

McMillan Shakespeare Limited

Chairman's AGM Address 20 October 2009

At our last meeting I spoke of the tumultuous and historic economic times and of the hope for an early return of stability.

For investors the past twelve months have been extraordinary. From panic and despair to a return of almost euphoric optimism. It is to be hoped that our market is not getting too far ahead of economic realities and fundamentals, but one does wonder.

However, the year for McMillan Shakespeare Limited has seen a continuation of organic growth from its core business and product offerings. The group earned a net profit after tax of \$20.5 million for the year ended 30 June 2009, an increase of 18.2% on the prior year. This result was driven by a 16% increase in revenue. Operating expenses were contained despite investment in IT, marketing and key personnel positions across the group.

McMillan Shakespeare Limited has a strong cash flow business and as a consequence our financial position is very sound with no debt and cash holdings of \$28 million at 30 June 2009.

Dividends declared out of the 2009 financial year amounted to a total of 19 cents per share, an increase of 15% on the previous year.

There has been and continues to be considerable investment in the development and management capability of the business. A major outcome of this has been considerable improvement in the quality of our service delivery with rewarding responses from our customers. Another is the expansion of the range of benefits we take into the work place. Yet another has been a vigorous participation in the Bracks and Henry inquiries led by our Executive Director Mr Anthony Podesta.

All of these activities have required a lot of time and effort from our people whilst at the same time they have conducted a very successful year of business.

Our Managing Director will advise you on more of the specifics of the Group's operating activities in his address.

We continue to look for well priced bolt-on or related acquisitions. A lot of time and effort is being applied in our search for value and compatibility.

A very significant corporate event took place on the 21st September with the re-branding of the MSA operating business to "Maxxia" whilst at the same time releasing yet another new product – Maxxia insurance. This has been an exciting and re-invigorating time for the Group. Again our Managing Director will expand on this event and expectations.

Looking to the year ahead your directors are quietly confident of another successful year largely because of the quality, commitment and passion that resides in our company's leadership and support teams. On behalf of the Directors, I take this opportunity to publicly thank all of our personnel for the key role they play in delivering the excellent trading and financial results to shareholders.

I now ask our Managing Director and Chief Executive Officer, Michael Kay, to provide you with more information about the Company's performance and outlook.