

McMillanShakespeareGroup

ASX ANNOUNCEMENT

ACQUISITION OF ANGLO SCOTTISH ASSET FINANCE

Please find attached a Media Release and Investor Presentation in relation to McMillan Shakespeare's acquisition of the UK's Anglo Scottish Asset Finance ("**Anglo Scottish**") for an upfront payment of £7.7 million and an earn-out payment of up to £7.0 million on achieving a cumulative 3 year EBITDA target up to 31 December 2018.

The acquisition signed and completed on 4 November 2015.



Mark Blackburn
CFO and Company Secretary
McMillan Shakespeare Limited



Mike Salisbury
Managing Director and CEO
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McMillanShakespeareGroup

MEDIA RELEASE

MCMILLAN SHAKESPEARE EXPANDS ITS UK PRESENCE BY ACQUIRING ONE OF THE UK'S LARGEST ASSET FINANCE BROKERS, ANGLO SCOTTISH ASSET FINANCE

McMillan Shakespeare Limited ("**MMS**") is pleased to announce the acquisition of 100% of the shares in the privately owned UK asset finance broker, Anglo Scottish Asset Finance ("**Anglo Scottish**"). The consideration is an upfront cash payment of £7.7 million and a potential earn-out payment of a maximum of £7.0 million based on the achievement of a three year cumulative EBITDA target up to 31 December 2018.

The transaction was signed and completed on 4 November 2015 and funded via cash reserves.

The acquisition represents another building block in providing an integrated asset finance and asset management business in the UK which commenced in 2013 and was built upon by the acquisition of CLM Fleet Management in 2013.

It is anticipated that Anglo Scottish's comprehensive network of funder relationships and technology platform will enhance MMS's ability to get the best deal for UK businesses, across a broader range of asset finance solutions. Conversely, the Anglo Scottish offering will benefit from MMS's strong capabilities in areas such as vehicle contract hire, fleet management, operating leasing and structured finance as well as added investment as a result of the group's substantial financial resources.

Mike Salisbury, Managing Director and CEO of MMS, said "We are excited to bring Anglo Scottish into the MMS Group as the acquisition represents an excellent complement to our existing UK operations. Our combined UK business possesses an excellent capability to grow our share of what we consider to be an important market."

Roger Skinner, CEO of MMS's UK operations, comments: "Anglo Scottish is a perfect addition to our business at this very exciting juncture in our growth plans. Our core mission is to provide our clients with the very best possible asset financing solution tailored to their business, whatever their needs. The Anglo Scottish team has deep market knowledge and an established network across the UK asset finance ecosystem that will bolster our ability to do exactly this, underlining our position as the trusted partner for asset financing".

David Foster, Managing Director at Anglo Scottish, continues: "We are delighted to be joining the McMillan Shakespeare Group. Its strong focus on transparency and integrity, coupled with its impressive resources, makes it an ideal fit for us as we look to invest and expand our unique offering to our agents and customers. In addition, the group's proven capabilities in areas such as vehicle leasing, fleet management, operating leasing and structured finance will allow us to provide a truly comprehensive service to clients.

"We see this as an excellent opportunity for our sales staff, agents and funding partners as we plan to increase volume considerably."

The acquisition will involve minimal disruption to Anglo Scottish's business. The Anglo Scottish Directors and senior management team will continue to run and manage the business and, from a client experience perspective, it is anticipated that there will be little change.

For further information on the acquisition including an overview of the Anglo Scottish business and the strategic rationale please refer to the Investor Presentation.

For further information please contact:



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Acquisition of Anglo Scottish Asset Finance

November 2015

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Transaction overview

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Agreement to acquire Anglo Scottish Asset Finance (“Anglo Scottish”) for an upfront payment of £7.7 million and an earn-out payment subject to achieving a future cumulative 3 year EBITDA target

