Form 604

Corporations Act 2001
Section 671B

Notice of change of interests of substantial holder

To Company Name/Scheme **SLATER & GORDON LIMITED**

ABN **93 097 297 400**

1. Details of substantial holder(1)

Name **Marcus Clayton**

ACN/ABN/ARSN *(if applicable)

There was a change in the interests of the substantial holder on 27/12/2010

The previous notice was given to the company on 13/08/2010 & 17/08/2010

The previous notice was dated 17/08/2010

2. Previous and present voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous notice		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
Ordinary Shares	21,651,099	15.08%	17,290,201	11.88%

3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
27 December 2010	Marcus Clayton	Release of disposal restrictions under the Shareholders Agreement over 3,983,070 shares held by Peter Gordon.	Nil	3,983,070 Ordinary Shares	3,983,070
12 October 2010	Marcus Clayton	On market sale of 5000 ordinary shares	Market price approximately $1.78 per share	5000 ordinary shares	5000
13 October 2010	Marcus Clayton	On market sale of 45000 ordinary shares	Market price approximately $1.78 per share	45000 ordinary shares	45000
14 October 2010	Marcus Clayton	On market sale of 177,828 ordinary shares	Market price approximately $1.78 per share	177,828 ordinary shares	177,828
18 November 2010	Marcus Clayton	On market sale of 150,000 ordinary shares	Market price approximately $1.88 per share	150,000 ordinary shares	150,000

4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (6)	Class and number of securities	Person's votes
Marcus Clayton	Marcus Clayton	Marcus Clayton	Registered holder	1,187,896 Ordinary Shares	1,187,896
Marcus Clayton	Paul Henderson, Ken Fowlie, Andrew Grech, Hayden Stephens and Cath Evans in respect of their relevant interests as set out in the Shareholders Agreement as disclosed previously.	Registered holders	Marcus Clayton and each of the registered holders have a relevant interest in each other's shares arising as a result of the disposal restrictions under the Shareholders Agreement	16,102,305 Ordinary Shares (See Item A of Annexure A)	16,102,305

5. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Nil.

6. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Slater & Gordon Limited	485 La Trobe Street, Melbourne, Victoria, 3000
Peter Gordon	C/O Gordon Legal, Level 29, 360 Collins Street, Melbourne, Victoria 3000
Andrew Grech	C/O 485 La Trobe Street, Melbourne, Victoria, 3000
Paul Henderson	C/O 485 La Trobe Street, Melbourne, Victoria, 3000
Ken Fowlie	C/O 485 La Trobe Street, Melbourne, Victoria, 3000
Hayden Stephens	C/O 485 La Trobe Street, Melbourne, Victoria, 3000
Cath Evans	C/O 485 La Trobe Street, Melbourne, Victoria, 3000
Marcus Clayton	C/O 485 La Trobe Street, Melbourne, Victoria, 3000

Signature

print name KIRSTEN MORRISON capacity COMPANY SECRETARY

sign here Kirsten Morrison date 29/12/2010

DIRECTIONS

(1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 6 of the form.

(2) See the definition of "associate" in section 9 of the Corporations Act 2001.

(3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.

(4) The voting shares of a company constitute one class unless divided into separate classes.

(5) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.

(6) Include details of:

(a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and

(b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.

(7) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

(8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".

(9) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.

Annexure A to Form 604 of Marcus Clayton

Continuation of Item 4 - Present relevant interests

The following information consolidates information set out in items 3 and 4 of this Notice not otherwise detailed in item 4 of this Notice:

Registered holder of securities & persons entitled to be registered as holders	Class and number of securities	Person's votes
A Interest of Marcus Clayton arising under the Shareholders Agreement between the Vendor Shareholders in the Company at the time of listing on 21 May 2007 as disclosed in the prospectus dated 13 April 2007		
Paul Henderson	3,542,859 ordinary shares	3,542,859
Cath Evans	2,900,188 ordinary shares	2,900,188
Hayden Stephens	2,846,717 ordinary shares	2,846,717
Ken Fowlie	2,727,886 ordinary shares	2,727,886
Andrew Grech	4,084,655 ordinary shares	4,084,655
Total	**16,102,305 ordinary shares**	**16,102,305**

This is the annexure marked "A" referred to in the Notice of change of interests of substantial holder (form 604) signed by me:

KIRSTEN MORRISON, COMPANY SECRETARY

Print Name

Signature

Date: 29/12/2010