

McMillan Shakespeare Limited

Results Presentation and Analyst Briefing

**Michael Kay – CEO
Mark Cansdale – CFO**

August 2008

McMillan Shakespeare

Benefit From Our Experience
EST 1988

Financial Performance

	FYE 30/06/2008 \$'000	FYE 30/06/2007 \$'000	% change on prior year
Revenue	66,624	54,536	22.2%
EBITDA	25,596	20,199	26.7%
EBIT	24,145	18,856	28.0%
NPAT	17,368	13,237	31.2%
Basic earnings per share (cents)	25.76	19.79	30.2%
Dividends declared per share (cents)	16.5	12.5	32.0%
% franked	100%	100%	



Key highlights for financial year ended 30 June 2008

Despite a year of transition and budgetary changes:

- Continued strong profitable growth in both salary packaging and novated leasing services.
- Introduced aftermarket products into RemServ, thereby increasing yield per sale.
- New senior management team in place:
 - CEO – Michael Kay (formerly AAMI CEO).
 - CFO – Mark Cansdale (formerly Vision Systems CFO).
 - Group Executive Salary Packaging – Peter Lang (8 years at McMillan Shakespeare).
 - Group Executive Novated Leasing Services – Geoff Kruyt (8 years at McMillan Shakespeare).
 - Group Executive Business and Customer Development – Ron Steiner (formerly Victorian Rugby Union CEO).
 - National Marketing Manager – Fiona Nash (3 years at McMillan Shakespeare).
 - National Commercial Manager – Elspeth Hunter (3 years at McMillan Shakespeare).
 - General Manager, RemServ – Mike Salisbury (formerly AAMI Qld CTP Manager).

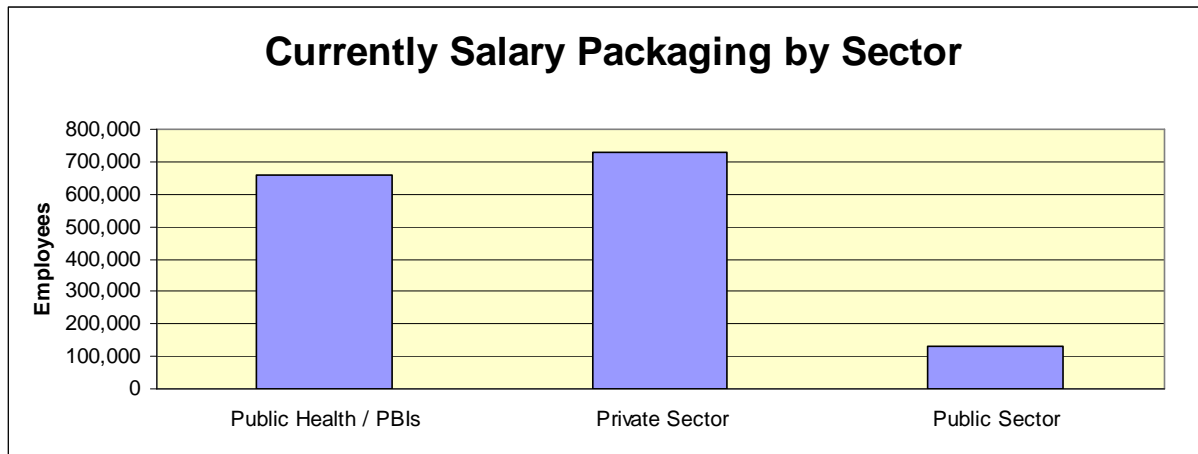
Key highlights for financial year ended 30 June 2008 (cont)

- Anthony Podesta heading up innovation – number of extensions in development.

