Macquarie Australia Conference

6th May 2015

McMillanShakespeareGroup

MMS Overview

- MMS entering a new stage of development, growth and profitability
- Using MMS financial strength and strong cash generation to build a stronger and diversified business
- Higher levels of efficiency, productivity and performance as the benefits of the IT investment program positively impact the business
- Presidian acquisition well advanced and on track. Focus on delivering revenue and cost synergies
- Ongoing organic growth in GRS with scope to increase penetration across customer base and sophisticated focus on winning new, large customers
- Disciplined approach in competitive Asset Management, focus on profitable cross sell opportunities
- UK strong base for structural growth, constructive regulatory framework, turning profitable in FY15
- Allocating capital in a disciplined, accretive way with acquisitions that are complementary to our core competencies, provide clear and significant synergies and add to existing organic growth

Business model

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(ASX: MMS)

Group Remuneration Services

- Salary packaging administration
- Novated leases
- Hospitals, health & charity workers
- Public and private sector lease programs
- Over 1,000 customers
- Circa 1m employees employed by customers
- Annual administration fee
- Transaction fees on leases
- Lease penetration growth opportunity, private sector

Asset Management

- Fleet Management
- Operating leases, finance leases
- Mainly corporate customer base
- Balanced revenue
- Stream of management fees, NIM, in-life services
- Profit on sale, RV risks on balance sheet
- Competitive cost of funds
- Maxxia Finance UK finance assets managed by JV

Retail Financial Services

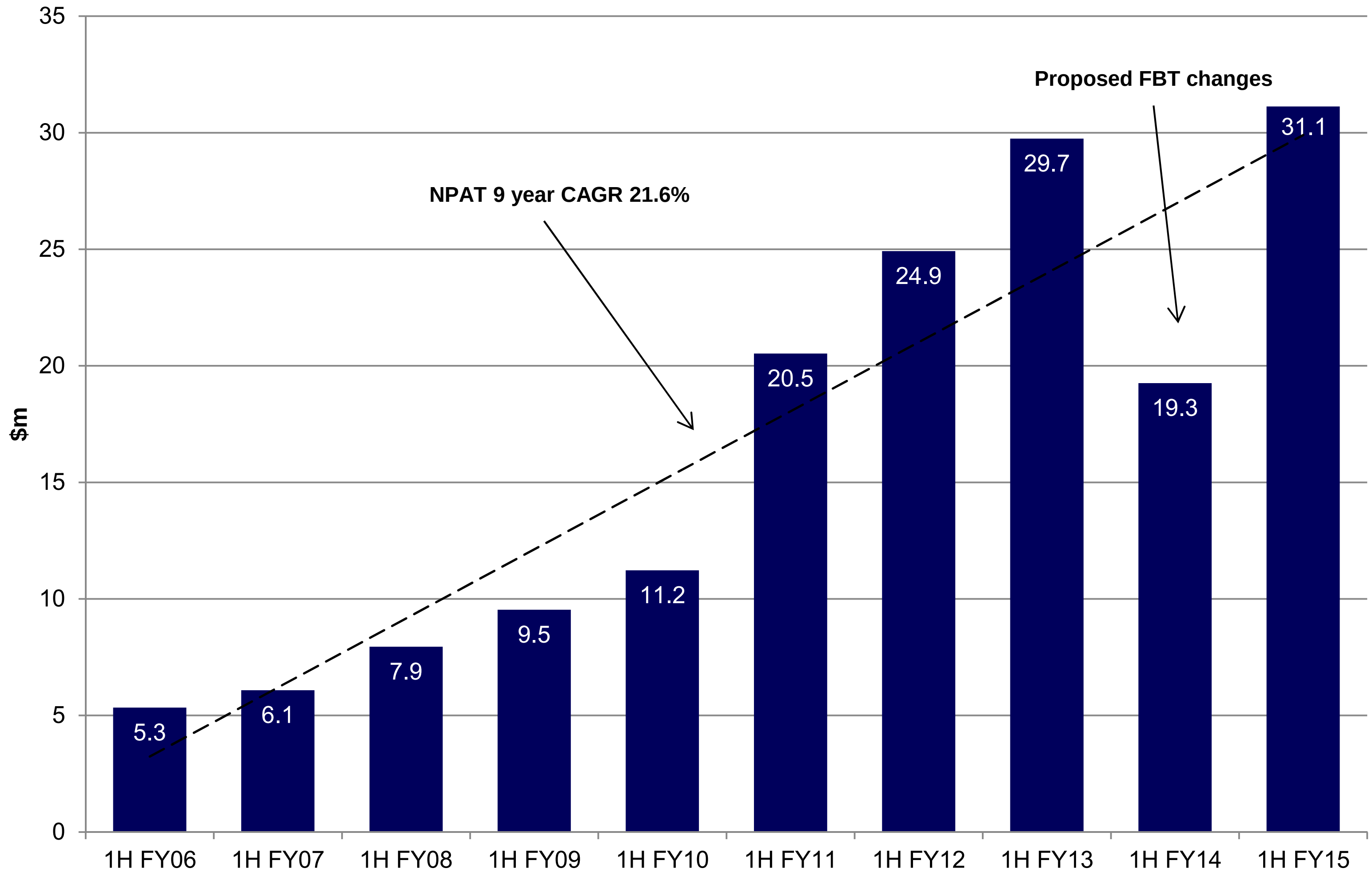
- Finance, warranty and insurance offering
- Retail customer base via dealer, broker and retail network
- Finance and Insurance
  - Annual loan originations of circa $450 million
  - Volume based incentives, finance commissions
- Warranty
  - Brokerage fees
  - Claims administration

