

Manager, Company Announcements
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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 2009.

This information should be read in conjunction with McMillan Shakespeare Limited's 2009 Annual Report.

This announcement comprises the information required by ASX Listing Rule 4.2A and the statement required by Rule 4.2C.2.

Yours faithfully
McMillan Shakespeare Limited



Mark Cansdale
Chief Financial Officer and Company Secretary

APPENDIX 4D – HALF-YEAR REPORT

MCMILLAN SHAKESPEARE LIMITED
ABN 74 107 233 983

HALF-YEAR ENDED 31 DECEMBER 2009
(Previous corresponding period: Half-Year ended 31 December 2008)



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

	% Change	2009 \$'000	2008 \$'000
Revenue from ordinary activities	Up 16%	43,639	37,699
Earnings before interest, tax, depreciation and amortisation (EBITDA)	Up 24%	16,963	13,629
Earnings before interest and tax (EBIT)	Up 20%	15,515	12,924
Profit from ordinary activities before income tax expense	Up 18%	16,056	13,633
Profit from ordinary activities after income tax expense	Up 18%	11,228	9,537
Net profit attributable to members	Up 18%	11,228	9,537

Net tangible assets per ordinary share	\$0.339	\$0.242
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	Cents	Cents
Basic earnings per share	16.61	14.11
Diluted earnings per share	16.61	14.11
Final dividend in respect of the financial year ended 30 June 2009 (2008) per share	10.5	9.0
Interim dividend in respect of the period ended 31 December 2009 (2008) per share	10.0	8.5

All dividends are fully franked at the corporate income tax rate (2009: 30%; 2008: 30%)

The record date for determining entitlement to the interim dividend is 19 March 2010.

The interim dividend is payable on 1 April 2010.

**HALF YEAR RESULTS ANNOUNCEMENT
MCMILLAN SHAKESPEARE LIMITED**

McMillan Shakespeare Limited (ASX:MMS) today released its results for the first half-year ended 31 December 2009 with a reported after tax profit of \$11.2m, an increase of \$1.7m or 18% on the result for the prior comparable period.

This excellent result, delivered during a period of continuing global economic turmoil, was driven by a 16% increase in revenue over the prior comparable period. The Group's salary packaging services, including the novated leasing and fleet services product, continued to experience growth through new business development and improved participation rates among existing customers. This more than offset the impact on revenue of the significantly lower interest rates on the prior comparable period.

MMS' expense ratio continued to improve despite the continued investment in our people, product development, systems and on-going M&A activity. This investment and the growth of the business has seen operating expenses increase 12% on the prior comparable period.

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

Highlights of the operating results were:

	% Increase over Prior Comparable Period	1H FY10 \$'000	1H FY09 \$'000
Revenue	16%	43,639	37,699
EBITDA	24%	16,963	13,629
EBIT	20%	15,515	12,924
NPAT	18%	11,228	9,537
Basic earnings per share (cents)	18%	16.61	14.11
Dividends declared per share (cents)	18%	10.0	8.5
% franked		100%	100%

The company has declared a fully franked interim dividend of 10.0 cents per share. The record date is 19 March 2010 and the dividend will be paid on 1 April 2010.

Yours faithfully,
MCMILLAN SHAKESPEARE LIMITED



Ronald Pitcher, AM
Chairman
Melbourne, 16 February 2010



Michael Kay
Managing Director

For more information, please contact:

Mr Michael Kay
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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 2009 (the Group or consolidated entity).

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

Mr R. Pitcher, AM
Mr M. Kay
Mr J. Bennetts
Mr R. Chessari
Mr G. McMahon
Mr A. Podesta

The above named Directors held office for the entire period.

Review of Operations

A review of the operations of the consolidated entity during the half-year ended 31 December 2009 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 2009 attributable to the members of the Company after providing for income tax was \$11,227,722.

Dividend

On 16 February 2010, the Board of Directors declared a fully franked dividend of 10.0 cents per ordinary share. The record date is 19 March 2010 and the dividend will be paid on 1 April 2010.

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, 16 February 2010



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 2009, 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
Partner
Melbourne, 16 February 2010

Grant Thornton
ABN 13 871 256 387

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

We have reviewed the accompanying half-year financial report of McMillan Shakespeare Limited ("Company"), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the 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 controls 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 the Auditing Standard on Review Engagements ASRE 2410: Review of 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 2009 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 2009 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:

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.



GRANT THORNTON
Chartered Accountants



Simon Trivett
Partner
Melbourne, 16 February 2010

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 2009 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, 16 February 2010



Michael Kay
Managing Director

MCMILLAN SHAKESPEARE LIMITED
(ABN 74 107 233 983)
AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

	Half-year ended 31 Dec 2009 \$'000	Half-year ended 31 Dec 2008 \$'000
Revenue from continuing operations	43,639	37,699
Expenses		
Employee and director benefits expenses	(18,960)	(17,194)
Depreciation and amortisation	(1,448)	(705)
Technology and communication expenses	(1,459)	(1,753)
Property and corporate expenses	(1,047)	(950)
Consulting costs	(1,028)	(615)
Marketing costs	(1,586)	(693)
Other expenses	(2,054)	(2,156)
	(27,583)	(24,066)
Profit before income tax expense	16,056	13,633
Income tax expense	(4,828)	(4,096)
Net profit for the period	11,228	9,537
Other comprehensive income	-	-
Total comprehensive income for the period	11,228	9,537
Basic earnings per share (cents per share)	16.61	14.11
Diluted earnings per share (cents per share)	16.61	14.11

Notes to the financial statements are annexed.

