Presentation by
McMillan Shakespeare Limited

Annual General Meeting

Michael Kay

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Maxxia Maximising your workplace benefits | RemServ | Holden Leasing | Interleasing

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Financial Performance

	FY09 $000	FY10 $000	% increase over prior year
Revenue from operating activities	77,259	131,021	69.6%
Profit before tax and acquisition profit	28,912	39,904	38.0%
NPAT before acquisition profit	20,523	27,905	36.0%
After tax profit arising from acquisition	-	17,055	-
NPAT	20,523	44,960	119.1%
Basic EPS (cents)	30.4	66.5	119.0%
Normalised basic EPS (cents)	30.4	41.2	35.8%
Dividends declared per share (cents)	19.0	24.0	26.3%
Amount franked	100%	100%	
Normalised ROE (%)	39%	42%	
5 year normalised EPS CAGR		39%	

Normalised numbers exclude the $17.1m acquisition profit recognised in FY10 as a result of the business combination of ILA.

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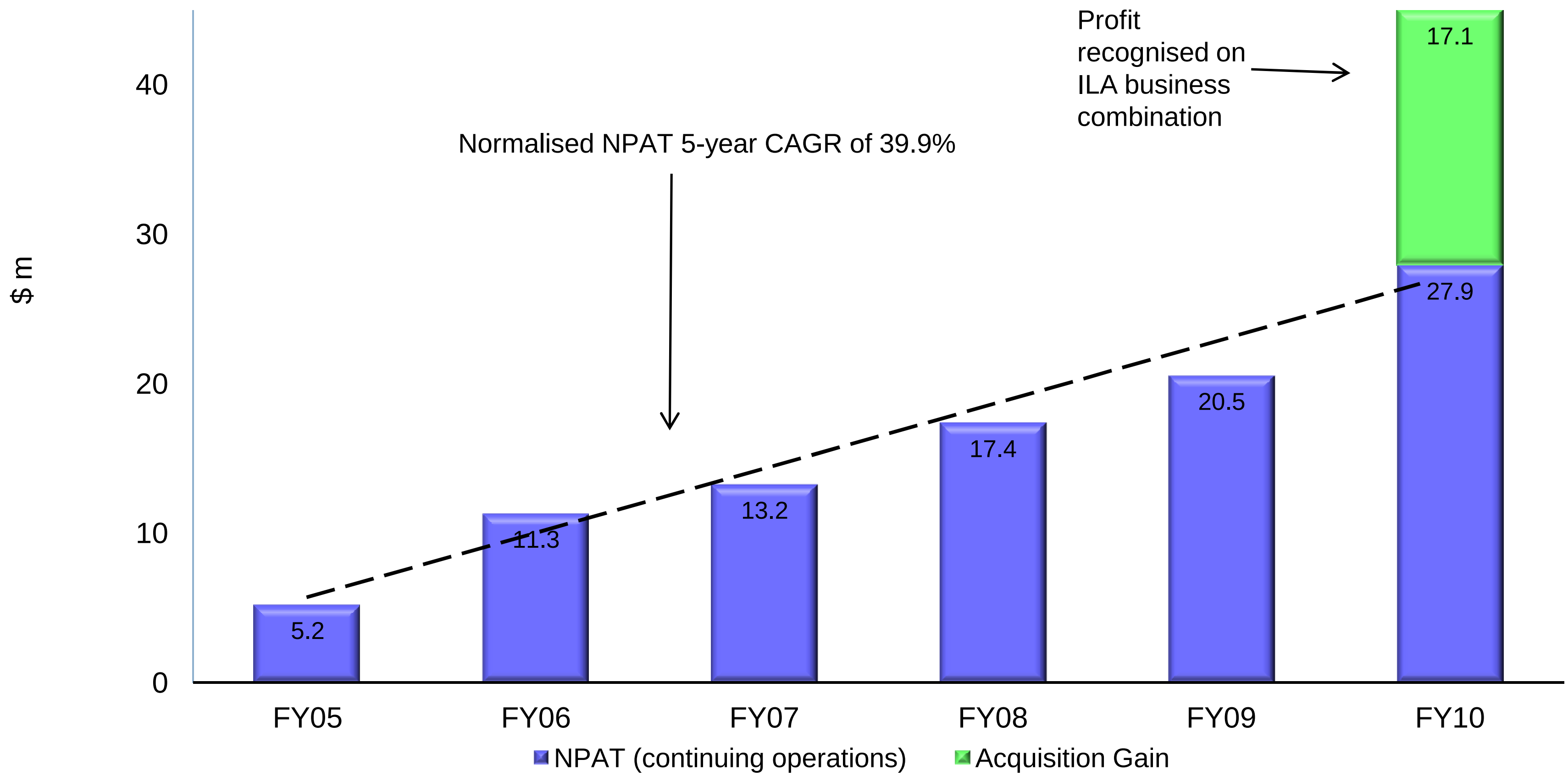
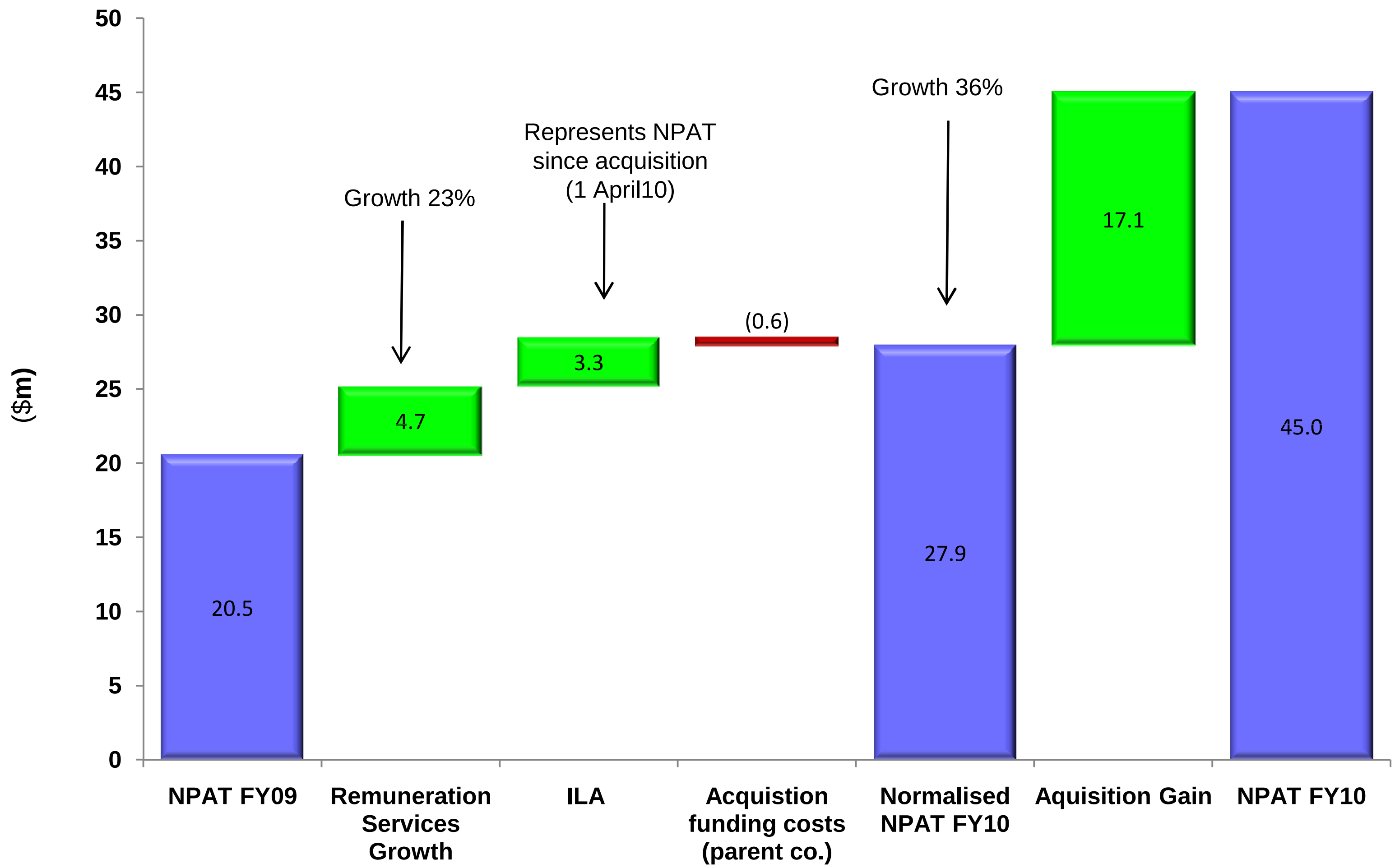
Historical normalised NPAT[(1)]



Note 1: Normalised numbers exclude the $17.1m acquisition profit recognised in FY10 as a result of the business combination of ILA

