

8 August 2017

Manager of Company Announcements
ASX Limited
Level 6
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SYDNEY NSW 2000

Company Tax Rate Update

The Treasury Laws Amendment (Enterprise Tax Plan) Act 2017 which was enacted on 19 May 2017 sets out the mechanism for the initial reduction in the corporate tax rate from 30% to 27.5%, and the consequent amendments to dividend imputation credits. Under the legislation, the tax rate reduction is available to smaller companies in earlier years and larger companies in later years.

The expected impact of these changes for Whitefield are shown below.

Franking Credits applicable to Dividends Paid in the 2017/18 Financial Year

Whitefield's dividends paid within the 2017/18 financial year (ie until 31 March 2018) will continue to be franked based on the 30% tax rate.

Whitefield's Company Tax Rate for the 2017/18 Financial Year

Whitefield will only be able to determine whether the 27.5% or 30% company tax rate will apply to it for the 2017/18 financial year at the end of its financial year on 31 March 2018.

At this time, Whitefield considers it prudent to continue to provide for both current and deferred tax at the higher 30% rate, and will report to investors in our Quarterly Reports and Net Asset Backing releases accordingly.

At March 2018 the company will:

- (a) If Whitefield satisfies the requirements for the 27.5% rate, make an adjustment to reduce the tax expense (or benefit) for the 2017/18 year; and
- (b) In any event, make an adjustment to reduce the provision for deferred tax from the 30% rate to the 27.5% tax rate that is expected to apply for future years

As an indication of the potential effect of item (b), we note that if the company adjusted its deferred tax provisions from the 30% tax rate to the 27.5% tax rate at its last quarter-end (30 June 2017) net asset backing after deferred tax per ordinary share would increase by 3 cents.

Even if Whitefield is subject to the lower 27.5% tax rate for the year, this will not affect Whitefield's franking of dividends in this period, and dividends paid in the year will carry franking based on the 30% rate.

Whitefield's Company Tax rate for the 2018/19 Financial Year

In the majority of expected circumstances, it is likely that the 27.5% tax rate will apply to Whitefield in the **2018/19** year, and that dividends paid from the start of the **2018/19** year would be expected to be fully franked based upon the 27.5% tax rate.



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Chief Executive Officer

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