

McMillan Shakespeare Limited  
ABN 74 107 233 983

[www.mcms.com.au](http://www.mcms.com.au)

AFSL No. 299054

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17 February 2009

Company Announcements Office  
Australian Stock Exchange Limited  
530 Collins Street  
MELBOURNE VIC 3000

**Via E-lodgement**

Dear Sir/Madam

**McMillan Shakespeare Limited  
Interim Results**

Please find attached the Appendix 4D Half Year Report, together with the media release, Directors' Report, the Financial Report and Auditor's Independent Review Report relating to the results for the half year ended 31 December 2008.

This information should be read in conjunction with McMillan Shakespeare Limited's 2008 Annual Report.

The documents referred to above are provided to the ASX in accordance with ASX Listing Rule 4.2A.

Yours faithfully  
McMillan Shakespeare Limited



Mark Cansdale  
Chief Financial Officer and Company Secretary

RESULTS FOR ANNOUNCEMENT TO THE MARKET  
APPENDIX 4D – HALF YEAR REPORT

	% Change up	2008 \$'000	2007 \$'000
<b>Revenue from ordinary activities</b>	<b>20%</b>	<b>37,699</b>	31,533
Interest income		(709)	(350)
<b>Revenue from ordinary activities excluding interest income</b>	<b>19%</b>	<b>36,990</b>	<b>31,183</b>
Operating expenses		(23,361)	(19,370)
<b>Earnings before interest tax, depreciation and amortisation (EBITDA)</b>	<b>15%</b>	<b>13,629</b>	<b>11,813</b>
Depreciation and amortisation		(705)	(722)
<b>Earning before interest and tax (EBIT)</b>	<b>17%</b>	<b>12,924</b>	<b>11,091</b>
Net interest income		709	351
<b>Profit from ordinary activities before income tax expense</b>	<b>19%</b>	<b>13,633</b>	<b>11,442</b>
Income tax expense relating to profit from ordinary activities		(4,096)	(3,494)
<b>Profit from ordinary activities after income tax expense</b>		<b>9,537</b>	<b>7,948</b>
<b>Net profit attributable to members</b>	<b>20%</b>	<b>9,537</b>	<b>7,948</b>
Net tangible assets per ordinary share		\$0.242	\$0.146
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share		14.10	11.81
Diluted earnings per share		14.10	11.68
Final dividend in respect of the financial year ended 30 June 2008 (2007) – Amount per share		9.0	8.0
Interim dividend in respect of the period ended 31 December 2008 (2007) – Amount per share		8.5	7.5

All dividends are fully franked at the corporate income tax rate (2008: 30%, 2007: 30%).

The record date for determining entitlement to the interim dividend is 20 March 2009, and the interim dividend is payable on 3 April 2009.



17 February 2009

**HALF YEAR RESULTS ANNOUNCEMENT  
MCMILLAN SHAKESPEARE LIMITED**

McMillan Shakespeare Limited (ASX:MMS) today released its results for the first half-year ended 31 December 2008 with a reported after tax profit of \$9.5m, an increase of \$1.6m or 20% on the result for the prior comparable period.

This excellent result, delivered during a period of unprecedented global economic turmoil, was driven by a 20% increase in revenue over the prior comparable period. The Group's novated leasing and fleet services product offering continued to experience growth despite the global downturn in the car industry.

As previously foreshadowed, the half year has seen a targeted investment in our people, product development, systems and on-going mergers and acquisitions activity. This investment and the growth of the business has seen expenses increase 20% on the prior comparable period.

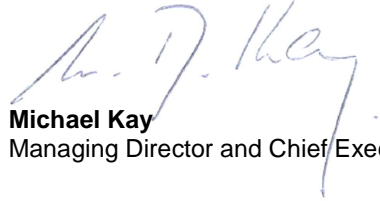
Notwithstanding the strong performance in the first half, the key operational sensitivities remain the continuing weakness in the national car sales market and the uncertainties of the current volatile economy.

Highlights of the operating results were:

	<b>% increase over prior comparable period</b>	<b>1H FY09 \$'000</b>	<b>1H FY08 \$'000</b>
<b>Revenue</b>	20%	37,699	31,533
<b>EBITDA</b>	15%	13,629	11,813
<b>EBIT</b>	17%	12,924	11,091
<b>NPAT</b>	20%	9,537	7,948
<b>Basic earnings per share (cents)</b>	19%	14.10	11.81
<b>Dividends declared per share (cents)</b>	13%	8.5	7.5
<b>% franked</b>		100%	100%

The company has declared a fully franked interim dividend of 8.5 cents per share. The record date is 20 March 2009 and the dividend will be paid on 3 April 2009.

