



**Information for Shareholders
on the
Taxation Impacts of the Merger
of
ABB Grain Ltd, AusBulk Ltd and United Grower
Holdings Ltd**

Effective 27 September 2004



**ABB Grain Ltd
&
AusBulk Ltd
&
United Grower Holdings Ltd**

**Information for Shareholders on the Taxation Impacts of the
Merger**

1. Introduction

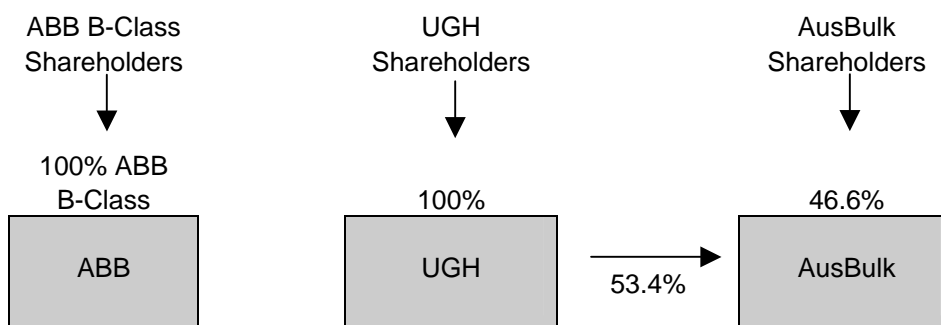
The purpose of this document is to summarise for the benefit of AusBulk Ltd ("AusBulk") and UGH Ltd ("UGH") shareholders, the tax consequences arising from the Merger of these companies with ABB Grain Ltd. The information is presented in a question and answer format, and should be read in conjunction with the AusBulk and UGH "Explanatory Statements" previously distributed to shareholders in either booklet or electronic format.

Whilst every effort has been made to provide an accurate summary of ABB Grain Ltd's ("ABB") understanding of the tax implications for AusBulk and UGH shareholders, no responsibility is accepted for the information provided. Accountants, advisers and shareholders should conduct their own review and make their own investigations and conclusions.

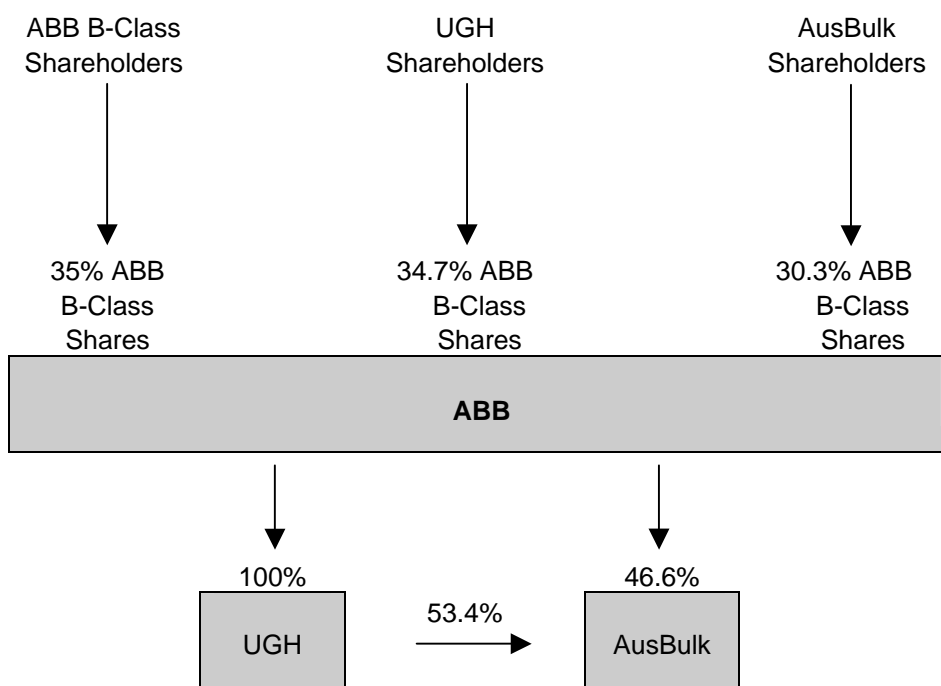
2. Merger Summary

On 27th September 2004 AusBulk, UGH and ABB merged, with AusBulk and UGH becoming wholly-owned subsidiaries of ABB. The Merger resulted in the following changes in the ownership of AusBulk, UGH and ABB.

