

22 October 2018

Ms Daisy Gardener  
Advocacy Lead  
Oxfam Australia

Dear Ms Gardener,

Thank you for your letter of 19 September 2018. We appreciate the opportunity to provide a response to Oxfam's queries prior to publication of your report and more broadly, look forward to continued constructive engagement with Oxfam Australia and your other country and regional offices.

As a major investor, taxpayer, employer and purchaser of local goods and services, MMG is proud of our significant contributions to economic and social development and growth within the countries that we operate. We adhere to the highest standards of corporate governance in all matters, including tax, where our approach to transparency includes the disclosure of tax and royalty payments, as well as broader social contributions.

We are pleased to provide the following responses to Oxfam Australia:

- Per your request, we have drawn on publicly available and externally verified data (from Annual, Sustainable Development and Financial reports found here [www.mmg.com/en/Investors-and-Media/Reports-and-Presentations.aspx](http://www.mmg.com/en/Investors-and-Media/Reports-and-Presentations.aspx)) to complete the tables. We encourage Oxfam Australia to consult these sources and we welcome questions at any time.
- Whilst Oxfam Australia's report focuses on the years 2008 – 2017, please note that MMG only recently acquired a number of our projects (Kinsevere in 2012; Las Bambas in 2014 with production starting in 2016; Sepon in 2009) and as such, we can only provide data for the years that these sites have been under our management.
- In 2016, to support increased transparency, MMG started reporting on tax contributions across our projects within our annual Sustainable Development Report – see the section titled '*Our Community Tax Contribution*'. Prior to this, our corporate taxes and other payments to government were not collected in this manner. As such, this information is not readily available and we have not completed those cells marked with 'N/A' in the attached tables.
- MMG currently operates one project only in the Democratic Republic of Congo (DRC), Peru, and Laos respectively. As such, our reporting of taxes, royalties and other payments by country is broadly equivalent to project-by-project reporting in those countries. We do however note that in each of these jurisdictions MMG also operates Corporate Services Offices where payment has also been included and cannot be disaggregated given MMG does not publish non-audited financial statements.
- MMG's corporate structure is the result of a number of transactions involving the acquisition of its global mining assets. MMG acquired or incorporated subsidiaries through or for the purpose of transactions with China Minmetals Corporation, Anvil Mining Limited and Glencore Xstrata.
- MMG does not have a relationship with a financial planning firm named Appleby. MMG engages the Appleby law firm, and its affiliate, Estera for advice on legal and corporate secretarial matters.

- Finally, for reasons including ongoing tax losses in Australia and the closure of MMG's Century Mine, we have not paid income tax for our Australian mining operations largely due to declining commodity prices, lower production from Century Mine leading to its eventual closure in 2014/15. With MMG's newest mine, Dugald River coming online, MMG expects to be paying corporate income tax.

At MMG we are committed to continuous improvement – it is a core value that forms the basis of our business activities and relationships. We operate under a policy of full transparency and cooperation with all tax authorities and pay all taxes properly due under the law wherever we operate.

In addition, the following initiatives further support our ongoing commitment to transparency:

- Robust company policies on anti-bribery and anti-facilitation payments;
- Public disclosures in line with the Foreign Investment Review Board, Australian Taxation Office and Hong Kong Stock Exchange requirements, complemented by voluntary disclosure of key payments in annual Sustainable Development reports for MMG and Las Bambas;
- Engagement with the Extractive Industry Transparency Initiative (EITI) as a reporting entity in Peru and DRC and participation in advocacy and pilot programs, including as an inaugural participant in the Australian EITI pilot project; and
- Membership and ongoing engagement with Transparency International Australia.

We value our engagement with Oxfam Australia, which has to date been constructive, open and honest. As we start the process of preparing our 2018 Sustainable Development and Annual Reports, we welcome feedback and suggestions from Oxfam Australia on strengthening our reporting on such matters.