Yours faithfully,  
MCMILLAN SHAKESPEARE LIMITED



**Michael Kay**  
Managing Director and Chief Executive Officer

McMillan Shakespeare Limited  
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*About McMillan Shakespeare*

McMillan Shakespeare is considered a market leader in the provision of remuneration programs. Its services include remuneration policy design, salary packaging benefit administration, motor vehicle lease management and taxation recording. McMillan Shakespeare also provides a complementary fleet management service, including the procurement of motor vehicles and finance and the management of fuel card and service maintenance programs.

## DIRECTORS' REPORT

The Directors of McMillan Shakespeare Limited (**the Company**) present their report on the consolidated entity consisting of the Company and the entities it controlled at the end of, or during the half-year ended 31 December 2008.

The names of the Directors of the Company during the half-year and until the date of this report are as follows:

### Name

Mr R. Pitcher, AM  
Mr M. Kay (appointed 15 July 2008)  
Mr A. Podesta  
Mr J. Bennetts  
Mr R. Chessari  
Mr G. McMahon

The above named Directors held office for the entire period unless otherwise stated.

### Review of Operations

A review of the operations of the consolidated entity during the half-year ended 31 December 2008 and the results of these operations are set out in the attached results announcement.

### Results

The consolidated net profit for the half-year ended 31 December 2008 attributable to the members of the Company after providing for income tax was \$9,536,804.

### Dividend

On 17 February 2009, the Board of Directors declared a fully franked dividend of 8.5 cents per ordinary share. The record date is 20 March 2009 and the dividend will be paid on 3 April 2009.

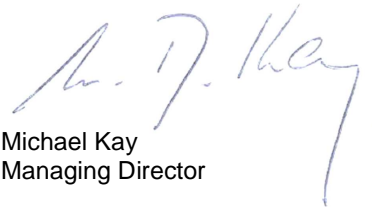
### AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration, as required under section 307C of *the Corporations Act 2001* (Cth) is included on page 6 of the half-year financial report.

Signed in accordance with a resolution of the Directors made pursuant to section 306(3) of the *Corporations Act 2001* (Cth).



Ronald Pitcher, AM  
Chairman  
Melbourne, 17 February 2009



Michael Kay  
Managing Director

Grant Thornton  
ABN 13 871 256 387

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**AUDITOR'S INDEPENDENCE DECLARATION  
TO THE DIRECTORS OF MCMILLAN SHAKESPEARE LIMITED**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of McMillan Shakespeare Limited for the half-year ended 31 December 2008, I declare that, to the best of my knowledge and belief, there have been:

- a No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b No contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON  
Chartered Accountants



Simon Trivett  
Director

Melbourne, 17 February 2009

Grant Thornton  
ABN 13 871 256 387

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## **INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF MCMILLAN SHAKESPEARE LIMITED**

### **Report on the half-year financial report**

We have reviewed the accompanying half-year financial report of McMillan Shakespeare Limited (the Company) and consolidated entity, which comprises the condensed balance sheet as at 31 December 2008, and the condensed income statement, condensed statement of changes in equity and condensed cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration. The consolidated entity comprises both the Company and the entities it controlled at the half-year's end or from time to time during that half-year.

### **Directors' responsibility for the half-year financial report**

The directors of the Company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards including the Australian Accounting Interpretations and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditor's responsibility**

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagement ASRE 2410: Review of an Interim and Other Financial Reports Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of McMillan Shakespeare Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Independence**

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

### **Electronic presentation of reviewed financial report**

This auditor's review report relates to the financial report of McMillan Shakespeare Limited for the half-year ended 31 December 2008 included on McMillan Shakespeare Limited's web site. The Company's directors are responsible

for the integrity of McMillan Shakespeare Limited's web site. We have not been engaged to report on the integrity of McMillan Shakespeare Limited's web site. The auditor's review report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the reviewed financial report to confirm the information included in the reviewed financial report presented on this web site.

### **Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of McMillan Shakespeare Limited is not in accordance with the Corporations Act 2001, including:

- 2 giving a true and fair view of the McMillan Shakespeare Limited's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- 3 complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.



