

This guide has been prepared to help investors in **Centro Direct Property Fund International** understand their Annual Taxation Statement and complete their 2006-07 income tax return. Separate guides have been prepared for other vehicles managed by Centro Properties Group including Centro MCS Syndicates, Centro Shopping America Trust and Centro Properties Group.

## What You Will Need

You will need the following documents to assist you to complete your 2006-07 income tax return:

- A copy of the **TaxPack 2007**
- A copy of the **TaxPack 2007 Supplement booklet**
- A copy of the **'How to claim a foreign tax credit 2007' booklet**
- **Your Annual Taxation Statement - For Year Ended 30 June 2007**

The first three publications listed above can be downloaded from the Australian Taxation Office (ATO) website at **[www.ato.gov.au](http://www.ato.gov.au)** or by calling the ATO Publication Distribution Service on **1300 720 092**.

## Important Information

- This guide assumes you are an Australian resident individual taxpayer with units in **Centro Direct Property Fund International**. This guide should not be used for other investment income, nor should it be used for other types of taxpayers such as a company, trust, partnership or superannuation fund.
- This guide assumes that you do not have any current year or carried forward revenue losses, capital losses or foreign losses and that you hold your units as an investment rather than as part of a business that trades in these types of investments.
- Your Annual Taxation Statement for the year ended 30 June 2007 summarises the trust distributions you received in respect of the 12 months ended 30 June 2007. You should note that the distributions are generally assessable in the year they are earned, regardless of when they are paid. Your Annual Taxation Statement summarises this information for you.
- Please refer to the back page of this tax guide for information regarding the Distribution Reinvestment Plan or if you have sold your investment during the year ended 30 June 2007.

## Note

The taxation treatment of investment income can be complex. If you have any doubt about your tax position, we recommend you seek professional taxation advice from your accountant or taxation adviser. This guide should not be relied upon as taxation advice.

# Steps to complete your 2006-07 individual tax return

## A Australian Taxable Income Components (Items 1, 6, 7 and 12)

### Step 1

Add together your Australian Taxable Income (item 1), Franked Dividends (item 6) and Franking Credits (item 12) as shown on your Annual Taxation Statement for the year ended 30 June 2007.

### Step 2

Refer to your TaxPack 2007 Supplement booklet. In **Question 12 'Partnerships and trusts'**, under the heading of **'Non-primary production'**, enter the total amount calculated under Step 1 in **Box U**.

### Step 3

If you have incurred any deductible expenses in deriving this income, you should include the total of the expenses in **Box Y** in **Question 12**.

### Step 4

Determine from the information provided in TaxPack 2007 Supplement on pages **s4** and **s5, Part C, Step 3** which code (if any) should be put in the box to the right of **Box Y** in **Question 12**.

### Step 5

Subtract the total deductions at **Box Y** from the amount you entered at **Box U** in **Question 12**.

### Step 6

Enter the amount worked out in Step 5 in the **'Net non-primary production distribution'** box in **Question 12**. If this is a negative amount (i.e. a loss) enter **'L'** in the box to the right of this figure.

### Step 7


Enter the total amount of Franking Credits (item 12) as shown on your Annual Taxation Statement for the year ended 30 June 2007 in **Box Q** in **Question 12**.

### Step 8

Enter the total amount Tax Deducted (item 7) as shown on your Annual Taxation Statement for the year ended 30 June 2007 (if any), in **Box R** in **Question 12**.

## B Tax Deferred Income (Item 2)

Generally Tax Deferred Income is not taxable when received. Tax Deferred Income received reduces the capital gains tax cost base of your units. Once the total Tax Deferred Income amounts received by you during the total period you hold your units exceeds your cost base in respect of those units, the excess distributions will be subject to tax under the capital gains tax provisions. In addition, as you acquired your units after 19 September 1985, if you sell your securities, your capital gain or loss will be calculated by subtracting from your sale proceeds, the cost base of your units reduced by the total Tax Deferred Income amounts received by you from that investment.



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**Statement Date: 27 August 2007**  
**Reference Number: #####**

**Centro Direct Property Fund International**  
**Annual Taxation Statement – For Year Ended 30 June 2007**

Dear Investor

This statement has been prepared to assist with the completion of your Income Tax Return. The following is a summary of your taxable income relating to your total distribution from **Centro Direct Property Fund International** for the year ended 30 June 2007. Generally, this income will be assessable in your 2006-07 income tax return, however investors should seek their own tax advice. You should refer to the enclosed 2007 Annual Tax Return Guide for Individuals prior to completing your Income Tax Return.