We also welcome regular engagement with Oxfam to ensure we are well positioned to support any future projects.



Yours sincerely,

**Melanie Stutsel**

General Manager, Safety, Environment and Social Performance

## Attachment A: Updated Tax Tables

Note that MMG has reviewed and updated these tables based on publicly available information captured in our Sustainable Development, Annual and Financial reports. In the interests of transparency, we have included footnotes indicating where information was sourced throughout.

Also note that in places, MMG could not ascertain the source of Oxfam's pre-populated data. Where we could not verify this data, we have updated and / or removed altogether to align with our data reporting.

### Kinsevere Copper Mine

Year	Total Mine Production (production sold-copper cathode)	MMG's Share of Production %	Total Revenue \$m <sup>1</sup>	MMG's Share of Revenue %	Earnings before tax \$m <sup>2</sup>	Total Corporate Taxes \$m <sup>3,4</sup>	Total Project Royalties \$m <sup>5</sup>	Total other payments to government \$m <sup>6</sup>	TOTAL PAYMENTS TO GOV'T \$m <sup>7</sup>
2017	80,023t	100	500.9	100	34.5	44.1	19.6	24.4	44.1
2016	80,491t	100	400.4	100	(68.1)	38.8	14.1	24.6	38.8
2015	80,236t	100	418.1	100	(322.2)	N/A	18.5	N/A	N/A
2014	69,522t	100	465.7	100	49.0	N/A	19.8	N/A	N/A
2013	62,074t	100	455.3	100	71.9	N/A	19	N/A	N/A
2012	35,698t	100	279.9	100	60.4	N/A	12	N/A	N/A

### Las Bambas Copper Mine

Year	Total Mine Production (production sold-copper concentrate)	MMG's Share of Production %	Total Revenue \$m	MMG's Share of Revenue %	Earnings before tax \$m	Total Corporate Taxes \$m	Total Project Royalties \$m	Total other payments to government \$m	TOTAL PAYMENTS TO GOV'T \$m
2017	442,471t	62.5	2,936.9	62.5	1,151.4	193.3	88.3	99.8	193.3
2016	296,982t	62.5	1,224.2	62.5	405.2	128	34.3	92.8	128

<sup>1</sup> Figures for total revenue taken / verified from MMG's Annual Reports.

<sup>2</sup> Earnings before tax (EBIT) taken from MMG's Annual Reports.

<sup>3</sup> Taken from MMG's Sustainable Development Report.

<sup>4</sup> Taken from MMG's Sustainable Development Report.

<sup>5</sup> Data for 2016 – 2017 taken from MMG's Sustainable Development Report, data prior to this taken from MMG's Annual Reports.

<sup>6</sup> This calculation, for all sites includes the following: incomes taxes, employment-related taxes, and withholding tax. See MMG's Sustainable Development Reports for 2016 and 2016.

<sup>7</sup> For the years 2016 – 2017, this data has been taken from MMG's Sustainable Development Report.

## Sepon Copper Mine

Year	Total Mine Production (production sold—copper cathode)	MMG's Share of Production %	Total Revenue \$m	MMG's Share of Revenue %	Earnings before tax \$m	Total Corporate Taxes \$m	Total Project Royalties \$m	Total other payments to government \$m	TOTAL PAYMENTS TO GOV'T \$m
2017	62,931t	90	391.9	90	4.8	20.1	17.5	2.8	20.1
2016	78,714	90	390.8	90	(36.7)	42.4	17.2	25.2	42.4
2015	88,752	90	496.9	90	134.4	N/A	22.1	N/A	N/A
2014	88,377	90	620.2	90	267.6	N/A	27.6	N/A	N/A
2013	92,687	90	746.2	90	318.7	N/A	33.1	N/A	N/A
2012	85,150	90	806.2	90	410.9	N/A	35.9	N/A	N/A
2011	79,508	90	816.9	90	471.3	N/A	N/A	N/A	N/A
2010	64,241	90	468.4	90	N/A	N/A	N/A	N/A	N/A
2009	67,600	90	330.8	90	N/A	N/A	N/A	N/A	N/A

