

Worked examples: Calculation of cost bases

Example 1: An IAG shareholder who acquired shares at demutualisation			
Initial cost base			
Purchase date	Initial total cost base	Initial number of shares	Initial cost base per share
	(A)	(B)	(C)= A/B
19/06/2000	\$1,780	1000	\$1.78
Capital return and consolidation			
\$0.195 per share paid (1000 shares x \$0.195 per share = \$195.00)			
Consolidation of shares (1000 at 0.9760 consolidation rate) = 976 shares			
Calculation of new cost base			
Purchase date	Reduced total cost base (initial cost base less capital return)	Reduced number of shares (adjusted for rounding)	Reduced cost base per share
	(D)= A- (B x \$0.195)	(E)= B x 0.9760	(F)=D/E
19/06/2000	\$1,585	976	\$1.62

Example 2: An IAG shareholder with multiple tranches of purchases in holdings			
Initial cost base			
Purchase date	Initial total cost base	Initial number of shares	Initial cost base per share
	(A)	(B)	(C)= A/B
19/06/2000	\$1,780	1000	\$1.78
8/08/2000	\$497.75	181	\$2.75
17/04/2008	\$2,222.25	519	\$4.28
Total	\$4,500	1700	
Capital return and consolidation			
\$0.195 per share paid (1700 shares x \$0.195 per share = \$331.50)			
Consolidation of shares (1700 shares at 0.9760 consolidation rate) = 1660 shares (1659.20 shares rounded up)			
Calculation of new cost base			
Purchase date	Reduced total cost base (initial cost base less capital return)	Reduced number of shares (adjusted for rounding)	Reduced cost base per share
	(D)= A- (B x \$0.195)	(E)= B x 0.9760	(F)=D/E
1/06/2000	\$1,585	976	\$1.62
8/08/2000	\$462.46	177	\$2.61
17/04/2008	\$2,121.05	507	\$4.18
Total	\$4,168.50	1660	

Note: Rounding of shares for individual years is shown for indicative purposes only.