Ownership prior to the Merger



Ownership position immediately following the Merger



(Note: The diagrams above do not include ABB A-Class shares which provide greater control.)

The Merger resulted in the shareholders of UGH and the shareholders of AusBulk (other than UGH) together owning 65% of the ABB B-Class shares. AusBulk and UGH shareholders own approximately 30.3% and 34.7% respectively of ABB's expanded B-Class share capital.

3. Tax Implications of Merger

The tax consequences of the Merger will depend on, amongst other things, whether:

- your AusBulk or UGH shares are held on capital account, revenue account or as trading stock; and
- you are an Australian tax resident;

4. Taxation Consequences of the Merger – Questions and Answers

The Australian taxation implications for Australian resident AusBulk and UGH shareholders who hold their shares on capital account are discussed below.

If you acquired your shares under the AusBulk General Employee Share Plan, then the tax implications for you are the same as for other shareholders, as set out below, provided you made the necessary election in the year you received your AusBulk shares. If you did not make the election, you should obtain your own advice.

Do I need to consider capital gains tax?

Yes, if you hold your shares on capital account.

(Some shareholders hold their shares on revenue account, with a profit making intention or as trading stock such as banks, insurance companies and professional investors.)

As part of the Merger shareholders are considered to have disposed of their AusBulk or UGH shares in exchange for ABB Grain Ltd shares.

The exchange of AusBulk or UGH shares gives rise to what is referred to as a capital gains tax (“CGT”) event for Australian tax purposes. AusBulk and UGH shareholders who are Australian residents may make a capital gain or capital loss in respect of this CGT event.

However, roll-over relief may be used to defer any capital gains tax liability (refer below for further discussion).

Do I have to pay capital gains tax on the disposal of my AusBulk or UGH shares?

No. You are entitled to choose what is known as CGT roll-over relief in relation to the disposal of any of your AusBulk or UGH shares that give rise to a capital gain. Roll-over relief effectively defers any capital gains tax liability until the New ABB B-Class shares are disposed of.

Roll-over relief is not available for AusBulk or UGH shares where the disposal of those shares results in a capital loss.

How do I calculate the capital gain or capital loss?

To work out the capital gain or loss you need to perform the following calculation for each parcel of your AusBulk or UGH shares:-

$$\text{Capital proceeds} - \text{cost base} = \text{capital gain or capital loss}$$

A capital gain will arise if the capital proceeds exceed the cost base of the shares. A capital loss will arise where the capital proceeds are less than the reduced cost base of those shares. The capital gain or loss should be determined individually for each parcel of shares.

How do I determine the capital proceeds?

The capital proceeds or consideration for the AusBulk or UGH shares will be the market value of the New ABB B-Class shares received in exchange for the AusBulk or UGH shares on the date that the AusBulk or UGH shares are disposed of, that is, on the 27 September 2004.

How do I determine the market value of ABB Grain Ltd shares?

The last ABB Grain Ltd shares traded on 23rd September 2004 were traded for \$8.30 per share.

Traditionally the last traded share price has been accepted by the Australian Taxation Office (ATO) as representing the market value of shares and used in CGT calculations to determine the capital proceeds in similar circumstances. However, other valuation methods may also be viewed as acceptable. You should contact your accountant or tax adviser to determine the most appropriate value for your circumstances.

The figure of \$8.30 is based on the last trade of ABB Grain Ltd shares (on 23rd September 2004) prior to the Merger. The Effective date of the Merger is 27th September 2004. Trading was suspended from Thursday evening on 23rd September until Monday afternoon on 27th September 2004. Trading resumed once the relevant Merger documents had been lodged with ASIC and RevenueSA on Monday 27th September 2004.

How do I determine the cost base of my AusBulk or UGH shares?

The cost base for each AusBulk or UGH share will depend on their original cost of acquisition, or deemed cost of acquisition. This is usually the purchase price of the shares adjusted for any returns of capital. Note that the cost base of your UGH shares will be impacted by UGH's return of capital on 24 September 2004. A letter was sent to UGH shareholders in September 2004 providing taxation information about the special distribution.

