



INTRODUCTION TO THE UK BUSINESSES

McMillanShakespeareGroup

2008 – Financial Crisis & beyond !



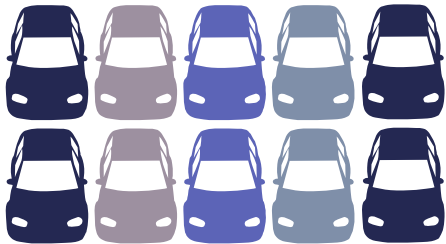
Basel III

Post GFC environment & introduction of Basel III is creating structural shifts and a significant market opportunity for MMS to provide integrated asset management, asset finance and vehicle leasing services including salary sacrifice in the UK

Regulatory environment changing: Basel III requires significant changes to the following :

- Risk Based Capital Changes
 - cost of allocating capital to smaller value transactions
 - cost of capital to operational risk
- Leverage - Lower gearing and full transparency, impacting quality and nature of lending
- Liquidity - nature of activities and solvency - long term structured lending is less attractive than 364 day lending

UK market



Annual new car finance
£18.35 billion
(business & consumer)

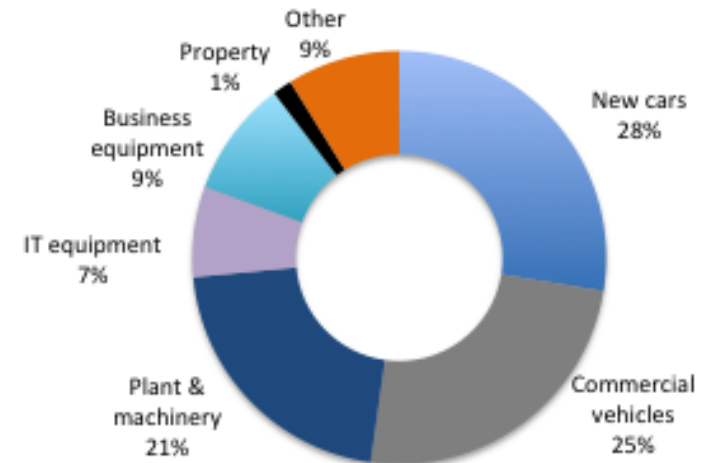
- UK financial sector recovering from crisis
- Borrowing still challenging in some sectors
- Market fragmented with lots of providers
- Little differentiation in market



Estimated 4.5 million private sector businesses



Approx **£15 billion** of other (non car) asset finance annually



Competitive environment

- New Prudential Regulation Authority and Financial Conduct Authority will significantly impact market behaviour with the key principle of 'Treat Customers Fairly' in statute
- Government and industry bodies focused on generating lending required to restore and accelerate economic growth
- Banks quite rightly focused on the journey towards restoring a level of profitability that will provide an appropriate Return on Equity and Dividends to Shareholders
- Banks tending to restrict their lending to their own customers so that the bank has complete transparency on the trading activities and performance of the customer
- New Challenger Banks - strong focus on retail :
 - Virgin Money, Shawbrook, Williams & Glyn's, TSB (separation from Lloyds), Aldermore
 - Peer 2 peer to lending
- According to the UK government there is still insufficient capacity to satisfy and stimulate demand (many foreign lenders exited in 2008)
- Government through the British Business Bank is actively looking to sponsor and support new entrants
- UK vehicle leasing sector – significant consolidation post financial crisis. Stable business model
- Large fleet customers influence pricing through competitive tendering. Low margin business (smaller companies) run off to deleverage large balance sheets
- Continuous Stress Testing on UK and EU Banks and recent results

Market Landscape - Vehicle Leasing & Fleet Management

- The UK vehicle leasing and contract hire market remains a highly competitive and mature market – innovation tends to be driven by manufacturers and changes in government legislation and the tax regime
- Lombard Vehicle Management, ING Car Lease and Masterlease – three major players exited the market due to the financial distress of their parents creating space for existing players and new entrants
- The sector has however been recognised as being resilient providing stable earnings over a long term with the potential to suffer market shocks.
- Full Fleet Management Outsourcing is a growth area as companies seek to reduce internal costs and headcount and benefit from the economies of scale and expertise afforded to them by fleet management companies

