

This guide has been prepared to help investors in **Centro Direct Property Fund International** understand their Annual Taxation Statement and complete their 2007-08 income tax return. Separate guides have been prepared for other vehicles managed by Centro Properties Group including Centro MCS Syndicates, Centro Direct Property Fund and Centro Retail Trust.

What You Will Need

You will need the following documents to assist you to complete your 2007-08 income tax return:

- A copy of the **TaxPack 2008**
- A copy of the **TaxPack 2008 Supplement booklet**
- A copy of the **'How to claim a foreign tax credit 2008' booklet**
- **Your Annual Taxation Statement - For Year Ended 30 June 2008**

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 2008 summarises the trust distributions you received in respect of the 12 months ended 30 June 2008. 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 further information if you have sold your investment during the year ended 30 June 2008.

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 2007-08 individual tax return

A Australian Taxable Income Components (Items 1 and 7)

Step 1

Refer to your TaxPack 2008 Supplement booklet. In **Question 13** 'Partnerships and trusts', under the heading of 'Non-primary production', enter the total Australian Taxable Income (Item 1) at **Box U** as shown on your Annual Taxation Statement for the year ended 30 June 2008.

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 13**. These deductions may include loan interest and amortised borrowing costs used to finance your investment.

Step 3

Determine from the information provided in TaxPack 2008 Supplement on page **s5, Part C, Step 3** which code (if any) should be put in the box to the right of **Box Y** in **Question 13**.

Step 4

Subtract the total deductions at **Box Y** from the amount you entered at **Box U** in **Question 13**.

Step 5

Enter the amount worked out in Step 4 in the 'Net non-primary production distribution' box in **Question 13**. 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 (Item 7) as shown on your Annual Taxation Statement for the year ended 30 June 2008 (if any), in **Box R** of **Question 13**.

B Capital Gains Components (Item 2)

Step 1

Refer to your TaxPack 2008 Supplement booklet. As your distribution includes capital gains, you should print **X** in the **YES** box at **Box G** of **Question 18**. As none of the CGT events of Centro Direct Property Fund International relate to a forestry managed investment scheme interest, you should print **X** in the **NO** box at **Box Q** of **Question 18**.


Step 2

Enter the amount of Other Method Capital Gain – Australian (Item 2) in **Box H** titled 'Total current year capital gains' in **Question 18**.

Step 3

Enter the amount of Other Method Capital Gain – Australian (Item 2) in **Box A** titled 'Net capital gain' in **Question 18**.

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.



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Statement Date: 29 August 2008
Reference Number: #####

Centro Direct Property Fund International
Annual Taxation Statement — For Year Ended 30 June 2008

Dear Investor

This statement has been prepared to assist with the completion of your Income Tax Return.

The following is a summary of your income relating to your total distribution from **Centro Direct Property Fund International** for the year ended 30 June 2008. Generally, taxable income (if any) will be assessable in your 2007-08 income tax return, however investors should seek their own tax advice. **The 2008 Annual Tax Return Guide can be obtained from centro.com.au or by contacting us on 1800 802 400 for a hard copy.**

Item	Amount	TaxPack 2008 Supplement Reference
1. Australian Taxable Income		13U
2. Other Method Capital Gain — Australian		18H, 18A
3. Tax Deferred Income		
4. Foreign Income — Interest		20E, 20M
5. Foreign Income — Modified Passive		20E, 20M
6. Foreign Income — Other		20E, 20M
7. Tax Deducted		13R
Net Distribution Paid = \$#### Calculation = 1 + 2 + 3 + 4 + 5 + 6 - 7		
8. Foreign Tax Credits — Interest		20E, 20M
9. Foreign Tax Credits — Modified Passive		20E, 20M
10. Foreign Tax Credits — Other		20E, 20M
11. Total Foreign Tax Credits		20O

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 (Item 3)

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 that 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.

D Foreign Income Components (Items 4, 5 and 6)

Step 1

Refer to your TaxPack 2008 Supplement booklet. You should print a **X** in the **NO** boxes at **I, W** and **J** in **Question 19** unless you have interests in foreign entities.

Step 2

Add the amount of 'Foreign Income – Modified Passive' (Item 5) and the 'Foreign Tax Credits – Modified Passive' (Item 9) 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 Foreign Income – Interest and Foreign Income - Other (Items 4 and 6) 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 20**. If any class of foreign income is in a net loss for the year ended 30 June 2008, this loss cannot be offset against the other classes of foreign income, but needs to be carried forward to offset against future year's foreign income.

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 20**.

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 20**.

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

E 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 five years to offset future Australian tax payable on foreign income. This offset is subject to certain limits depending on your individual circumstances.

You should obtain a copy of the booklet '**How to claim a foreign tax credit 2007-08**' 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 20**.

Have you sold your investment?

If you have sold any of your units during the year ended 30 June 2008, 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 2007-08**' 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 2008.

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