Presidian business

1HFY15 key points

- Half year NPAT of $31.1m (62% higher than PCP and 5% higher than 1HFY13)
- 1H profit result largely impacted by:
  - Reduction in revenue from novated leasing due to a temporary contract suspension
- Business continues to perform well despite the general economic conditions
- Strong profitable growth in Group Remuneration Services segment. Operating margins improved
- Assets under finance and management continue to grow
- UK business building momentum
- Productivity improvements from IT investment continue
- Significant contract wins and a good pipeline of new business
- Acquisition of Presidian completed 27th February 2015
- Leading indicators are sound

NPAT Performance



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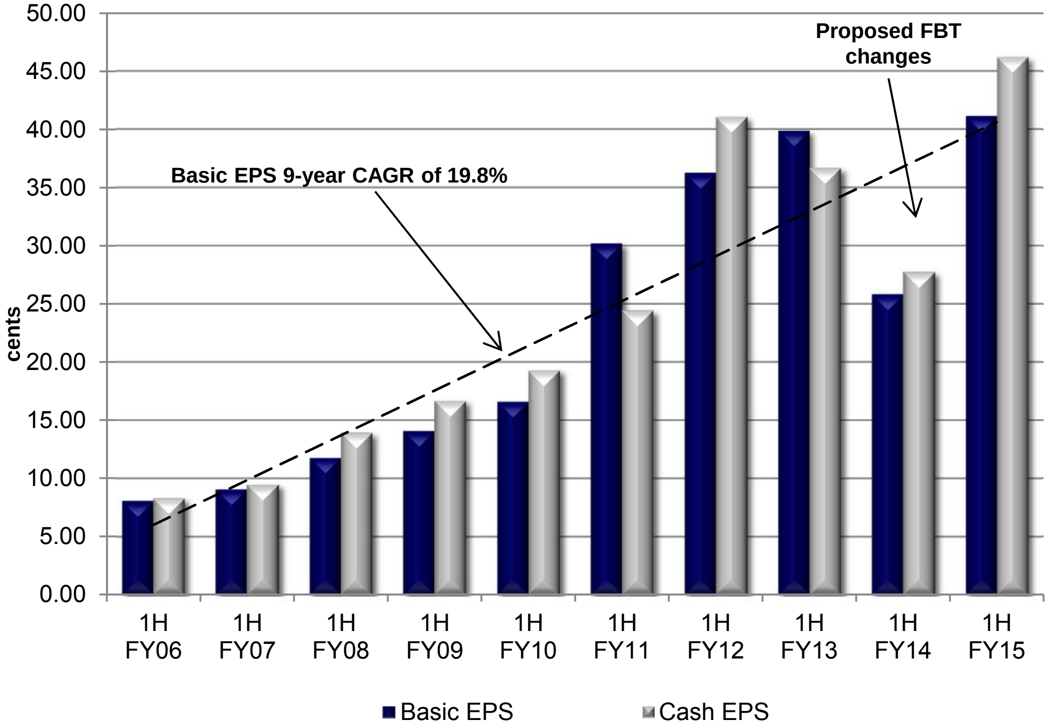
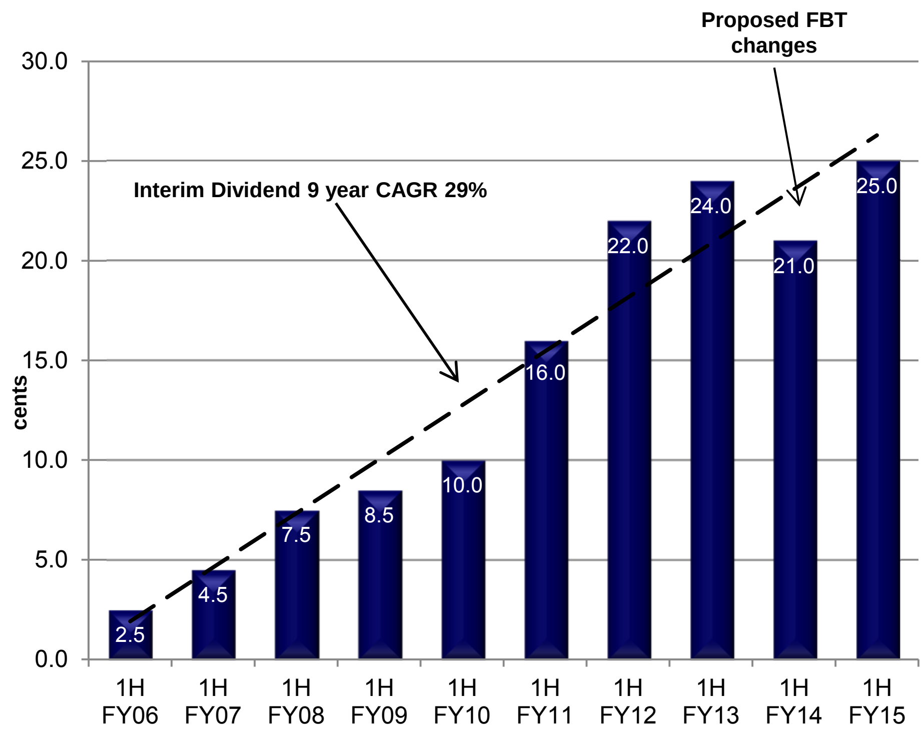
Earnings and dividends per share