GRANT THORNTON  
Chartered Accountants



Simon Trivett  
Partner

Melbourne, 17 February 2009



**DIRECTORS' DECLARATION**

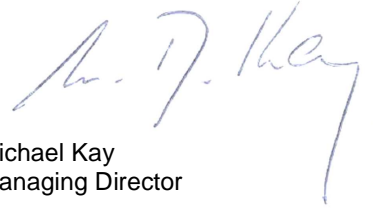
The Directors declare that:

- (a) in the Directors' opinion, there are reasonable grounds to believe that the disclosing entity will be able to pay its debts as and when they become due and payable; and
- (b) in the Directors' opinion, the attached financial statements for the six month period ended 31 December 2008 and notes thereto are in accordance with the *Corporations Act 2001* (Cth), including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the Directors.



Ronald Pitcher, AM  
Chairman  
Melbourne, 17 February 2009



Michael Kay  
Managing Director

**MCMILLAN SHAKESPEARE LIMITED**  
**(A.B.N. 74 107 233 983)**  
**AND CONTROLLED ENTITIES**

**CONSOLIDATED INCOME STATEMENT**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

	<b>Half year ended 31 Dec 2008</b>	<b>Half year ended 31 Dec 2007</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Revenue from continuing operations</b>	37,699	31,533
Employee and director benefits expenses	(17,194)	(14,681)
Depreciation and amortisation	(705)	(722)
Technology and communication expenses	(1,753)	(1,336)
Property and corporate expenses	(950)	(943)
Other expenses	(3,464)	(2,409)
	<b>(24,066)</b>	<b>(20,091)</b>
<b>Profit before income tax expense</b>	<b>13,633</b>	<b>11,442</b>
Income tax expense	(4,096)	(3,494)
<b>Profit attributable to members of McMillan Shakespeare Limited</b>	<b>9,537</b>	<b>7,948</b>
Basic earnings per share (cents per share)	14.10	11.81
Diluted earnings per share (cents per share)	14.10	11.68

Notes to the financial statements are annexed.

**MCMILLAN SHAKESPEARE LIMITED**  
**(A.B.N. 74 107 233 983)**  
**AND CONTROLLED ENTITIES**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2008**

	<b>31-Dec</b>	<b>30-Jun</b>
	<b>2008</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current assets</b>		
Cash and cash equivalents	23,183	17,969
Trade and other receivables	5,778	8,836
<b>Total current assets</b>	<u>28,961</u>	<u>26,805</u>
<b>Non current assets</b>		
Plant and equipment	2,125	2,053
Deferred tax assets	320	688
Goodwill	33,328	33,328
Software	527	563
Contract rights	1,742	-
<b>Total non current assets</b>	<u>38,042</u>	<u>36,632</u>
<b>Total assets</b>	<u>67,003</u>	<u>63,437</u>
<b>Current liabilities</b>		
Trade and other payables	10,604	9,774
Current tax liability	2,157	3,206
Provisions	1,988	1,814
Other liabilities	189	270
<b>Total current liabilities</b>	<u>14,938</u>	<u>15,064</u>
<b>Non current liabilities</b>		
Provisions	141	166
<b>Total non current liabilities</b>	<u>141</u>	<u>166</u>
<b>Total liabilities</b>	<u>15,079</u>	<u>15,230</u>
<b>Net assets</b>	<u>51,924</u>	<u>48,207</u>
<b>Equity</b>		
Issued capital	22,637	22,637
Option reserve	567	304
Distributable reserve	28,720	25,266
<b>Total equity</b>	<u>51,924</u>	<u>48,207</u>

Notes to the financial statements are annexed.

**MCMILLAN SHAKESPEARE LIMITED**  
**(A.B.N. 74 107 233 983)**  
**AND CONTROLLED ENTITIES**

**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

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	<b>Half year ended 31-Dec-08 \$'000</b>	<b>Half year ended 31-Dec-07 \$'000</b>
<b>Cash flows from operating activities</b>		
Cash receipts from customers	44,169	34,731
Cash payments to suppliers and employees	(26,410)	(20,785)
Interest received	795	350
Income taxes paid	(4,773)	(4,001)
Net cash from operating activities	13,781	10,295
<b>Cash flows from investing activities</b>		
Acquisition of plant, equipment and software	(734)	(897)
Acquisition of contract rights	(1,750)	-
Acquisition of subsidiary, net of cash acquired	-	(597)
Net cash used in investing activities	(2,484)	(1,494)
<b>Cash flows from financing activities</b>		
Equity contribution	-	164
Dividends paid by parent entity	(6,083)	(5,383)
Net cash used in financing activities	(6,083)	(5,219)
Net increase in cash and cash equivalents	5,214	3,582
Cash and cash equivalents at the beginning of the half year	17,969	9,709
Cash and cash equivalents at the end of the half year	23,183	13,292

Notes to the financial statements are annexed.

