MMS Group Annual General Meeting

October 2014

McMillanShakespeareGroup

FY14 Financial highlights

- Business has fully recovered from the 16 July, 2013 proposed changes to novated leasing benefits and returned to growth:
  - Group Remuneration Services (GRS) 2HFY14 revenue grew 8% on PCP (10% ex interest on the float*).
  - GRS 2HFY14 NPAT grew 16% on PCP (21% ex interest on the float).
  - Consolidated Group 2HFY14 NPAT was 10% higher than PCP (13% ex interest on the float).
- Full year NPAT of $55m 12% lower than PCP due to the FBT temporary disruption. Impact includes:
  - Reduction in revenue from novated leasing.
  - Higher expense ratio due to decision to retain staff.
  - $1.4m in one-off after tax costs associated with proposed FBT changes.

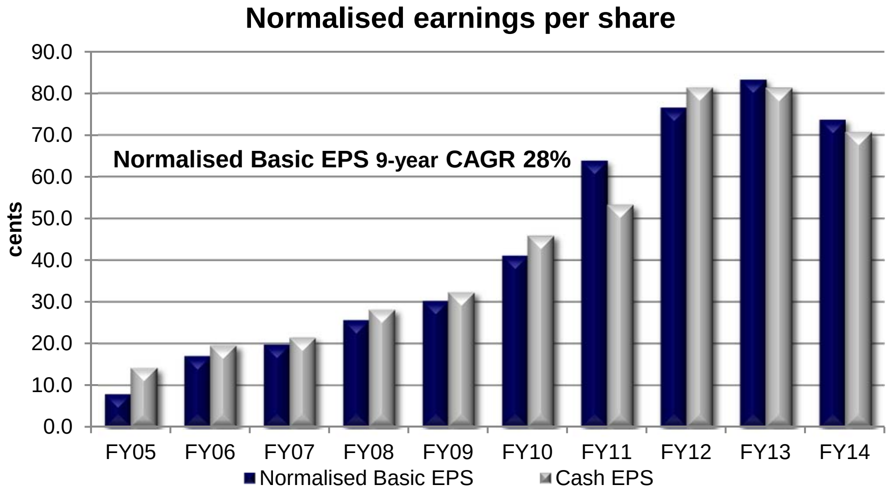
* Ex interest on the float growth shows the business's underlying growth after removing the impact of interest earned on non corporate funds which is impacted by changes in interest rates.

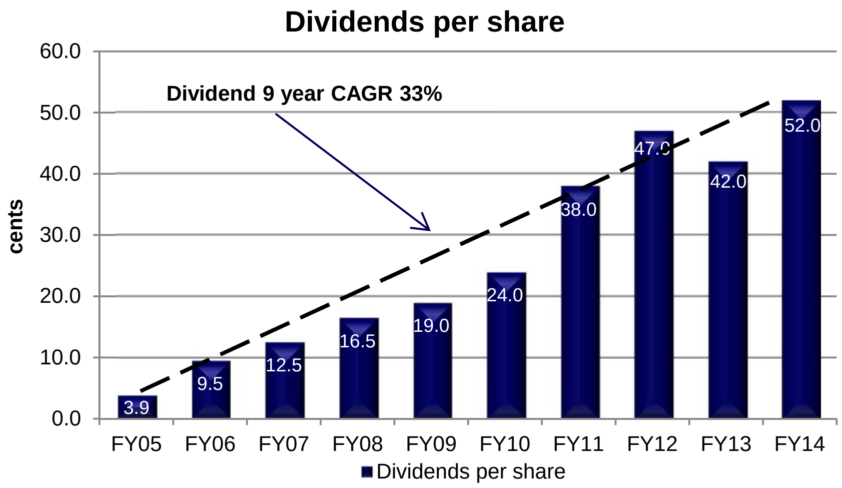
FY14 Financial highlights (cont'd)

- Asset Management NPAT $13.6m. Result includes UK JV losses, new system depreciation, lease extensions and the resultant impact on end-of-life (remarketing) profits.
- Final dividend(1) of 31cps; total FY14 dividend of 52 cps.
- Basic EPS of 73.8 cps (83.4 cps PCP) and diluted EPS of 72.7 cps (11% decrease).
- ROE reduced to 26% due to FBT disruption.
- Free cash flow (pre increase in fleet assets) of $52m (94% of NPAT), notwithstanding the impact of the proposed FBT changes and $8.5m of CAPEX which included major system upgrade costs.