Cash EPS after CAPEX but excludes the investment in fleet growth. 1HFY11 to 1HFY15 EPS includes funding the major systems upgrade as part of 5 year IT strategy

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Presidian – integration well advanced and on track

- Earnings accretive acquisition that complements our core competencies. Strong strategic and cultural fit
- Second hand car market is three and a half times larger than the new car market. Clear and compelling growth opportunities
- Focus on delivering strong revenue and cost synergies across the combined group
  - Substantial scope to improve finance terms and supplier terms across the combined book ($1bn+). Full year FY16 benefit
  - Significant scope to cross sell across product groups and customers
- Accounting, risk, legal and administration staff have relocated to the MMS Melbourne office
- Integration well advanced and on track. Very pleased with business' initial performance

Presidian group structure

Presidian

Finance

- Aggregator of finance, insurance and warranty products
- Retail finance broker with 14 retail operations throughout Australia
- Direct online consumer finance, warranty and insurance broker

Warranty

- Manufacturer of extended warranty products for vehicle, equipment and commercial machinery
- Provider of 24/7 roadside assistance, in-house call centre with outsourced repair network

Insurance

- Provider of motor vehicle specific insurances and warranties
- Provider of motor vehicle specific insurances and warranties

Presidian Management Services (shared services)

Presidian highlights

1

Attractive financial profile
- Generates robust margins at both the Gross Margin, and EBITDA level
- Diverse revenue sources across finance, insurance and warranty products

2

Substantial distribution network
- Over 2,500 dealers nationwide supported by 80+ brokers and 14 Money Now retail branches
- Difficult to replicate distribution footprint

3

Industry structure
- Highly fragmented market, with few players of scale
- Presidian is the #1 player in the used vehicle warranty market with a compelling service offering (product, training, IT systems)

4

IT platform
- Developed proprietary IT system tailored for Presidian environment
- Key differentiator driving customer (dealer) value proposition and operating efficiencies

5

Depth of management expertise
- Deep experience and capability at senior management team level covering all key divisions of Presidian business

6

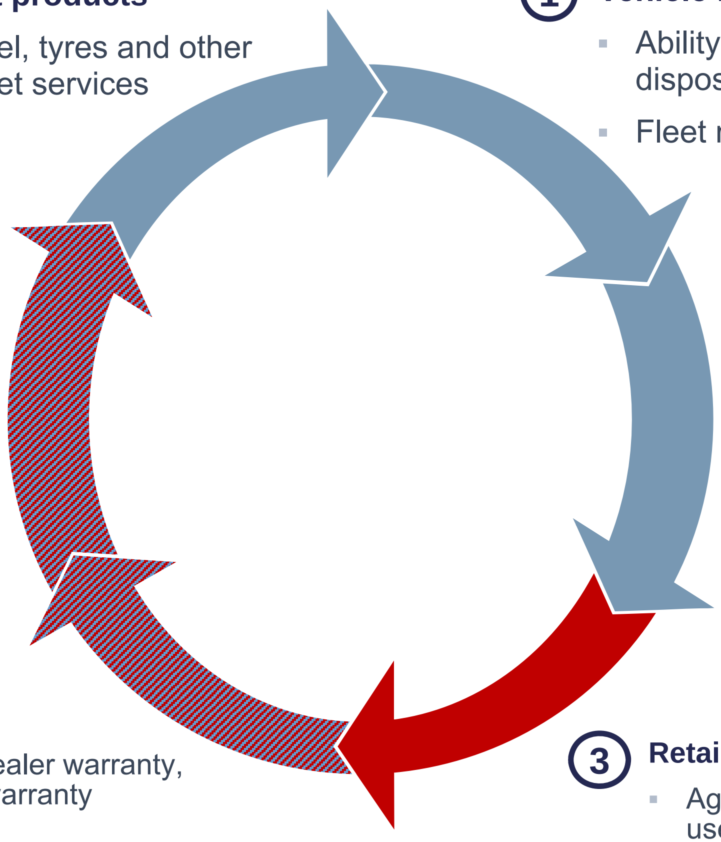
Growth opportunities
- Commencing roll-out of integrated offering to market (Warranty, Finance, Insurance)
- Leveraging data and systems to capture incremental sale opportunities (in life services, insurance, remarketing etc.)