Anglo Scottish overview	<ul style="list-style-type: none"> ▪ Asset finance broker, which provides a range of financial services across the UK including business finance, personal finance and vendor / dealer finance ▪ Core activity is the provision of hire purchase, leasing facilities and personal loans ▪ Primarily service North East England and Scotland regions
Strategic rationale	<ul style="list-style-type: none"> ▪ Combined with MMS’s existing UK operations, Maxxia UK, the acquisition represents an opportunity to create the largest non-bank asset finance broker and originator in the UK by volume <ul style="list-style-type: none"> • Anglo Scottish is one of the UK’s largest Asset Finance brokers and combined with Maxxia UK has the potential to arrange over £250 million per annum of asset finance business in its first year as a business combination ▪ Provides further strength to the Maxxia brand and capability through wider geographic reach across the United Kingdom <ul style="list-style-type: none"> • Maxxia UK’s principle area of focus is London / South East & Midlands, while Anglo Scottish is focused on the North East England and Scotland regions
Acquisition snapshot	<ul style="list-style-type: none"> ▪ Agreement to acquire Anglo Scottish for an upfront payment of £7.7 million <ul style="list-style-type: none"> • FY15F pro forma normalised EBITDA of £1.57 million¹ ▪ In addition, MMS has agreed to pay an earn-out payment of up to a maximum of £7.0 million based on Anglo Scottish achieving a 3 year cumulative EBITDA target ▪ The upfront and potential earn-out payment will be funded via utilising existing MMS cash reserves
Management team	<ul style="list-style-type: none"> ▪ Anglo Scottish’s four founding directors and shareholders along with the senior management team will continue to run and manage the business

1. Based on trading performance through to 30 September 2015, with 3 months forecast (October to December) based on the 9 month average to September 2015

Anglo Scottish highlights

Customer focused with low concentration risk

- High levels of repeat business from a loyal and varied customer base
 - ~50% of new business from existing customer base
- Longstanding customer relationships across SME's, large, multi-national corporate and private individuals
- Low customer concentration given 15,000 live agreements currently in place

Strong credit procedures

- Approximately 85% of FY14 volumes were in the prime or near prime space
- Extensive network of over 40 mainstream and specialist panel funders that provides a wide range of competitive funding

Operating platform

- Scalable operating platform that allows for increased new business volume at improved operating margins
- Technology platform that allows for a quick turnaround of transactions from application through to approval and pay out by Third Party funders
- First broker in its field to gain a full Financial Conduct Authority (FCA) licence and approval for selling Regulated Finance

Strong leadership and senior management team

- Highly experienced senior management team, collectively around 80 years of asset finance experience
- In-depth product and market insight gained working for the Bank of Scotland Group
- Committed to future development of the business and the delivery of growth and profitability

Strategic rationale

Complimentary extensions to Maxxia UK product offering

- Cross selling opportunities across both organisations
 - Maxxia UK will immediately gain access to Anglo Scottish's established and comprehensive range of asset and loan finance companies
 - Maxxia UK will be able to extend its vehicle leasing (Fleet Management, Contract Hire, Short Term Rental) and technology asset management capability to Anglo Scottish customers for the sales team to accelerate growth

Operating platform

- Opportunity to create the largest independent asset finance broker and funder in the UK
 - Combination of Maxxia UK and Anglo Scottish has the potential to arrange over £250 million per annum of asset finance business in its first year as a business combination
- On-line broker platform and systems, along with Maxxia UK brand, product suite and associated benefits, will underpin an aggregation model designed to attract other finance brokers to join
- Maxxia UK has a sophisticated digital marketing process that will be integrated within the Anglo Scottish sales and origination process

Geographic expansion

- Provides further strength to the Maxxia UK brand and capability through wider geographic reach across the United Kingdom
 - Maxxia UK principle area of focus is London / South East & Midlands
 - Anglo Scottish – North East England and Scotland
- The on line platform invested in by Anglo Scottish facilitates further UK geographical expansion through attracting smaller finance brokers to a aggregation platform

