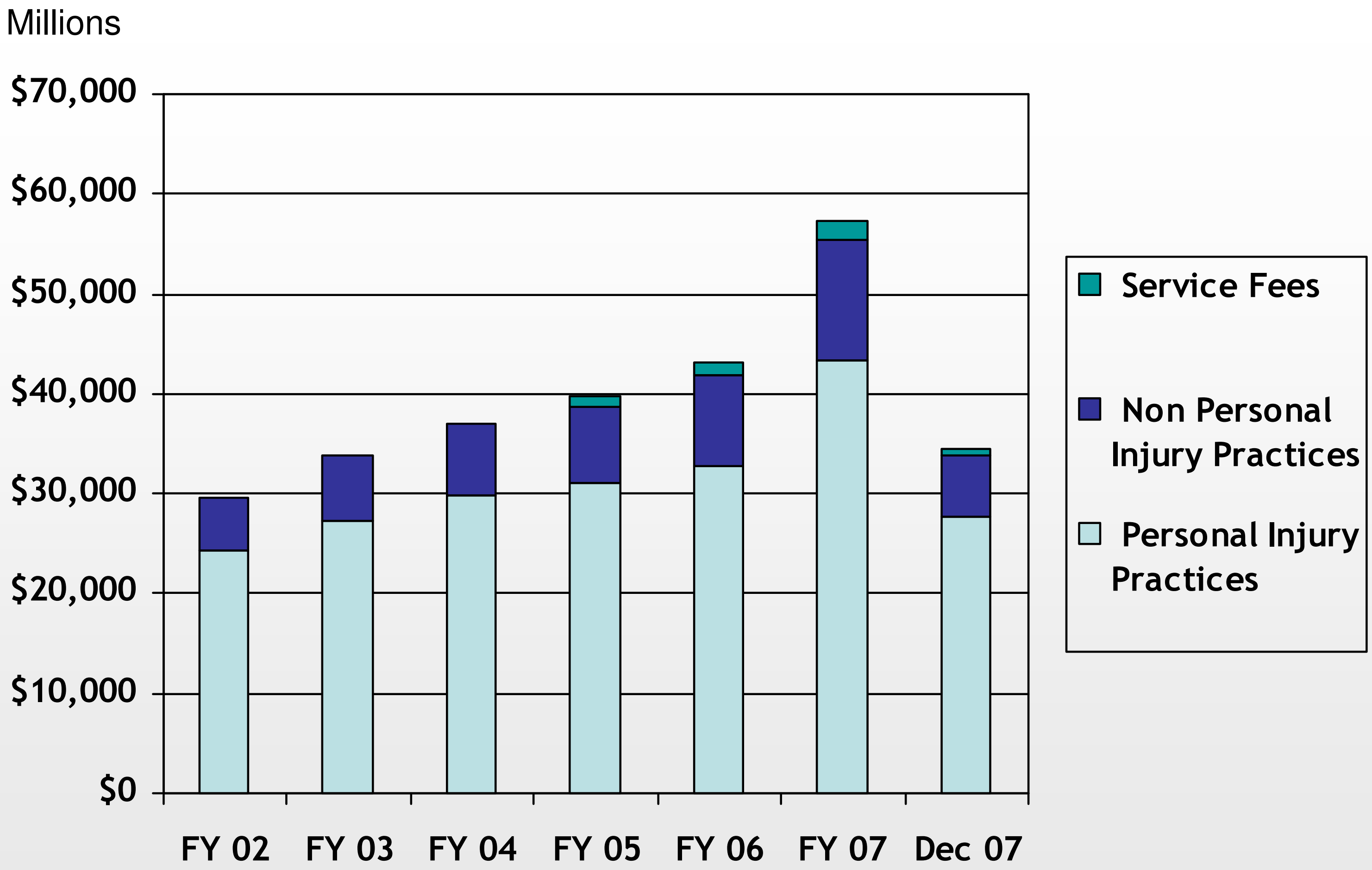
1. Lead consolidation of national personal injury markets
   - Tougher regulations means work becoming more complex, driving it to specialists such as S&G
   - Generational change – merger represents best opportunity for principals to realise value from their practices
   - S&G's profile and resources plus ability to offer tradeable shares make it partner of choice

2. Exploit the power of the Slater & Gordon brand
   - Substantial marketing support for all key markets
   - Geographical expansion – deliver service where and how clients want to receive it
     - Slater & Gordon typically number one but never worse than two in law firm brand recognition in all regions tested nationally
   - Spread into broader areas of law e.g. business law for SME's and estate planning for private clients