If you received your shares as part of the demutualisation of SACBH, you may want to refer to AusBulk's / UGH's letter dated 24 September 2002 to shareholders on demutualisation of SACBH "Re: Cost Base of shares for CGT Purposes", that describes the cost bases obtained by shareholders on demutualisation. A copy of this letter is available on the ABB website www.abb.com.au.

There are broadly three groups of AusBulk and UGH shares:

1. AusBulk and UGH shares owned by pre-CGT members of SACBH, acquired on its demutualisation. The AusBulk/UGH letter of 24 September 2002 states that these shares each have a deemed cost base of \$2.32. **The cost base in these UGH shares was reduced to \$2.286 per share, following the pre-merger return of capital by UGH on 24 September 2004.**
2. AusBulk and UGH shares owned by post-CGT members of SACBH, acquired on its demutualisation. The AusBulk/UGH letter of 24 September 2002 states that these shares each have a nominal or nil deemed cost base (depending on the member's incidental costs pre-demutualisation). **Any cost base in the UGH shares was reduced by up to 3.4 cents per share, following the pre-merger return of capital by UGH on 24 September 2004.**
3. AusBulk and UGH shares purchased after demutualisation, whose cost base will include the actual purchase price. **The cost base in the UGH shares needs to be reduced by 3.4 cents per share, following the pre-merger return of capital by UGH on 24 September 2004.**

Do I need to determine the reduced cost base of my shares?

The concept of reduced cost base is usually only relevant in determining whether a capital loss has been made. As it is unlikely that any shareholders will have made capital losses this issue is not discussed in this document.

If I choose roll-over relief, do I have to choose it for all my shares?

No. You may elect roll-over relief in respect of as many of your individual shares (which have capital gains) as you choose.

How do I choose roll-over relief?

If you decide to apply roll-over relief to all or some of your shares (which have given rise to capital gains) then all you need to do is exclude the capital gains from your tax return in the relevant year. The relevant year will generally be the year ended 30 June 2005. The exclusion from your taxation return is considered to be sufficient evidence of making the choice for roll-over relief.

What happens if I do not choose roll-over relief?

There is no requirement that roll-over relief must be chosen where your AusBulk or UGH shares give rise to a capital gain. If you do not choose roll-over relief, the CGT consequences are as follows:

If you are an individual, complying superannuation entity or trustee and have held your AusBulk or UGH shares for at least 12 months, you should be entitled to discount the amount of the capital gain (after the application of capital losses, if any, from this and other transactions). The amount of this discount is 50% for individuals and trusts and 33¹/₃% for complying superannuation funds.

Where the shareholder is a trust or partnership, the CGT discount may flow through to individuals, trusts and complying superannuation funds that are beneficiaries or partners in that trust or partnership.

Capital gains (gross, pre-discount) and capital losses of a taxpayer in a year of income are aggregated to determine whether there is a net capital gain. Any net capital gain for the year (discounted, as appropriate) is included in your assessable income and is subject to income tax at your marginal tax rate.

Note: Net capital losses may not be deducted against other income for income tax purposes, but may be carried forward to offset against future capital gains.

What are some of the reasons why people may not choose roll-over relief?

If you have other capital losses that you want to use, or you have minimal assessable income in the 30 June 2005 tax year, you may choose to realise a capital gain on the disposal of some or all your AusBulk or UGH shares.

What is the cost base of my New ABB B-Class Shares?

The cost base and date of acquisition of your new ABB B-Class shares will depend on whether you chose roll-over relief or not.

Where roll-over relief is chosen

The total cost base of your new ABB B-Class shares is equal to the total cost base of your AusBulk or UGH shares that you exchanged for the new shares. If you only had one parcel of shares, then the total cost base of your AusBulk or UGH shares is divided by the number of your new ABB B-Class shares, to give the new cost base per new ABB B-class share.

Where you had several parcels of AusBulk and/or UGH shares with different cost bases, the taxation legislation does not provide a precise way of allocating the cost bases. However, the ATO's preferred method is to allocate the cost base on a parcel by parcel basis. Essentially the cost bases of the different parcels are retained but with a different number of shares.

This concept is discussed further in the AusBulk and UGH Explanatory Statements and examples are provided.