Market Landscape - Salary Sacrifice

- There are corporate salary packagers / benefit providers operating under the UK tax laws (notably for pensions, cars and child care)
- Employers with reasonable scale fleets benefit from significant fleet discounts from car manufacturers. These discounts are included in the car policy for employees.
- As these vehicles are liable to “benefit in kind” taxation, the lower the CO₂ emissions of the vehicle, the lower the final tax charge for the employee
- From the employee’s point of view, not only will they save on both tax and National Insurance, employees will also benefit from a significantly lower of whole life cost compared with most other forms of finance.
- Salary sacrifice has similar selling advantages to novated leases in Australia however the current approach leaves all the risks of ownership with the employer
- Salary sacrifice market relatively immature but growing through dedicated players promoting through a cross –functional marketing and sales proposition engaging with Finance, Procurement and the HR function.
- Marketing and sales capability in salary sacrifice arena is in its infancy – leveraging the MMS employee engagement experience will provide MMS with an advantage over UK competitors
- Flexible Benefits and vehicle leasing providers have not been able to establish an integrated offering and are not maximising the opportunity.

MMS' UK opportunity: accelerated growth

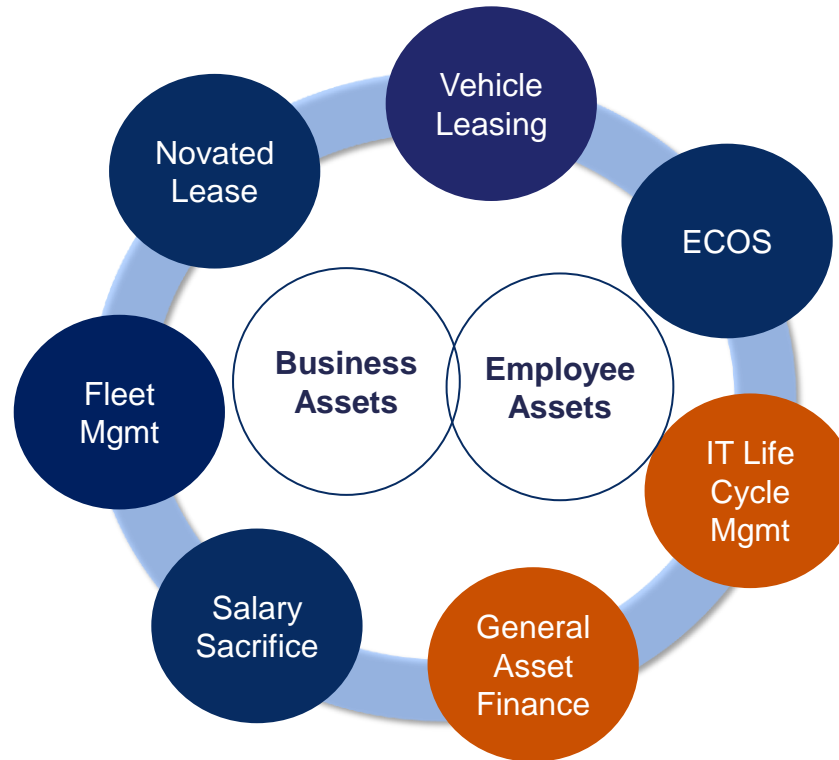
- MMS is developing a unique, integrated business approach leveraging local management expertise and Australian capabilities and experiences
- Funding - maintaining the appropriate balance between liabilities, assets and maturities
- Clear strategies to accelerate growth including marketing initiatives, partnerships and diversified funding models
- Execution well advanced

