

MMS Group Annual General Meeting

25 October 2011

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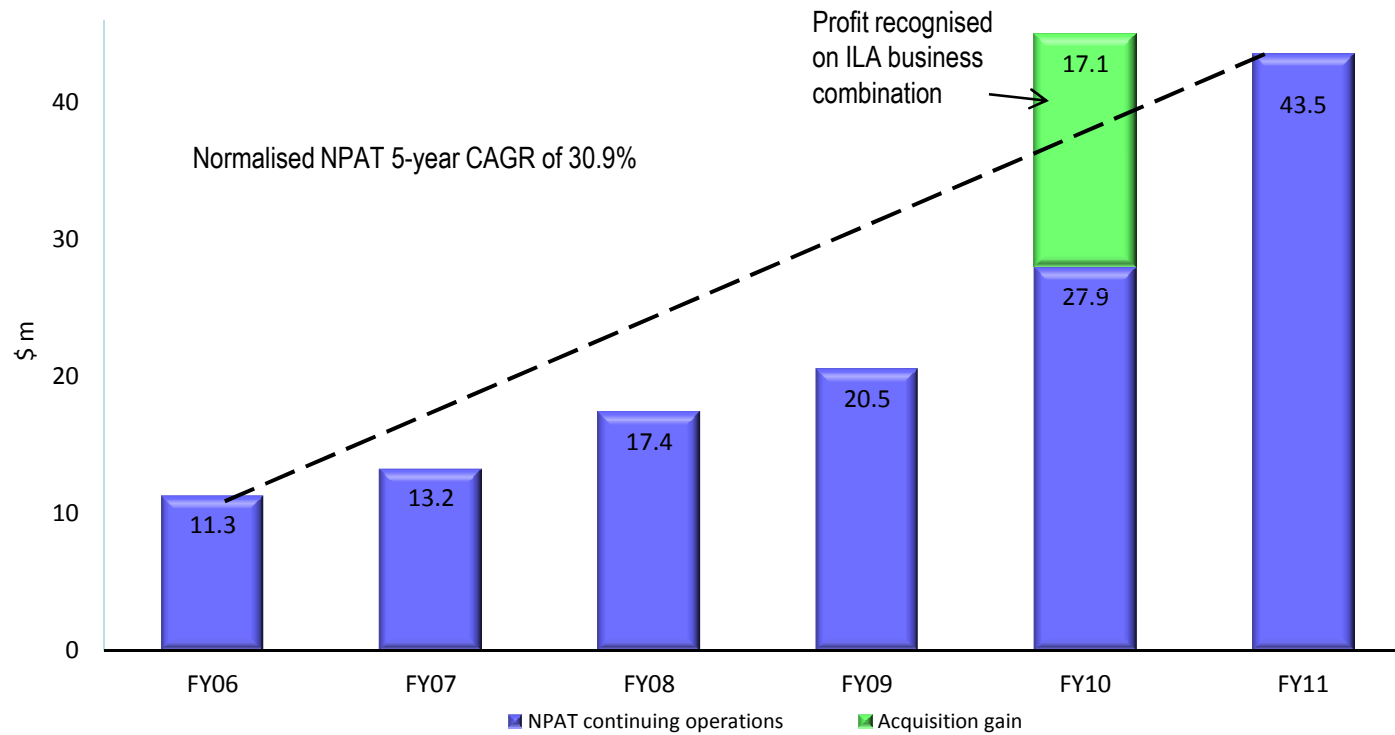
Highlights FY11

A year of consolidation, consistent delivery and ongoing, profitable, organic growth:

- Consolidated NPAT of \$43.5m (normalised growth of +56%).
- Normalised⁽¹⁾ Basic EPS growth of 55%.
- Group Remuneration Services NPAT of \$31.6m or 26% growth.
- Asset Management NPAT of \$13.5m.
- Strong free cashflow (\$37.6m pre-fleet increase).
- Final dividend of 22 cps (total FY11 38 cps versus 24 cps FY10).
- Return on equity of 43%.
- Transition of Asset Management acquisition from a book in run-off into a growing profitable business. Results validate the strategy and the business model.