Item	Amount	TaxPack 2007 Supplement Reference
<b>A</b> 1. Australian Taxable Income		12U
<b>B</b> 2. Tax Deferred Income		
<b>C</b> 3. Foreign Income – Interest		19E, 19M
4. Foreign Income – Modified Passive		19E, 19M
5. Foreign Income – Other		19E, 19M
<b>A</b> 6. Franked Dividends		12U
7. Tax Deducted		12R
<b>Net Distribution Paid = #####</b> Calculation = 1 + 2 + 3 + 4 + 5 + 6 - 7		
<b>C</b> 8. Foreign Tax Credits – Interest		19E, 19M
9. Foreign Tax Credits – Modified Passive		19E, 19M
<b>D</b> 10. Foreign Tax Credits – Other		19E, 19M
<b>D</b> 11. Total Foreign Tax Credits		19O
<b>A</b> 12. Franking Credits		12Q

PLEASE REFER OVERLEAF FOR IMPORTANT INFORMATION AND AN EXPLANATION OF THE VARIOUS COMPONENTS OF YOUR DISTRIBUTIONS.  
PLEASE RETAIN THIS STATEMENT FOR TAXATION PURPOSES. A CHARGE MAY BE LEVIED FOR REPLACEMENT.

## C Foreign Income Components (Items 3, 4, 5, 8, 9 and 10)

### Step 1

Refer to your TaxPack 2007 Supplement booklet. You should print an **X** in the **'NO'** Boxes at **I, W** and **J** in **Question 18** unless you have interests in foreign entities.

### Step 2

Add the amount of Foreign Income – Interest (item 3) and the Foreign Tax Credits – Interest (item 8) (if any) together to determine a total for this class of foreign income.

### Step 3

If you have incurred any deductible expenses in deriving this class of foreign income, add all of these costs up.

### Step 4

Subtract the total deductions for this class of foreign income calculated under Step 3 from the gross foreign income of this class calculated in Step 2.

### Step 5

Repeat Steps 2 through to 4 for each additional separate class of foreign income as set out on your Annual Taxation Statement.

### Step 6

Add the three classes of foreign income calculated under Steps 4 and 5 above and include this at **Box M** in **Question 19**. If any class of foreign income is in a net loss for the year ended 30 June 2007, this loss cannot be offset against the other classes of foreign income, but needs to be carried forward to offset against future years foreign income of the same class.

### Step 7

Add the gross amounts calculated under Step 2 above for each separate class of foreign income and enter this in **Box E** in **Question 19**.

### Step 8

Investors will need to consider the value of their investment in Centro Properties Group along with any other investments in assets located outside Australia to determine how to answer **Box P** in **Question 19**.

**Please note that all foreign income amounts have been converted to Australian currency in your Annual Taxation Statement.**

## D Foreign Tax Credits (Items 8, 9, 10 and 11)

As foreign tax has been withheld from the foreign source income, you may be entitled to a foreign tax credit up to the amount shown on your Annual Taxation Statement. Australian resident investors will generally be able to claim a foreign tax credit for the lesser of:

- i) the amount of foreign withholding tax paid on that class of foreign income; or
- ii) the Australian tax payable on that class of net foreign income.

Any excess foreign tax credits may be carried forward for a period of 5 years to offset future Australian tax payable on that class of foreign income.

You should obtain a copy of the booklet **'How to claim a foreign tax credit 2007'** from the Australian Taxation Office and follow the steps set out in the booklet. The amount of the foreign tax credit you calculate that you are able to claim should be entered in **Box O** of **Question 19**.

## Have you sold your investment?

If you have sold any of your units during the year ended 30 June 2007, you may have made a capital gain or loss. You will need to obtain a copy of the booklet '**Personal investors guide to capital gains tax 2006-07**' from the Australian Tax Office to assist in calculating your gain or loss.

You should be aware that the information contained in your Annual Taxation Statement does not include any capital gains or losses that you may have realised relating to a disposal of your units during the year ended 30 June 2007.

## Distribution Reinvestment Plan

Even if you have reinvested your distributions as part of a Distribution Reinvestment Plan, the taxable components of your distribution should still be included in your 2006-07 individual income tax return.

## Investor Services

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