(1) Final dividend of 31cps has been determined after taking into account the total FY13 dividend payout ratio was contained at 50%.

Historical earnings and dividends per share

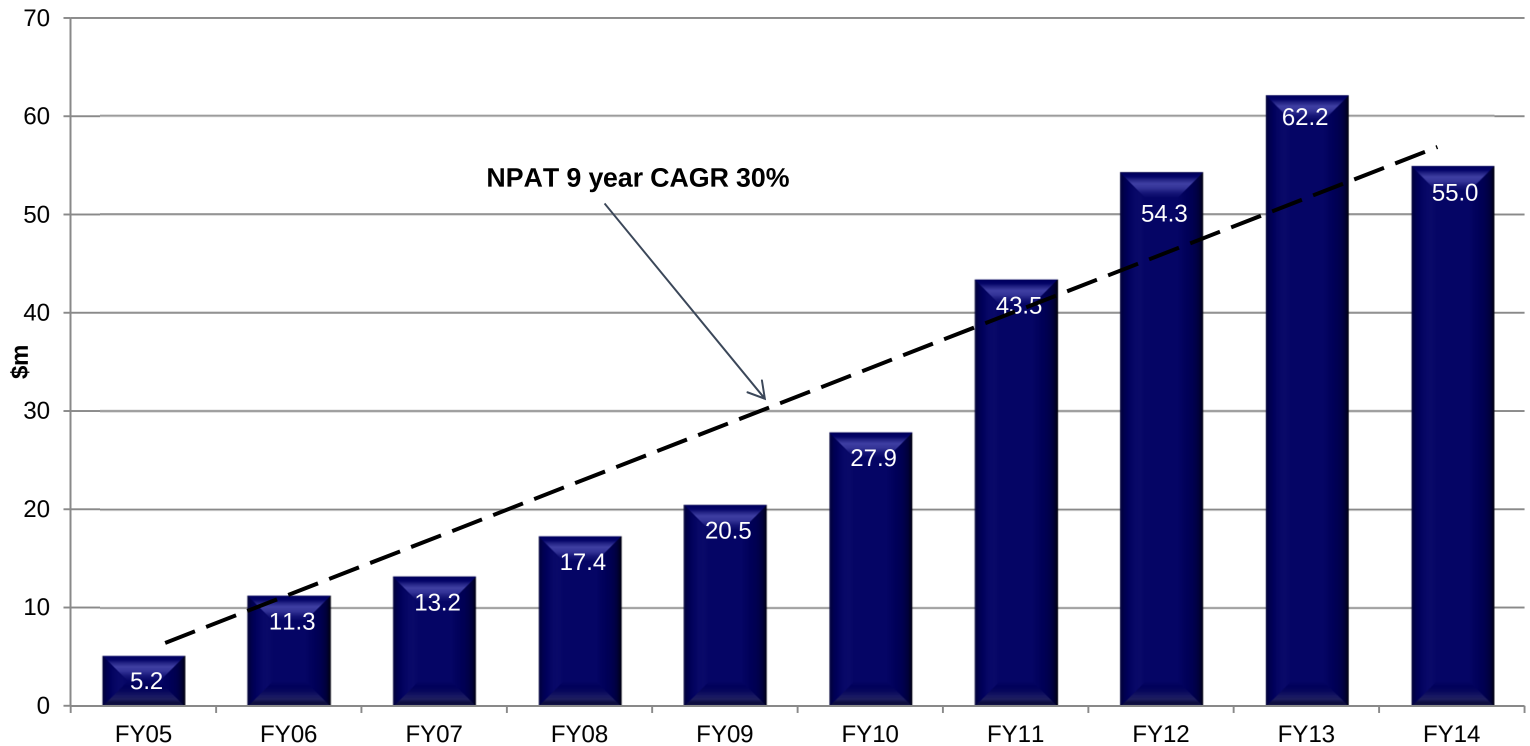




Cash EPS includes CAPEX but excludes the investment in fleet growth. FY11, FY12, FY13 and FY14 EPS includes funding the major systems upgrade as part of 5 year IT strategy.