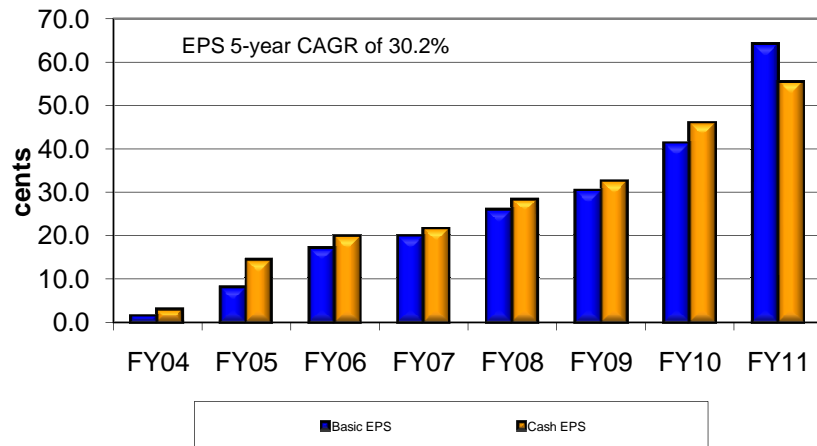
Note 1: Normalised Basic FY10 EPS excludes the profit recognised on acquisition as a result of the business combination of ILA.

Historical normalised NPAT



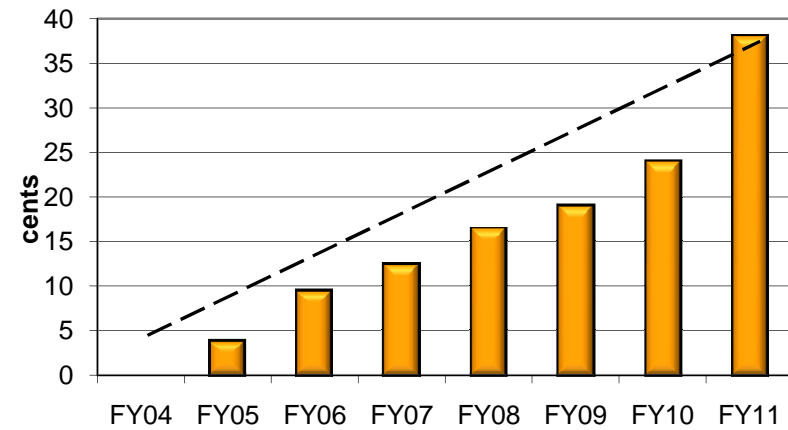
Historical earnings and dividends per share

Normalised earnings per share (EPS) ⁽¹⁾



FY11 cash EPS is after funding major systems upgrade as part of 5 year IT strategy.

Total dividends per share



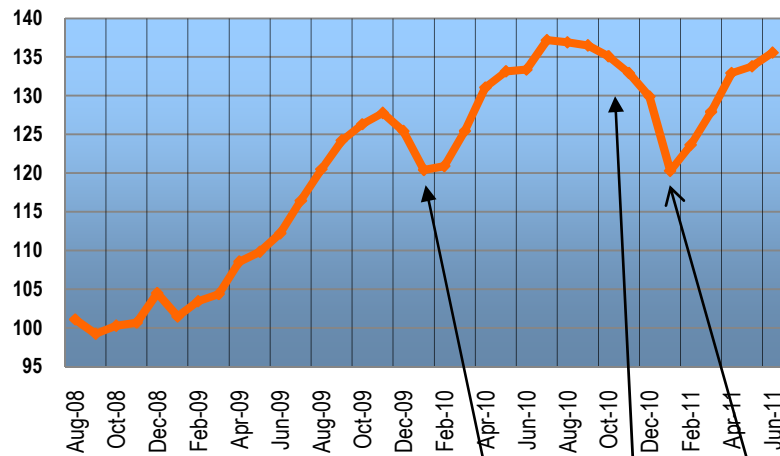
Note 1: Normalised EPS excludes the profit recognised on acquisition as a result of the business combination of ILA. Cash EPS includes CAPEX but excludes the investment in fleet growth.

Group Remuneration Services financial performance

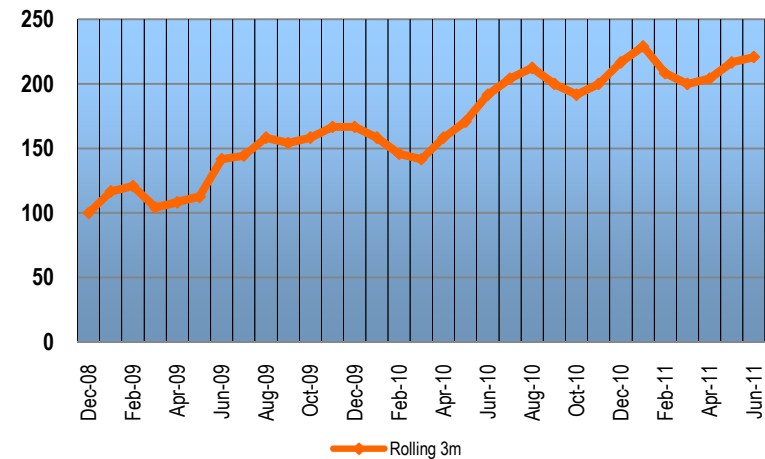
	FY10 \$000	FY11 \$000	% Inc	Comment
Segment revenue	92,139	111,648	21%	Consistent delivery and ongoing organic growth.
Employee expenses	38,574	43,908	14%	Significantly below revenue growth
Depn and amort of PPE and software	2,222	3,310	49%	Reflects recent investment in IT, CRM, BCP/DRP and premises
Property expenses	2,337	3,935	68%	Additional space and new premises
Other expenses	13,176	15,227	16%	Significantly below revenue growth
Total expenses	<u>56,309</u>	<u>66,380</u>	<u>18%</u>	
Profit before tax	<u>35,830</u>	<u>45,268</u>	<u>26%</u>	
Tax	<u>10,785</u>	<u>13,610</u>		
Net profit after tax	<u>25,046</u>	<u>31,658</u>	<u>26%</u>	