Overview of Anglo Scottish

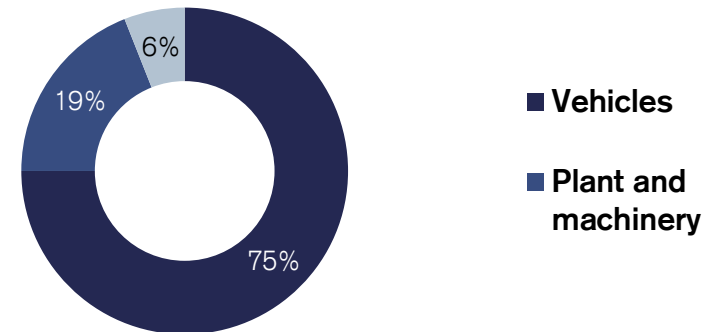


Company overview

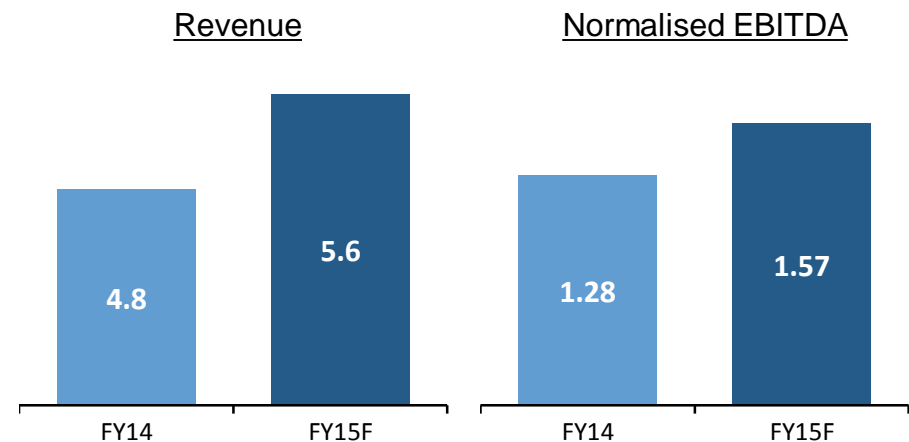
Business overview

- Anglo Scottish an asset finance broker, provides a range of financial services across the UK including business finance, personal finance and vendor / dealer finance
 - Core activity is the provision of hire purchase, leasing facilities and personal loans
 - Primarily service North East England and Scotland regions
- Revenue generated by a combination of direct sales, brokerage / agency sales and dealer / supplier referrals
- Diverse range of customer relationships covering blue-chip businesses as well as smaller, niche businesses
- Extensive network of over 40 mainstream and specialist panel funders
- Founded in 2007 by four individuals who remain the management team today
 - Employ 36 full time staff based in Durham, England, as well as 16 self-employed field agents based around the UK

Mix of asset funding (FY14)



Financial overview (£m)^{1,2}



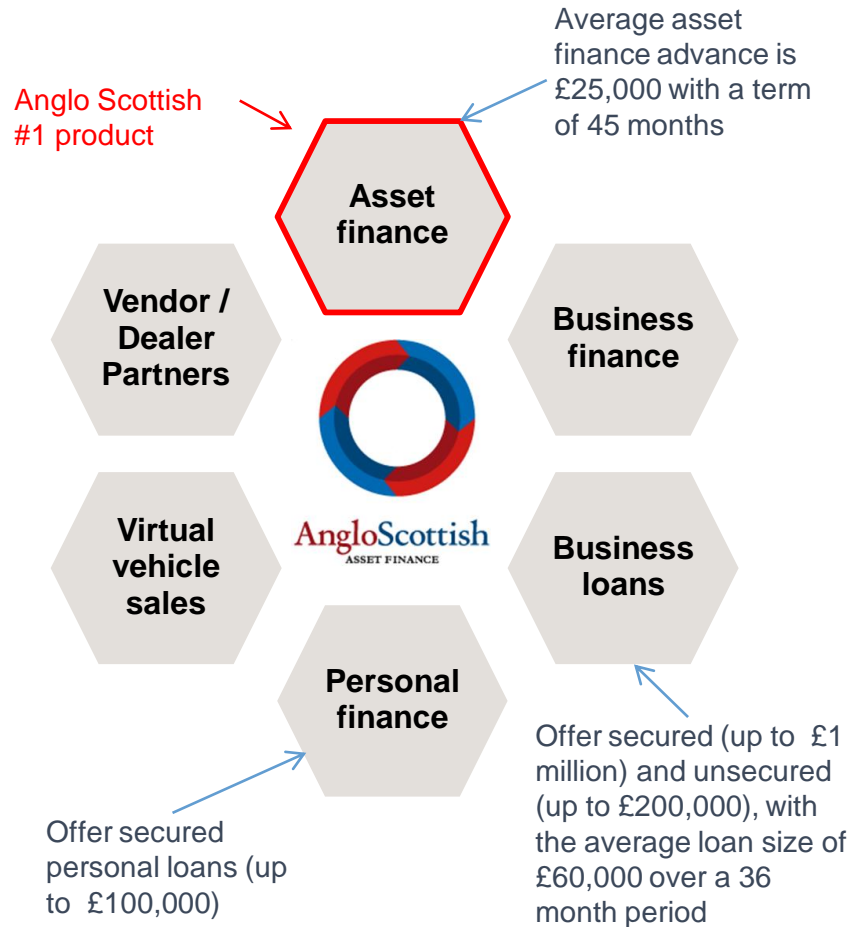
1. FY15F based on Anglo Scottish trading performance through to 30 September 2015, with 3 months forecast (October to December) based on the 9 month average to September 2015