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

Normalised (1) NPAT Performance



Note 1: Normalised NPAT excludes the profit recognised on acquisition of Interleasing in FY10 ($17m profit after tax)

Definition of Segments

Group Remuneration Services segment definition:
The segment provides administrative services in respect of salary packaging and facilitates the settlement of motor vehicle novated leases for customers, but does not provide financing. The segment also provides ancillary services associated with motor vehicle novated lease products such as insurance and after market products.

Asset Management segment definition:
The segment provides financing and ancillary management services associated with motor vehicles, commercial vehicles and equipment. This segment includes our business's in Australia, New Zealand and United Kingdom.

Group Remuneration Services FY14 Financial Performance

	2014 $000	2013 $000	% Inc	Comment
Segment revenue	157,247	155,855	1%	(Note 1: ex float interest growth of 2%)
Expenses				
Employee expenses	67,138	62,408	8%	
Depn and amort of PPE and software	3,680	3,484	6%	
Property and other expenses	26,345	23,338	13%	
Total expenses	97,163	89,230	9%	
Profit before tax	60,084	66,625	-10%	
Tax	18,096	19,832	-9%	
Net profit after tax	41,988	46,793	-10%	

Note 1: Excluding the impact of interest derived from external funds administered, revenue was higher by 2%

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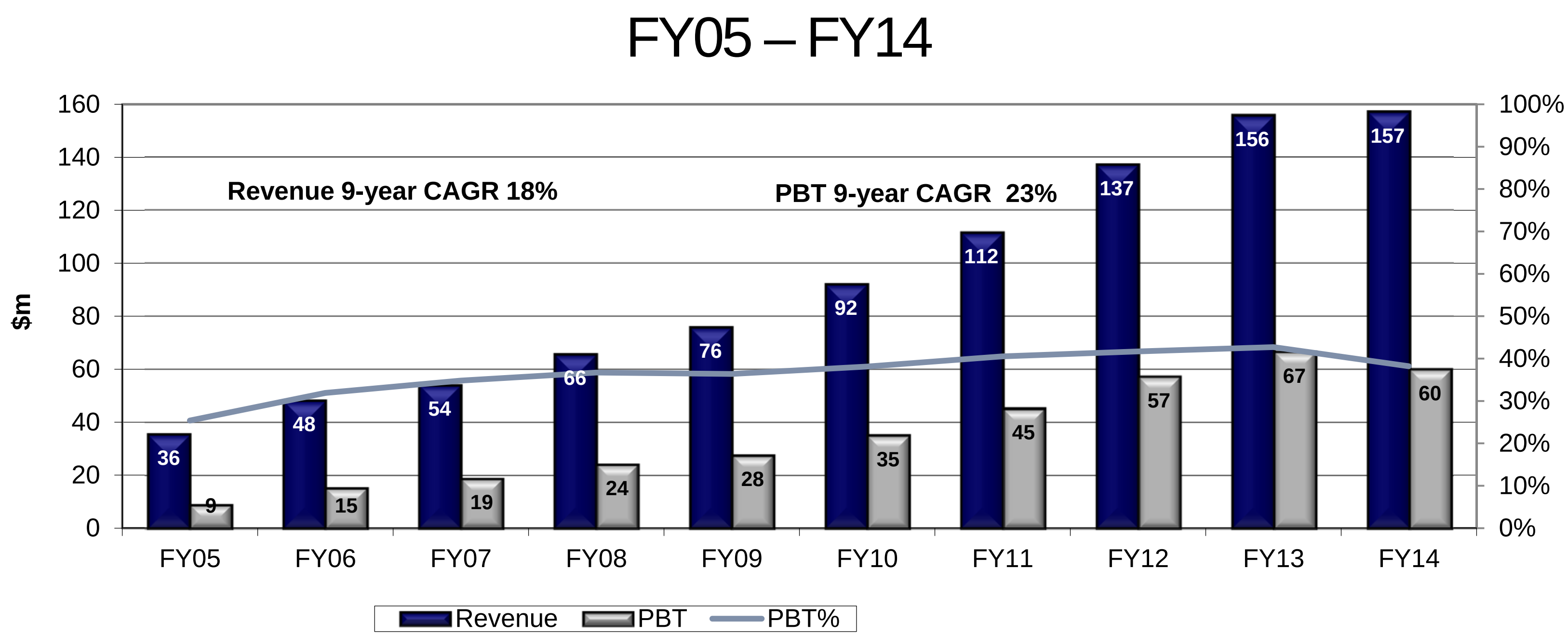
Group Remuneration Services 2HFY14 Financial Performance