## Tax paid in other countries<sup>8</sup>

Year	Income tax paid at consolidated level \$m	Income tax paid in Hong Kong \$m	Income tax paid in Australia \$m	Earnings before tax in Australia \$m	Income tax paid for Golden Grove Mine (Australia) \$m	Income tax paid for Rosebery Mine (Australia) \$m
2017	87	0	0	75.9	0	0
2016	65	0	0	(12.6)	0	0
2015	89	0	0	(77.4)	0	0
2014	94	0	0	155.7	0	0
2013	111	0	0	72.4	0	0
2012	124	0	0	166.9	0	0
2011	210	0	12.7	256.3	0	0

<sup>8</sup> All income tax data taken from MMG annual tax returns as submitted to the Australian Government.



18 June 2019

Ms Helen Szoke  
Chief Executive  
Oxfam Australia  
132 Leicester Street  
Carlton VIC 3053

Dear Helen,

Thank you for your correspondence of 29 May in relation to the Oxfam Australia embargoed draft research report on Australia mining companies' tax transparency.

MMG appreciates the opportunity to review the report prior to its publication. While we have worked collaboratively with Oxfam on the provision of information over 2018, we were surprised by both the tone and quality of information contained in the draft document and have done our best to respond to this given the short time frame available for our review.

MMG has traditionally valued the high quality of reports produced by Oxfam, however we were disappointed to see that despite Internationally accepted accounting standards and methods being the basis of global tax and transparency dialogues to date, including through the EITI, that this report is not aligned to those globally accepted norms and therefore risks misleading readers of the report.

With regards to the specifics of the report, and your statements on MMG, we would provide the following feedback and look forward to your response on these matters.

**Misrepresentation of data that has been publicly disclosed in audited accounts**

Your assertion that MMGs payment of taxes is not a 'fair share' is not consistent with our audited accounts, the details of which have been published in our annual reports, with further information provided on request to Oxfam Australia as per our correspondence with Ms Daisy Gardner of 22 October 2018.

On page 4 of the draft report you state: "MMG Limited pays almost no tax in the DRC and has an effective tax rate of zero just about everywhere it operates around the world". The footnote (No.18) refers to Appendix II for "full details" however the Appendix does not show how this statement was established.

A company's effective tax rate is calculated as income tax expense as a percentage of its profit before tax. The company's audited 2018 Annual Report (Pg17) shows the company's effective tax rate as 55% and 53% for the 2018 and 2017 financial years respectively. We would note that this substantially exceeds the effective rate of taxation paid by the mining industry globally, as reported by the ICMM (44% in 2016).

MMG's reporting of taxes paid in the countries of operation includes corporate income taxes, royalties and other indirect taxes imposed by Governments. These are significant financial contributions to Governments. For example, on Page 17 of the company's 2018 annual report, the company's income tax expense is disclosed as \$169.6M and \$394.5M for the 2018 and 2017 years respectively. Similar disclosures can also be found in the company's annual accounts for prior years.

All payments disclosed by MMG have been produced in accordance with International Accounting Standards, audited in line with International Accounting procedures and the consistent with the requirements of our listing rules under both the Hong Kong Stock Exchange, and our secondary listing under the Australian Stock Exchange. Accordingly, we find a number of statements related to these disclosures to be inferring that MMG may be seeking to mislead or engage in deceptive conduct and would request these are amended prior to publication. Examples of these include:

- page 27 of the report: *"This means that if the company's claim that they have paid between US\$65 million and US\$210 million annually in income taxes to governments globally from 2011 to 2017 is correct ...".* We note that this is not a claim made by MMG but rather relates to numbers determined through independent audit of our accounts and published in an audited annual report.
- Page 29 of the report: Figure 8 compares the revenue to corporate tax paid and is supported by the statement "by assuming that the Kinsevere mine actually makes profits on par with the industry average of 12% ... we have estimated that MMG could have paid at least US\$39 million extra in taxes between 2012 and 2015.