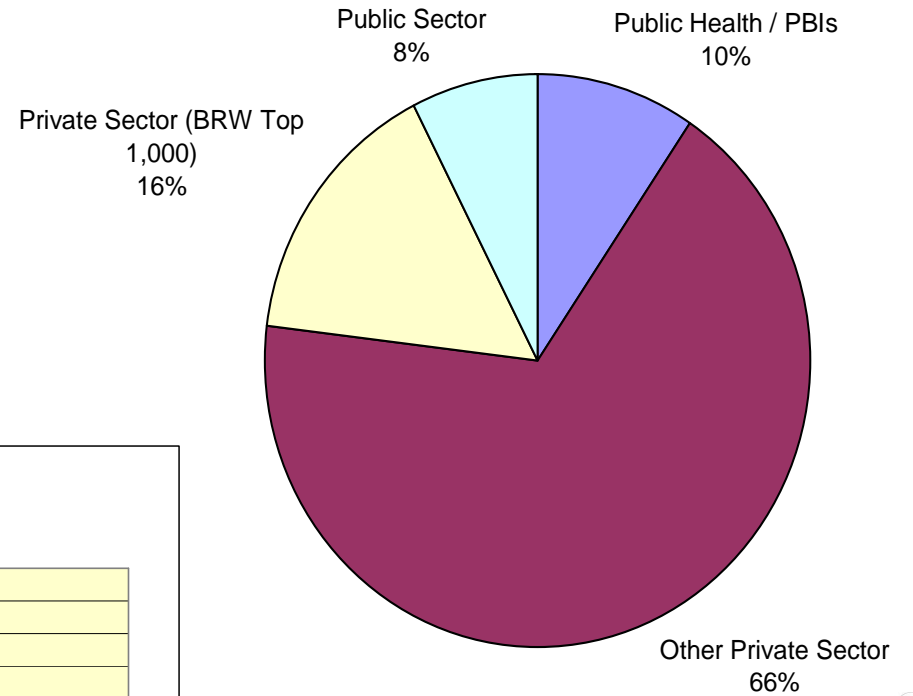


Our core business has significant growth opportunities

- Australian workforce \approx 10.7M employees
- 12% of the workforce currently salary packages (\approx 1.4M)
- MSL target market 3.5M employees



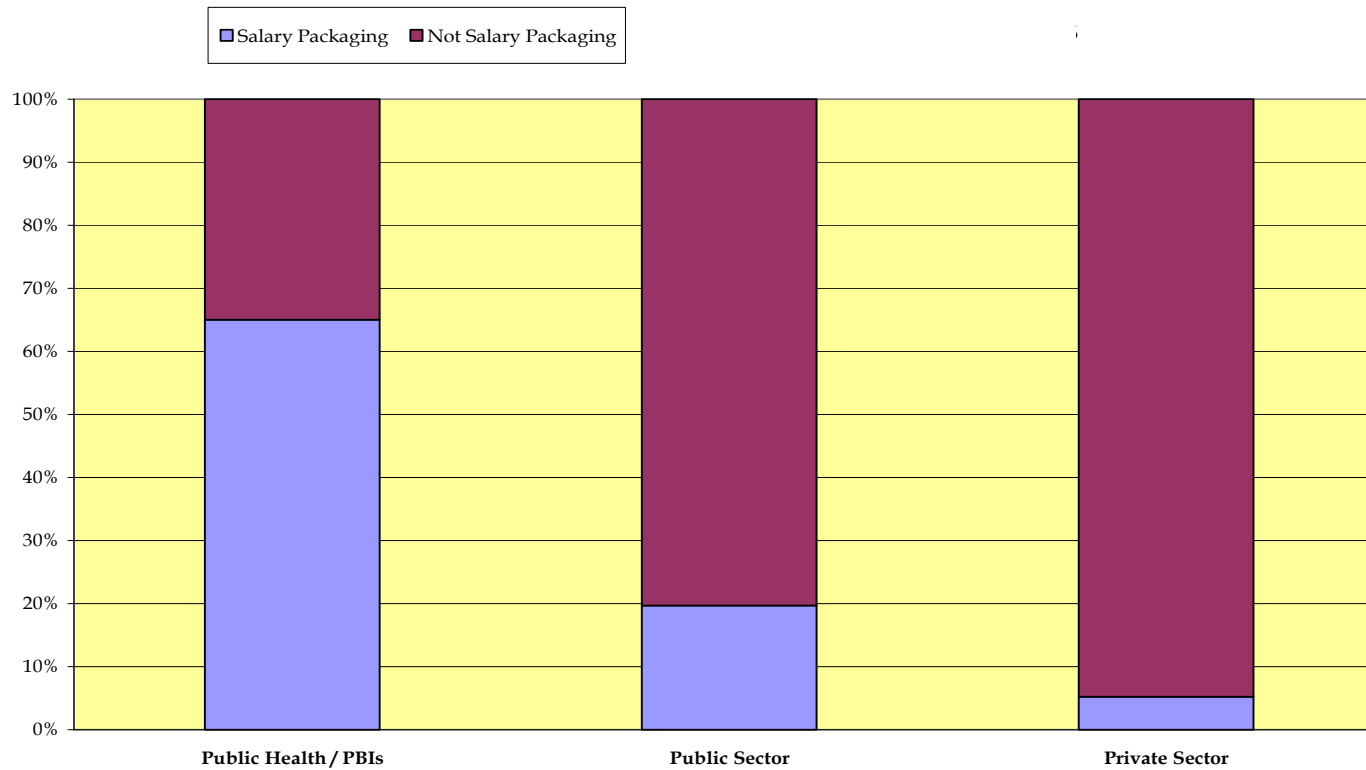
Source: 6306.0 – Employee Earnings and Hours ABS – May 2006



