

SHAREHOLDERS NOT PARTICIPATING IN BUYBACK

Retain entity/sell (0/1)		0	0	0	0	0	No interests sold	0	0	0	
Retain/distribute		0	0	0	0	1	All cash retained each year			0	
Value (share)	1600	1760	1936	2130	2339	0		0	0	0	
Tax value (share)	1600	1600	1600	1600	1600	185				0	
Franked div (share)		0	0	0	0	804	Franked dividends after company pays tax at 30% under full imputation system			0	
Unfranked div (share)		0	0	0	0	0				0	
Return of cap (share)	-1600	0	0	0	0	1415				0	
Tax paid		0	0	0	0	195	Capital loss on liquidation \$62 higher than the \$123 capital loss with an off-market buyback because \$19 of franking credits in \$585 buyback price not cancelled			0	
CGT base		0	0	0	0	-185				0	
CGT		0	0	0	0	-87				0	
Post-tax cash flow	-1600	0	0	0	0	2111				0	
Post-tax return		0.0	0.0	0.0	0.0	0.0				0	
Return(sales) Delete							5.70%	Return to those not participating in buyback			0
Acc overall i/tax paid		0	39	85	179	540	Single layer of tax at shareholders' 47% tax rate on the income of company's assets			0	

SHAREHOLDERS PARTICIPATING IN BUYBACK

Retain entity/sell (0/1)		0	1	0	1	0	Shares acquired Year 2, bought back Year 4			0
Retain/distribute		0	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			0
Tax value (share)	400	400	484	484	585	0				0
Franked div (share)		0	0	0	0	0				0
Unfranked div (share)		0	0	0	0	0				0
Return of cap (share)	-400	0	0	0	0	0				0
Tax paid		0	0	0	0	0				0
CGT base		0	84	0	101	0	Capital gain on shares sold on market (\$585 market price less \$484 purchase price in Year 2)			0
CGT		0	39	0	47	0	Tax on full realised capital gain at 47%			0
Post-tax cash flow	-400	0	445	0	537	0				0
Post-tax return		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			0

ON-MARKET BUYBACK

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