

Multispares Holdings Limited

ACN 003 135 680
151 Fairfield Road,
Guildford, NSW 2161
P.O. Box 271, Guildford, NSW 2161
Office: 61 2 9722 2020
Facsimile: 61 2 9722 2095
Internet: www.multispares.com.au



First in Truck & Bus Parts

12 September 2002

Dear Shareholder,

Your Directors are pleased to issue a final dividend of 1 cent/share as announced on 1st August 2002. A cheque or an acknowledgment of your direct deposit accompanies this letter.

Over the last two years Multispares has redefined the way it operates and has become considerably more effective in the market. We have been particularly proactive in opening new parts supply opportunities and with appropriate investment, management believes it can average growth rates in sales revenue and earnings of 15-20% p.a. over the next two years.

The infrastructure components of our investment program, which include further upgrades to the computer system and increases in warehouse capacity, will be funded out of projected cash flows and profitability. However we also plan to expand stock levels by up to \$2 million over two years and this is fundamental in delivering improvements to our Return on Shareholders' Equity.

The Directors believe current growth levels should be sustainable over the longer term and that it is prudent to maintain a conservative level of gearing in the short term. In view of this we are seeking to raise equity through an increase of up to 15% in the number of shares on issue.

The first stage of this raising is by an offer to existing shareholders through our Share Purchase Plan. This is a first in Multispares history and underlines its progress as a publicly listed company. An application for you to apply for shares under this plan is attached. The Directors have all indicated they intend to subscribe for the maximum number of shares available under the offer.

Should you have any queries about the Share Purchase Plan please contact the Secretary or Share Registry.

Any shortfall on our target raising of up to 15% may be offered to investors who qualify as "sophisticated investors" or "professional investors" for the purposes of the Corporations Act 2001. If you believe you would qualify and would be interested in subscribing for shares over and above your Share Purchase Plan entitlement, please advise our Secretary, Peter Gill by e-mail to petergill@multispares.com.au.

You will shortly receive the Annual Report and notice of the General Meeting to be held on 28th November 2002. I look forward to seeing you there and thank you for your ongoing support of the company.

Yours sincerely,

Harry Forsyth
Chairman



Multispares Holdings Limited
 ABN 12 003 135 680



All correspondence to:
 Computershare Investor Services Pty Limited
 GPO Box 7115 Sydney
 New South Wales 2001 Australia
 Telephone 61 3 9615 5970
 Toll free 1300 855 080
 Facsimile 61 2 8234 5050
 www.computershare.com

SHARE PURCHASE PLAN ACCEPTANCE FORM

Entitlement Number:
 Record Date: 28 August 2002
 Opening Date: 16 September 2002
 Offer Closes: 4 October 2002
 Purchase Price: A\$0.21 per share

SHARE PURCHASE PLAN (SPP) APPLICATION

I/we hereby apply for the number of shares set out below in accordance with the terms and conditions of the Multispares Holdings Limited Share Purchase Plan (SPP).

DECLARATION AND ACKNOWLEDGMENTS

By forwarding a cheque and completing this form, you acknowledge that you have read and understood the terms and conditions of the SPP. You confirm that the total cost of all shares purchased by you (including through joint and beneficial holdings) does not exceed A\$3,000.

Your cheque should be made payable to "Multispares Holdings Limited SPP" and crossed not negotiable. Please ensure you submit the correct amount. Incorrect payments may result in your application being rejected.

Acceptance slips and cheques should be received no later than 5.00pm (Sydney time) on 4 October 2002 at the address shown on this form. You should allow sufficient time for this to occur. Late acceptances may be rejected. The postal acceptance rule does not apply to the SPP. A reply paid envelope is enclosed and your acceptance slip and cheque should be returned in the envelope provided.

INSTRUCTIONS

- Please write your entitlement number on the back of your cheque
- Payments must be made via cheque accompanying the acceptance slip
- Cash will not be accepted for the SPP
- Payments cannot be made at any bank
- Do not pin or staple the cheque to the acceptance slip
- Cheques must be in Australian dollars and drawn on an Australian bank

Acceptance slip

Contact name BH AH

Indicate your choice below by marking one box only

Offer A 14,000 shares A\$ 2,940 Name of drawer of cheque Offer 10,000 shares A\$ 2,100 Offer C 5,000 shares A\$ 1,050

Payment Details Cheques must be in AUD made payable to: "Multispares Holdings Limited SPP", crossed not negotiable with your entitlement number on reverse. Entitlement Number

Name of drawer of cheque	Cheque No.	BSB No.	Account No.	Amount A \$

Total amount enclosed \$

Mail to: Computershare Investor Services Pty Limited
 GPO Box 7115, Sydney NSW 2001
Offer Closes: Acceptances should be received by 4 October 2002

MULTISPARES HOLDINGS LIMITED
ACN 003 135 680
SHARE PURCHASE PLAN
TERMS AND CONDITIONS

Please read these Terms and Conditions as you will be bound by them.

