

This guide has been prepared to help investors in **Centro Direct Property Fund International** understand their Annual Taxation Statement and complete their 2005-06 income tax return. Separate guides have been prepared for other vehicles managed by Centro Properties Group including Centro Retail Trust, Centro MCS Syndicates and the Centro Direct Property Fund.

What You Will Need

You will need the following documents to assist you to complete your 2005-06 income tax return:

- A copy of the **TaxPack 2006**
- A copy of the **TaxPack 2006 Supplement** booklet
- A copy of the 'How to claim a foreign tax credit 2006' booklet
- Your **Annual Taxation Statement for the Year Ended 30 June 2006**

The first three publications listed above can be downloaded from the Australian Taxation Office (ATO) website at 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 2006 summarises the trust distributions you received in respect of the 12 months ended 30 June 2006. 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 2006.

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 2005-06 individual tax return

A Australian Taxable Income Components (Items 1 and 8)

Step 1

Refer to your TaxPack 2006 Supplement booklet. In **Question 12 'Partnerships and trusts'**, under the heading of **'Non-primary production'**, enter the total Australian Taxable Income at **Box U** as shown on your Annual Taxation Statement for the year ended 30 June 2006.

Step 2

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 3

Determine from the information provided in TaxPack 2006 Supplement on page **s4, Step 3 in Part C**, which code (if any) should be put in the box to the right of **Box Y** in **Question 12**.

Step 4

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

Step 5

Enter the amount worked out in Step 4 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 6

Enter the total amount of Tax Deducted as shown on your Annual Taxation Statement for the year ended 30 June 2006 (if any), in **Box R** in **Question 12**.

B Capital Gains Components (Items 2, 3 and 4)

Step 1

Refer to your TaxPack 2006 Supplement booklet. As your distribution includes capital gains, you should print **X** in the **'YES'** Box at **G** in **Question 17**.

Step 2

Multiply the 'Discounted Capital Gain' (item 2) as shown on your Annual Taxation Statement for the year ended 30 June 2006 by two.

Step 3


Add the amount calculated in Step 2 to 'Other Method Capital Gain' (item 4) as shown on your Annual Taxation Statement for the year ended 30 June 2006. Write your total capital gains at **Box H** titled 'Total current year capital gains' in **Question 17**.

Step 4

Using the amount calculated in Step 2, multiply this amount by the relevant discount percentage as indicated in Note 2 of your Annual Taxation Statement for the year ended 30 June 2006.

Now subtract this calculated discount amount from the amount calculated under Step 2, and then add to this amount the 'Other Method Capital Gain' (item 4) as shown on your Annual Taxation Statement for the year ended 30 June 2006. Enter your net capital gain at **Box A** titled 'Net capital gain' in **Question 17**.

Note: The above recommended steps are not applicable where you have current or prior year carried forward capital losses. If you have any capital losses, we recommend that you seek professional taxation advice on how to complete your tax return for capital gains.



Centro
Properties Group

Contact Details
Centro MCS Manager Limited
Corporate Offices, Level 3
Centro The Glen
235 Springvale Road, Glen Waverley Victoria 3150
Telephone: 1800 802 400
Telephone outside Australia: 61 3 8847 0000
Facsimile: 61 3 9886 1234
Email: investor@centro.com.au
Website: www.centro.com.au

Name
Address
Address
Address
Address
Address

Responsible Entity
Centro MCS Manager Limited
ABN 69 051 908 984

Centro Direct Property Fund
International
ARSN 114 635 657
ABN 95 753 387 186

Statement Date: 21 August 2006
Reference Number: #####

Annual Taxation Statement
For Year Ended 30 June 2006

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 the Centro Direct Property Fund International for the year ended 30 June 2006. Generally, this income will be assessable in your 2005-06 income tax return, however investors should seek their own tax advice. You should refer to the enclosed 2006 Annual Tax Return Guide for Individuals prior to completing your Income Tax Return.

	Item	Amount	2006 TaxPack Supplement Reference
A	1. Australian Taxable Income		12 U
B	2. Discounted Capital Gain		17 H, 17 A
C	3. Concession Capital Gain		
C	4. Other Method Capital Gain		17 H, 17 A
D	5. Tax Deferred Income		
D	6. Foreign Income – Interest		19 E, 19 M
D	7. Foreign Income – Other		19 E, 19 M
D	8. Tax Deducted		12 R
Net Distribution Paid = \$##### Calculation = 1 + 2 + 3 + 4 + 5 + 6 + 7 - 8			
E	9. Foreign Tax Credits - Other		19 E, 19 M, 19 O

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

C Tax Deferred Income (Item 5)

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, if you sell your units, 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.

D Foreign Income Components (Items 6 and 7)

Step 1

Refer to your TaxPack 2006 Supplement booklet. You should answer **'NO'** at I, **'NO'** at W and **'NO'** at J of **Question 18** unless you have interests in foreign entities. Centro Direct Property Fund International is not a foreign entity.

Step 2

Add to the amount of Foreign Income – Interest the foreign tax credits (if any) attributable to 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 class of foreign income 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 two 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 2006, this loss cannot be offset against the other class 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 total in **Box E** in **Question 19**.

Step 8

Investors will need to consider the value of their investment in Centro Direct Property Fund International 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.

E Foreign Tax Credits (Item 9)

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 2006'** 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 2006, 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**' 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 2006.

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 2005-06 individual income tax return.

Investor Services

General Enquiries: 1800 802 400
(Toll Free Australia)
+61 3 8847 0000
(International)

Facsimile: +61 3 9886 1234

Email: investor@centro.com.au

Website: www.centro.com.au/dpf

