

McMillanShakespeareGroup

ASX ANNOUNCEMENT

McMillan Shakespeare successfully completes \$80 million Off Market Buy-Back

McMillan Shakespeare Limited (**MMS**) today announces the successful completion of its Off-Market Buy-Back (**Buy-Back**). The key outcomes of the Buy-Back are as follows:

| | |
|--|-----------------|
| Size of Buy-Back | \$80,016,442.62 |
| Market Price ¹ | \$15.9742 |
| Buy-Back Discount | 14% |
| Buy-Back Price | \$13.74 |
| Capital Component of the Buy-Back Price ² | \$1.78 |
| Fully franked Dividend Component | \$11.96 |
| Tax Market Value ³ | \$14.88 |
| Number of shares to be bought back | 5,823,613 |
| Percentage of issued capital | 7% |
| Scale back (see below) | 40.89% |

MMS is pleased that the Buy-Back has been strongly supported and, as a result, the Buy-Back Price of \$13.74 has been set at the maximum specified discount of 14%. 13,378,070 Shares were tendered at that level of discount and have been subject to the scale back mechanism outlined in the Off-Market Buy-Back Booklet.

A priority allocation of 365 Shares has been accepted from each successful shareholder, the balance of tendered Shares have been scaled back by 40.89%.

¹ The Market Price means the VWAP (as defined in the Buy-Back Booklet) of MMS ordinary shares on the ASX over the five trading days up to and including Friday, 11 October 2019, calculated to four decimal places.

² MMS has requested a Class Ruling from the ATO in relation to the tax implications of the Buy-Back. MMS expects that both the amount taken to be the fully franked dividend component and the capital component will be confirmed in the Class Ruling.

³ The Tax Market Value was calculated in accordance with the ATO's Tax Determination TD 2004/22 on the basis announced on Wednesday, 9 October 2019 and Friday, 11 October 2019.

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If as a result of the Priority Allocation and the scale back percentage a shareholder would be left with a parcel of 145 shares or less (Small Residual Holding), these Shares will also be bought back. The total number of Shares to be bought back is 5,823,613 Shares, which represents approximately 7% of the issued capital of MMS before the Buy-Back.

All shares purchased by MMS will be cancelled.

MMS has requested a Class Ruling from the Australian Tax Office (**ATO**) in relation to the tax implications of the Buy-Back. This ruling is expected to confirm that \$11.96 per share of the Buy-Back Price will be treated as a fully frankable dividend and that for Australian capital gains tax purposes, the deemed capital proceeds will be \$2.92, being the \$1.78 Capital Component plus \$1.14 (representing the excess of the Tax Market Value over the Buy-Back Price).

Payments to bank accounts and dispatch of cheques for shares bought back are expected to be completed by Tuesday, 22 October 2019.

Shareholders who have questions in relation to their tenders may contact the Buy-Back Information Line on 1300 850 505 from within Australia or on +61 3 9415 4000 from outside Australia between 8.30am to 5.00pm (Melbourne time), Monday to Friday.

Defined terms in the Buy-Back Booklet have the same meaning in this announcement.

For more information please contact:

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McMillan Shakespeare Limited