Source: ABS – Labour Force, July 2008

Our core business has significant growth opportunities (cont)

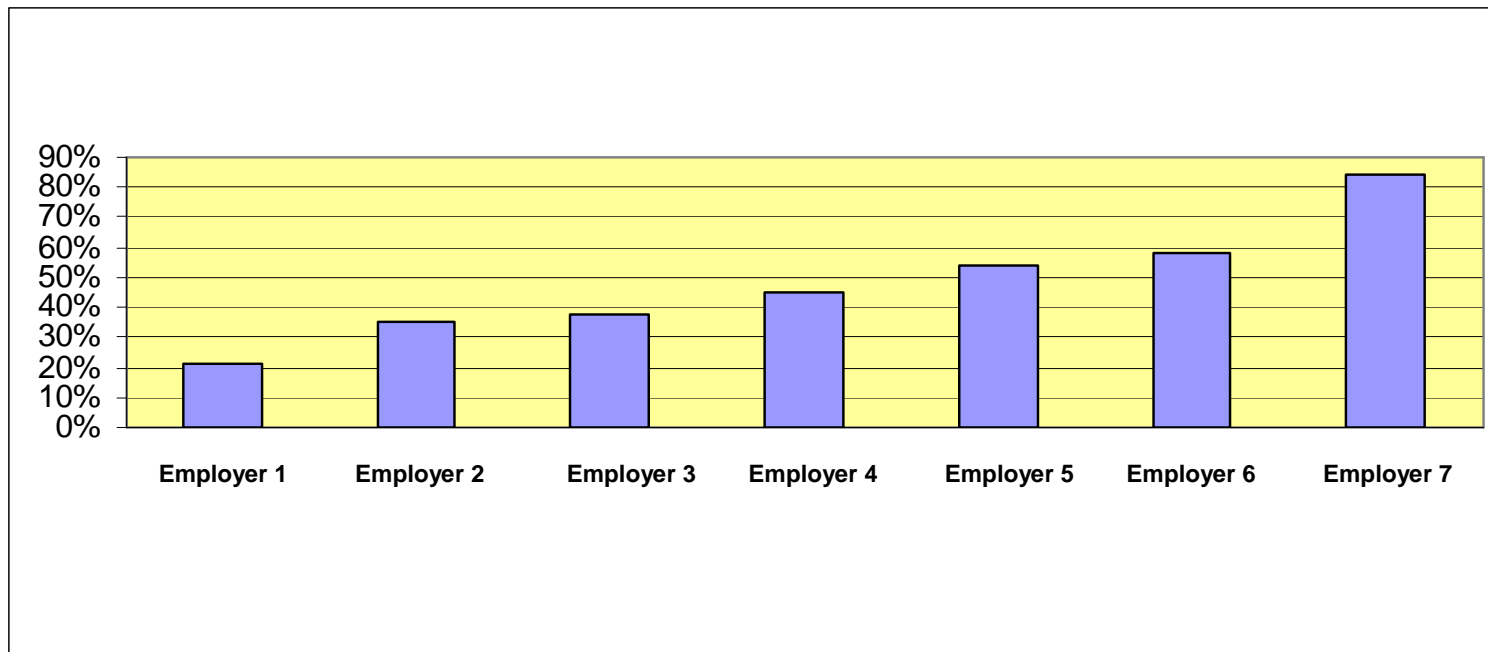
Participation rate by sector.



