

This guide has been prepared to help investors in **Centro Properties Group** (ASX code: CNP) 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 Direct Property Fund International and Centro Shopping America Trust.

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 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 stapled securities in **Centro Properties Group** comprising units in **Centro Property Trust** and shares in **Centro Properties Limited**. 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 securities 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 to the 12 months ended 30 June 2007. You should note that the trust 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.
- No dividend has been declared or paid by Centro Properties Limited for the year ended 30 June 2007.
- 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, 11, 12, 13 and 18)

Step 1

Add together your Australian Taxable Income (item 1), Franked Dividends (item 11), Unfranked Dividends (item 12) and Franking Credits (item 18) 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 18) 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 13) as shown on your Annual Taxation Statement for the year ended 30 June 2007 (if any), in **Box R** in **Question 12**.

B Capital Gains Component (Items 2, 3, 4, 5 and 6)

Step 1

Refer to your TaxPack 2007 Supplement booklet. As your distribution includes capital gains, you should print **X** in the **'YES'** Box at G in **Question 17**.

Step 2

Add the Discounted Capital Gain – Australian (item 2) and the Discounted Capital Gain – Foreign (item 4) as shown on your Annual Taxation Statement for the year ended 30 June 2007 and multiply this total by two.

Step 3

Add the amount calculated in Step 2 to 'Other Method Capital Gain – Australian' (item 6) as shown on your Annual Taxation Statement for the year ended 30 June 2007. Enter 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 2007.

Step 5

Subtract the amount calculated under Step 4 from the amount calculated under Step 2, and then add to this amount the 'Other Method Capital Gain – Australian' (item 6) as shown on your Annual Taxation Statement for the year ended 30 June 2007. Enter your total net capital gain at **Box A** titled 'Net capital gain' in **Question 17**.

Note: The amounts for Concession Capital Gain – Australian and Concession Capital Gain – Foreign as shown on your Annual Taxation Statement for the year ended 30 June 2007 do not need to be disclosed at any label in your 2006-07 income tax return.

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

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Name
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ABN 45 078 590 682

Centro Property Trust
ABN 76 635 448 147
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Statement Date: 30 August 2007
Reference Number: #####

Centro Properties Group
 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 Property Trust** 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
A	1. Australian Taxable Income		12U
	2. Discounted Capital Gain – Australian		17H, 17A
	3. Concession Capital Gain – Australian		
B	4. Discounted Capital Gain – Foreign		17H, 17A
	5. Concession Capital Gain – Foreign		
	6. Other Method Capital Gain – Australian		17H, 17A
C	7. Tax Deferred Income		
	8. Foreign Income – Interest		19E, 19M
	9. Foreign Income – Modified Passive		19E, 19M
D	10. Foreign Income – Other		19E, 19M
	11. Franked Dividends		12U
A	12. Unfranked Dividends		12U
	13. Tax Deducted		12R
Calculation = 1 + 2 + 3 + 4 + 5 + 6 + 7 + 8 + 9 + 10 + 11 + 12 – 13 + 19			
D	14. Foreign Tax Credits – Interest		19E, 19M
	15. Foreign Tax Credits – Modified Passive		19E, 19M
	16. Foreign Tax Credits – Other		19E, 19M
E	17. Total Foreign Tax Credits		19O
	18. Franking Credits		12Q
A	19. Special Distribution		

NO DIVIDEND HAS BEEN DECLARED OR PAID BY CENTRO PROPERTIES LIMITED FOR THE YEAR ENDED 30 JUNE 2007
 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 Tax Deferred Income and Special Distribution (Items 7 and 19)

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.

Special Distribution

If you were registered as a holder of Centro Properties Group stapled securities as at 12 October 2006, you will have been entitled to receive a special distribution of 75 cents per stapled security on 30 November 2006. Some investors may have elected to reinvest some or all of this special distribution into units in the Centro Direct Property Fund International ("CDPFI") or you may have received the special distribution in cash. Notwithstanding the fact that some or all of your special distribution may have been applied towards an investment in the CDPFI, the special distribution consisted entirely of a return of capital from Centro Property Trust. Consequently this amount should generally not be a taxable amount. As you acquired your units after 19 September 1985, you should reduce your cost base or indexed cost base by this special distribution amount in calculating any capital gain/loss when you sell your stapled securities.

To the extent the special distribution you were entitled to, exceeds your cost base (reduced by any tax deferred distributions you have received in respect of your units held), the excess amount of the special distribution will be subject to tax under the capital gains tax provisions.

D Foreign Income Components (Items 8, 9, 10, 14, 15 and 16)

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 8) and the Foreign Tax Credits – Interest (item 14) (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.

E Foreign Tax Credits (Items 14, 15, 16 and 17)

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 securities 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 securities 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

Copies of Annual Tax Return Guides for all Centro managed funds are available on the Centro website.

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