NPAT bridge FY09 to FY10



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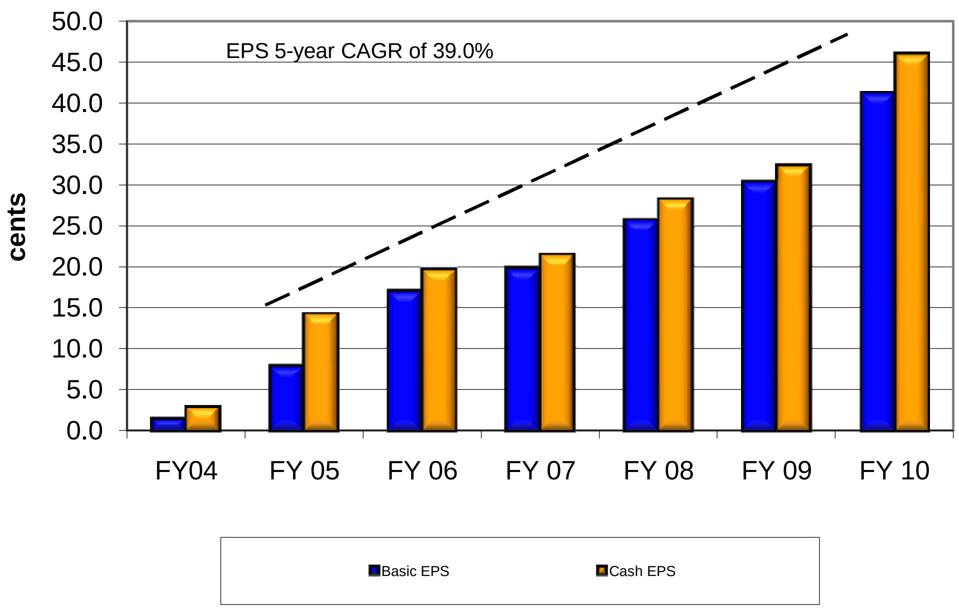
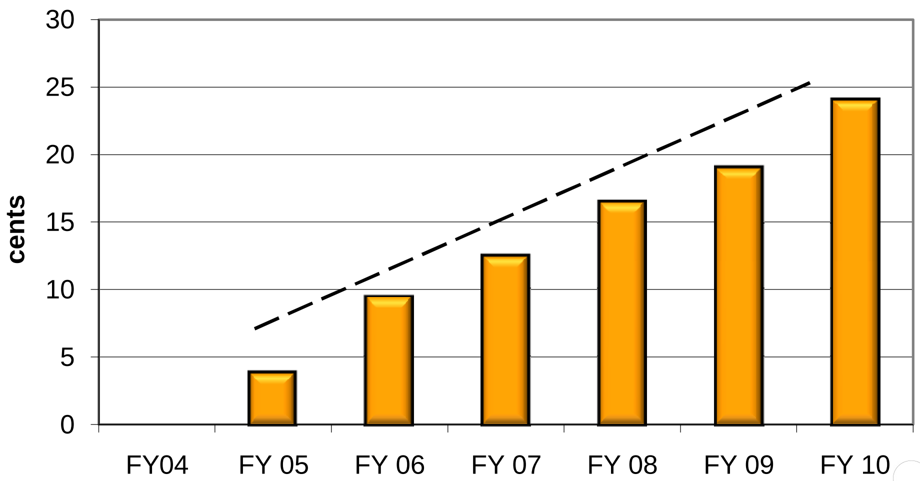
Historical Key Financial Performance Measures

Normalised earnings per share (EPS) (1)



Total dividends per share



Note 1: Normalised EPS excludes the profit recognised on acquisition as a result of the business combination of ILA

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Remuneration Services segment highlights

- Revenue growth 21% on PCP.
- NPAT growth(1) 23% on PCP.
- Core operating contribution(2) increase of 38.8% over PCP.
- Customer metrics exceeding our benchmarks.
- Ongoing productivity improvements.
- FY2011 year to date performance in line with expectations.

Note 1: To provide a meaningful NPAT comparison to FY09 NPAT, growth includes interest on surplus cash but excludes any interest on funds borrowed to acquire ILA.

Note 2: Core operating contribution - profit before finance, tax and depreciation as a percentage of revenue derived directly from salary packages managed and novated leasing.