Source: Industry estimates completed by MMS

Our core business has significant growth opportunities (cont)

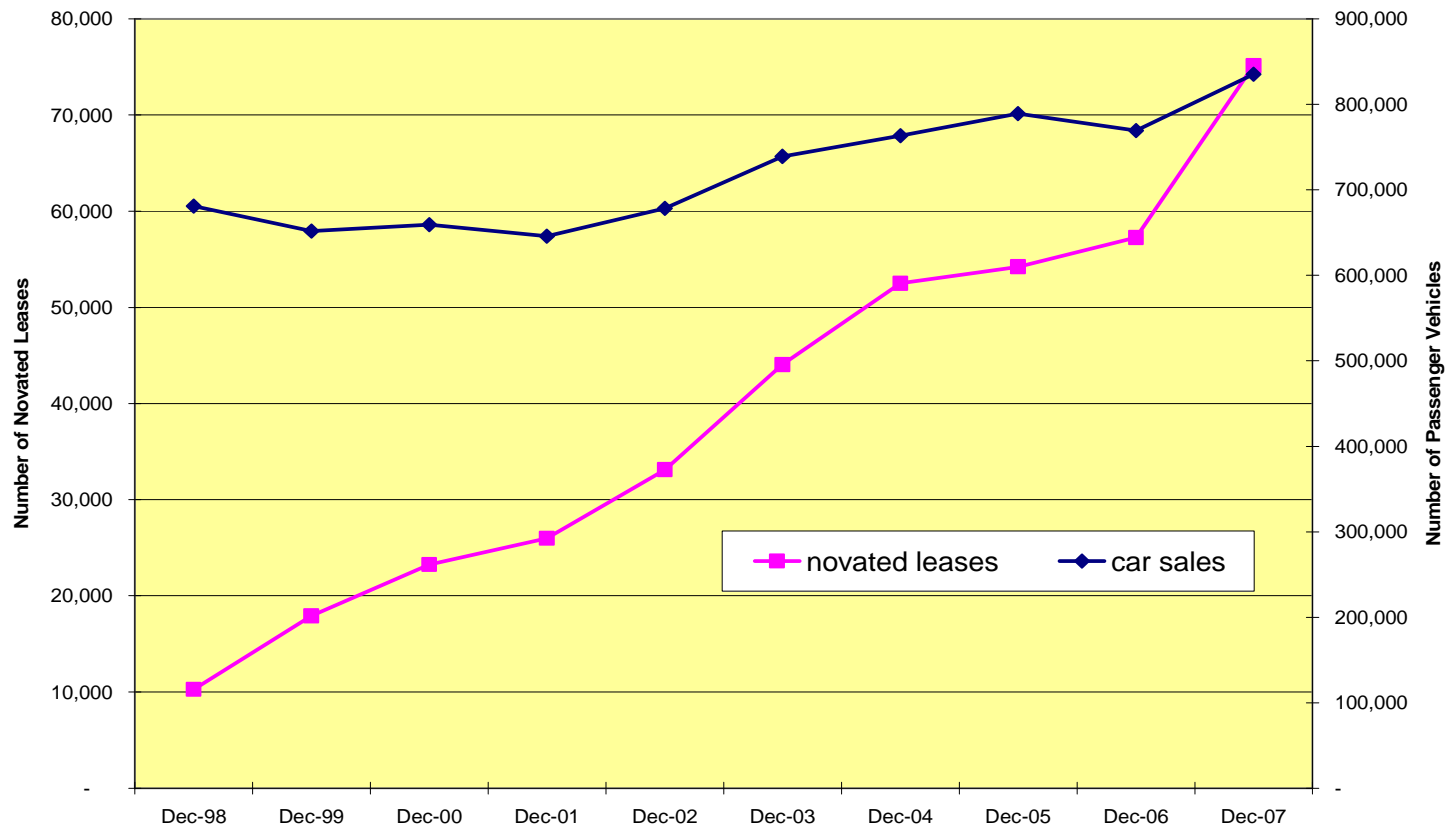
Example of PBI participation rate spread (MMS clients).