	2HFY14 $000	2HFY13 $000	% Inc	
Segment revenue	86,699	80,098	8%	(Note 1: ex float interest 10%)
Expenses				
Employee expenses	32,482	31,516	3%	
Depn and amort of PPE and software	1,884	1,675	12%	
Property and other expenses	12,131	11,683	4%	
Total expenses	46,497	44,875	4%	
Profit before tax	40,202	35,223	14%	
Tax	11,451	10,419	10%	
Net profit after tax	28,751	24,804	16%	

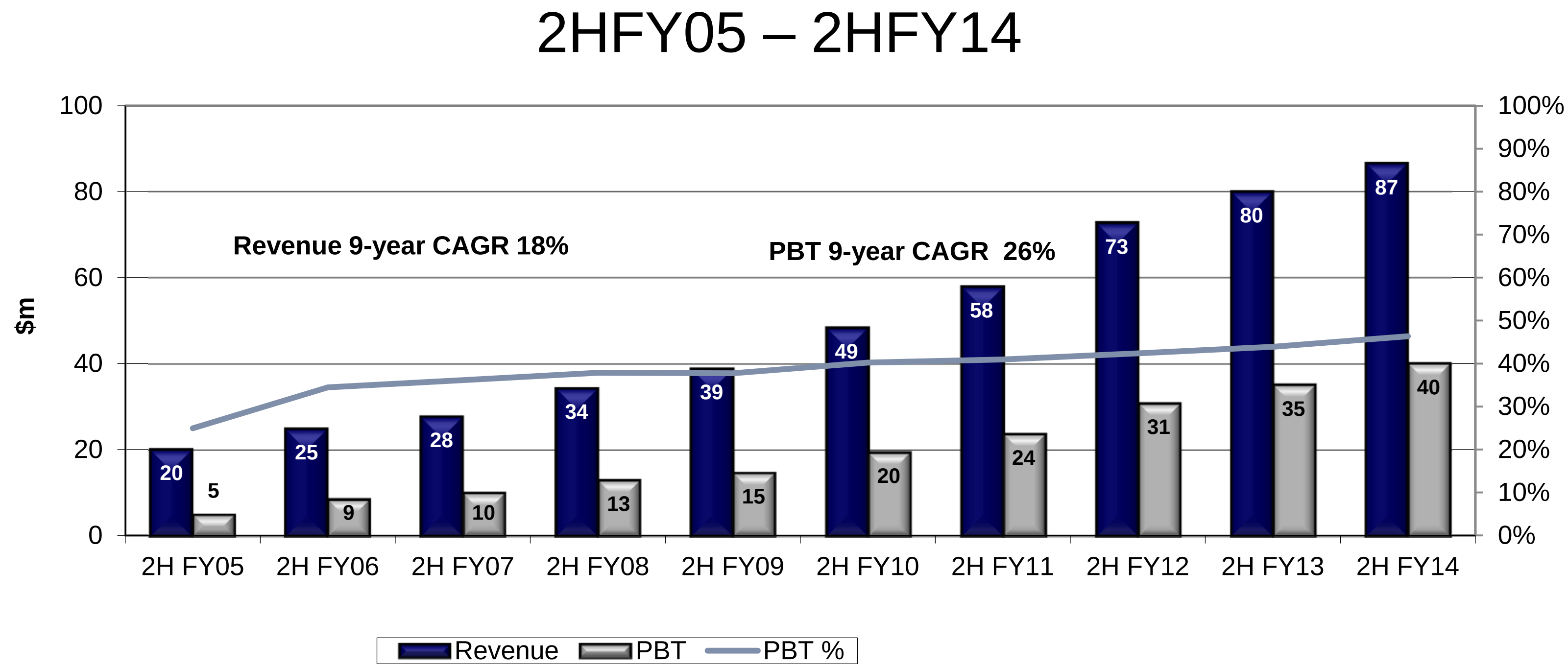
Note 1: Excluding the impact of interest derived from external funds administered, revenue was higher by 10%

