

# McMillan Shakespeare Limited

**Results Presentation and Analyst Briefing**

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**McMillan Shakespeare**

*Benefit From Our Experience*  
EST 1988

# Financial Performance

	<b>FY09</b>	<b>FY08</b>	<b>% increase over prior year</b>
	<b>\$'000</b>	<b>\$'000</b>	
Total revenue and other income	77,259	66,624	16.0%
EBITDA	29,511	25,596	15.3%
EBIT	27,653	24,145	14.5%
NPAT	20,523	17,368	18.2%
ROE	39%	39%	
ROE adjusted for surplus cash	60%	51%	
Basic earnings per share (cents)	30.37	25.76	17.9%
Dividends declared per share (cents)	19.0	16.5	15.2%
Amount franked	100%	100%	

# Highlights and Key Activities

- NPAT growth of 18.2% to \$20.5m.
- Revenue growth of 16.0% to \$77.3m.
- EPS growth of 17.9% to 30.4 cents per share.
- Core operating margin improvement of 3.6 percentage points.<sup>(1)</sup>

**Note 1:** Operating margin - profit before finance, tax and depreciation as a percentage of revenue derived directly from salary packages managed and novated leasing.

## Highlights and Key Activities

- Cash position of \$28.0m.
- Final dividend of 10.5 cents per share (total 19.0 cents) compared to prior year of 9.0 cents per share (total 16.5 cents).
- Return on equity of 38.9%.
- Customer service metrics improved 46 per cent over the period December 2008 to present.



# Highlights and Key Activities

- We have refined our strategy extending from “salary packaging administration” to “workplace benefits”.
- Our first new benefits will be launched during the first half of FY10.
- We facilitated more novated lease packages than FY08, notwithstanding a 20% reduction in car sales in the general market.
- Significant investment in the “industrialisation” of our growing business:
  - Improved education and marketing programs drove additional leads into the business.

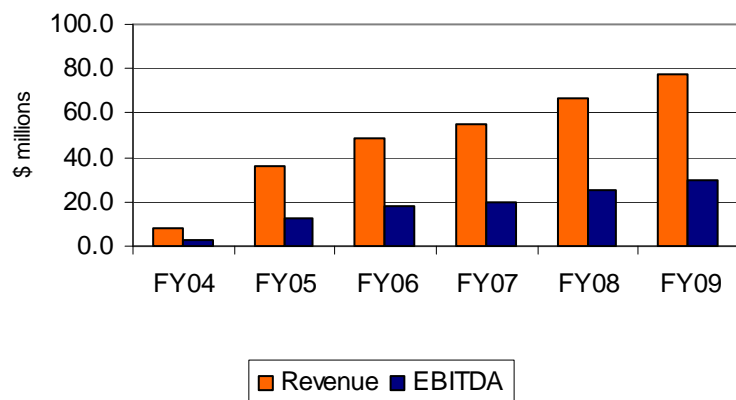
# Highlights and Key Activities

- IT strategy began in earnest; further reductions in cost to serve with simultaneous improvements in service expected in FY10.
- Assumed leadership role on relevant FBT issues – Henry enquiry.
- Commenced the development of sophisticated HR tools to drive, maintain and reward a high performance culture.
- Built leadership bench strength.

