

McMillan Shakespeare Limited
Chairman's AGM Address
19 October 2010

FY2010 is likely to be seen as a key inflection point in the recent history of the MMS Group. Most notably, the Henry review and government response removed (at least for some considerable time) the prospect of tax reform adverse to MMS's salary packaging business.

In addition, the Interleasing acquisition was not only a good strategic fit and risk diversification, but also was secured at a very low price given the quality of the business. It sets MMS up for transformational change.

Much was achieved in the core business as well. I will leave that to the CEO to detail, but I think the results speak for themselves. Excluding the profit on acquisition, our profit after tax increased year on year from \$20.5 million to \$27.9 million or 36%. The dividend increased from 19 cents to 24 cents or 26.5% and return on equity increased from 39% to 42%.

The results are primarily reflective of the original McMillan Shakespeare business, as Interleasing was only purchased on 1 April 2010. Clearly our remuneration services business built up good momentum throughout the year, with year on year growth of 21% in revenue and 27% in earnings before interest and tax.

Particularly pleasing from the Board's perspective was the first quarter's results of the Interleasing/Holden Leasing business. The net profit after tax contribution of \$3.3 million exceeded our expectations and confirmed that this is an acquisition that is well run, with sensibly conservative pricing and residual value settings. It has been our pleasure to welcome Abe Tomas, Michael Mitrovits and the Interleasing team to the McMillan Shakespeare group.

All in all, I believe FY10 has been a satisfying year for our organisation. It has added a good deal of value for our customers and shareholders; provided opportunity for our staff, and has set a strong foundation for success in FY11 and beyond.

I would like to acknowledge gratefully the efforts of all MMS staff, including the Interleasing people who appear to be fitting in so well. All our people have worked hard to serve our customers and the quality of their efforts is reflected in the results. It is now my pleasure to hand over to our Managing Director and CEO, Michael Kay.