**MCMILLAN SHAKESPEARE LIMITED**  
**(A.B.N. 74 107 233 983)**  
**AND CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

	<b>Half year ended 31 Dec 2008</b>	<b>Half year ended 31 Dec 2007</b>
	<b>\$'000</b>	<b>\$'000</b>
<u>Distributable Reserve</u>		
Distributable reserve earnings at the beginning of the period	25,266	18,349
Profit attributable to members of McMillan Shakespeare Limited	9,537	7,948
Dividends paid	(6,083)	(5,383)
<b>Distributable reserve at the end of the period</b>	<b>28,720</b>	<b>20,914</b>
<u>Option Reserve</u>		
Option reserve at the beginning of the period	304	184
Option expense	263	169
Transfer to share capital	-	(77)
<b>Option reserve at the end of the period</b>	<b>567</b>	<b>276</b>
<u>Share Capital</u>		
Share capital at start period - 1 July 2008 - 67,583,428 fully paid shares (1 July 2007 - 67,065,730)	22,637	21,734
Issue of shares for business combination	-	597
Issue of shares under the employee share option plan	-	241
<b>Share capital at the end of the period - 31 December 2008</b>	<b>22,637</b>	<b>22,572</b>
<b>67,583,428 - fully paid shares (31 December 2007 - 67,471,678)</b>	<b>22,637</b>	<b>22,572</b>

Notes to the financial statements are annexed.

**MCMILLAN SHAKESPEARE LIMITED**  
**(A.B.N. 74 107 233 983)**  
**AND CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

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**NOTES TO THE FINANCIAL STATEMENTS**

**1. CORPORATE INFORMATION**

McMillan Shakespeare Limited (the Company) is a company limited by shares, incorporated and domiciled in Australia.

**2. BASIS OF PREPARATION**

The consolidated half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* (Cth) and AASB 134 Interim Financial Reporting.

This half-year financial report does not include notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2008 and any public announcements made by the Company during the half-year period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* (Cth).

The consolidated half-year financial report was approved by the Board of Directors on 17 February 2009.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies applied in preparing the financial statements for the half-year ended 31 December 2008 are consistent with those applied in preparing the comparative information presented in these financial statements and are the same as those applied by the consolidated entity in its consolidated financial report as at and for the year ended 30 June 2008.

**4. DIVIDENDS**

On 17 February 2009, the Board of Directors declared a fully franked dividend of 8.5 cents per ordinary share. The record date is 20 March 2009 and the dividend will be paid on 3 April 2009.

	Half-year ended 31 December 2008		Half-year ended 31 December 2007	
	Cents per share	Total \$'000	Cents per share	Total \$'000
<u>Recognised amounts</u>				
Fully paid ordinary shares - Final dividend	9.0	\$6,083	8.0	\$5,383
<u>Unrecognised amounts</u>				
Fully paid ordinary shares - Interim dividend	8.5	\$5,745	7.5	\$5,060

**MCMILLAN SHAKESPEARE LIMITED**  
**(A.B.N. 74 107 233 983)**  
**AND CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

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**5. CONTINGENT LIABILITIES**

Estimates of the potential financial effect of contingent liabilities that may become payable:

	Half-year ended 31 December 2008
	\$'000
Guarantees issued for the performance of contractual obligations – a term deposit of \$800,000 supports these guarantees	773
Guarantee provided by the consolidated entity to a supplier of goods to the consolidated entity's employee clients for the difference, as at 31 December 2008, between the amounts due to the supplier and the amounts reimbursed to the supplier via the employee clients' salary packaging deductions (or other payment). This difference is expected to be received over the reimbursement period (generally 1-6 months) from the date of purchase of the goods from the supplier.	34
Guarantee issued in respect of property leases supported by a term deposit	505
	<hr/>
	1,312
	<hr/>

**6. CAPITAL COMMITMENTS**

Equipment capital expenditure commitments contracted for at 31 December 2008 are \$539,000.

**7. ISSUE OF EQUITY**

McMillan Shakespeare Limited did not issue any ordinary shares during the half-year reporting period.

**8. SEGMENT REPORTING**

The consolidated entity operates in Australia within the employee benefits industry. All revenue, operating profit and assets relate to operations in Australia.

**9. ROUNDING OF AMOUNTS**

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investment Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars.