

21 August 2007

Company Announcements Office
Australian Stock Exchange Limited, Melbourne

By E-lodgement

Preliminary Final Report

This release contains an announcement to the Australian Stock Exchange Limited (**ASX**) regarding the full year results for McMillan Shakespeare Limited for the year ended 30 June 2007, which is given to the Australian Stock Exchange Limited under listing rule 4.3A of the ASX Listing Rules.

Paul McCluskey
Chief Financial Officer and Company Secretary

APPENDIX 4E
Preliminary Final Report

McMillan Shakespeare Limited
ABN 74 107 233 983

1 Details of the reporting period and the previous corresponding period	
1	Current period: 1 July 2006 to 30 June 2007. Previous corresponding period: 1 July 2005 to 30 June 2006.

2 Results for announcement to the market			
2	Key Information	Percentage change	Year Ended 30 June 2007 \$
2.1	Revenues from continuing operations	Up 11.9% to	54,535,657
2.2	Profit / (loss) after income tax	Up 17.1% to	13,237,390
2.3	Net profit / (loss) after income tax attributable to members of the parent entity	Up 17.1% to	13,237,390
	Dividends	Amount per security	Franked amount per security
2.4	Final dividend	\$0.08	\$0.08
2.5	Record date for determining entitlements to the dividend		25 September 2007
2.6	Commentary		
	<p>Net profit after income tax for the year ended 30 June 2007 was \$13,237,390, compared to the previous year of \$11,305,273.</p> <p>For the year ended 30 June 2007, EBITDA (earnings before interest, tax, depreciation and amortisation) was \$20,198,943 compared to the previous year of \$17,628,207. EBIT (earnings before interest and tax) was \$18,855,525 compared to the previous year of \$15,380,920.</p> <p>Basic earnings per share, as shown in the financial statements, was 19.79 cents per share (2006: 17.08) and on a diluted basis was 19.51 cents per share (2006: 16.71).</p> <p>Refer to the 2007 Results Announcement for more details of the financial results.</p>		

Income statement	
3	Refer to Attachment A

Balance sheet	
4	Refer to Attachment A

Statement of cash flows	
5	Refer to Attachment A

Dividend details			
6	Dividends	Amount per security	Franked amount per security
	Final dividend	\$0.080	\$0.080
	Interim dividend	\$0.045	\$0.045
	Total dividend (interim <i>plus</i> final)	\$0.125	\$0.125
	Final dividend payable on 18 October 2007		

Dividend reinvestment plan		
7	None	

8 Retained Earnings			
		Year Ended 30 June 2007 \$	Year Ended 30 June 2006 \$
	Retained earnings at the beginning of the financial period	12,808,632	4,743,843
	Net profit attributable to the members of the parent entity	13,237,390	11,305,273
	Dividends paid	-7,696,852	-3,240,484
	Retained earnings at the end of the financial period	18,349,170	12,808,632

9 Net tangible assets per security			
		Year Ended 30 June 2007 \$	Year Ended 30 June 2006
	Ordinary shares	\$0.098	\$0.007

10 Control gained or lost over entities during the financial year		
	Name of entities where control was gained during the financial year	Date control Gained
	None	N/A
	Name of entities where control was lost during the financial year	Date control Gained
	Nil	N/A

11 Investment associates and joint ventures	
	Not applicable

12 Other information	
	None

13 Foreign Entities	
	Not applicable

14 Commentary on results for the financial year	
	Refer to the 2007 Results Announcement for details.

15 Audit	
	This report is based on accounts which are currently in the process of being audited.

APPENDIX 4E – ATTACHMENT A
McMILLAN SHAKESPEARE LIMITED AND CONTROLLED ENTITIES
ABN 74 107 233 983

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007

	Consolidated 2007 \$	Consolidated 2006 \$
Revenue from continuing operations		
Remuneration services	53,547,116	48,110,881
Non-operating interest income	398,930	489,244
Other	589,611	120,406
Total income from ordinary activities	54,535,657	48,720,531
Expenses		
Employee and director benefits expenses	24,577,653	21,199,679
Depreciation of plant and equipment	1,220,295	1,084,894
Amortisation of software development and other expenses	123,123	348,715
Amortisation of contracts	-	813,678
Technology and communication expenses	2,906,510	3,120,057
Property and corporate expenses	1,792,635	1,658,502
Finance costs	174,942	857,366
Other expenses from ordinary activities	4,660,987	4,624,842
	35,456,145	33,707,733
Profit before income tax expense	19,079,512	15,012,798
Income tax expense	5,842,122	3,707,525
Profit attributable to members of the parent entity	13,237,390	11,305,273
Earnings per share	Cents per share	Cents per share
- Basic earnings per share	19.79	17.08
- Diluted earnings per share	19.51	16.71

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McMILLAN SHAKESPEARE LIMITED AND CONTROLLED ENTITIES
ABN 74 107 233 983
BALANCE SHEET
AS AT 30 JUNE 2007