Group Remuneration Services Financial Performance (cont'd)



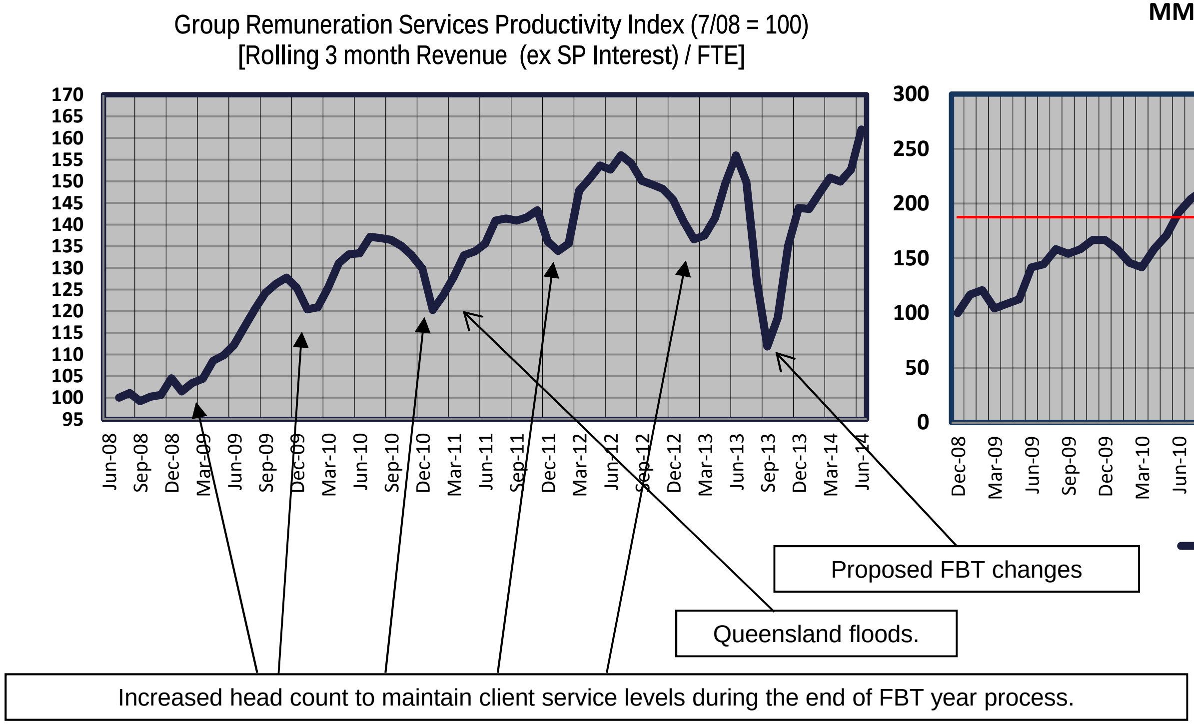
PBT – Profit before tax

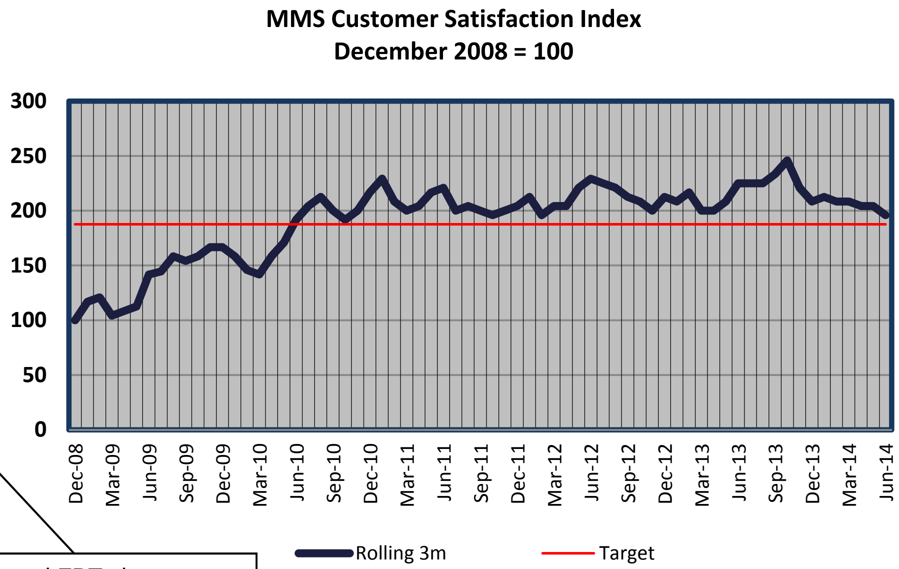
Group Remuneration Services Financial Performance (cont'd)



PBT – Profit before tax

Competitive Strengths and Performance Indices





Asset Management (AM) Financial Performance

	Group AM 2014 $000	CLM & UK AM 2014 $000	Australia AM 2014 $000	Group AM 2013 $000	Group AM % Inc	Australia AM % Inc	
Segment revenue	188,069	9,874	178,195	171,962	9%	4%	(1)
Expenses							
Depreciation of motor vehicle fleet	81,475	-	81,475	74,729	9%	9%	
Depreciation and amortisation of plant & equipment, software and intangibles	2,988	450	2,538	829	261%	206%	
Interest on fleet financing	10,872	403	10,469	11,043	-2%	-5%	
Lease and vehicle management expenses	52,692	5,453	47,239	47,396	11%	0%	(1)
Employee and other expenses	19,179	2,635	16,544	16,361	17%	1%	
Total expenses	167,206	8,941	158,265	150,358	11%	5%	
Profit before tax	20,864	933	19,930	21,604	-3%	-8%	
Tax	6,186	264	5,922	6,561	-6%	-10%	
Net profit after tax excluding UK JV	14,677	669	14,008	15,043	-2%	-7%	
Share of JV	(1,120)	(1,120)	-	(410)	173%	0%	
Net profit after tax including JV	13,557	(450)	14,008	14,633	-7%	-7%	

Note 1: Growth percentage is less than otherwise would have been due to reduced motor vehicle unit sales and yield on disposal of vehicles.

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Asset Management Commentary

- Assets under finance and management grew by $27m or 9% on PCP in a low growth economic environment and a very competitive market.
- Implemented new asset management system on time and on budget – this has improved capability to better service customers.
- Depreciation cost (first time) of new asset management system (full 12 months - $1.9m). Capital cost will be written off over 5 years.
- Excluding vehicle end of life profits and new system depreciation, Australian/NZ NPAT grew by 11% on PCP.
- Continuing rebalancing of income streams (end of life vehicle profits reducing as a percentage of segment profits).

