

### SHAREHOLDERS NOT PARTICIPATING IN BUYBACK

Retain entity/sell (0/1)		0	0	0	0	0	No interests sold	0	0	0	0
Retain/distribute		0	0	0	0	1	All cash retained each year				
Value (share)	1600	1760	1936	2130	2339	0		0	0	0	0
Tax value (share)	1600	1600	1600	1600	1600	123					
Franked div (share)		0	0	0	0	762	Franked dividends after company pays tax at 30% under full imputation system				
Unfranked div (share)		0	0	0	0	0					
Return of cap (share)	-1600	0	0	0	0	1477		0	0	0	0
Tax paid		0	0	0	0	185					
CGT base		0	0	0	0	-123	Capital loss on liquidation = \$1477 return of capital less \$1600 tax value of shares				
CGT		0	0	0	0	-58					
Post-tax cash flow	-1600	0	0	0	0	2112		0	0	0	0
Post-tax return		0.0	0.0	0.0	0.0	0.0					
Return(sales) Delete						5.71%	Return to those not participating in buyback				
Acc overall i/tax paid		0	39	85	161	541	Single layer of tax at shareholders' 47% tax rate on the income of company's assets				

### SHAREHOLDERS PARTICIPATING IN BUYBACK

Retain entity/sell (0/1)		0	1	0	0	0	Shares acquired Year 2, bought back Year 4				
Retain/distribute		0	0	0	0	0					
Value (share)	400	440	484	532	585	0	Market price shares = share of value of company's assets plus franking credits				
Tax value (share)	400	400	484	484	84	0					
Franked div (share)		0	0	0	43	0	Slice of company bought back: \$43 franked dividends (with 19 credits), \$123 unfranked dividends and \$400 return of capital				
Unfranked div (share)		0	0	0	123	0					
Return of cap (share)	-400	0	0	0	400	0					
Tax paid		0	0	0	68	0					
CGT base		0	84	0	-84	0	Capital loss on shares bought back off market = \$484 purchase in Year 2 less \$400 return of capital in buyback slice				
CGT		0	39	0	-39	0					
Post-tax cash flow	-400	0	445	0	537	0		0	0	0	0
Post-tax return		0.0	0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0
Return(sales) Delete			5.42%		5.37%		After-tax returns to those selling in Year 2 and those participating in buyback in Year 4				

OFF-MARKET BUYBACK