

## **McMillan Shakespeare Limited**

### **Chairman's AGM Address 21 October 2008**

What a tumultuous and historical time in which to be holding our 2008 Annual General Meeting. The financial events of recent days have been unprecedented in their scale and breadth. It is hoped that stability will now begin to return as a consequence of the actions being taken to regain confidence in the global banking system.

Your Directors are pleased to report that the Group has earned a net profit after tax of \$17.4 million for the year ended 30 June 2008, representing a 31.2% increase on the prior year. This result was driven by a 22.2% increase in revenue, reflecting continued strong organic growth across the organisation, while expenses grew only 17.6%.

Dividends declared out of the FY08 profit amounted to a total of 16.5 cents per share, an increase of 32% on the previous year.

The Group's financial position remains strong with no debt and an \$8.3 million increase in the cash balance over the year to \$18.0 million, representing an 85% increase on the prior financial year as a result of strong operating cash flows.

The Group has continued its pursuit of customer service excellence during the year, implementing various initiatives in the customer care areas to improve our clients' experiences.

The Group's novated leasing and fleet services product offering experienced strong growth in both unit sales and yield per sale as the take-up of aftermarket products grew.

The salary packaging product offering also delivered good growth in participating employee client numbers with the continued push into the corporate sector delivering several high quality corporate clients.

For the 2009 financial year, the Group will continue to focus on obtaining new business, strengthening key client relationships and increasing client product density. With the continued development of new products and initiatives, the Group will also seek to enter into new markets and expand its client base.

The Board believes that the Group is well placed to continue to create value for shareholders in difficult economic times. The salary packaging business will continue to provide an annuity income stream and allow cross-selling of novated leasing services and other product extensions into what has proven to be a very receptive client base. At the same time, the strong balance sheet and cash flow position allows the Group to look for well-priced bolt-on or related acquisitions.

The continued success of the Company would not be possible without the efforts of its staff and accordingly, the directors wish to express their appreciation to all those who work in our Company for their continued contribution during the year.

I now ask your Chief Executive Officer, Michael Kay, to provide you with more information about the Company's performance and outlook.