



SFE Bulletin No: 72/01
From: SFE Corporation Limited ABN 74 000 299 392
Date of Issue: 16 July 2001

CAPITAL GAINS TAX – SFE SHARE CAPITAL GAINS TAX (CGT) COST BASE

Further to SFE Circular No. 9/01 dated 29 January 2001, Management have sought further advice from the Australian Taxation Office (ATO) and PricewaterhouseCoopers (PwC) in order to determine the appropriate value for CGT purposes for pre-CGT members to ascribe to SFE shares issued as a result of the demutualisation in 2000.

These advices have now been received:

The CGT cost base of shares for pre-CGT members is defined as the lower of the market value at Demutualisation Resolution Day (22 July 2000) or the market value at the date of issue of shares (11 September 2000) disregarding the Class C franking surplus.

PwC acting as independent valuers have advised that this value is in the range of \$1.69 to \$2.05 per share and that for CGT purposes they have adopted the midpoint being **\$1.87**.

Participants are advised to refer to the Proposal to Demutualise Information Memorandum for further details on the CGT implications, and to seek independent taxation advice in relation to their own particular taxation circumstances.

Please contact Ramy Aziz, Financial Controller (02 9256 0657) or Martin Davey, Chief Financial Officer (02 9256 0576) if further clarification is required.

A handwritten signature in black ink, appearing to read 'Martin Davey', with a large loop at the end.

Martin Davey
Chief Financial Officer