	Consolidated 2007	Consolidated 2006
Current assets	\$	\$
Cash on hand	2,592	2,592
Cash at bank	9,706,773	6,581,796
Trade debtors net of provision for doubtful debts	2,309,624	1,212,732
Other debtors	3,913,897	2,954,661
Prepayments	1,412,285	2,589,566
Total current assets	17,345,171	13,341,347
Non-current assets		
Plant and equipment	2,282,823	2,467,360
Capitalised software development	342,007	99,153
Goodwill on acquisition	33,328,091	33,110,848
Future income tax benefits	786,290	1,265,676
Total current assets	36,739,211	36,943,037
Total assets	54,084,382	50,284,384
Current liabilities		
Trade creditors	2,107,086	2,157,052
Amounts due to vendor	1,193,856	2,132,096
Sundry creditors and accruals	5,767,421	5,443,006
Bank overdraft	-	18,124
Bank loans	-	3,250,000
Finance lease liability	-	65,466
Tax payable	2,565,296	1,442,461
Accrued employee benefits	1,586,994	1,308,703
Income in advance	431,985	631,048
Total current liabilities	13,652,638	16,447,956
Non-current liabilities		
Accrued employee benefits	164,565	172,314
Total non-current liabilities	164,565	172,314
Total liabilities	13,817,203	16,620,270
Net assets	40,267,179	33,664,114
Equity		
Issued capital	21,733,678	20,688,848
Option reserve	184,331	166,634
Distributable reserve	18,349,170	12,808,632
Total equity	40,267,179	33,664,114

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2007

	Consolidated 2007 \$	Consolidated 2006 \$
Cashflows from operating activities:		
Cash receipts from customers	62,213,188	57,356,006
Cash payments to suppliers & employees	(42,267,623)	(38,112,112)
Interest received	398,929	489,244
Interest paid	(237,345)	(1,000,867)
Income taxes paid	(4,308,121)	(4,270,997)
Net cash from operating activities	15,799,028	14,461,274
Cash flows from investing activities:		
Acquisition of subsidiary, net of cash acquired	(577,736)	(696,553)
Acquisition of plant and equipment	(1,420,916)	(1,428,987)
Net cash used by investing activities	(1,998,652)	(2,125,540)
Cash flows from financing activities:		
Equity contribution	355,043	120,886
Proceeds from borrowings	2,400,000	-
Repayment of borrowings	(5,715,466)	(11,500,000)
Dividends paid by parent entity	(7,696,852)	(3,240,484)
Net cash provided by/(used in) financing activities	(10,657,275)	(14,619,598)
Net cash increase (decreases) in cash and cash equivalents	3,143,101	(2,283,864)
Cash and cash equivalents at beginning of year	6,566,264	8,850,128
Cash and cash equivalents at end of year	9,709,365	6,566,264

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1. Basis of Preparation

This preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E.

The preliminary financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The preliminary financial report covers the consolidated group of McMillan Shakespeare Limited and its controlled entities. McMillan Shakespeare Limited is a listed public company, incorporated and domiciled in Australia.

The preliminary financial report of McMillan Shakespeare Limited and its controlled entities complies with all International Financial Reporting Standards (IFRS) in their entirety.

Reporting Basis and Conventions

The preliminary financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Earnings per Share

	Economic Entity	
	2007	2006
	\$	\$
Net profit	13,237,390	11,305,273
Earnings used to calculate basic earnings per share (EPS)	13,237,390	11,305,273
Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	66,892,150	66,200,332
Weighted average number of options on issue outstanding	848,375	1,344,026
Weighted average number of shares to be issued to vendor (see below)	99,544	128,153
Weighted average number of ordinary shares outstanding during the year used in calculation of diluted EPS	67,840,069	67,672,511

Contingent liabilities

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

	Economic Entity	
	2007	2006
	\$	\$
Guarantees issued for the performance of contractual obligations. \$800,000 of those guarantees are supported by a term deposit	1,423,000	1,150,000
Guarantee issued in respect of property leases supported by a term deposit	504,637	504,637
	<u>1,927,637</u>	<u>1,654,637</u>

21 August 2007

McMILLAN SHAKESPEARE LIMITED
ABN 74 107 233 983

Preliminary Final Report
ASX Announcement

McMillan Shakespeare Limited (ASX:MMS) today released its preliminary results for the year ended 30 June 2007, with a reported after tax profit of \$13,237,390. The results reflect an organisation that is focused on sales success, delivering customer service excellence and improving customer product density.

Highlights of the operating results were:

	% increase over prior year	FYE 30-Jun-07 \$	FYE 30-Jun-06 \$
Revenue	11.9%	54,535,657	48,720,531
EBITDA	14.6%	20,198,943	17,628,207
EBITA	14.7%	18,978,648	16,543,313
EBIT	22.6%	18,855,525	15,380,920
PBT	27.1%	19,079,512	15,012,798
NPAT	17.1%	13,237,390	11,305,273

CEO Anthony Podesta said that, “the Company will allocate more energy and resources towards financial services over the coming 12 months. There will be a number of financial products and other diversified services that the Company will offer its customer base over the next 12 months. Increasing the range of services in an integrated mode is a key objective moving forward.”

“Our continued investment in customer service and quality assurance programs, together with our emphasis on human resource management, will continue to strengthen our business performance,” Mr Podesta said.

During the year, the Company has contracted with a number of sizeable private sector companies for a range of services. The Company will continue to focus on private sector opportunities, together with continued growth and improved product density in its traditional markets.

The Company is continuing to improve its understanding and development of markets and to capitalise on its substantial existing client base and infrastructure.

The Company has declared a final dividend of \$0.08 cents per share. The record date for the dividend is 25 September 2007 and it is payable on 18 October 2007.

Independent Chairman, Mr Ron Pitcher, expressed great satisfaction with the results for the financial year and said, "the Company has created a very solid platform from which to leverage future growth opportunities in financial services and other services designed to assist employers attract and retain employees."

In accordance with Listing Rule 3.13.1 of the ASX Listing Rules, the Company also wishes to advise that its Annual General Meeting will be held on Tuesday, 16 October 2007 at 10.00am.

For more information please contact:

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About McMillan Shakespeare

McMillan Shakespeare is considered a market leader in the provision of salary packaging administration. 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 fuel card and service maintenance programs.