2. Financial year ended 31 December

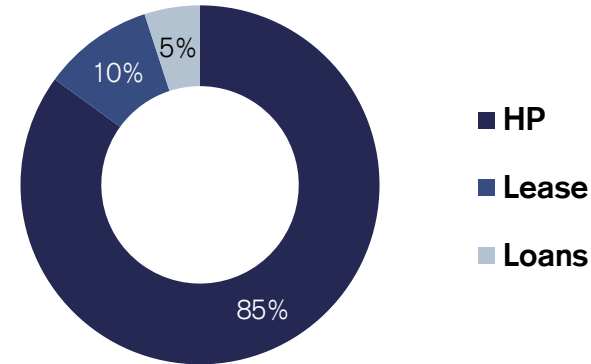


Products and services

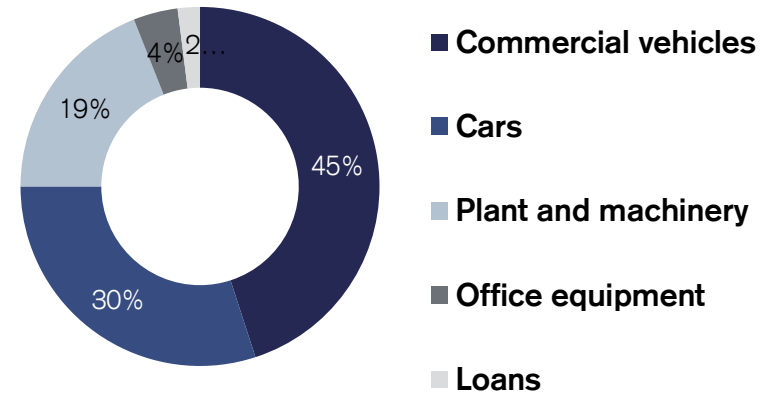
Products and services provided



Mix of product offering (FY14)



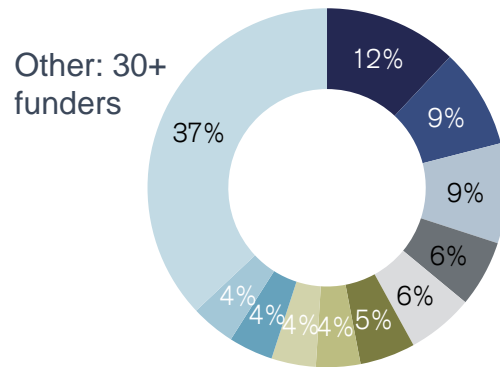
Mix of asset type (FY14)





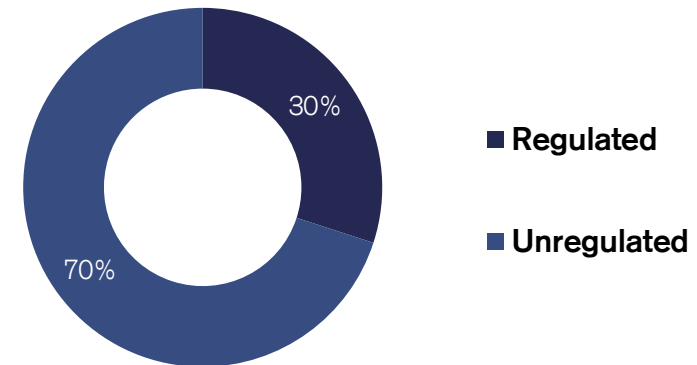
Funding providers and customers

Funding provider by new business (FY14)



- Anglo Scottish has access to an extensive network of mainstream and specialist panel funders
 - Circa 40 funding providers
- No one funder has more than 15% of the annual new business volumes

Customers (FY14)



- Diverse customer base including SME's, large multi-national corporates and private individuals with ~50% of new business sourced from existing customer base
- Regulated business is primarily with individuals (personal loans) whereas unregulated business is generally with corporate clients (asset finance)



Other key attributes

First broker to be granted a full FCA license (Oct 2014)

- All sales staff are Specialist Automotive Finance approved

Long term licence agreement in place to utilise Dealtrak as the Company's front-end deal management operating system

- Leading software package of its type providing a credit scoring system, connectivity to financiers and their credit policies

Retention of key employees including the four founding shareholders and Directors to continue to lead and manage Anglo Scottish

Established 50% joint venture agreement in 2009 with Northridge Asset Finance (subsidiary of Bank of Ireland) to provide funding primarily for “wheeled and tracked” assets (i.e. cars, LCV, trailers, etc.)

- Accounted for 12% of the total NAF originated in 2014
- Credit risk shared evenly by both JV partners, however no losses from a credit default have been experienced since establishment