Extension of existing virtual car dealership model

6 After market products
- Provide fuel, tyres and other after market services

1 Vehicle management
- Ability to procure new vehicles and dispose of motor vehicles
- Fleet management

5 Insurance
- Provide enhanced insurance broking services



2 Asset finance / corporate sector
- Novated Leasing
- Operating Leasing
- Finance Leasing
- Commercial Hire Purchase
- Chattel Mortgage

4 Warranty
- Inclusive of auto dealer warranty, and underwritten warranty products
- Provides roadside assistance

3 Retail finance
- Aggregation and retail product offering in the used car market
- Offering IT systems, training and compliance framework

Existing capability
Presidian services
Combined capabilities

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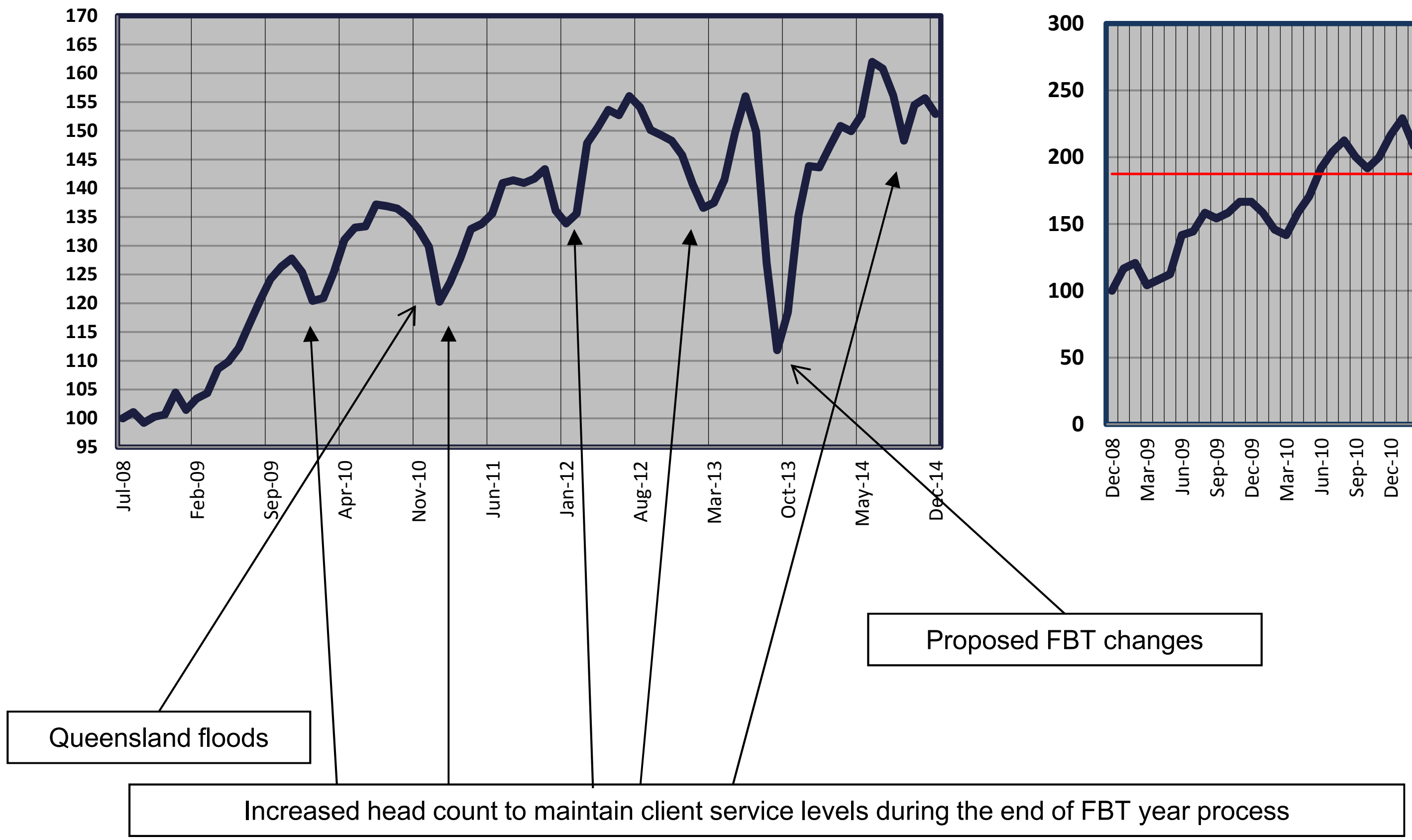
Group Remuneration Services 1HFY15 recap

- 1HFY15 NPAT of $24.58m was $11.3m (86%) higher than PCP
- Business momentum disrupted in the first quarter, momentum rebuilt and finished the half well
- Improving participation, strong sales and distribution capability and significant new business wins
- Good pipeline of new business
- Core operating contribution 40%
- Free cash flow of $27.4m