In this situation, the acquisition date for your New ABB B-Class shares is the original date of acquisition of your AusBulk or UGH shares. The acquisition date of the New ABB B-Class shares may be important for any future disposal of those shares, as the CGT discount is only available for assets held for more than 12 months.

Where roll-over relief is not chosen

Where CGT roll-over is not chosen, the total cost base of the New ABB B-Class shares is equal to the market value of those shares (eg \$8.30 per share). For further information on the market value refer to the question above on "*How do I determine the market value of ABB Grain Ltd shares?*"

In this case, the acquisition date of the New ABB B-Class shares for CGT purposes is the issue date of the new shares, which was date of the Merger, being the 27th September 2004. This may impact the application of the CGT discount provisions to a future disposal of the New ABB B-Class shares, as the CGT discount is only available for shares held for more than 12 months.

What is an example of a capital gains tax calculation?

The AusBulk and UGH Explanatory Statements include various examples. The following examples from the Explanatory Statements have been reworked using a market value of \$8.30 for the new ABB B-Class Shares and are included in the attached Appendices:-

- Appendix A – Example 1 : AusBulk Shares with \$2.32 cost base
- Appendix B – Example 2 : AusBulk Shares with \$0 cost base
- Appendix C – Example 3 : AusBulk Shareholder with two parcels of AusBulk Shares
- Appendix D – Example 4 : UGH Shares with \$2.32 cost base (prior to return of capital)
- Appendix E – Example 5 : UGH Shares with \$0 cost base
- Appendix F – Example 6 : UGH Scheme Shareholder with two parcels of UGH Shares

How can I obtain further assistance?

Further assistance can be obtained from your personal accountant, tax adviser or the ATO.

Where can I obtain further information?

Further information can be obtained from:-

1. Explanatory Statements - The AusBulk and UGH 'Explanatory Statements' previously distributed to shareholders in either booklet or electronic format. These documents are also on the ABB website.
2. ATO Class Rulings CR 2004/79 (UGH) and CR 2004/80 (AusBulk).
3. ABB website - www.abb.com.au
The website contains various shareholder information including the information listed below. These documents can be found by selecting Shareholder (on the home page) then by selecting Taxation and scrolling to the middle of the Taxation information page:-
 - a) Special Information - Income Tax Information UGH.
A letter to UGH shareholders in relation to the special distribution paid in September 2004.
 - b) Letter to shareholders at demutualisation re: Cost Base of Shares for CGT Purposes.
A letter dated 24 September 2002 to AusBulk's / UGH's shareholders, that describes the cost bases obtained by shareholders on demutualisation.
 - c) A link to the AusBulk and UGH "Explanatory Statements"
 - d) This document.
4. Further questions may be directed to Alison Ireland on 08 8211 7199.

EXAMPLE 1 : AusBulk Shares with \$2.32 cost base

The following **example** demonstrates the possible CGT calculations for the purposes of the AusBulk Scheme where the AusBulk Scheme Shareholder had a cost base of \$2.32 in each AusBulk share. This would include pre-CGT members of SACBH, who obtained their AusBulk shares on demutualisation.

Assume Anne owned 1000 AusBulk Shares each with a cost base and reduced cost base of \$2.32. Under the AusBulk Scheme, Anne received 492 New ABB B-Class Shares for the exchange of her 1000 AusBulk Shares. Also assume that the ABB B-Class Shares had a market value of \$8.30 on the Effective Date.

Ignoring any incidental or other cost base items, Anne has made a prima facie capital gain on the disposal of her AusBulk shares as follows:

Capital proceeds: (\$8.30 x 492)	\$4,083.60
Less: Cost Base (\$2.32 x 1000)	(\$2,320.00)
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Capital gain	\$1,763.60

Anne has a choice. She can either:

- immediately include part or all of the net capital gain (i.e. after the application of any prior year or current year utilisable capital losses she may have and any CGT discount) in her assessable income; **or**
- elect for CGT roll-over relief and effectively defer part or all of the capital gain until any subsequent disposal by her of her New ABB B-Class Shares.

If Anne chooses to immediately include the net capital gain in her assessable income, then each New ABB B-Class Share will assume an initial cost base calculated by reference to the market value of the AusBulk Shares exchanged. It is likely that the cost base of each ABB B-Class share will therefore be equal to its value on the issue date, ie \$8.30.

