



McMillan Shakespeare Limited

**Results Presentation and
Analyst Briefing**

February 2008

**Anthony Podesta
Chief Executive Officer**



McMillan Shakespeare

Benefit From Our Experience

Financial performance

31 December 2007 (Half Year Results)

	1HY FY08	1HY FY07	% increase over half yr 1HY FY07
		\$	
Revenue	31,533,000	26,287,000	20%
EBITDA	11,813,000	9,362,000	26%
EBIT	11,091,000	8,722,000	27%
NPAT	7,948,000	6,085,000	31%
Basic earnings per share (cents)	11.81	9.12	30%
Dividends declared per share (cents)	7.50	4.50	
% franked	100%	100%	

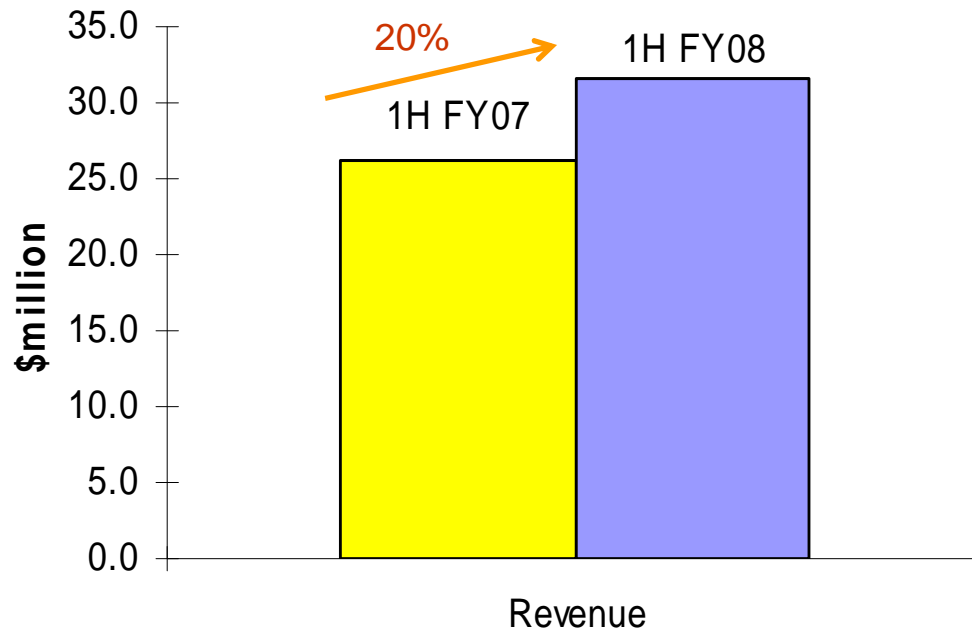


Key highlights for the period to 31 December 2007 (Half Year Results)

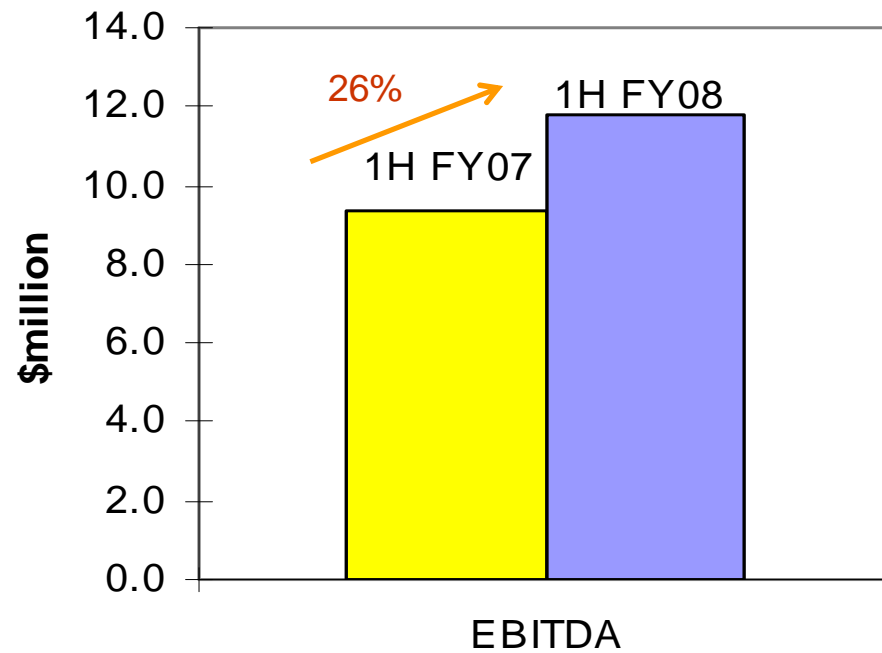
- NPAT of \$7.95m.
- Revenue growth of 20% and NPAT growth of 31% compared to 1H FY07.
- Net operating cash flow less CAPEX of \$9.4m.
- Cash balance of \$13.2m and no debt.
- Earnings per share of 11.81cps.
- Interim dividend 7.5 cps compared to 1H FY07 interim dividend of 4.5cps.