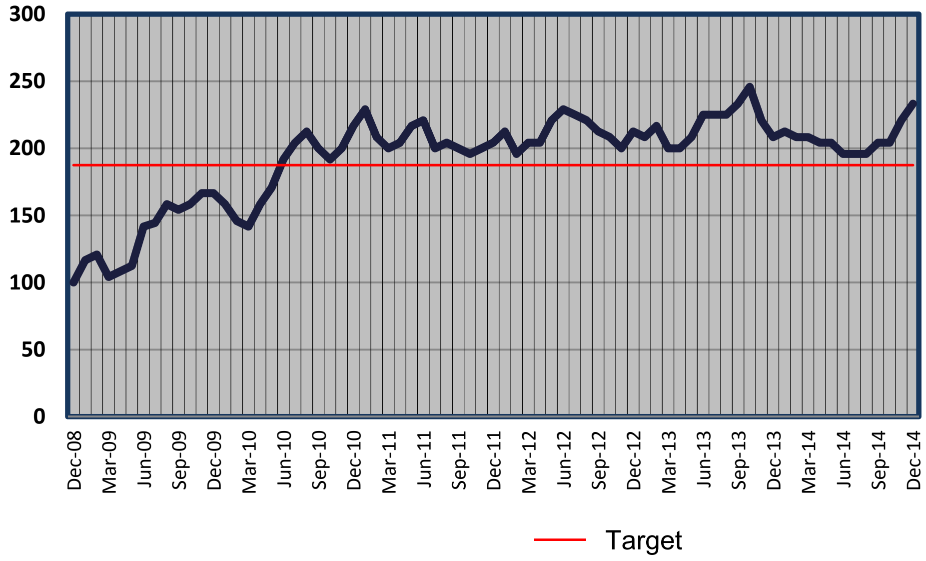
Note: Core operating contribution – profit before finance, tax and depreciation derived directly from salary packages managed and novated leasing.

Competitive strengths and performance indices

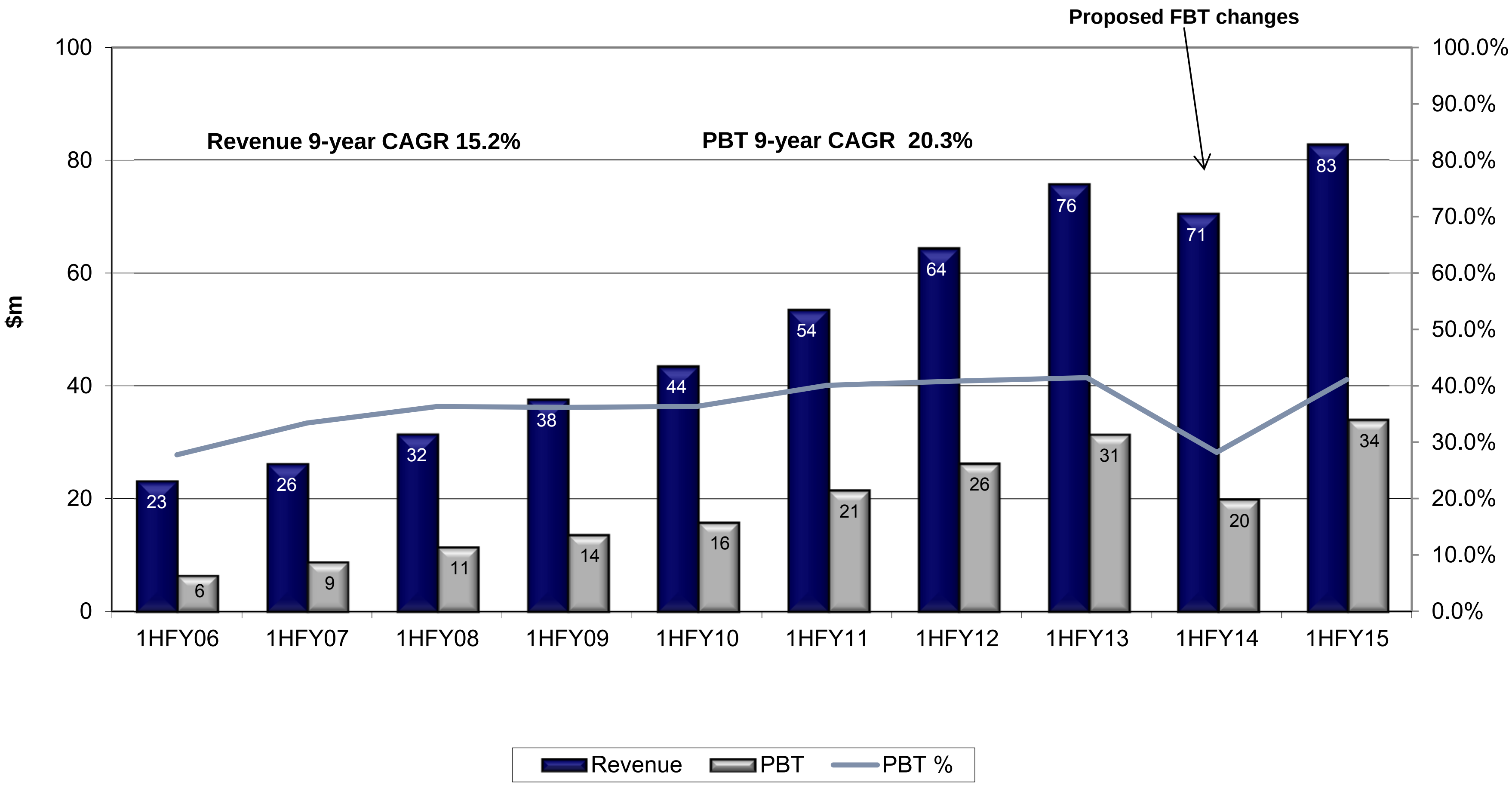
Group Remuneration Services Productivity Index (7/08 = 100)
[Rolling 3 month Revenue (ex SP Interest) / FTE]



