

9 March 2017

## **DRP pricing & dividend franking update**

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Henry Morgan Limited (ASX:HML) refers to previous announcements in relation to its special dividend of \$0.20 per share, scheduled for payment on 13 March 2017.

### **Dividend Reinvestment Plan price**

The pricing period under the DRP concluded on Monday 6 March 2017. The price for each share to be issued under the Plan in respect of the \$0.20 special dividend, after applying the 7.5% Plan discount, is \$1.422506. Shares to be issued to holders who have elected to participate in the Plan are scheduled to be issued on 13 March 2017.

### **Reduction in franking level**

The Company will have paid sufficient tax to have enabled the \$0.20 special dividend to be franked to 70% as previously advised. However, as a matter of procedure the Directors commissioned the Company's external tax advisors to review the anticipated taxation treatment of the dividend. As a result of that review, the Company has been advised that, due to a technical compliance matter, franking of the dividend is to be restricted to 45%.

Managing Director, Stuart McAuliffe said, "The primary issue in this case was that we are paying a large dividend at the half year period and would have had to pay a penalty level of tax to achieve 100% franking. The Board has determined it is not cost effective nor in the best interests of shareholders to do so. After the full tax year closing 30 June, the Board will reassess the financial situation in relation to dividends. It is the Board's policy to pay significant dividends whenever possible.

"The Board is pleased with the foundations laid over the past 12 months, and is confident of future business growth. We look forward to providing further returns to shareholders as the value of the Company's investments are realised."

ENDS

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