

McMillan Shakespeare Limited
Chairman's AGM Address
25 October 2011

The FY11 has seen significant value added for the McMillan Shakespeare Group ("MMSG"), its staff, its customers and its shareholders. With a full year of results from the Interleasing acquisition, together with another strong performance from our Group Remuneration Services Segment, NPAT increased by 56% to \$43.5m (excluding the FY10 profit on ILA acquisition). Both segments exceeded our expectations. The dividend increased by 58% over the previous year and return on equity increased to 43%.

Importantly, we believe we have proved true the strategic hypothesis that led to the acquisition of Interleasing; that is, that bringing a salary packaging business together with an asset management business would create a value proposition that spoke powerfully to new and existing customers. In FY11, MMS wrote 106 new business contracts, and 30% of those were cross-sales between the original business and Interleasing. This volume of new business not only provides confirmation of the fit between the businesses, but also sets the platform for growth in FY12 and beyond.

The growing reputation of MMSG companies is underpinned by excellent service delivery. All businesses are exceeding the benchmarks set by the Board. Our customers outsource to us very complex business processes. Excellence in service delivery vindicates their decision to outsource and creates participation, renewal and word of mouth promotion.

I will leave it to our CEO to take you through the details of our results and the key activities undertaken during the year. However, I do want to pause to mention the extensive reinvestment we are making in our business. We are of the view that sustainable, long term value is created through having the courage and discipline to invest ahead of the growth curve.

Considerable resources are being invested in the development of systems, processes and people; with the simple aim of driving down our cost base over time, whilst simultaneously delivering world class service. This year will be another year of significant investment in our business as we set the platform for profitable growth in future years.

In summary, I believe shareholders can be well pleased, not only with the company's FY11 results, but also its state of readiness to deal with future challenges in these volatile and uncertain times.

No business can produce these results without a capable leadership and strong committed, hardworking and performance driven staff. This we have at MMS and I would like to acknowledge gratefully their contribution. All our people have worked hard to serve our customers with quality service and integrity. It is now my pleasure to hand over to our Managing Director and CEO, Michael Kay.