

THE WAVE

indianocean

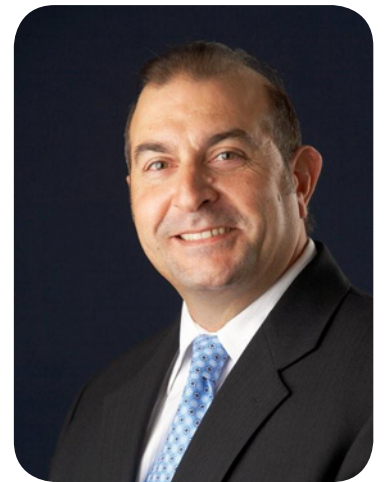
SPRING 2010

We are keen to keep in touch with our network and thought you may like to know what's breaking at IndianOcean Advisory Group. IndianOcean are specialist growth, corporate and taxation advisors. We work with the directors and senior management teams of growing businesses both private and public listed, to assist them to set and achieve their business objectives. The Chairman is Domenic Martino. The Directors are Dudley Elliott, Mark Hill, Luke Martino, John O'Gorman and Mike Mazzella.

Sailing Through – A Corporate Perspective from Luke Martino

There has been an incredible series of world dynamics with arguably Australia still in good shape. Some observations:

1. There is strong demand from the China engine as we all know and the Asiatic countries and this has transferred into briefs for corporate work including listings in Australia of overseas assets and strong commodity trade funding for our clients in Australia and overseas. In our recent dealings with the Noble Group, a large commodity trading house, the sense that thermal coal, for instance, is increasing in demand as the market sources cheaper coal blends was interesting especially with the upcoming Chinese winter. The demand for Coal, Iron Ore, Nickel, Lithium, Rare Earths, Molybdenum and of course Uranium continue to dominate. Gold is also holding its own in these unstable world economics. I thought I would borrow Bloomberg's graph below, demonstrating that the emerging markets, especially Asia are still strong and growing.
2. Capital raisings are still being achieved albeit the pricing is all important.
3. Restructuring and unlocking value in major resource portfolios in Australia and overseas continues to absorb our corporate team's expertise. Given the premise that commodities are fuelling the developing countries growth it is interesting to note that major international players are launching mergers and acquisitions as they perceive companies and resource projects are undervalued.

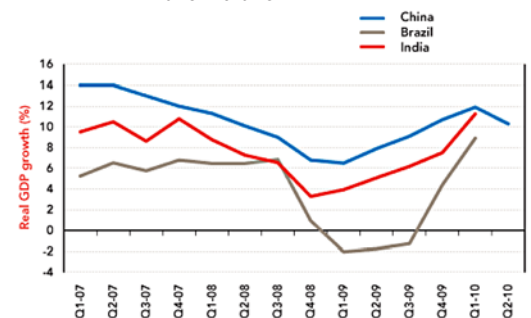


Luke Martino

Indian Ocean Corporate Pty Ltd AFSL Licence

Our securities licence assists our corporate and business clients where there may be a need for capital raising and securities. Please feel free to discuss with either Domenic Martino or myself any opportunity you may have.

Enjoy the sailing season.



New Appointment

We are delighted to welcome Mike Mazzella as a Director of Indian Ocean Advisory Group. It is certainly well deserved as we have worked with Mike for over ten years. His experience and skills in advising family and growing businesses in matters including taxation, superannuation and business planning are critical to our success. We are often reminded by clients that they respect Mike, his expertise and business advice. Congratulations Mike, take time to enjoy the success and we look forward to supporting you in growing your career further.



End of financial year

As we said goodbye to the end of another successful financial year Team IndianOcean took the opportunity to celebrate with great company, food and wine at the Raffles Hotel.



Taxing Times

2010 has seen significant activity by the Government and ATO on the tax front.

These include:

- Continuation of reduced minimum pensions obligations for 2011 for many (not all) types of pensions.
- Legislation finally enacted to bring into effect (possibly for 2010 tax year given enacted June 28) changes to the Deemed Dividend rules. The changes provide that private use of boats, cars and property may be a payment (and a Dividend) to the extent that an arm's length payment has not been made. As such it's important to review these arrangements to reduce the impact (where applicable) eg; ensure no exclusive use for the year. Changes to the ATO view of existing legislation relating to trusts, distribution of income and unpaid Present Entitlements to company beneficiaries.
- Changes in legislation and release by ATO of further guidance with respect to Limited Recourse Borrowings which can be put in place by self-managed superannuation funds.
- Commencements of new rules relating to Shares and options issued under Employee Share Plans which include new reporting obligations for employers and significant changes to the deferral rules. We continue to see many clients who are unaware that access to the general CGT discount of 50% is not available to many who have not been assessed in the year of issue (deferred payment of tax provides different CGT rules).

There are two things certain in the world; death and taxes. We continue to be busy advising on Succession Planning/Estate Planning and structuring to provide Asset Protection, Family Law Protection and Taxation benefits to the next generations who will stand to benefit greatly in the next 20 years.



City to surf wrap up

With the morning sun out and shining bright, a 20 strong team of Indian Ocean Group employees and their families hit the pavement on Sunday 29th August to raise money for the Activ Foundation in Perth's annual City to Surf challenge.

For one man it began early, his shoe laces and nerves tied tight, wondering if the hours spent on the exercise bike training for a half marathon (yes I did say exercise bike) were going to pay off. Or were days spent lying by the pool in Phuket (in the fortnight before) going to take their toll and undo the previous 'hard' work? Regardless he was seen heading off for the faraway City Beach, in a Cliff Young inspired shuffle.

Starting at the more leisurely Sunday hour of 9.30am, participants in the traditional 12km walk/run began their journey up "Heartbreak Hill", also quite appropriately known as Mount Street.

Without a doubt the most eclectic mix of participants lined up at Perry Lakes for the 4km event. Serious runners, mums, dads, kids, and grandparents mixed with the odd clown costume were seen running, skipping or walking to City Beach.

We are pleased to report that all team members completed the race, including the very tired John O'Gorman, which just goes to prove you can train for a half marathon on an exercise bike and a diet of Guinness!

Thought of the day

Spring is nature's way of saying, "Let's party!"

Robin Williams