This statement does not in any way align with international accounting practices and norms as it is universally understood that revenue does not equate to profits. Furthermore, accounting profit does not equate to taxable profit, as there are certain expenses which reduce the accounting profit to calculate the taxable profit in which income tax is calculated. It is also simplistic to apply an industry average profit margin to revenue, as there are different factors impacting the financial performance of a mine.

We note that the information which has been misreported by Oxfam Australia is already publicly disclosed on Page 26 of MMG's 2018 annual accounts, Kinsevere had earnings before interest and tax ("EBIT") of \$49.8M and \$34.5M for the 2018 and 2017 years respectively. It should be noted that the taxable profits for Kinsevere in those years were less than EBIT as the company also incurred interest to fund the operation of the mine. The interest is tax deductible pursuant to the DRC Mining Code.

- page 30 of the report: *"The company has denied that they have a relationship with the financial planning firm named Appleby".* As confirmed in our correspondence of 22 October 2018, MMG uses this firm to provide legal and company secretarial services only.
- Page 55 of the report: *"The royalty paid for Kinsevere in MMG Limited's annual reports is more than double the royalty reported in EITI. While it is unclear if it's the government misreporting royalties received or company misreporting royalties paid ...".*

MMG rejects the assertion that it has misreported the amount of royalties paid. The company's annual reports and accounts are audited by Deloitte and in earlier financial years by PricewaterhouseCoopers, both being international reputable accounting and audit firms. For example in the company's 2018 annual report, Page 26 discloses the amount of royalties paid by Kinsevere. Similar details are also disclosed for each mine operated by MMG in the report. This disclosure has been made in the annual reports for each of the years the subject of Oxfam's report and analysis.

- Page 58 of the report: *"Trafigura thereby becomes a related party. If copper concentrate mined from Kinsevere was being sold at a discounted price to Trafigura, then the company is able to claim less profit is made in DRC and therefore less tax is paid to the DRC Government".* Trafigura is not a related party. MMG does not have an ownership interest in Trafigura. The terms and conditions of trading with Trafigura are at arm's length. It should also be acknowledged by Oxfam that the Hong Kong listing rules related to the disclosure of related party transactions are recognised by some global advocacy groups as providing a higher level of disclosure than is required under the Australian equivalent.

We request that these significant misrepresentations are corrected prior to publication.

### **Failure to acknowledge the limitations on taxes paid directly correlating to development outcomes due to the issues associated with other non-mining actors**

The report asserts that additional resources to the DRC Government would necessarily correlate with additional expenditure on key drivers of sustainable development in the DRC including health and education, as well as food security and poverty alleviation. The only recognition provided by Oxfam that this may not be the case is a footnote on page 2 of the report which states that: *"In addition to ensuring governments receive the correct amount of taxes, there is an important role for governments to make the right decisions on spending on these public sources in order to achieve positive social outcomes."*

This footnote significantly understates the challenge in any jurisdiction, and particularly in a developing country context, of ensuring appropriate levels of Government investment in the provision of essential services like health and education; of ensuring equity of access for all people in the country irrespective of income status or physical location; and to deliver these in a context where there is often the absence of critical infrastructure (like reliable electricity supplies, water and sanitation) essential to their effective functioning.

Further, we note that in a previous Oxfam Australia Report: The Hidden Billions, Jamaldeen, M., (2016) that Oxfam recognised that:

*"...we find that, on average, 33% of government spending goes towards essential services such as education, health, water and sanitation, social protection and gender equality programs. A large chunk of the rest goes towards servicing debt, which is a major issue for many developing economies."*

In addition, the report fails to appropriately recognise the challenges in ensuring that all mining related revenues are invested in state services (e.g. health) given the persistent, widespread and endemic forms of corruption<sup>1</sup> existing in the DRC which de facto negatively impact sustainable development.