If however Anne chooses CGT roll-over, then the cost base (and reduced cost base) of each New ABB B-Class Share received will be calculated as follows:

$$\begin{aligned}
 \text{Total cost base of parcel of AusBulk shares} &= (1000 \times \$2.32) \\
 &= \$2,320 \\
 \\
 \text{Cost base per New ABB B-Class Share} &= \frac{\$2,320}{492} \\
 &= \$4.715
 \end{aligned}$$

EXAMPLE 2: AusBulk Shares with \$0 cost base

The following **example** demonstrates the possible CGT calculations for the purposes of the AusBulk Scheme where the AusBulk Scheme Shareholder had a cost base of \$0.00 in each AusBulk share. This would include post-CGT members of SACBH, who obtained their shares on demutualisation.

Assume John owned 1000 AusBulk Shares each with a cost base and reduced cost base of \$0.00. Under the AusBulk Scheme, John received 492 New ABB B-Class Shares for the exchange of his 1000 AusBulk Shares. Also assume that the ABB B-Class Shares had a market value of \$8.30 on the Effective Date.

Ignoring any incidental or other cost base items, John has made a prima facie capital gain on the disposal of his AusBulk shares as follows:

Capital proceeds: (\$8.30 x 492)	\$4,083.60
Less: Cost Base (\$0.00 x 1000)	(\$0.00)
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Capital gain	\$4,083.60

John has a choice. He can either:

- immediately include part or all of the net capital gain (ie, after the application of any prior year or current year utilisable capital losses he may have and any CGT discount) in his assessable income; **or**
- elect for CGT roll-over relief and effectively defer part or all of the capital gain until any subsequent disposal by him of his New ABB B-Class Shares.

If John chooses to immediately include the net capital gain in his assessable income, then each New ABB B-Class Share will assume an initial cost base calculated by reference to the market value of the AusBulk Shares exchanged. It is likely that the cost base of each ABB B-Class share will therefore be equal to its value on the issue date, ie \$8.30.

If however John chooses CGT roll-over, then the cost base (and reduced cost base) of each New ABB B-Class Share received will be calculated as follows:

$$\begin{aligned} \text{Total cost base of parcel of AusBulk shares} &= (1,000 \times \$0.00) \\ &= \$0.00 \end{aligned}$$

$$\begin{aligned} \text{Cost base per New ABB B-Class Share} &= \frac{\$0.00}{492} \\ &= \$0.00 \end{aligned}$$

EXAMPLE 3: AusBulk Shareholder with two parcels of AusBulk Shares

The following **example** demonstrates the possible CGT calculations for the purposes of the AusBulk Scheme where the AusBulk Scheme Shareholder had purchased two separate parcels of AusBulk Shares since the company's demutualisation.

Assume Matthew owned 500 AusBulk Shares each with a cost base and reduced cost base of \$2.00, and 500 AusBulk Shares each with a cost base and reduced cost base of \$2.50. Under the AusBulk Scheme, Matthew received 492 New ABB B-Class Shares for the exchange of his 1,000 AusBulk Shares. That is, Matthew received 246 New ABB B-Class shares for each of his two parcels of 500 AusBulk Shares. Also assume that the ABB B-Class Shares had a market value of \$8.30 on the Effective Date.

Ignoring any incidental or other cost base items, Matthew has made prima facie capital gains on the disposal of his AusBulk shares as follows:

Parcel 1:

Capital proceeds: (\$8.30 x 246)	\$2,041.80
Less: Cost Base (\$2.00 x 500)	(\$1,000.00)
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Capital gain	\$1,041.80

Parcel 2:

Capital proceeds: (\$8.30 x 246)	\$2,041.80
Less: Cost Base (\$2.50 x 500)	(\$1,250.00)
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Capital gain	\$791.80

Matthew has a choice in respect of each parcel of shares. He can either:

- a. immediately include part or all of the net capital gain (ie, after the application any prior year or current year utilisable capital losses he may have and any CGT discount) in his assessable income; **or**
- b. elect for CGT roll-over relief and effectively defer part or all of the capital gain until any subsequent disposal by him of his New ABB B-Class Shares.