Source: MMS



Our core business has significant growth opportunities (cont)



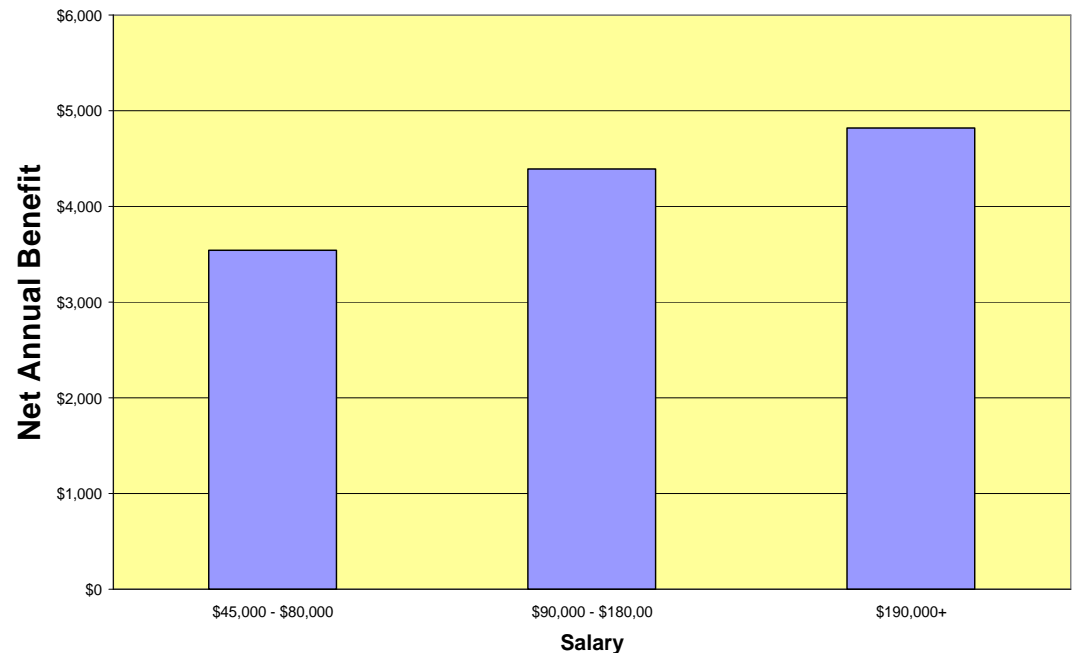
Note: Total number of novated leases limited to AFLS members

Source: Australian Fleet Lessors Association. December 2007 Report

Our core business has a compelling value proposition – particularly in an inflationary/high interest rate environment

Salary Packaging Example (Motor Vehicle Lease)