### **Failure to acknowledge the significant value of MMG direct investment in the social and economic development of the DRC.**

While Oxfam has not engaged MMG in a dialogue on any other payments made within the DRC, we note that in 2018 MMG directly invested US\$931,163 in social development initiatives to increase the development outcomes to our host communities. This amount of investment has been stable since our acquisition of the mine in

Our investments in the DRC are aligned to United Nations Sustainable Development Goals 1-6, and focus on the following areas:

- *Poverty alleviation* – business programs to support local enterprises, particularly focussed on vulnerable groups including female headed households.
- *Zero Hunger* – operation of a large-scale maize farm as a demonstration site for mechanised food production, a small-scale Farmers Assistance Program benefiting over 420 households, and support for protein in diets through the construction of fish farms in communities.
- *Good Health and Well-being* – we run a community-based hospital which includes surgical and maternal health services to the local community. We also provide support to the regional nursing service to enable their mobile health posts, and run major health campaigns on diseases such as Malaria and HIV/AIDS, including supporting testing and treatment and the provision of relevant medications and prophylaxis.
- *Quality Education* – MMG Kinsevere has constructed 8 schools in our local communities and supports their operations, including the provision of teaching materials and support for teachers' salaries. In addition, we provide a comprehensive range of scholarships, apprenticeships and traineeships, as well as adult literacy and financial education.

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<sup>1</sup> Transparency International (2014). Overview of the corruption and anti-corruption in the Democratic Republic of Congo (DRC). Accessed: [https://www.transparency.org/files/content/corruptionqas/Country\\_Profile\\_DRC\\_2014.pdf](https://www.transparency.org/files/content/corruptionqas/Country_Profile_DRC_2014.pdf)

- *Gender Equality* – Kinsevere in conjunction with a range of civil society organisations runs community engagement sessions on the issues associated with gender biased practices in the DRC. In response to this our communities have reduced the level of early child marriage, increased girls participation in schools (such that they now exceed 50% of the student cohort) and enable women's economic independence.
- *Water and Sanitation* – MMG Kinsevere has constructed and operates a comprehensive set of water bores in the communities within our area of influence. We undertake constant testing and cleaning of the bores, as well as community education, to minimise the risk of cholera or coliform infections.

In addition to our direct investment, MMG provides a number streams of other direct support to communities in the Katanga Province, examples of which include:

- *Employment* – the MMG workforce at Kinsevere is currently 3,125 people of whom 99.2% are Congolese Nationals. These stable, skilled and highly paid roles contribute substantial incomes to our employees and their families. In addition to their salaries employees and their families also receive high quality health care and education support.
- *Local Procurement* – MMG Kinsevere procures local goods and services within the Haute Katanga Province and other areas of the DRC
- *Management of health epidemics* – e.g MMG recently managed a cholera outbreak in the neighbouring Kilongo community which was subsequently recognised by Medicens Sans Frontieres and leading to the protection of numerous lives in the community; and
- *Management of natural disasters* – e.g MMG has on numerous occasions provided emergency roofing materials to ensure water proofing of houses during significant rainfall events and has supported communities that have lost maize crops due to bushfires.

Despite the implementation of a social basket fund under the new DRC Mining Code, MMG has chosen to maintain its direct investment activities to ensure that nearby communities continue to benefit from our support of development projects aligned to UN SDG's 1-6.

### **Failure to acknowledge MMGs leadership on the Extractive Industries Transparency Initiative and commitment to resource transparency**

The report leaves readers with an impression that MMG is not acting as a good corporate citizen when MMG is actively participating in improving transparency of the mining sector in the DRC and globally.

In line with the ICMM member commitments on transparency of mining revenues, MMG recognises the value of disclosure of taxes, royalties and other payments made to Governments, and the value of such disclosures in empowering citizens and civil society organisations to hold Governments accountable for the effective expenditure or investment of those funds.

