

# McMillan Shakespeare Limited

## Supplementary Prospectus

### 1. Introduction

This is a supplementary prospectus to the prospectus lodged with the Australian Securities and Investments Commission ("ASIC") on 4 February 2004 relating to the offer of 21,000,000 shares in the capital of McMillan Shakespeare Limited (ABN 74 107 233 983) ("McMillan Shakespeare") at 50 cents per share (the "Prospectus").

This supplementary prospectus is dated 19 February 2004 and was lodged with ASIC on that date. It should be read in conjunction with the Prospectus and must accompany all copies of the Prospectus. Any term that is used but not defined in this supplementary prospectus has the same meaning given to that term in the glossary in section 11 of the Prospectus. ASIC takes no responsibility for the contents of this supplementary prospectus.

### 2. Employer Client Contracts

Further to section 6.3 of the Prospectus in which certain risks in connection with Employer Client contracts are discussed, McMillan Shakespeare wishes to advise that, out of the top 23 Employer Client contracts, nine are up for renewal in the year ended 31 December 2004. Whilst McMillan Shakespeare has no reason to believe that any of these contracts will not be renewed, some of these contracts may be subject of a tender process initiated by the Employer Client under which industry participants will be invited to tender their services. As at the date of this Supplementary Prospectus, McMillan Shakespeare has not been informed by any of these Employer Clients that any of these contracts will be subject to tender.

The nine Employer Clients that have contracts up for renewal during this period represent approximately 15,959 Employee Clients.

### 3. Sensitivity Analysis

The sensitivity analysis on page 40 of the Prospectus indicates that a 5% increase/decrease to the existing salary packaging Employee Client numbers will lead to an increase/decrease in EBITA in the pro forma forecasts for the year ended 31 December 2004 of \$841,000.

For the forecast statutory period from 1 December 2003 to 30 June 2004, a 5% increase/decrease to existing salary packaging employee client numbers will lead to an increase/decrease in EBITA of \$245,000.

For the forecast half year period from 1 July 2004 to 31 December 2004, a 5% increase/decrease to existing salary packaging employee client numbers will lead to an increase/decrease in EBITA of \$420,000.

That is, a 5% increase in salary packaging Employee Client numbers will lead to an increase in EBITA and a 5% decrease will lead to a decrease in EBITA.

This may be contrasted with the table on page 37 of the Prospectus where the 3% forecast growth in the salary packaging Employee Client numbers for the year ended 31 December 2004 results in an overall drop in revenue from salary packaging of \$630,000, compared to 2003. The decrease in forecast revenue compared to 2003, despite the 3% forecast unit growth, is due to the expected non-renewal of a contract in April 2004 as referred to in the original Prospectus that has a higher average fee rate per Employee Client compared to the average fee per Employee Client of McMillan Shakespeare's other salary packaging clients.

#### **4. Additional Information**

McMillan Shakespeare now proposes to open both the General Offer and the Employee Offer on 20 February 2004. All other key dates on page 3 of the Prospectus remain unchanged.

#### **5. Applications**

##### *Investors who have previously submitted an Application for Shares*

Investors who have lodged an Application for Shares under the original Prospectus will have their Application monies returned to them and each such Application for Shares will not be accepted by McMillan Shakespeare.

Those investors who still wish to apply for Shares will need to complete and submit a new Application. If an Employee, the Employee Offer Application Form attached should be used, otherwise the General Offer Application Form attached should be used. All new Applications for Shares must be made on the Application Forms attached to or accompanying this Supplementary Prospectus. McMillan Shakespeare will not accept an Application unless it is made by completing and submitting the Application Form attached to or accompanying this Supplementary Prospectus.

Those Investors who do not wish to apply for Shares do not need to take any action.

##### *Investors who wish to submit an Application for Shares*

All Applications for Shares must be made on the Application Forms attached to or accompanying this Supplementary Prospectus. The Application Form must be completed in accordance with the instructions set out on the reverse side of that form. Applications must not be made on the Application Form attached to or accompanying the original Prospectus.

#### **6. Consents**

Each of the directors of McMillan Shakespeare has consented to the lodgement of this supplementary prospectus with ASIC.

Ross Chessari  
Director