



4 July 2018

Market Announcements Office
ASX Limited

NGE Capital Limited
Monthly Net Tangible Asset Backing Statement
As at 30 June 2018 – Unaudited

In accordance with ASX Listing Rule 4.12 NGE Capital Limited (ASX:NGE) (**NGE** or **Company**) advises the following:

Net Asset Value (NAV)	30 June 2018	31 May 2018
Per share before tax	\$0.793	\$0.800
Expected tax liability on realised and unrealised income and gains	(\$0.045)	(\$0.047)
Previously unrecognised tax losses now brought to account to reduce tax expense	\$0.045	\$0.047
Per share after tax	\$0.793	\$0.800

Portfolio composition:	30 June 2018	31 May 2018
Listed equities	74%	68%
Unlisted equities	21%	21%
Convertible notes	3%	3%
Cash less other net assets	2%	8%
Total	100%	100%

Unrecognised tax losses

After providing for the expected tax liability on year-to-date realised and unrealised income and gains NGE has approximately \$21 million of realised tax losses in Australia that are not currently carried on the Company's balance sheet as a deferred tax asset. In addition, NGE also has approximately \$22 million of capital losses in Australia available as at 30 June 2018 to be offset against any future capital gains.

The Company has received tax advice that these losses should be available to be offset against future tax liabilities, which in the aggregate equates to a potential future tax benefit of approximately \$12 million or \$0.32 per share.

The availability of both the tax losses and capital losses to be utilised against future tax liabilities is subject to NGE continuing to satisfy the continuity of ownership test as set out in Divisions 165 and 166 of the *Income Tax Assessment Act 1997* (Cth).

In accordance with NGE's accounting policy set out in the Company's 2017 Annual Report, deferred tax assets are recognised for unused tax losses only if it is probable they will be able to be utilised against future taxable income. The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date.

Leslie Smith
CFO/Company Secretary