Further, we recognise that increased transparency is most beneficial when pursued as part of broader governance improvement programs to deliver long-term economic growth and poverty alleviation. A related aspect is the implementation of policies and procedures to ensure effective regional planning and investment in critical infrastructure and administrative processes to ensure that revenues are managed effectively.

MMG is committed to several global transparency initiatives, some examples of which follow:

- We support the Extractive Industry Transparency Initiative in its efforts to improve transparency in countries rich in oil, gas and mineral resources. MMG contributes financially to EITI through its membership in International Council on Mining & Metals and is an active participant in the EITI candidacy of the DRC and Peru.
- MMG was a strong advocate of the Australian pilot of the EITI which was catalysed by the Minerals Council of Australia in collaboration with Oxfam and Transparency International and participated as a



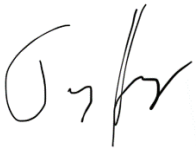
pilot reporting company in this initiative. Since this time, we have continued to reference the importance of the Australian Government adoption of the EITI in full in any advocacy activities.

- We are an active member of International Council on Mining and Metals, an international organisation dedicated to a safe, fair and sustainable mining and metals industry. Through this membership MMG participates in all ICMM initiatives, tax transparency being one of them.
- MMG's Code of Conduct and Standards create a strong governance framework for anti-bribery and corruption. We have a specific Anti-Corruption Standard, as well as anti-bribery and corruption training across the business. We also have appropriate disclosure and grievance management frameworks and whistle-blower protections to strengthen this framework.
- MMG has been engaged in the promulgation of the new Mining Code in the DRC and has actively participated in the industry and government dialogue.

Thank you again for the opportunity to provide feedback on the report. While we have not had an opportunity to respond to every point in the report which we consider warrants review, given the available time we have focused on material errors and omissions which warrant your reconsideration.

We look forward to continuing our productive relationship in the future.

Kind regards

A handwritten signature in black ink, appearing to read 'Troy Hey', is positioned above a thin horizontal line.

Troy Hey  
Executive General Manager – Stakeholder Relations

**From:** Troy Hey <Troy.Hey@MMG.COM>  
**Sent:** Friday, 21 June 2019 6:08 PM  
**To:** Lisa Lee  
**Cc:** Melanie Stutsel; Joy Kyriacou  
**Subject:** RE: MMG Limited Response

Dear Lisa

Thank you for your email confirming your receipt of our input and your willingness to integrate this response into your report.

We appreciate the opportunity to further clarify these matters, please see below.

1. The breakdown of the taxes paid in the jurisdictions we operate in are shown in our annual public sustainability reports, copies of which can be found at: <http://www.mmg.com/en/Sustainability-and-Community/Sustainability-Reports.aspx> . This detail is also available for 2018 and earlier years in our Annual Reports (available at mmg.com) . I have reproduced the 2018 data below. It shows the taxes paid by type and specifically in relation to income tax, tax was paid in Peru and DRC. Australia is still in a carry forward tax loss position largely due to the closure of Century.

Peru USD'000			DRC USD'000			Australia USD'000		
	2018	2017		2018	2017			
Total tax contribution	207,302	193,386	Total tax contribution	56,202	44,094	Total tax contribution	7	
Royalties	75,794	93,601	Royalties	25,548	19,672	Royalties	2	
Income tax	38,058	7,545	Income tax	9,775	4,627	Income tax		
Employment related taxes*	42,417	38,022	Employment related taxes*	16,615	15,582	Employment related taxes*	5	
Withholding tax	51,033	54,218	Withholding tax	4,264	4,213	Withholding tax		

Note: Royalties, income tax, withholding tax and employment related taxes are based on amounts reported in the 2018 Annual Report (which is a For more information see the 2018 Annual Report available at mmg.com.

