

Wednesday, 19 December 2018

UPDATE ON ATO CLASS RULING APPLICATION

Phileo Australia Limited (**Phileo**) is pleased to provide the following update in relation to the Australian Tax Office (**ATO**) Class Ruling application that is discussed in Section 9 of the Explanatory Memorandum dated 19 November 2018 for the previously announced Proposed Transaction (**Explanatory Memorandum**).

Background

As announced on 5 October 2018, Phileo applied to the Commissioner of Taxation (**Commissioner**) for a Class Ruling to confirm the Australian taxation implications of Phileo shareholders participating in the Proposed Transaction.

Section 9 of the Explanatory Memorandum provides a general outline of the Australian tax implications for Phileo shareholders in relation to their participation in the Capital Return together with a discussion of the Class Ruling application.

Current Status

As at the date of this announcement, the ATO is well advanced with its consideration of the Proposed Transaction and the Class Ruling application. However, as previously foreshadowed in Phileo's 5 October 2018 announcement and in the Explanatory Memorandum, the ATO will not be in a position to issue a formal Class Ruling ahead of the Meetings to be held on 20 December 2018.

Despite this, the Board is pleased to confirm that Phileo has been in constructive and positive dialogue with the ATO in relation to the progression of the Class Ruling application. Based on that dialogue, the Board considers that there should be no material issues associated with the progression of the Class Ruling. Phileo shareholders are reminded that the outcome of the Class Ruling is still subject to the Commissioner issuing a formal written opinion.

Phileo and its advisors will continue to work closely with the ATO in the coming weeks. The Board anticipates that a draft Class Ruling will be issued by the ATO for factual review and comment prior to the implementation date of the Proposed Transaction, which is scheduled for 31 January 2019.

Phileo will continue to update shareholders on the status of the Class Ruling application between now and the implementation of the Proposed Transaction.

Phileo reiterates its recommendation in the Explanatory Memorandum that shareholders should seek their own taxation advice as to how the Proposed Transaction impacts their individual taxation circumstances.