Developing the UK integrated business model

Asset Finance Solution Services

Maxxia core competencies

- Proactive sales culture
- Strong marketing capability
- Financial management
- Tax knowledge base
- Employee lease
- Asset finance brokerage and agency
- Lending as principal
- Enterprise funding portal
- Maxxia vehicle fleet competencies
- Treasury, financing & RV risk management



Outsourced organisational competencies

- Managing vehicle Fleet value chain:
 - Procurement
 - Maintenance
 - Disposals
 - Service costs
 - Fleet management
 - Consultancy
 - Short term rental
 - Mini – lease
 - Asset Management
 - Residual Value Forecasting

Contract Hire/ Operating Lessors/ Fleet Managers



Why CLM?

Client base. High quality, long-standing customer base, bringing asset finance cross-selling opportunities for Maxxia leading to greater customer entanglement

People. Competent and loyal employees will add value.

Low risk. Low liquidity, credit, residual value risk and no maintenance risk

Controls. Strong controls and cash flow management

Growth. The combined business will bring additional income opportunities

Employee leasing. Strong employee base within existing CLM customers

Capability. Strong procurement, in-life services, logistics and remarketing competence

Systems. Flexible customer centric in house system that will enable faster implementation of new products and a differentiated market offering

CLM accelerates the delivery of the UK business goals and the development of the unique integrated business model

UK corporates & SMEs & Public Sector



Fleet
Management

Asset
Finance



UK management team



Maxxia
Finance Ltd



McMillanShakespeareGroup

CLM key benefits to the UK venture

+

Income

Additional income streams from fleet management activities; cross-selling opportunities for finance products to existing client base

+

Proposition

Brings complementary product to extend portfolio provides platform for regulated employee leasing product development

+

Impressive client base

FTSE corporate, well known, significant and highly regarded local and global names

+

Platform

A back of house fleet management platform that supports the Maxxia sales force

+

Market presence

The skillset strengthens the offering of Maxxia in the market

+

With Maxxia Finance

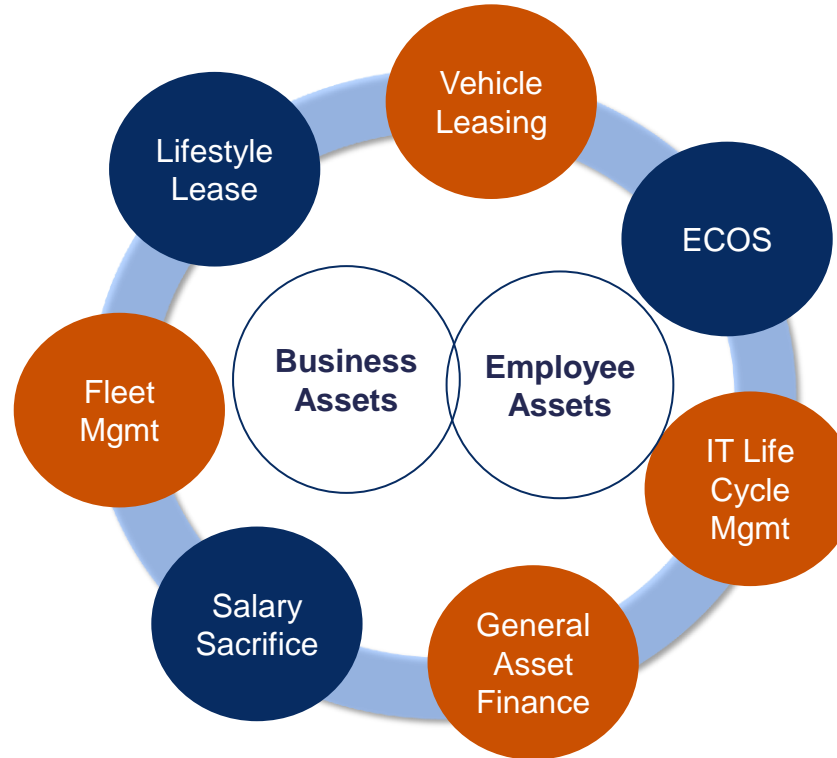
Provides a fully integrated finance and management offering in the UK market