MMS Customer Satisfaction Index
December 2008 = 100



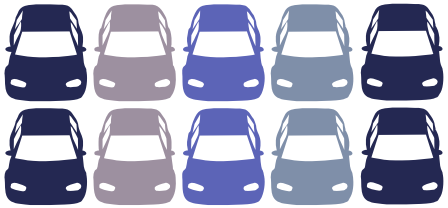
Group Remuneration Services financial performance



Asset Management 1HFY15 recap

- Assets under finance – growth continues ($19m or 6% since June 30) to $353m
- Market remains highly competitive with pressure on NIM and management fees
- Strong residual value performance. Used car prices in our segment continue to remain sound
- Inertia of fleets remains consistent with previous period
- Continue to retain the existing $2m provision against possible future residual value losses
- Interest rate risk managed through hedging facilities
- Pipeline of new business opportunities

UK market opportunity



Annual new car finance

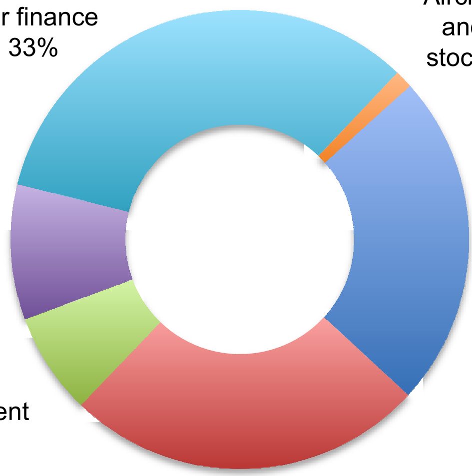
c £20 billion

(business & consumer)

- UK financial sector recovering from crisis
- Borrowing still challenging in some sectors but competition increasing
- Market fragmented with lots of providers but growing consolidation in the fleet market
- Little differentiation or innovation

Estimated 4.9 million private sector businesses

Approx **£18 billion** of other (non car) asset finance annually



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Asset Management (UK) 1HFY15 recap

- UK business building momentum, structural growth opportunity
  - New business growth
  - Building the brand reputation in the market
  - Highly experienced and capable management team
- Retail sales model supplemented with wholesale funding panel
- Assets under finance grew by A$23m
- Maxxia Finance has funded A$27m during the half
- Lifestyle Lease approved by HMRC
  - Product launch planned for later this year
- Reconfirm the UK operations will be profitable this year

Regulatory landscape

- FBT on cars
- Tax discussion paper – broad range of issues:
  - Complexity of the tax system, GST rate and base, superannuation & negative gearing
  - Tax arrangements for the NFP sector
- Second hand car imports, limited political interest, no material effect on the business

Outlook

- Ongoing profitable growth through:
  - Presidian integration well advanced and on track. Focus on delivering revenue and cost synergies through improved financing and supplier terms for the combined group. Strong scope to cross sell across integrated model
  - GRS performing well, increasing participation rates, sophisticated approach to winning new large customers
  - Disciplined approach to competitive AM, UK structural growth opportunity, turning profitable this year
  - Continue to invest ahead of the growth curve across the group to ensure further efficiency, productivity and performance
- Continue to identify potential other complementary, accretive, value adding acquisitions
- Business well placed to maintain momentum through continuing disciplined execution of clear strategy

Appendix

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Consolidated financial performance

$000	1HFY15 Group Remuneration Services	1HFY14 Group Remuneration Services	% change	1HFY15 Asset Management	1HFY14 Asset Management (1)	% change	1HFY15 Total	1HFY14 Total	% change	1HFY13 Total	% change
Revenue from operating activities	82,801	70,548	17%	98,374	90,978	8%	181,175	161,526	12%	160,153	13%
Expenses	48,768	50,666	(4%)	88,960	81,089	10%	137,728	131,755	5%	118,336	16%
Pre tax profit from operating activities	34,033	19,882	71%	9,414	9,889	(5%)	43,447	29,771	46%	41,817	4%
Operating margin	41.1%	28.2%		9.6%	10.9%		24.0%	18.4%		26.1%	
Tax	9,454	6,644	42%	2,648	2,966	(11%)	12,102	9,610		12,537	
Segment net profit after tax pre-UK JV	**24,579**	**13,238**	**86%**	**6,766**	**6,923**	**(2%)**	**31,345**	**20,161**	55%	**29,280**	7%
Unallocated items											
Net interest income							1,218	1,041		1,332	
Public company costs							(715)	(894)		(667)	
Tax on unallocated items							(165)	(44)		(198)	
Profit after tax from operating activities pre-UK JV							**31,683**	**20,264**	56%	**29,747**	7%
Share of UK JV				(556)	(546)		(556)	(546)		-	
CLM acquisition expenses (after tax) (1)							-	(459)		-	
Net profit after tax	**24,579**	**13,238**		**6,210**	**6,377**		**31,127**	**19,259**	62%	**29,747**	5%
NPAT growth							**61.6%**	**(35.3%)**		**19.4%**	
Return on equity							27%	19%		34%	
Return on capital employed							25%	20%		32%	
Basic earnings per share (cents)							41.2	25.8	59%	39.9	3%
Diluted earnings per share (cents)							41.0	25.4	62%	39.3	4%
Diluted EPS growth							**61.5%**	**(35.4%)**		**13.4%**	
Interim dividend declared per share (cents)							25.0	21.0		24.0	
Payout ratio							61%	81%		60%	

