

# McMillan Shakespeare Limited

## Annual General Meeting

21 October 2008

**McMillan Shakespeare**

*Benefit From Our Experience*  
EST 1988

# Financial Performance

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

# Key highlights for financial year ended 30 June 2008

- NPAT of \$17.4M.
- Revenue growth of 22% and NPAT growth of 31.2% when compared to the prior year reflecting excellent organic growth.
- Net operating cash flow of \$20.5M (after interest and CAPEX).
- Cash position of \$18.0M.
- Diluted earnings per share of 25.5cps.
- Final dividend of 9.0cps (total 16.5cps) compared to prior year of 8.0cps (total 12.5 cps).

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

- Restructured 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).



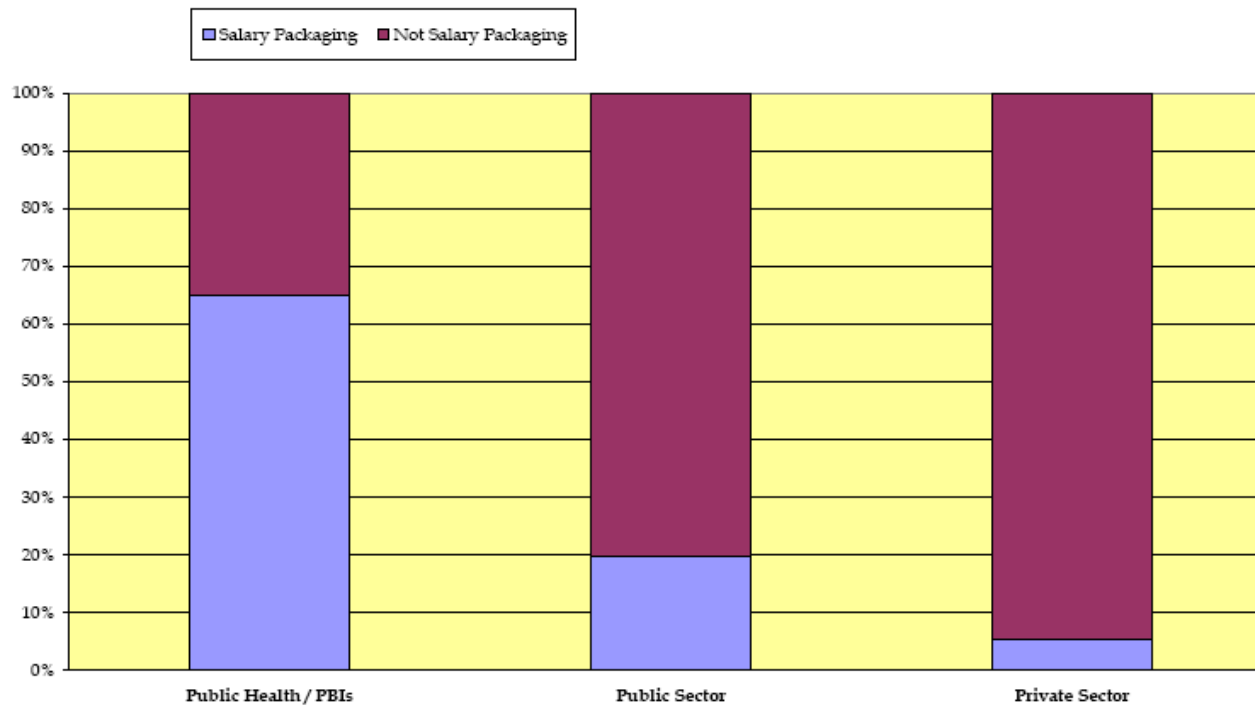
# Key highlights for financial year ended 30 June 2008 (cont'd)

- Continued strong unit growth in both salary packaging and novated leasing services.
- Continued strong development of RemServ Novated Leasing Services business (product range, sales, yield).
- Continued integration and leveraging across subsidiaries (i.e. sales, I.T., payroll, finance, marketing).



# Our core business has significant growth opportunities

- Australian workforce approximately 10.7 million employees.
- McMillan Shakespeare Limited target market approximately 3.5 million employees.
- Participation rate by sector:



Source: Industry estimates completed by MMS

# McMillan Shakespeare Limited in the context of current economic conditions

- High exposure to **non-cyclical** sectors (Health, Public Benevolent Institution's, public sector employers).
- Annuity income streams.
- No debt.
- Strong cash flow and cash reserves.
- 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.
- Continual development of product extensions and additional services.
- Actively pursue well priced bolt-on or related acquisitions that add value to our existing employer and employee assistance programs.

## Outlook for 2008/09 (cont'd)

- We continue to invest in:
  - our people (training and frontline customer service);
  - new business acquisition (marketing/sales);
  - information technology infrastructure and program development;
  - product development, research and innovation.