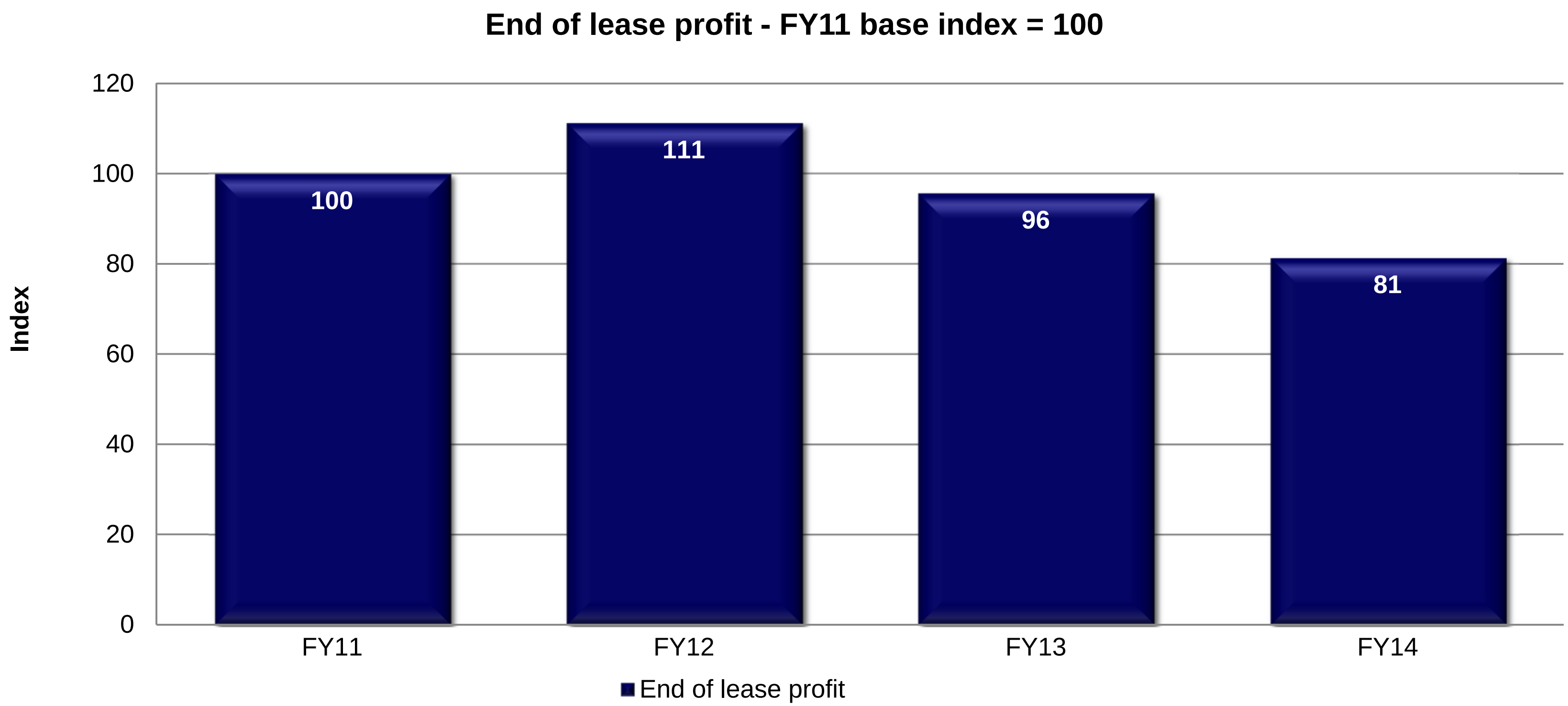
Asset Management Commentary (cont'd)

- Highly competitive environment – NIM under pressure however new funding lines have reduced cost of funds.
- 16 July, 2013 (Proposed FBT changes) caused considerable confusion in respect of tool of trade vehicles (move from Statutory to Operating Cost method) - customers elected to delay replacements.
- Increasing pipeline of opportunities and Asset Management continues to provide novated lease opportunities to GRS segment.
- Funding – extended to March 2017, on improved terms – club facility now has 3 of the 4 tier 1 Australian banks and provides funding in Australia, NZ and UK.
- RV provision at 30 June 2014 of $2.0m.

Asset Management Commentary (cont'd)

- Uncertain economic conditions meant significant number of lease extensions rather than investing in new assets i.e. fewer cars returning for remarketing; lowers book growth and remarketing revenue and reduces potential interest income (delayed profit opportunity on eventual asset return).
- Market conditions for the re-sale of cars remains in line with expectations.