(1) Includes CLM acquisition from 22 October 2013

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Group Remuneration Services financial performance

$000	1HFY15	1HFY14	% change	1HFY13	% change
Segment revenue [1]	**82,801**	**70,548**	**17%**	75,757	**9%**
Expenses					
Employee expenses	34,569	34,655	-	30,891	12%
Depn and amort of PPE and software	2,178	1,796	21%	1,808	20%
Property and other expenses	12,021	12,227	(2%)	11,655	3%
Total expenses	**48,768**	**48,678**	-	**44,354**	10%
Profit before tax	**34,033**	**21,870**	56%	**31,403**	8%
Tax	9,454	6,644	42%	9,413	-
Net profit after tax before campaign costs	**24,579**	**15,226**	**61%**	**21,990**	**12%**
FBT campaign costs (after tax)	-	1,988	-	-	-
Net profit after tax	**24,579**	**13,238**	**86%**	**21,990**	**12%**

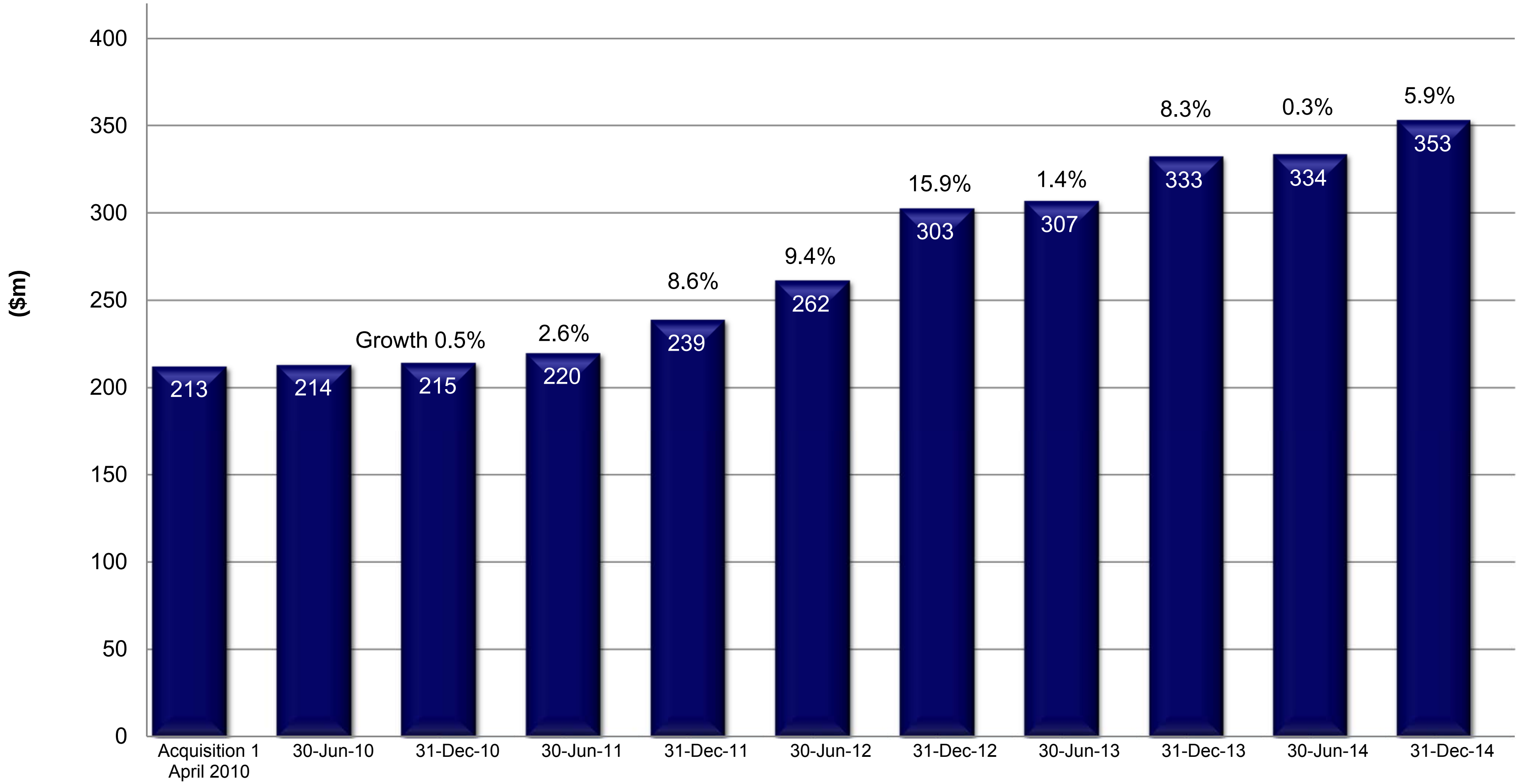
[1] Excluding the impact of interest derived from external funds administered, revenue was higher by 18.5% on PCP and 11.0% higher compared to 1HFY13