3. Build efficient scaleable systems and processes to support the growing business

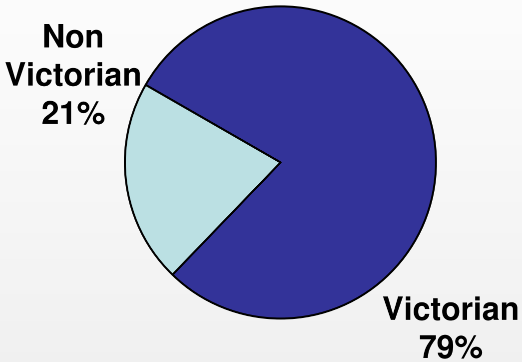
Growth in Core Net Fee Revenue

Reputation & Results™

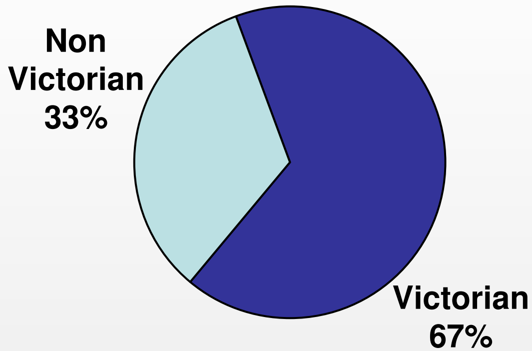


Geographic Growth

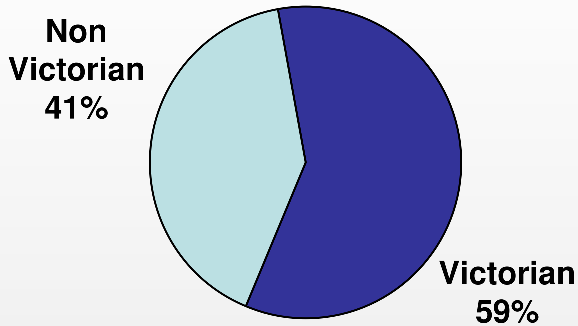
FY 2002 Core Net Fee Revenue*



FY 2007 Core Net Fee Revenue*



HY 2008 Core Net Fee Revenue*



*Excludes Service Fee

Figure 3.3 Slater & Gordon locations around Australia

Recent Acquisitions

- Edwin Abdo, Bunbury and Nagle & McGuire, Nowra - commercial (Bunbury) and personal injury (Nowra) practitioners. Both completed late 2007
  - ► Bases for growth in strategically important locations
- Crane Butcher McKinnon, Coffs Harbour – mostly family law and commercial. Expected to complete February
  - ► Important location
  - ► Brings additional non personal injury expertise to the company. S&G can add personal injury practice

1. Practice areas from Quinn & Scattini (Brisbane & Gold Coast). Expected to complete March
   - ► Adds additional personal injuries expertise and critical mass to growing Queensland business

Financial Summary

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$'000	Dec 2007 Actual	Dec 2006 Actual	$ Change from Dec 2006	% Change from Dec 2006
Core Bus.Net Fee Revenue	33,873	26,858	7,015	26.1%
Project Lit. Net Fee Revenue	699	250	449	179.6%
Mvmt in WIP & Sundry Income	2,552	2,364	188	8.0%
Total Income	**37,124**	**29,472**	**7652**	**26.0%**
Expenses	(27,143)	(22,573)	(4,570)	20.2%
EBIT	**9,981**	**6,899**	**3,082**	**44.7%**
Net Interest	(270)	(541)	271	(50.1%)
Ownership Plan Interest	296	-	296	-
Profit before Tax	**10,007**	**6,358**	**3,649**	**57.4%**
Income Tax Expense	(3,093)	(1,928)	(1,165)	60.4%
NPAT	**6,914**	**4,430**	**2,484**	**56.1%**

Cash Flow

Reputation & Results™

Cash Flow from:	Dec 2007 $'000	Dec 2006 $'000	Change $'000
Operating Activities	2,602	(117)	2,719
Investing Activities	(5,736)	(2,063)	(3,673)
Financing Activities	(490)	2,260	(2,750)
Net increase/(decrease) in cash held	(3,625)	80	(3,705)
Cash and Cash equivalents held at the beginning of the period	4,743	(4,452)	
Cash and Cash equivalents held at the end of the period	1,118	(4,372)	
Net bank borrowings	10,844	21,186	10,342

Balance Sheet Highlights

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1. Work In Progress
   - Increased $9.5 m to $77.2m
   - WIP days / Net Fee Revenue ↓2.8% to 411 days

2. Trade Debtors
   - Net Trade Debtors increased $3.3m to $18.7m
   - Net Trade Debtor days ↑ 3.6% to 99.5 days

3. Disbursements
   - Net Disbursements Increased $2.3m to $19.7m
   - 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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	31 December 2007 $'000	30 June 2007 $'000	$'000 Change	% Change
Net Trade Debtors	18,696	15,355	3,341	á 21.8%
Net Disbursements	19,779	17,489	2,290	á 13.1%
Work In Progress	77,262	67,702	9,560	á 14.1%
Intangible Assets	10,414	3,460	6,954	á 201.0%
O'ship Plan Receivable	7,669	7,373	296	á 4.0%
Legal Creditors & Accruals	14,214	12,097	2,117	á 17.5%
Amounts due to principals of acquired firms	7,102	2,244	4,858	á 216.5%
Borrowings	10,844	9,797	1,047	á 10.7%
Deferred Tax	23,483	21,604	1,879	á 8.7%
Net Assets	**75,430**	**67,549**	**7,881**	**á 11.7%**

2008 Financial Year - Outlook

- On track to exceed prospectus forecast
  - Full year revenue effect of all announced acquisitions estimated at $7.0 million
  - No acquisitions assumed in prospectus forecast of $65.4 million revenue for FY08
  - Now expect $73.5 million plus for full year
- Increased H1 EBIT margin of 26.7% unlikely to be maintained during high growth phase
  - Full year margin projected to be in line with the prospectus forecast of 24.2%
- Further acquisition opportunities to be pursued
- New offices planned in high population density areas
- Resources to continue to be applied to brand marketing and to systems and processes to support growth

Slater & Gordon

Lawyers