If Matthew chooses to immediately include the net capital gain from both parcels of shares in his assessable income, then each New ABB B-Class Share will assume an initial cost base calculated by reference to the market value of the AusBulk Shares exchanged. It is likely that the cost base of each ABB B-Class share will therefore be equal to its value on the issue date, ie. \$8.30.

APPENDIX C (CONTINUED)

If however Matthew chooses CGT roll-over in respect of all his AusBulk shares, then the cost base (and reduced cost base) of each New ABB B-Class Share received will be calculated as follows:

Parcel 1

$$\begin{aligned} \text{Total cost base of parcel of AusBulk shares} &= (500 \times \$2.00) \\ &= \$1,000.00 \end{aligned}$$

$$\begin{aligned} \text{Cost base per New ABB B-Class Share} &= \frac{\$1,000.00}{246} \\ &= \$4.065 \end{aligned}$$

Parcel 2

$$\begin{aligned} \text{Total cost base of parcel of AusBulk shares} &= (500 \times \$2.50) \\ &= \$1,250 \end{aligned}$$

$$\begin{aligned} \text{Cost base per New ABB B-Class Share} &= \frac{\$1,250.00}{246} \\ &= \$5.081 \end{aligned}$$

EXAMPLE 4: UGH Shares with \$2.32 cost base

The following **example** demonstrates the possible CGT calculations for the purposes of the UGH Scheme where the UGH Scheme Shareholder had a cost base of \$2.32 in each UGH share prior to the pre-merger distributions. This would include pre-CGT members of SACBH who obtained their shares on demutualisation. The cost base was reduced by 3.4 cents per share to \$2.286 per share following the pre-merger return of capital by UGH.

Assume Anne owned 1000 UGH Shares each with a cost base and reduced cost base of \$2.32. Anne's cost base was reduced to \$2.286 per share following the pre-merger return of capital. Under the UGH Scheme, Anne received 596 New ABB B-Class Shares for the exchange of her 1000 UGH Shares. Also, assume that each ABB B-Class Share had a market value of \$8.30 on the Effective Date.

Ignoring any incidental costs or other cost base items, Anne has made a prima facie capital gain on the disposal of her UGH shares as follows:

Capital proceeds: (\$8.30 x 596)	\$4,946.80
Less: Cost Base (\$2.286 x 1000)	(\$2,286.00)
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Capital gain	\$2,660.80

Anne has a choice. She can either:

- c. immediately include part or all of the net capital gain (i.e. after the application of any prior year or current year utilisable capital losses she may have and any CGT discount) in her assessable income; **or**
- d. elect for CGT roll-over relief and effectively defer part or all of the capital gain until any subsequent disposal by her of her New ABB B-Class Shares.

If Anne chooses to immediately include the net capital gain in her assessable income, then each New ABB B-Class Share will assume an initial cost base calculated by reference to the market value of the UGH Shares exchanged. It is likely that the cost base of each New ABB B-Class share will therefore be equal to its value on the issue date, ie. \$8.30.

If however Anne chooses CGT roll-over, then the cost base (and reduced cost base) of each New ABB B-Class Share received will be calculated as follows:

$$\begin{aligned}
 \text{Total cost base of parcel of UGH shares} &= (1000 \times \$2.286) \\
 &= \$2,286 \\
 \\ \\
 \text{Cost base per New ABB B-Class Share} &= \frac{\$2,286}{596} \\
 &= \$3.836
 \end{aligned}$$

EXAMPLE 5: UGH Shares with \$0 cost base

The following **example** demonstrates the possible CGT calculations for the purposes of the UGH Scheme where the UGH Scheme Shareholder had a cost base of \$0.00 in each UGH share. This would include post-CGT members of SACBH who obtained their shares on demutualisation.

Assume John owned 1000 UGH Shares each with a cost base and reduced cost base of \$0.00. As John's cost base was already nil, the pre-merger return of capital had no impact on his cost base (although he will have a capital gain of \$34 from the return of capital). Under the UGH Scheme, John received 596 New ABB B-Class Shares for the exchange of his 1000 UGH Shares. Also assume that each ABB B-Class Share had a market value of \$8.30 on the Effective Date..