Developing the UK integrated business model

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CLM current core competencies

- Managing vehicle Fleet value chain:
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 - Lease co. panel
 - Asset Management
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Contract Hire/ Operating Lessors/ Fleet Managers



UK management team



Debbie Baker



Gordon Calder-Jones



Simon Cotton



Catherine Dawson



Lisa Edwards



Steve Edwards



Robert Eggleston



Julian Humphreys



John Kelly



Chris Mitchinson



Roger Skinner



Gareth Shaw



Mike Thake

Team background

Executive & operational roles in the largest UK asset finance companies with corporate & retail finance focus and over £12bn in assets

Creation of a successful international leasing brand

International leadership and growth in 17 countries

Strategic & operational performance excellence aligning BBS & EFQM

Management of c80,000 fleet in the UK & c250,000 internationally

Development of UK market leading and award winning Employee Car Ownership product

Management of \$3bn in international vehicle leasing vehicle assets

Multiple cross-border business acquisitions, integration & divestment

Customer relationship management for major blue-chip clients

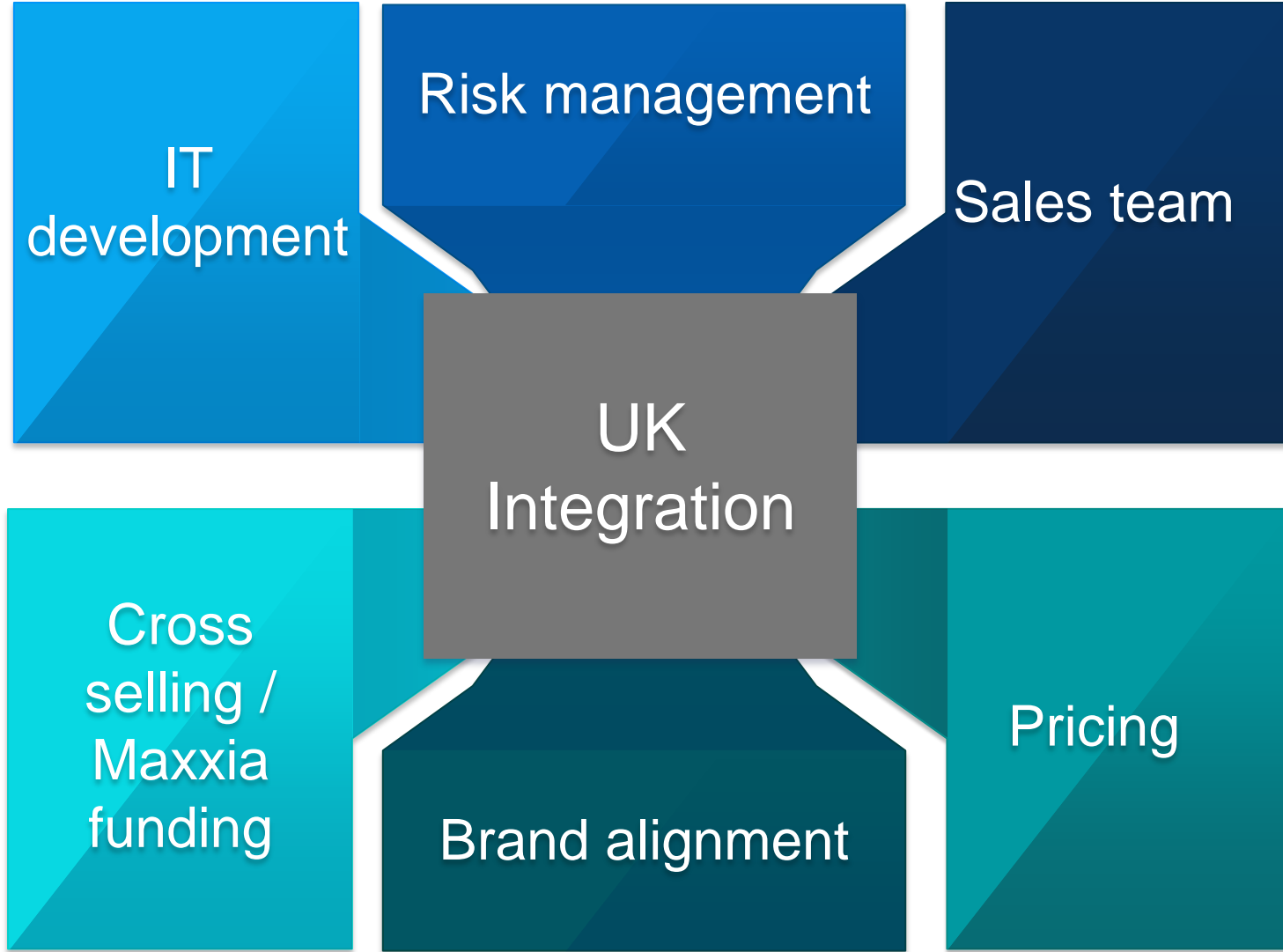
Implementation of sales and marketing automation programme