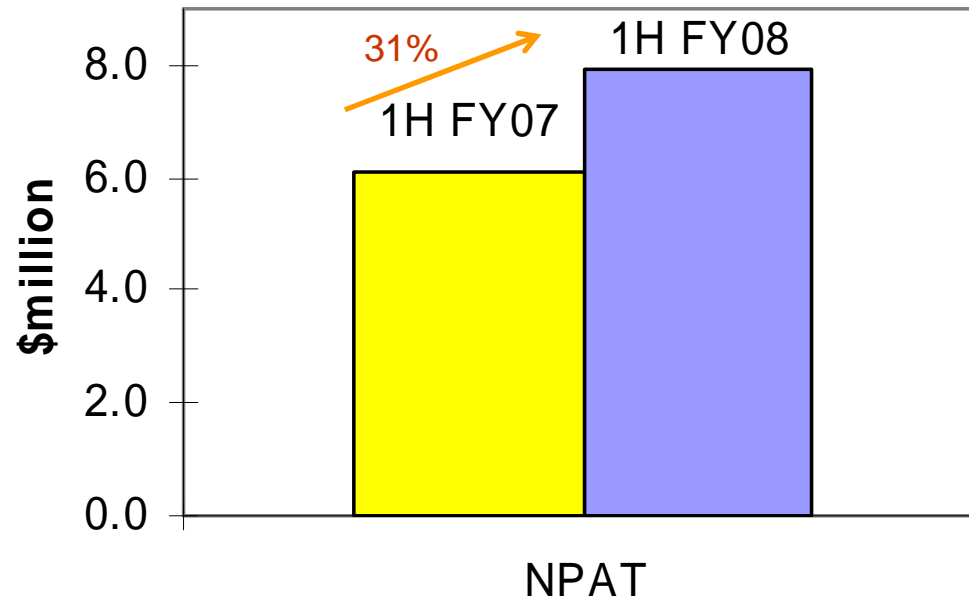
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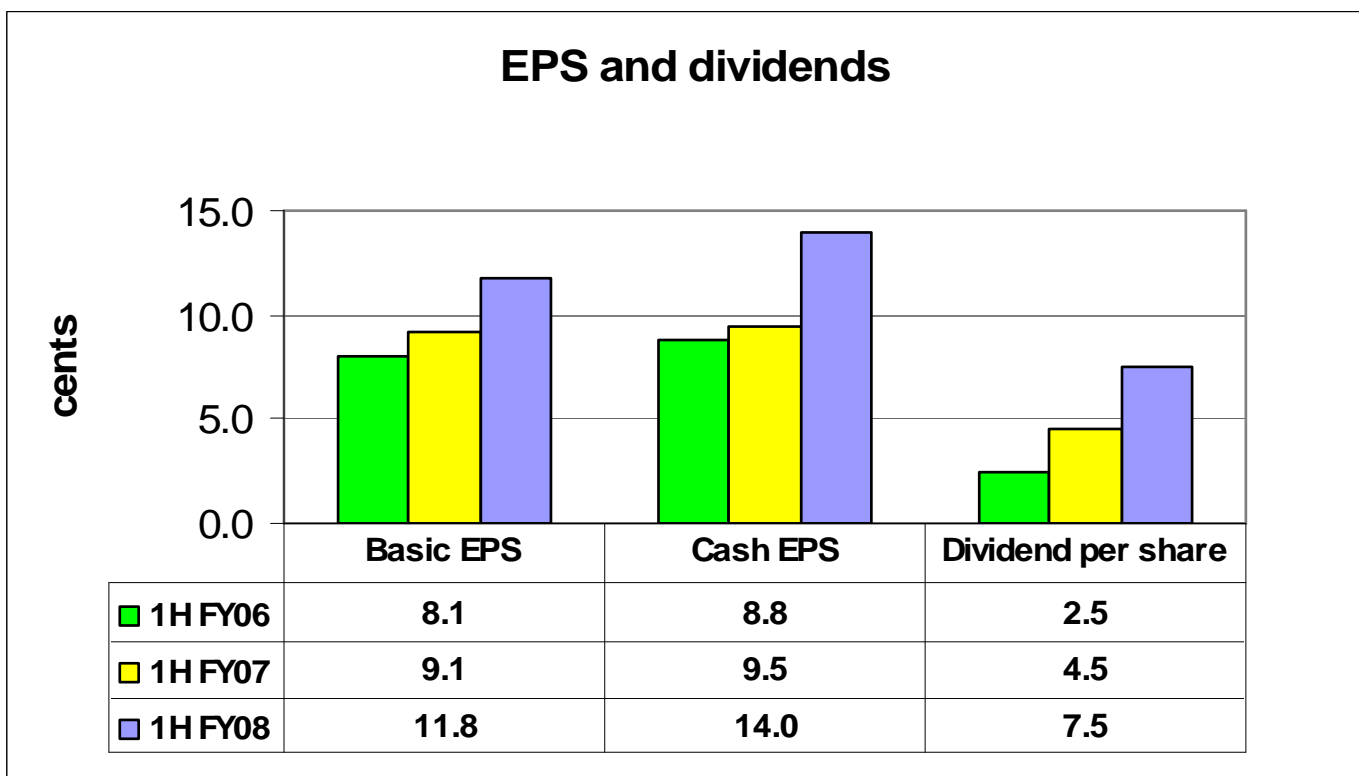
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Cash EPS - net cash flow from operating activities less capital expenditure per share.



