

McMillan Shakespeare Limited

Annual General Meeting

20 October 2005



Chairman
Ron Pitcher



CEO/
Managing Director
Anthony Podesta



Director
John Bennetts



Director
Ross Chessari



Director
Graeme McMahon



Company Secretary
Paul McCluskey

Financial performance

30 June 2005

	For the year ended 30 June 2005 Actual \$	For the period ended 30 June 2004 Actual \$
Operating Revenues	35,571,972	8,270,609
EBITDA	12,718,615	2,276,152
EBIT	8,770,127	1,209,315
NPAT	5,053,739	651,437
NPAT adjusted for Goodwill	7,042,183	1,155,433

Key Highlights for the year ended 30 June 2005

- NPAT before goodwill amortisation of \$7.04m
- Excellent revenue performance combined with good cost control (revenue from operating activities \$35,571,972)
- Net debt to equity decreased from 46% to 25%
- Final dividend of 2.4 cps (total 3.9 cps)
- Moderate CAPEX to 30 June 2005
- Very strong operating cash flows

Key Highlights for the year ended 30 June 2005

- Acquisition of Remuneration Services (QLD) Pty Limited (RemServ) on 1st November 2004, successful and exceeds our financial targets
- Good progress made on a range of new products and services leveraging off our existing intellectual property and infrastructure
- Consistently delivering excellent customer service supported by independent research and on track to achieve International Customer Service Accreditation during 2005
- Continued retention of existing contracts with sales and marketing activities driving new sales

During The Past Year We:

- Increased our resources and focus on training, development and human resources
- Enhanced our quality assurance programs and significantly improved our work processing quality
- Employed a number of new experienced managers and specialist staff
- Consistently outperformed our contractual customer care centre KPI's



During The Past Year We:

- Continued to strengthen our sales and marketing team
- Built up a solid customer base
- Externally benchmarked ourselves against a range of customer service measures
- Considerable further developments and enhancements of information technology systems



The Outlook for FY 2006

- McMillan Shakespeare consolidated performance for the FY 2006 year will incorporate a full 12 months trading for RemServ (2005 - 8 months of ownership)
- Although RemServ was not owned in the September 2004 quarter, the combined unaudited EBITDA for the two subsidiaries (MSA and RemServ) for the September 2005 quarter is up over 15% compared to the combined prior year September 2004 quarter for MSA and RemServ.
- Expectation of continued growth in sales and commensurate profit growth

The Outlook for FY 2006

- A focus on productivity, continued process improvements and customer service excellence
- Continue to develop and allocate resources towards sales, marketing and brand
- A focus on achieving economies of scale and lower unit costs by increasing our client base (employees, motor vehicles and cards)
- Leverage new business opportunities arising from our existing infrastructure, systems, client base and intellectual property including the development of new products and services

The Outlook for FY 2006

- Explore opportunities relating to acquisitions, joint ventures or similar
- Submit to customer service audit and aim to attain the International Customer Service Standard accreditation by the end of 2005
- Continue the investment into our people (reward and recognition programs, training and development, values and culture)