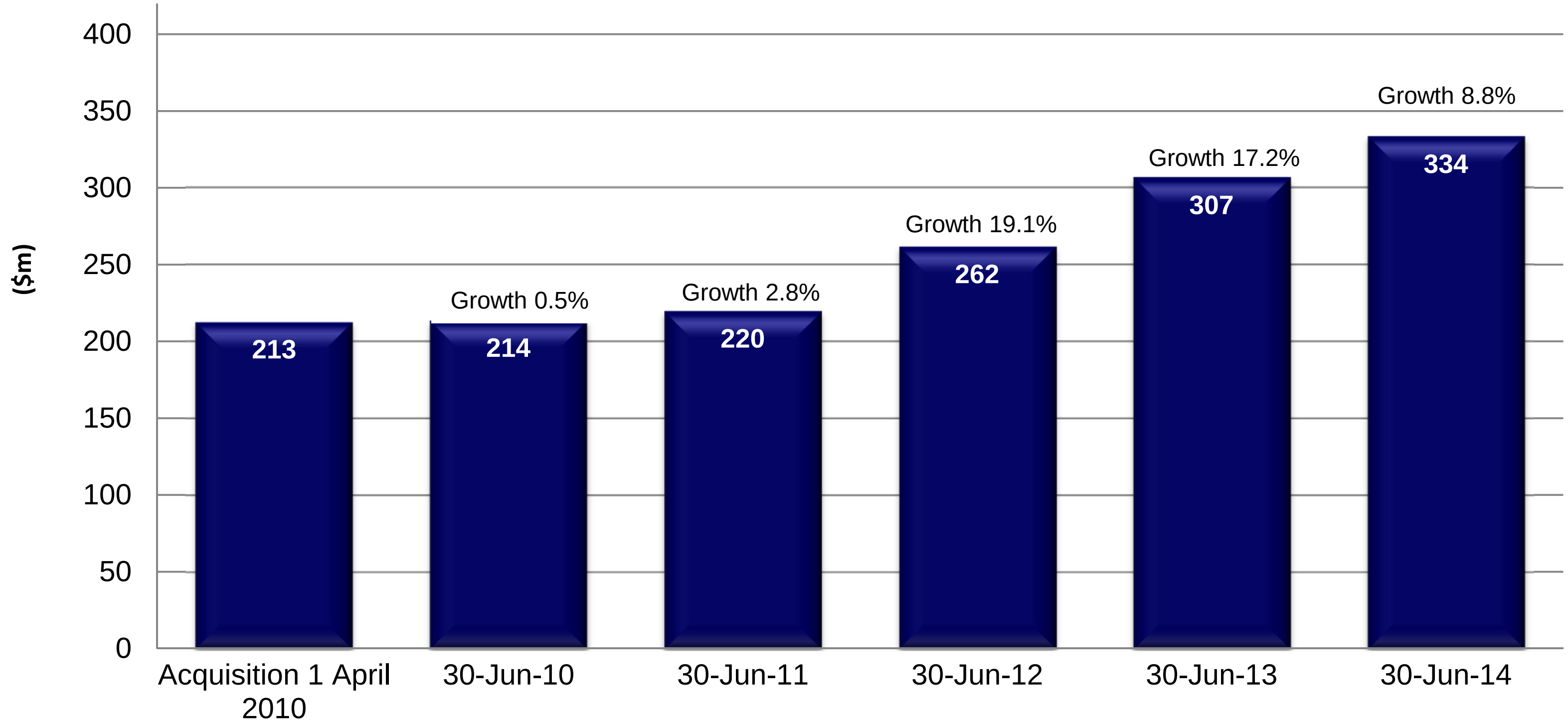
End of lease profit



Asset Management Commentary (cont'd)

- CLM (UK) acquired for $A14m ($A12m net of cash acquired) in October 2013.
- The UK businesses originated £22m of assets.
- Commenced funding in the UK.
- Car salary sacrifice product approved and will be introduced in calendar year 2015.
- Momentum building in the UK business, entry into that business appears well timed; expected to turn profitable this year.
- Books of receivables and businesses becoming available for acquisition.

Fleet Assets WDV



Risks and Sensitivities

- Interest rates movements (earnings on float).
- Second hand car prices (remarketing earnings).
- New car sales (novated lease participation).
- Government austerity/redundancy programs.
- Government policy development, in particular changes to FBT laws.
- General economic conditions (unemployment; lease extensions).

Outlook

- FY15 should see another year of profitable growth.
- UK business expected to be profitable in FY15.
- Phase 2 of salary packaging systems has been delivered which will drive improved service.
- Growth in assets under finance and management, notwithstanding intense competition.
- Expected launch of new products and services in both the UK and Australia during FY15, with the ruling finally received for the new car salary sacrifice product in the UK.
- Business well placed to acquire opportunistically in current or adjacent products, services and markets.

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Annual General Meeting 2014

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