Key highlights for the period to 31 December 2007 (Half Year Results)

- ✓ Successful launch of the expanded RemServ novated lease business.
- ✓ Continued improvement in conversion rates for ancillary motor vehicle products and services.
- ✓ Completion of the transition to VISA.
- ✓ Approval to introduce new initiatives and enhancements for Queensland Government employees.



Key highlights for the period to 31 December 2007 (Half Year Results)

- ✓ Securing of “Brand name” private sector contracts.
- ✓ Further development of our financial services strategy, e-voucher program and project Connect.
- ✓ Development of an innovative vending solution to enhance our Fude Card program.
- ✓ Securing the appointment of Mr Michael Kay as CEO (former CEO of AAMI Insurance) from May 2008.



Business expectations for the period to 30 June 2008

- Continued improvement in revenue and profits.
- Continue to aggressively pursue sales opportunities in all markets especially with larger private sector employers.
- Continued leveraging of intellectual property, systems, processes and products across the Group to further improve margins.
- Project Connect (remuneration benefits, financial services, lifestyle benefits), e-voucher program (reward/recognition and care services) and our financial services strategy will be substantially developed.



Business expectations for the period to 30 June 2008

- NSW Government MOU on provision of care services will expire on 4 March 2008 (no contract executed) due to the Federal Government's policy to increase the child care rebate to 50%.
- MSL will leverage intellectual property developed as part of the child care initiative with its e-voucher program (reward/recognition and care services).
- Allocation of resources towards “***new and emerging business***” (new products and services, joint ventures, acquisitions or similar).



Foundations for future growth

We have:

- resources allocated towards opportunities and value add projects.
- no debt and a strong balance sheet.
- strong free cash flow.
- very favourable employment market conditions (low unemployment and critical need for retention and attraction of labour).



Foundations for future growth

- Attractive business model e.g. recurrent income streams, leading market position, low capital requirements, attractive and growing market and established infrastructure platforms and processes to support growth.
- Strong value proposition remains, irrespective of variable economic conditions.
- High return on assets and equity.
- A large and growing client base from which to launch new products and services especially financial services.