2. There is currently no form in which MMG separately discloses its taxable profits, which is consistent with International standards relating to accounting requirements and the disclosure regimes established through listing and incorporation rules. Given this, MMG has not sought to publish this number and have it audited, which is an internal requirement for any material financial disclosure for the company. While I can't provide the precise number, given the income taxes reported as paid in the DRC, and the corporate tax rate in the DRC is defined in law, taxable profits can be inferred.

We look forward to receiving an updated version of the report.

In terms of the right of reply we are equally comfortable with either the joint disclosure of our October correspondence, my recent letter to you and this email, should you wish to provide the information in the form in which it was originally received by you; or alternative we would be equally happy to provide a combined statement incorporating this suite of feedback, potentially with some adjustment in view of the revised report.

I look forward to your response

Kind regards

Troy Hey

**Troy Hey**

**Executive General Manager – Stakeholder Relations**

**MMG Limited**

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Southbank Victoria Australia 3006  
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troy.hey@mmg.com **www.mmg.com**

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**From:** Lisa Lee <lisal@oxfam.org.au>

**Sent:** Friday, 21 June 2019 3:49 AM

**To:** Troy Hey <Troy.Hey@MMG.COM>

**Cc:** Melanie Stutsel <Melanie.Stutsel@MMG.COM>; Joy Kyriacou <joykyriacou@oxfam.org.au>

**Subject:** RE: MMG Limited Response

Dear Troy

Thank you for providing MMG's response to our upcoming report, we appreciate your input and we are happy to review and integrate MMG's response. We would also like to continue our productive relationship going forward.

We note the response identifies a number of company's positive leadership roles including with the EITI, and will be happy to reflect MMG's stated commitments in the report.

There are a number of areas where you requested we provide clarification and we will also endeavour to do this.

We have a couple of queries on specific points made in the right of reply, and would like to see if MMG could clarify these points:

- Regarding MMG's effective tax rate of over 50% at a group level for 2017 and 2018 on p.1: are you able to tell us which countries income taxes are being paid to for the years presented in table 2 of the report (2012-2017), that sum up to the consolidated tax paid? We understood that hardly any taxes were paid to any of the countries where MMG have mining operations, based on the letter from MMG last year. It would be useful for our understanding if MMG could show whether income tax is being paid in places other than the countries where mining operations exist, and where?
- Regarding the second point on p.2, you note that it is simplistic for us to apply an industry average profit margin. Indeed, this is a limited way for civil society to be left to have to guess what taxes should be paid – however as you can see the figure is based on a number of reports by PwC, and we also calculate using a lower profit margin for fairness and present this in the report on p.29 and p.60. Could MMG advise what the taxable profits were for Kinsevere from 2012-2015?

We will send you an updated draft of the report over the next week.

As mentioned, we offer companies the opportunity to have their right of response published on Oxfam's website when this report is published. In light of these questions, will you be happy for us to publish the right of reply provided to us as is, or would you like to send another version with further clarifications/amendments?

Thank you again and look forward to hearing from you.

Kind regards

Lisa

**Dr Lisa Lee | Senior Economist | Oxfam Australia**

Level 3, 25 Cooper Street Surry Hills 2010

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I respectfully acknowledge the Traditional Owners and Custodians of the country on which I work.

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**From:** Troy Hey [<mailto:Troy.Hey@MMG.COM>]

**Sent:** Tuesday, 18 June 2019 7:33 PM

**To:** [Helen.szoke@oxfam.org.au](mailto:Helen.szoke@oxfam.org.au)

**Cc:** Lisa Lee <[lisal@oxfam.org.au](mailto:lisal@oxfam.org.au)>; Melanie Stutsel <[Melanie.Stutsel@MMG.COM](mailto:Melanie.Stutsel@MMG.COM)>

**Subject:** MMG Limited Response

Dear Helen,

Thank you for the opportunity (and additional time) to respond to your draft report.  
Please find attached letter as promised.

Kind regards, Troy

**Troy Hey**

**Executive General Manager – Stakeholder Relations**

**MMG Limited**

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