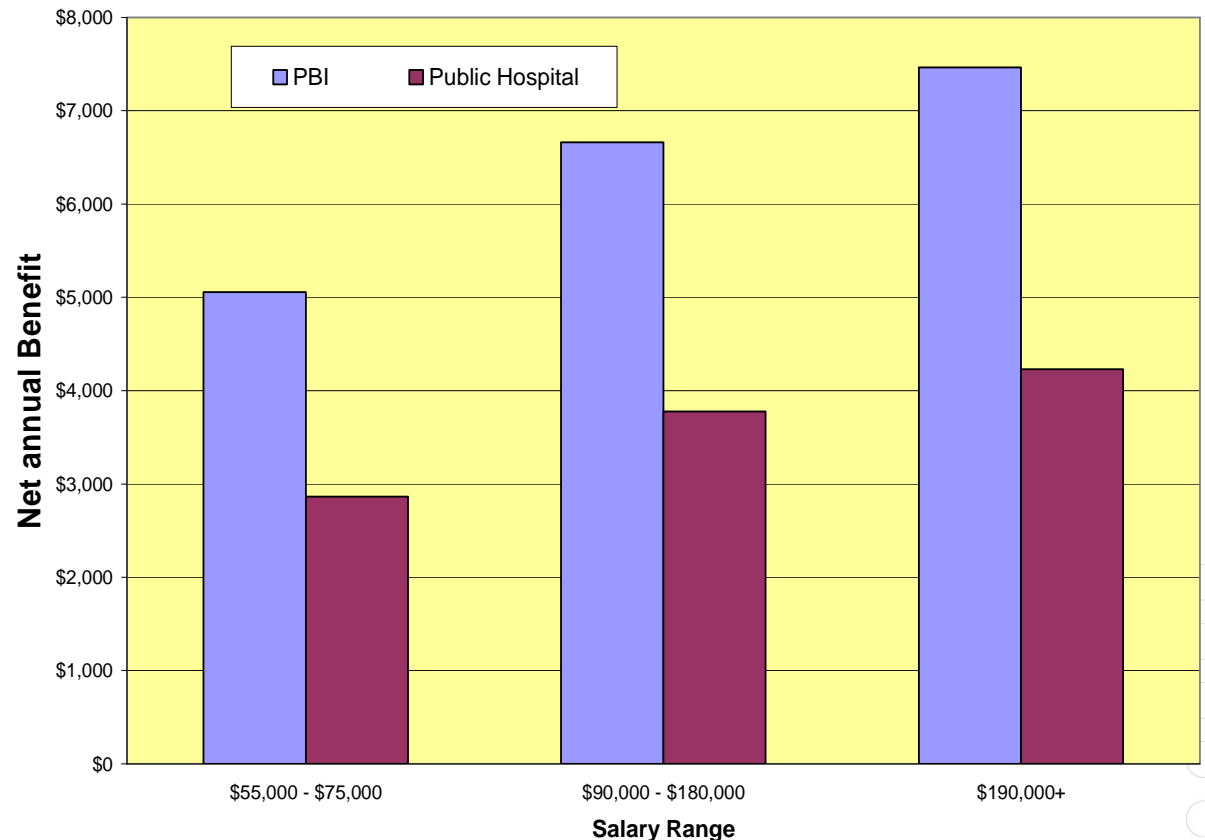
- In the example above the employee novates a fully maintained finance lease to their employer.
- The vehicle has a value of \$30,000 and the annual operating costs are \$15,984.
- The vehicle travels 20,000 kilometres per annum.
- The employee makes a post tax contribution to their employer of \$6,600 per annum to reduce the FBT to zero.
- The net annual benefit is the difference between salary packaging the lease and operating costs of the vehicle and not salary packaging these costs.



Our core business has a compelling value proposition – particularly in an inflationary/high interest rate environment (cont)

Salary Packaging Example (Public Health / PBIs)

- In the example above the employee salary packages the maximum allowable amount i.e. \$9,905 (public health) or \$16,050 (PBI).
- The net annual benefit is the difference between salary packaging the mortgage payments and not salary packaging these costs.



MMS in the context of current economic conditions

- High exposure to non-cyclical sectors (Health/PBI's).
- Annuity income streams.
- No debt.
- Strong cash flow.
- Minimal credit risk.
- Scale.



Outlook for 2008/09

- Continuing growth in salary packaging through increased participation and new business.
- Continuing growth in novated leasing services through cross-sell into our salary packaging customers.
- Extended offering through product extensions and additional services.
- Look for well-priced bolt-on or related acquisitions.



Outlook for 2008/09 (cont)

- Novated leasing business sensitive to a slow down in car sales, however:
 - MMS has minimal exposure to luxury cars;
 - MMS increasing its sales and average yield;
 - We are in line with our budget Y.T.D.
- We are investing in:
 - new business acquisition;
 - participation rates (increased marketing spend);
 - I.T.; and
 - accommodation.