Ignoring any incidental costs or other cost base items, John has made a prima facie capital gain on the disposal of his UGH shares as follows:

Capital proceeds: (\$8.30 x 596)	\$4,946.80
Less: Cost Base (\$0.00 x 1000)	(\$0.00)
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Capital gain (excluding pre-merger return of capital)	\$4,946.80

John has a choice. He can either:

- c. immediately include part or all of the net capital gain (i.e. after the application of any prior year or current year utilisable capital losses he may have and any CGT discount) in his assessable income; **or**
- d. elect for CGT roll-over relief and effectively defer part or all of the capital gain until any subsequent disposal by him of his New ABB B-Class Shares.

If John chooses to immediately include the net capital gain in his assessable income, then each New ABB B-Class Share will assume an initial cost base calculated by reference to the market value of the UGH Shares exchanged. It is likely that the cost base of each New ABB B-Class share will therefore be equal to its value on the issue date, ie. \$8.30..

If however John chooses CGT roll-over, then the cost base (and reduced cost base) of each New ABB B-Class Share received will be calculated as follows:

Total cost base of parcel of UGH shares	=	(1,000 x \$0.00)
	=	\$0.00
Cost base per New ABB B-Class Share	=	$\frac{\$0.00}{596}$
	=	\$0.00

EXAMPLE 6: UGH Scheme Shareholder with two parcels of UGH Shares

The following **example** demonstrates the possible CGT calculations for the purposes of the UGH Scheme where the UGH Scheme Shareholder had purchased two separate parcels of UGH Shares since the demutualisation of SACBH.

Assume Matthew owned 600 UGH Shares each with a cost base and reduced cost base of \$2.20, and 400 UGH Shares each with a cost base and reduced cost base of \$2.50. Matthew's cost bases were reduced by 3.4 cents per share following the pre-merger return of capital by UGH, to \$2.166 per share for Parcel 1, and \$2.466 per share for Parcel 2. Under the UGH Scheme, Matthew received 596 New ABB B-Class Shares for the exchange of his 1,000 UGH Shares. That is, Matthew received 358 New ABB B-Class Shares for his parcel of 600 UGH shares, and 238 New ABB B-Class Shares for his parcel of 400 UGH Shares. Also, assume that each New ABB B-Class Share had a market value of \$8.30 on the Effective Date.

Ignoring any incidental costs or other cost base items, Matthew has made prima facie capital gains on the disposal of his UGH shares as follows:

Parcel 1:

Capital proceeds: ($\$8.30 \times 358$)	\$2,971.40
Less: Cost Base ($\$2.166 \times 600$)	(\$1,299.60)
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Capital gain	\$1,671.80

Parcel 2:

Capital proceeds: ($\$8.30 \times 238$)	\$1,975.40
Less: Cost Base ($\$2.466 \times 400$)	(\$986.40)
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Capital gain	\$989.00

Matthew has a choice in respect of each parcel of shares. He can either:

- immediately include part or all of the net capital gain (i.e. after the application any prior year or current year utilisable capital losses he may have and any CGT discount in his assessable income; **or**
- elect for CGT roll-over relief and effectively defer part or all of the capital gain until any subsequent disposal by him of his New ABB B-Class Shares.

If Matthew chooses to immediately include the net capital gain from both parcels of shares in his assessable income, then each New ABB B-Class Share will assume an initial cost base calculated by reference to the market value of the UGH Shares exchanged. It is likely that the cost base of each New ABB B-Class share will therefore be equal to its value on the issue date, ie. \$8.30..

APPENDIX F (CONTINUED)

If however Matthew chooses CGT roll-over in respect of all his UGH shares, then the cost base (and reduced cost base) of each New ABB B-Class Share received will be calculated as follows:

Parcel 1

$$\begin{aligned} \text{Total cost base of parcel of UGH shares} &= (600 \times \$2.166) \\ &= \$1,299.60 \end{aligned}$$

$$\begin{aligned} \text{Cost base per New ABB B-Class Share} &= \frac{\$1,299.60}{358} \\ &= \$3.630 \end{aligned}$$

Parcel 2

$$\begin{aligned} \text{Total cost base of parcel of UGH shares} &= (400 \times \$2.466) \\ &= \$986.40 \end{aligned}$$

$$\begin{aligned} \text{Cost base per New ABB B-Class Share} &= \frac{\$986.40}{238} \\ &= \$4.145 \end{aligned}$$