Multispares Holdings Limited (**Company**) offers to issue fully paid ordinary shares in the Company to eligible existing shareholders on the following terms:

1. Offer details

The offer issue price is \$0.21 per share. Eligible shareholders of the Company may accept the offer only for one of the following numbers of shares:

- (a) 14,000 shares at a total price of \$2,940;
- (b) 10,000 shares at a total price of \$2,100; or
- (c) 5,000 shares at a total price of \$1,050.

2. Acceptance of offer

Eligible shareholders may accept the offer by completing, signing and returning (in accordance with the instructions on the form) an acceptance in the form issued by the Company together with a cheque for the total issue price for the relevant number of shares. Acceptances should be received by 5:00 pm Sydney time on 4 October 2002. Late acceptances may be accepted or rejected, at the Company's discretion.

3. Nature of offer

An offer is being made on the same terms and conditions to each eligible shareholder of the Company. The offer is non-renounceable, which means eligible shareholders may not transfer their rights under the offer to other shareholders or other persons.

4. Eligibility

The offer is only made to (and may only be accepted by) persons who were registered shareholders of the Company at the close of business on 28 August 2002 and whose address (as recorded in the Company's share register) is in Australia. In the opinion of the Company's directors it is not practical to offer or issue shares under the offer to shareholders whose addresses are outside Australia. Joint shareholders are treated as a single shareholder for the purposes of the offer and may only submit one acceptance.

5. Rights attaching to shares

Shares issued under the offer will be issued on the same terms as other fully paid ordinary shares in the Company which are listed on the Australian Stock Exchange (**ASX**). As such, shares issued under the offer will be quoted on **ASX**.

6. Participation costs

An eligible shareholder's only cost for accepting the offer is the issue price for the shares in relation to which the offer is accepted. There are no brokerage, commission or other transaction costs.

7. Payment

The cheque accompanying the acceptance form should be for the exact amount of the total issue price for the relevant number of shares and should be payable to "Multispares Holdings Limited SPP". All amounts in these Terms and Conditions are expressed in Australian dollars and cheques for the issue price must also be in Australian dollars. Where a cheque is dishonoured or does not clear, the acceptance to which it relates will be disregarded.

8. Reduction in size of acceptances

If the total number of acceptances of offers under the Company's Share Purchase Plan is such that issuing shares in accordance with those acceptances would result in a breach of the **ASX** Listing Rules, the Company may decide to reduce the number of shares issued to accepting shareholders. Following such a decision, the Company will, in the first instance, reduce to 10,000 the number of shares issued to each accepting shareholder who has specified 14,000 as the number of shares the shareholder wishes to acquire under the offer. If this first reduction is insufficient to avoid the **ASX** Listing Rule breach, the Company may decide to reduce to 5,000 the number of shares issued to each accepting shareholder, irrespective of the number of shares the shareholder has specified as wishing to acquire under the offer. The Company will refund to accepting shareholders the difference between the amount paid by the shareholder and the total issue price of the number of shares actually issued. No interest is payable in relation to amounts refunded in this manner.

9. Right to withdraw offer

The Company may withdraw the offer at any time prior to issuing shares under the offer if the Company's Directors are of the opinion that proceeding with the offer or issue of shares under it may result in a breach of the **ASX** Listing Rules or any law. Following such a withdrawal of the offer the Company will refund to each accepting shareholder the amount paid by the shareholder. No interest is payable in relation to amounts refunded in this manner.

10. Issuing of shares

Where an eligible shareholder accepts the offer, the relevant number of shares will be issued to the shareholder on 18 October 2002, or as soon after that date as possible. The Company's share registry will issue new holding statements to accepting shareholders shortly after 18 October 2002.

11. Important information on issue price and price risk

The issue price under the offer of \$0.21 per share represents a 11.1% discount on the average closing price of the Company's fully paid ordinary shares traded on **ASX** during the four trading days up to and including 28 August 2002, the record date for determining dividend entitlements.

Before deciding whether to accept the offer eligible shareholders should refer to the current market price of the Company's shares, which can be obtained from the financial pages of major daily newspapers, your stockbroker or **ASX**.

The market price of the Company's shares may rise or fall between the making of this offer and the date shares are issued to accepting shareholders. This means that when shares are issued following acceptance of the offer, the market price for those shares may be greater than, or less than, the issue price paid.

In determining whether to accept the offer, and the number of shares to acquire, eligible shareholders should seek their own financial and taxation advice from professional advisors.

12. Miscellaneous

In the event of a dispute regarding the interpretation or application of these Terms and Conditions the Company's Directors may determine how to resolve the dispute, generally or in relation to a particular shareholder, in the manner they consider appropriate and that determination is binding and conclusive. The Company reserves the right to waive strict compliance with any provision of these Terms and Conditions. The Company's powers and rights under these Terms and Conditions may be exercised by the Company's Directors or any delegate of them.