Productivity and customer satisfaction indices

Group Remuneration Services Productivity Index (7/08 = 100)
 [Rolling 3 month Revenue (ex SP Interest) / FTE]



MMS Customer Satisfaction Index
 December 2008 = 100



Queensland floods.

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

Asset Management segment performance

- Strong EBIT/NPAT performance in first full year of ownership.
- Business now growing and gaining momentum, notwithstanding steep run-off curve when purchased.
- Operating lease book grew by \$8m with \$6m in 2HFY11.
- New contract wins driven by unique value proposition and improved sales activities.
- Segment is delivering novated lease customers into Group Remuneration Services segment.
- NIM exceeding budget.

Asset Management segment performance (cont'd)

- Improving, more balanced income streams, including in-life services / procurement.
- Residual value performance ahead of expectations.
- Credit losses for FY11 were less than \$25,000 and were fully recovered from asset disposal proceeds i.e. net credit losses were nil.
- Interest rate risk managed through hedging facilities.
- Augmented Asset Management expertise.

Overview of key activities in FY11

- Commitment to a clear strategy with disciplined prioritisation and execution.
- Demonstrated capabilities in distribution, BPO and Asset Management.
- Re-investment in business:
 - Recruitment, induction, training and development. An increase of 127 employees year on year.
 - Ongoing investment in technology, in particular, upgrade of Asset Management systems and Business Intelligence capability, all within budget.
 - RemServ premises renovated and expanded, on time and within budget.
 - New premises in WA.

Key activities and highlights in FY11 (cont'd)

- 106 new business contracts and cross-sales acquired in FY11.
- Re-marketing initiatives have delivered excellent results.
- Queensland Government contract retained.
- First class Business Continuity Performance through Brisbane floods.
- Treasury and credit well managed: funding arranged on better terms; float yield improved; other funding options explored and in development.
- First MMS Group staff survey – 80% engagement score.

Key activities and highlights in FY11 (cont'd)

- Developed new products for launch in FY12: broker finance channel; commercial hire purchase through Holden Dealers; vendor finance program.

Sensitivities

- Availability of Japanese motor vehicles post-earthquake (full availability now coming on line).
- New motor vehicle sales (to date, volatility in motor vehicle sales and poor retail environment do not appear to be impacting MMS).
- Second hand vehicle values.
- Interest rates (earnings on float).
- Key contract tenders (SA Government due to go to tender for 1 April 2012 start).

Sensitivities (cont'd)

- We are not aware of anything that occurred at the Tax Summit on 4 and 5 October that could potentially disturb or materially affect our Remuneration Services segment.
- This is not surprising because the Government had already dealt with the two key issues that may have had a material impact on our business through its considered response (over six months) to the Henry Review, a comprehensive review of the tax system conducted over two years:

Issue 1 - FBT concessions to health and charities: In responding to certain recommendations in the Henry Report ¹, (and making specific reference to the key recommendations relevant to our business, namely, 9(e) and 43), the Government said ²: “In the interest of business and community certainty, the Government advises that it will not implement the following policies **at any stage**. ³”

¹ Australia's Future Tax System, Report to the Treasurer, December, 2009.

² Government Response to Henry Review, issued by Prime Minister and Treasurer, 2 May, 2010.

³ MMS emphasis.

Sensitivities (cont'd)

Issue 2 - Novated leases: In last May's Federal Budget, the Government accepted the Henry recommendation to move the FBT concession on motor vehicles to a flat 20% rate. See MMS ASX announcement on 11 May 2011 "Budgetary Changes".

Outlook

- Performance for 1QFY12 has exceeded our expectations.
- A year of consolidation, execution and ongoing organic growth.
- Consistent, profitable, cash generative growth through:
 - New business and cross-sales using our unique value proposition and capability set.
 - Increasing participation rates in existing portfolio (106 new contracts and cross-sales achieved in FY11).
- Continued strong investment in people, process and systems; Asset Management system upgrade due for completion in 1HFY13.