Asset Management (AM) financial performance

$000	1HFY15 AM segment	1HFY15 UK	1HFY15 Australia	1HFY14 AM segment	1HFY14 UK	1HFY14 Australia	% change AM segment	% change Australia
Segment revenue [1]	**98,374**	**7,460**	**90,914**	**90,978**	**5,461**	**85,517**	8%	6%
Expenses								
Depreciation of motor vehicle fleet	40,194	-	40,194	40,297	48	40,249	-	-
Interest on fleet financing	5,214	414	4,800	5,654	98	5,556	(8%)	(14%)
Lease and vehicle management expenses	30,238	2,530	27,708	23,963	3,600	20,363	26%	36%
Non-vehicle depreciation	1,542	216	1,326	1,295	72	1,223	19%	8%
Employee and other expenses	11,772	3,494	8,278	9,880	1,235	8,645	19%	(4%)
Total expenses	**88,960**	**6,654**	**82,306**	**81,089**	**5,053**	**76,036**	**10%**	**8%**
Profit before tax	**9,414**	**806**	**8,608**	**9,889**	**408**	**9,481**	**(5%)**	**(9%)**
Tax	2,648	166	2,482	2,966	90	2,876	(11%)	(14%)
Net profit after tax excluding UK JV	**6,766**	**640**	**6,126**	**6,923**	**318**	**6,605**	**(2%)**	**(7%)**
Share of JV	(556)	(556)	-	(546)	(546)	-	-	-
Net profit after tax including JV	**6,210**	**84**	**6,126**	**6,377**	**(228)**	**6,605**	**(3%)**	**(7%)**

[1] Novated lease revenue is recorded in the Group Remuneration Services segment

Fleet Assets WDV



Asset Management key balance sheet numbers

$000	31-Dec-14	30-Jun-14	Movement
Operating lease assets	301,099	303,408	(2,309)
Motor vehicle inventories	4,479	5,379	(900)
Finance leases & CHP	47,869	24,906	22,963[1]
Total funded fleet assets	353,447	333,693	19,754
Fleet financing borrowings	238,814	215,100	23,714
Maintenance instalments received in advance	6,590	7,529	(939)
Net assets	128,336	125,259	3,077

[1] Growth principally from the UK business

Gearing

$000	MMS & Group Remuneration Services 31-Dec-14	Asset Management 31-Dec-14	Group Balance at 31-Dec-14	Group Balance at 30-Jun-14
Net debt	(92,272)	233,717	141,445	143,903
Book value of equity	119,891	128,336	248,227	223,847
Gearing - net debt / (net debt + equity)		65%	36%	39%
Interest times cover (1)			12.4	10.1
Debt to total funded fleet WDV		68%		

(1) As at 31 December 2014 the group remains well within its banking covenants, while optimising the use of surplus cash to increase returns. Significant headroom is available within debt facilities to deliver on business plan.

1HFY15 Cashflow

$000	Group Remuneration Services	Asset Management	Unallocated / parent co.	MMS Group Total
Segment NPAT	24,579	6,210	338	31,127
Non-fleet depn/amort, reserves and other non-cash items	3,305	3,288	-	6,593
Working capital inflow / (outflow)	5,585	(1,239)	-	4,346
Operating cashflow pre fleet increase	33,469	8,259	338	42,066
Contract establishment and other costs	(1,293)	-	-	(1,293)
Capex (non fleet) and software incl. 5 year IT systems upgrade	(3,837)	(630)	-	(4,467)
Free cash flow before fleet increase	28,339	7,629	338	36,306
Tax payments in excess of tax expense	(925)	(366)	-	(1,291)
Free cashflow before fleet increase	27,414	7,263	338	35,015
Investing activities and fleet increase:				
Subordinated loan to UK JV	-	(496)	-	(496)
Net growth in Asset Management portfolio	-	(20,575)	-	(20,575)
Free cash flow	27,414	(13,808)	338	13,944
Financing activities:				
Equity contribution	-	-	13,272	13,272
Intercompany funding	4,677	(4,677)	-	-
Debt borrowings (net of costs)	-	22,588	-	22,588
Dividends paid	-	-	(23,632)	(23,632)
	4,677	17,911	(10,360)	12,228
Net cash movement	32,091	4,103	(10,022)	26,172

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