Remuneration Services financial performance

	FY10 $000	FY09 $000	% Inc	Comment
Segment revenue	92,139	76,000	21%	
Operating expenses				
Employee and director benefits expenses	39,282	34,309	14%	Significantly below revenue growth
Depn and amort of PPE and software	2,222	1,436	55%	Investment in IT, CRM, BCP/DRP and new premises
Amortisation of contracts acquired	1,084	386	181%	Increase due to $5.2m contract rights payments in FY09
Impairment of goodwill	-	36		
Technology and communication expenses	3,172	3,163	0%	Maintained at FY09 level
Property and corporate expenses	2,502	2,297	9%	Increase reflects additional space and new premises
Consulting costs	1,274	1,033	23%	Includes Henry review costs
Marketing costs	2,550	1,111	130%	Launch of Maxxia brand and focus on driving revenue growth
Other expenses	4,932	4,576	8%	Significantly below revenue growth
Total expenses	57,018	48,347	18%	
Profit before tax from continuing operations	35,121	27,653	27%	

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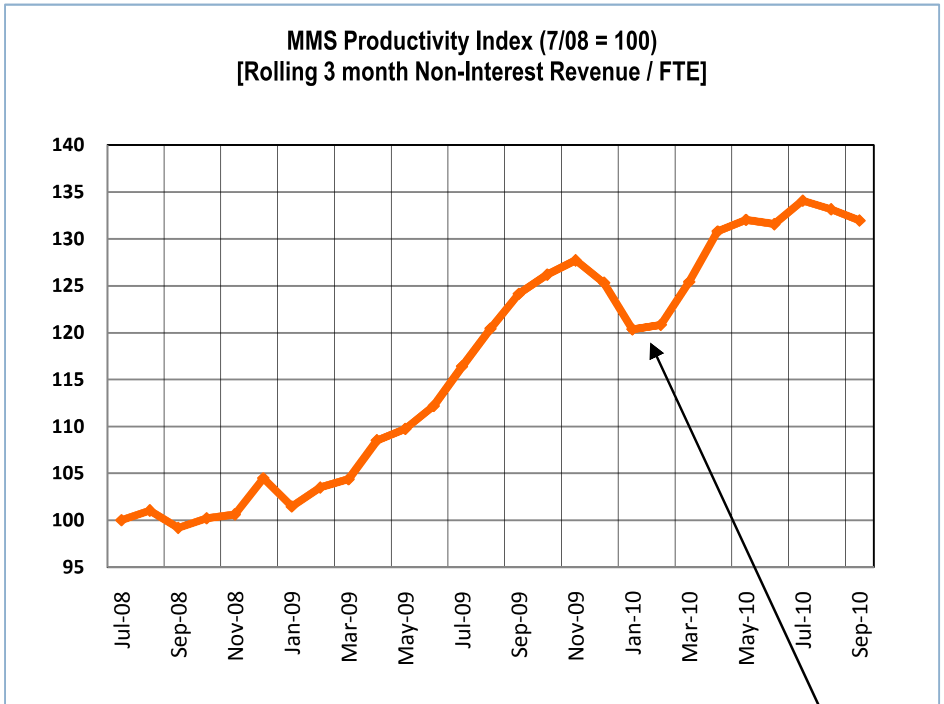
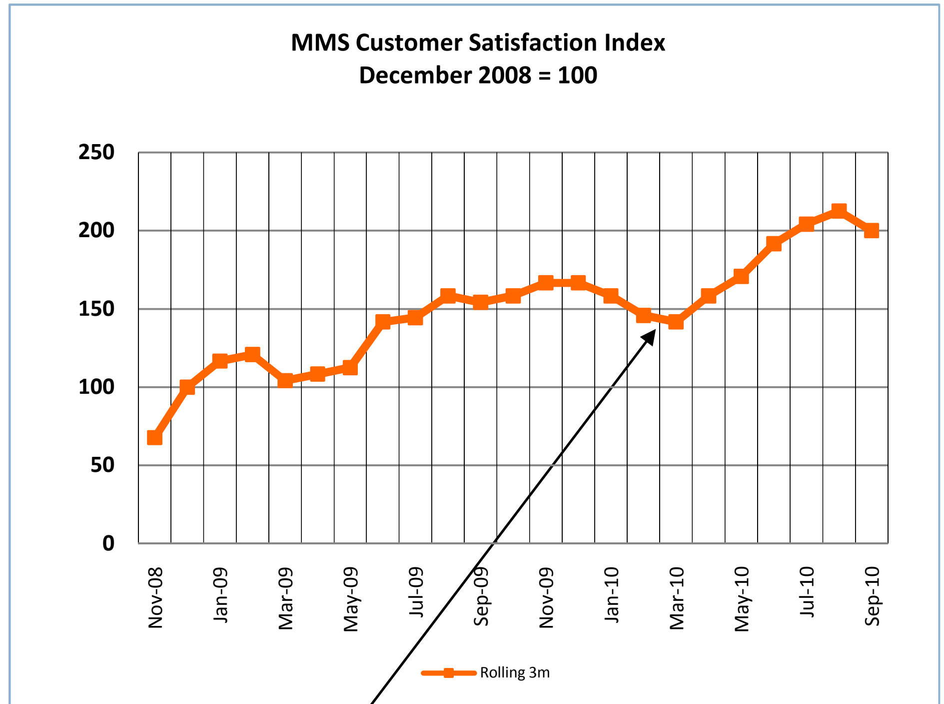
Productivity and Customer Satisfaction Indices

