

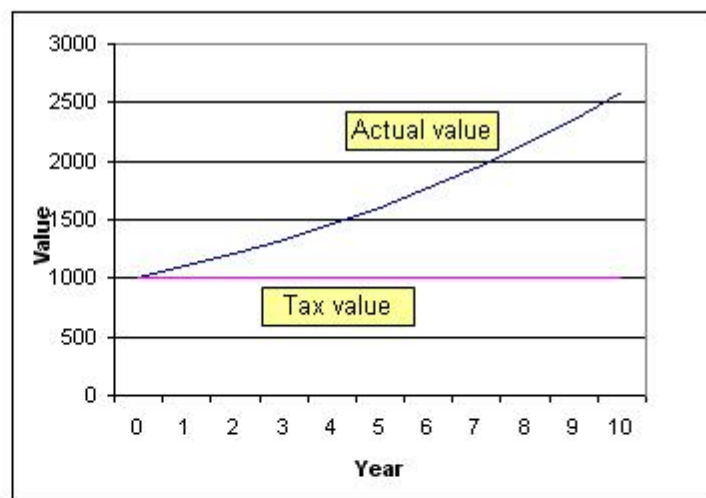
Year	Investment	Net Receipts	Change in Value	Value	Income	Cash Flow	Tax Value	Tax Deprecn	Tot income
0	1000			1000		-1000	1000		1593.7
1	0	0	100	1100	100	0	1000	0	
2	0	0	110	1210	110	0	1000	0	
3	0	0	121	1331	121	0	1000	0	
4	0	0	133	1464	133	0	1000	0	
5	0	0	146	1611	146	0	1000	0	
6	0	0	161	1772	161	0	1000	0	
7	0	0	177	1949	177	0	1000	0	
8	0	0	195	2144	195	0	1000	0	
9	0	0	214	2368	214	0	1000	0	
10	-2594	0	236	2594	236	2594	1000	0	

Tax value remains at original cost

Pre-tax Actual value increasing at 10% 10.00% Pre-tax return

Year	Benchmark		Tax Treatment	
	Tax	Cash Flow	Tax	Cash Flow
0	0	-1000		-1000
1	47	-47	0	0
2	52	-52	0	0
3	57	-57	0	0
4	63	-63	0	0
5	69	-69	0	0
6	76	-76	0	0
7	83	-83	0	0
8	92	-92	0	0
9	101	-101	0	0
10	111	2483	749	1845

Post-tax 749 5.30% 749 6.31%



Benchmark: For direct investor, tax at 47% on annual change in value reduces 10% pre-tax return by 47% to 5.3%

Selected tax treatment: For direct investor, tax at 47% on full amount of capital gain realised in Year 5 produces after-tax return of 6.3%. For OffCo, realised gain added to tax assessment in Year 10.

APPRECIATING ASSET HELD BY OFFCO