MCMILLAN SHAKESPEARE LIMITED
(ABN 74 107 233 983)
AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2009

	31-Dec	30-Jun
	2009	2009
	\$'000	\$'000
Current assets		
Cash and cash equivalents	34,016	28,043
Trade and other receivables	6,299	5,734
Total current assets	<u>40,315</u>	<u>33,780</u>
Non current assets		
Plant and equipment	3,760	2,007
Goodwill	33,292	33,293
Software	1,374	962
Contract rights	4,225	4,764
Total non current assets	<u>42,651</u>	<u>41,025</u>
Total assets	<u>82,966</u>	<u>74,806</u>
Current liabilities		
Trade and other payables	14,536	12,325
Deferred tax	83	82
Current tax liability	3,392	2,471
Provisions	2,336	2,234
Other liabilities	694	122
Total current liabilities	<u>21,041</u>	<u>17,234</u>
Non current liabilities		
Provisions	126	168
Total non current liabilities	<u>126</u>	<u>168</u>
Total liabilities	<u>21,167</u>	<u>17,404</u>
Net assets	<u>61,799</u>	<u>57,403</u>
Equity		
Issued capital	22,637	22,637
Option reserve	1,068	804
Distributable reserve	38,093	33,962
Total equity	<u>61,799</u>	<u>57,403</u>

Notes to the financial statements are annexed.

MCMILLAN SHAKESPEARE LIMITED
(ABN 74 107 233 983)
AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

	Half-year ended 31-Dec-09	Half-year ended 31-Dec-08
	\$'000	\$'000
Cash flows from operating activities		
Cash receipts from customers	51,143	44,169
Cash payments to suppliers and employees	(31,791)	(26,410)
Interest received	555	795
Income taxes paid	(3,907)	(4,773)
Net cash from operating activities	<u>16,000</u>	<u>13,781</u>
Cash flows from investing activities		
Acquisition of plant and equipment	(2,471)	(586)
Acquisition of contract rights	-	(1,750)
Payment for other intangible assets	(463)	(148)
Net cash used in investing activities	<u>(2,934)</u>	<u>(2,484)</u>
Cash flows from financing activities		
Dividends paid by parent entity	(7,096)	(6,083)
Net cash used in financing activities	<u>(7,096)</u>	<u>(6,083)</u>
Net increase in cash and cash equivalents	5,970	5,214
Cash and cash equivalents at the beginning of the half year	28,047	17,969
Cash and cash equivalents at the end of the half year	<u>34,016</u>	<u>23,183</u>

Notes to the financial statements are annexed.

**MCMILLAN SHAKESPEARE LIMITED
(ABN 74 107 233 983)
AND CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009**

	Half-year ended 31 Dec 2009	Half-year ended 31 Dec 2008
	\$'000	\$'000
<u>Distributable Reserve</u>		
Distributable reserve earnings at the beginning of the period	33,962	25,266
Total comprehensive income	11,228	9,537
Dividends paid	(7,096)	(6,083)
Distributable reserve at the end of the period	38,094	28,720
<u>Option Reserve</u>		
Option reserve at the beginning of the period	804	304
Option expense	264	263
Transfer to share capital	-	-
Option reserve at the end of the period	1,068	567
<u>Share Capital</u>		
Share capital at the beginning of the period (67,583,428 fully paid shares).	22,637	22,637
Share capital at the end of the period (67,583,428 fully paid shares)	22,637	22,637

Notes to the financial statements are annexed.

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 2009 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 16 February 2010.

3. SIGNIFICANT ACCOUNTING POLICIES

The same accounting policies have been followed as those applied and discussed in the financial report for the financial year ended 30 June 2009, except as set out below:

- AASB 101 Presentation of Financial Statements. The Company has adopted this standard. The financial statements including comparatives are presented and titled in accordance with the new standard. The new standard has not resulted in any changes to the financial performance of the Company.
- AASB 3 Business Combinations. The Company has adopted this standard, but as there have been no transactions of this nature there has been no impact from the adoption of this standard.
- AASB 8 Operating Segments. The Company has adopted this standard, but as the Company operates as a single segment there has been no impact from the adoption of this standard.
- AASB 123 Borrowing Costs. The Company has adopted this standard, but as there have been no transactions of this nature there has been no impact from the adoption of this standard.
- AASB 127 Consolidated and Separate Financial Statements. There has been no impact from the adoption of this standard.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

MCMILLAN SHAKESPEARE LIMITED
(ABN 74 107 233 983)
AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

4. DIVIDENDS

On 16 February 2010, the Board of Directors declared a fully franked dividend of 10.0 cents per ordinary share. The record date is 19 March 2010 and the dividend will be paid on 1 April 2010.

	Half-year ended 31 December 2009		Half-year ended 31 December 2008	
	Cents per share	Total \$'000	Cents per share	Total \$'000
<u>Recognised amounts</u>				
Fully paid ordinary shares - Final dividend	10.5	7,096	9.0	6,083
<u>Unrecognised amounts</u>				
Fully paid ordinary shares - Interim dividend	10.0	6,758	8.5	5,745

5. CONTINGENT LIABILITIES

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

	Half-year ended 31 December 2009 \$'000
Guarantees provided for the performance of contractual obligations. A term deposit of \$800,000 supports contractual guarantees.	310
Guarantee provided for the performance of a contractual obligation not supported by term deposit.	20
Guarantee provided in respect of property leases.	3,558
	3,888

6. CAPITAL COMMITMENTS

Equipment capital expenditure commitments contracted for as at 31 December 2009 are \$525,422.

7. ISSUE OF EQUITY

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

8. SEGMENT REPORTING

Reportable segments

McMillan Shakespeare Limited and its controlled entities operate within one geographical location, Australia. The Group provides products and services within the employee benefits market. All revenue is attributable to the products and services provided within this market in the one reportable segment.

All non current assets are located within the Group's country of domicile being 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.