Corporate re-branding

Turnaround of under-performing businesses

Arranging multinational structured finance and securitisations

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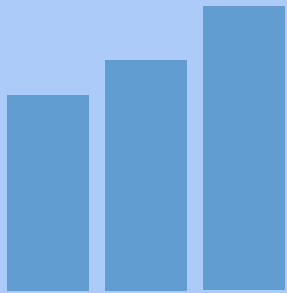


Execution well advanced

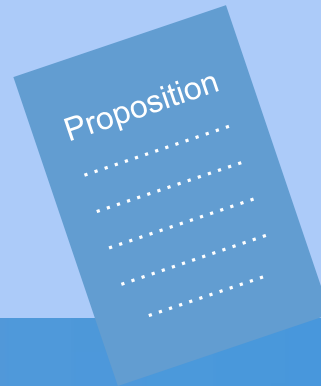


Key strategies

Accelerated
Growth



Proposition
Development



Partnering



Building on our existing fleet management and vehicle leasing capabilities to develop the salary sacrifice, and lifestyle lease offering



Car Leasing



Employee Car Schemes



Commercial Vehicles



Fleet Management Services

Accelerated growth strategies - strategic partnerships and relationships.

Maxxia assists customers to fund their capital Investment programmes



Professional Advisors



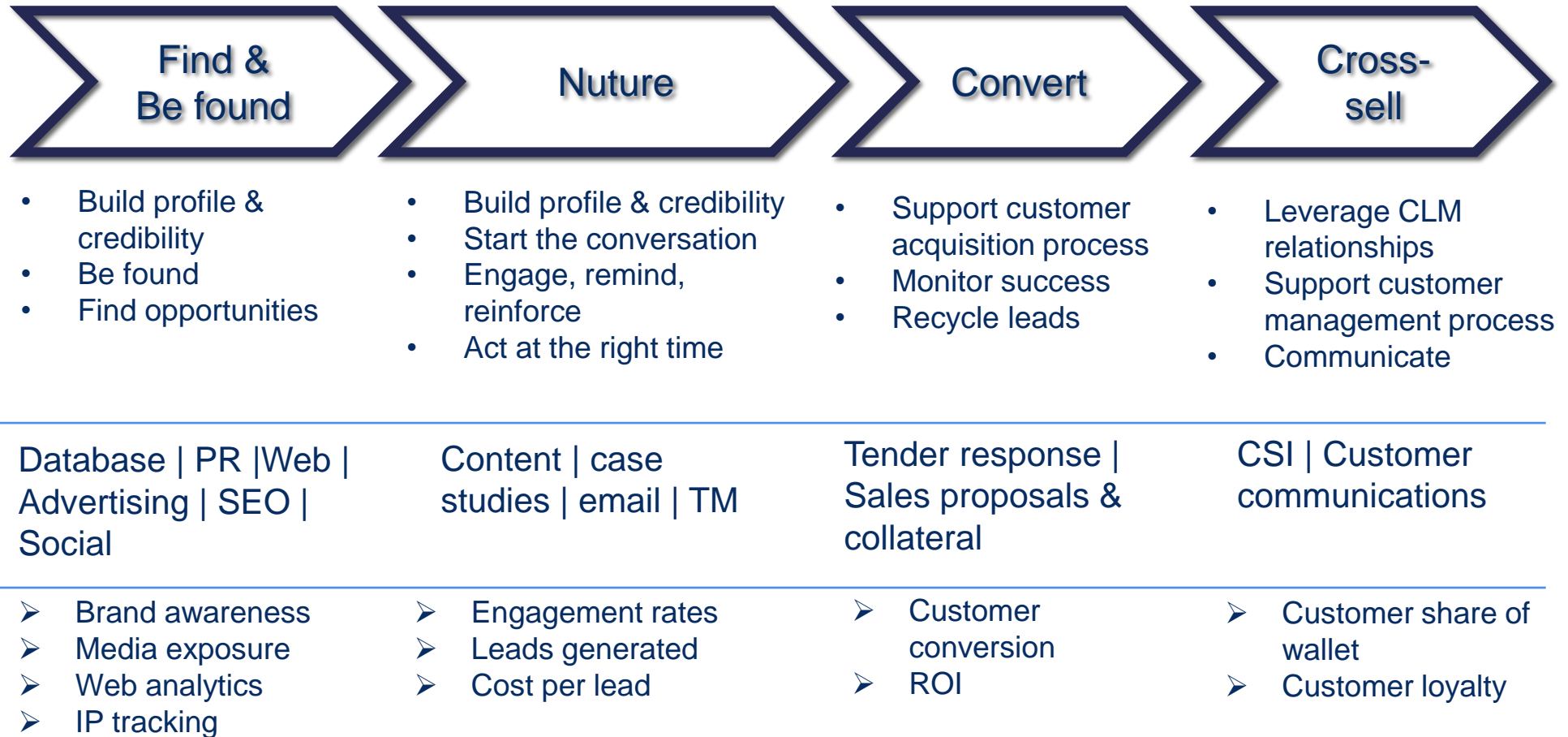
Wide range of funding options



Specialist asset finance providers

Maxxia

Results focused marketing



