



NEWS

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ATO CLASS RULING - CAPITAL MANAGEMENT

The Australian Taxation Office (**ATO**) has published a Class Ruling in relation to the taxation treatment of the proposed capital management initiative for Wesfarmers shareholders which was announced on 20 August 2014.

The ATO Class Ruling satisfies the first condition applying to the capital management initiative, which is also subject to shareholder approval at Wesfarmers' Annual General Meeting on 20 November 2014.

In the Class Ruling, the ATO accepts that the allocation of the capital management initiative of \$1.00 per share will be:

- a return of capital of 75 cents per share; and
- a fully-franked dividend of 25 cents per share.

If approved, the return of capital of 75 cents per share will be accompanied by an equal and proportionate consolidation of share capital through the conversion of each share into 0.9827 shares.

In the Class Ruling, the ATO also accepts that:

- there will be no immediate tax liability for most Wesfarmers shareholders relating to the capital component of the distribution, where their cost base exceeds the capital component;
- there will be no capital gains tax event as a result of the share consolidation; and
- the fully-franked dividend component of the distribution will be treated as a normal dividend for Wesfarmers shareholders.

The Class Ruling can be accessed via the Investor Centre section of the company's website at www.wesfarmers.com.au. Further details regarding the capital management initiative will be included in the Notice of Annual General Meeting.

For further information:

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