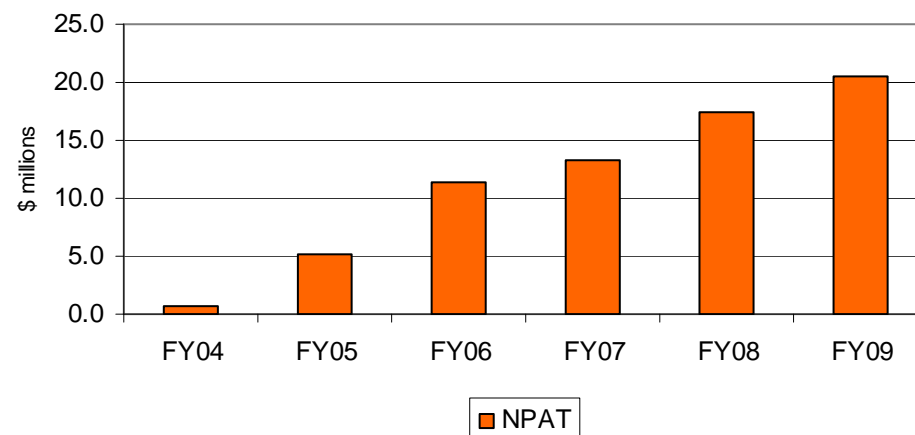


# Key Financial Performance Measures

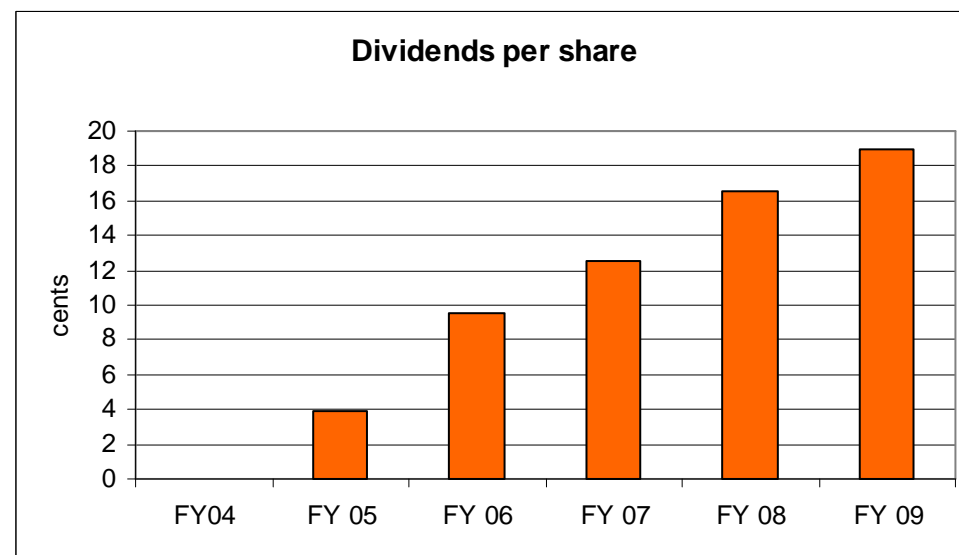
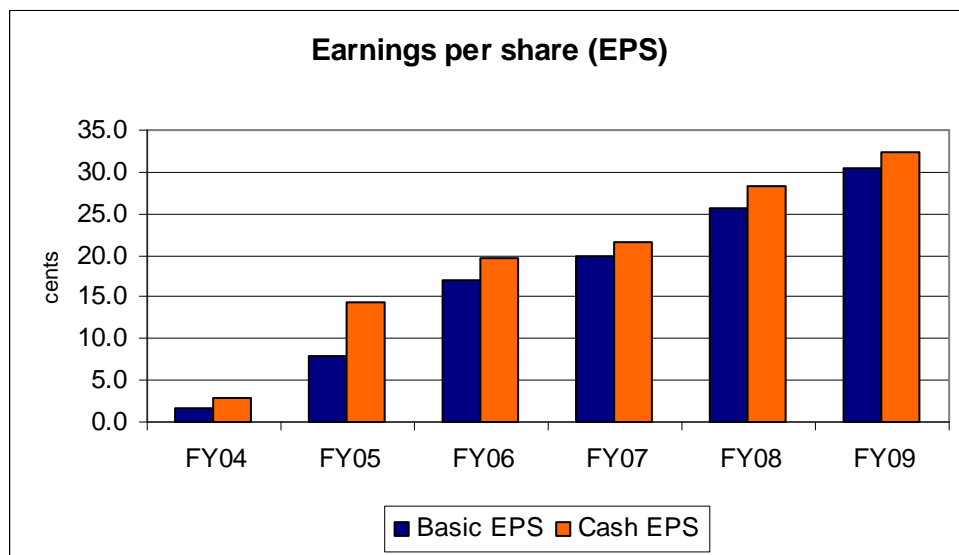
## Revenue and EBITDA performance