Funding panel developments



Siemens Financial Services

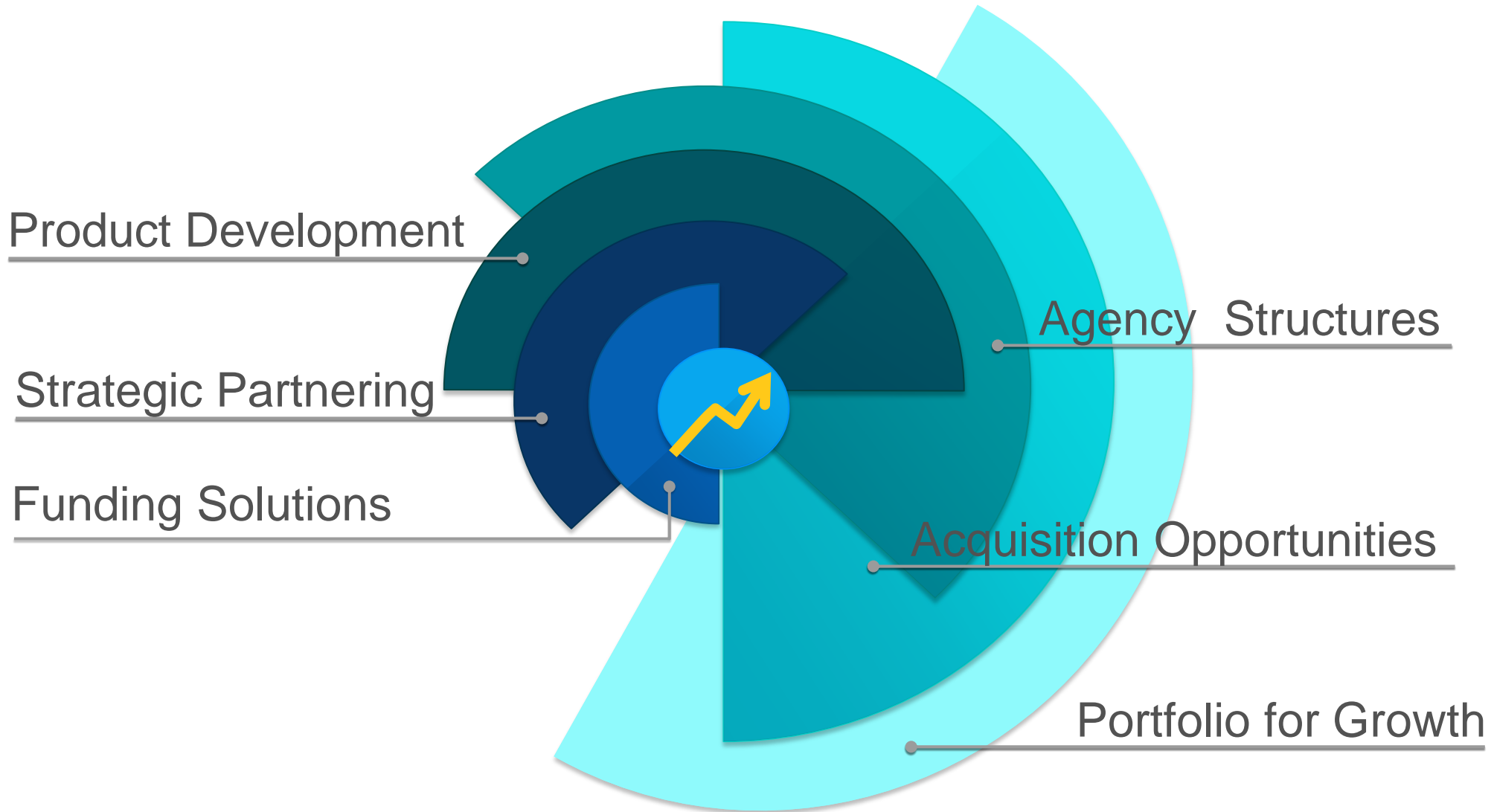


ABN AMRO



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Diversified Growth Model



Building breadth and depth in our service portfolio



Car Leasing



Computer Finance



Fleet Management Services



Commercial Vehicles



Employee Car Schemes



Medical Equipment



IT Asset Management Tools



Renewable Energy Assets



Plant & Machinery Funding

Conclusions

- Post GFC, the gradual implementation of Basel III, increased regulation, and changing bank strategies is creating structural shifts and significant market opportunities for MMS to provide asset management and asset finance
- The vehicle leasing and contract hire market is mature whilst the salary sacrifice market is developing and with a new product offering MMS will be well positioned to capitalise on this growth
- Good progress in developing a unique integrated business model leveraging local management expertise and Australian capabilities and experiences
- Over £22M in new asset finance business originated with the funding panel including Maxxia Finance since February 2013
- Lead generation activities and the CLM acquisition has provided over 300 new and existing customers as a platform for growth
- CLM Integration process completed and businesses strategically aligned
- Strategy execution well underway

Our core values are of trust, transparency, integrity and empathy.

Trust. Complete confidentiality, fairness and respect.

Transparency. Absolute clarity at all stages of our relationships.

Integrity. Unquestionably the highest standards of professionalism.

Empathy. Understanding our clients' business and challenges.



Maxxia is no ordinary asset finance company.

We offer more.



You can trust us.



Our people have experience and knowledge.

