



MARKET ANNOUNCEMENT

NEW ZEALAND BRANCH MATTER: ATO DECISION ON PENALTIES AND INTEREST

SYDNEY, 3 August 2018 – HT&E Limited (ASX: HT1) advises that the Australian Taxation Office (ATO) has now determined its position on the application of penalties and interest relating to the previously disclosed New Zealand Branch Matter.

The ATO is seeking to apply penalties at the rate of 50% to the years 2009-2015. The ATO has applied interest of \$28m (which is an \$8m reduction on the \$36m previously announced). The tax adjustments remain unchanged at \$102m (as per previous announcements on 23 January 2018 and 2 May 2018).

In relation to the year ended 31 December 2016, as previously advised, once that year's tax return is submitted an objection will be lodged concurrently rather than waiting for an amended assessment. As such, the ATO has not applied penalties and interest to that year.

The table below summarises the ATO's current position on tax adjustments, penalties and interest in relation to this matter:

Years ended	Tax adjustments (\$m)	Penalties (\$m)	Interest (\$m)
31 December 2009 – 31 December 2012	72	36	26
31 December 2013 – 31 December 2015	27	13	2
31 December 2016	3	-	-
Total	102	49	28

HT&E remains satisfied that its treatment of this matter is consistent with relevant taxation legislation, therefore penalties would not apply.

HT&E strongly disagrees with the rate of penalties imposed and intends to exercise all available objection rights on the application of penalties and interest with the ATO including, if necessary, contesting the decision through litigation proceedings (together with the tax adjustments).

ENDS

For further information, please contact:

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