Productivity Index



Customer Satisfaction Index



Increased head count to maintain client service levels during the end of FBT year process.

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Asset Finance segment highlights

- Performance for 4QFY10 exceeded “deal” evaluation projections.
- Satisfactory residual value performance. This has continued in 1QFY11.
- Strong credit process and performance.
- Self funding during 4QFY10.
- Performance for 1QFY11 in line with expectations.

Asset Finance performance

	FY10[1] $000
Revenue from operating activities	38,882
Operating costs	
Depreciation of motor vehicle fleet	15,989
Interest on fleet financing	2,359
Motor vehicle fleet expenses	13,064
Employee and director benefits expenses	2,180
Other expenses	718
Total operating costs	34,309
Profit before tax from continuing operations	4,573

Note 1: The profit represents profits arising since the acquisition of ILA which occurred effective 1 April 2010.

Key Activities FY10

- Solid growth, investing for the future and building comparative/competitive advantage.
- Heavy participation and investment in the Henry Inquiry into the tax system; positive Government response with no adverse impact on business.
- Acquisition of Interleasing business at a significant discount to NTA, thus strengthening our strategic position, setting the platform for ongoing profitable growth and further expansion into financial services.
- All major contracts retained.
- Successful launch of Maxxia operating brand.
- We have commenced business in New Zealand. 18 months in planning.

Key Activities FY10 (cont.)

- Customer service metrics now exceed our benchmarks in all business units.
- New industrialised IT infrastructure with disaster recovery and “warm sites” delivered on time and on budget.
- New CRM system delivered on time and on budget.
- New telephony system delivered on time and on budget.
- Moved Melbourne office (300 people) on time and under budget.
- Ongoing strengthening of skills and knowledge with Abe Tomas (former Australian CEO & global CFO of LeasePlan) and Michael Mitrovits (former MD of Interleasing) joining our Executive team.

Our unique market position

Salary Packagers

Core Skills

- Proactive sales culture
- Retail sales and marketing
- Budgeting/ BPO processing
- Tax knowledge base
- Fringe Benefits Tax administration and reporting
- Agency model, success based fees
- High transaction loads

Novated Leases

Core Skills

- Managing vehicle value chain: procurement, maintenance and disposals (insurance, fuel, tyres, etc.)
- Fleet management
- Treasury, financing and RV risk management
- Wholesale channel

Operating Lessors/ Fleet Managers

- Ability to offer clients a "one car" solution (operating, novated and managed leases and Fringe Benefits Tax management).
- Novated leases require salary packing AND operating lease skill sets because they involve the purchase and financing of motor vehicles <u>AND</u> Fringe Benefits Tax management and administration.
- Many customers prefer to deal with one supplier.
- Cross selling opportunities.

The combined business – the first 6 months

- Integration running well.
- New value proposition well received by market.
- Complementary cash flow dynamics and capital requirements of the two business segments are attractive to financiers and provide mitigation against any credit tightening.
- Strong competitive position emerging.
- 8 new business contracts won.
- 10 new cross-sell arrangements with existing customers.
- 2 new contracts won in combination with GM Holden Fleet team – a strong and constructive relationship emerging.
- Full tender book.

Outlook

- 1Q FY11 results in accordance with our budgetary expectations.
- A year of prioritisation and execution.
- Complete integration of Interleasing.
- Prepare for Interleasing fleet lease system upgrade. CAPEX allowed for, with contingency, in acquisition modeling.
- Ongoing profitable growth through:
  - New customer acquisition.
  - Cross-selling between business units.
  - Improving participation rates.
  - Maintenance of outstanding customer service metrics.
  - Ongoing productivity improvements.
  - Careful management of residual, credit and interest rate risks.

Key Sensitivities for FY11

- New car sales market.
- Second hand car values.
- Interest rates.
- Interest rate margin on operating leases.
- Key contract tender.
- Economic conditions generally.

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