## Net profit after tax (NPAT)

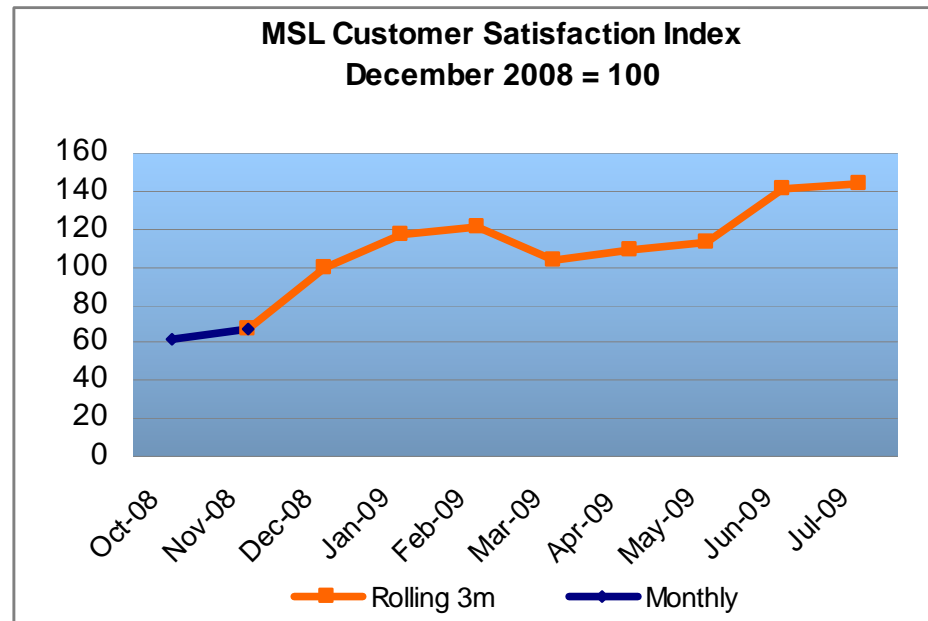
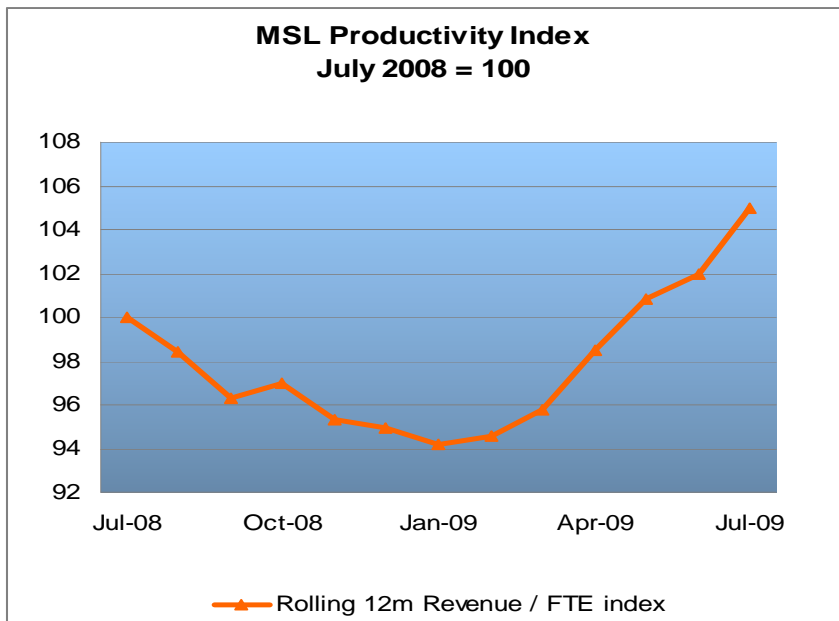


# Key Financial Performance Measures



Cash EPS – Net operating cash flow from operating activities less capital expenditure

# Key Efficiency and Service Measures



# Outlook

- Continuing profitable growth through:
  - Acquisition of new packaging customers.
  - Better participation rates.
  - Reduction in “cost to serve”.
  - Additional revenue streams/products and services.
  - Ongoing M&A program.



# Focus for 2009/10

## Key Sensitivities:

- Car sales market.
- Interest rates.

## Investment in:

- Product development in line with our strategy.
- Execution of IT strategy to support growth and cost/service initiatives.
- Ongoing focus on marketing/branding.
- New Melbourne accommodation (second half).
- The Henry inquiry.
- Our people; talent/learning and development.
- Our M&A program/corporate advisory.

