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A GUIDE TO YOUR AUSTRALAND 2015 ANNUAL TAX STATEMENT

Dear Securityholder

This guide has been prepared to assist you and your tax adviser complete your income tax return for the year ended 30 June 2015 from your ***Australand 2015 Annual Tax Statement*** and determine the tax implications of the acquisition of all the Australand securities by the Frasers Centrepoint Group.

All Securities in Australand, consisting of shares in Australand Holdings Limited and units in Australand Property Trust, Australand Property Trust No.4 and Australand Property Trust No.5 (collectively the **Trusts**) (referred to as **stapled securities**) were sold to or compulsory acquired by the Frasers Centrepoint Group on or before 31 October 2014.

During the year ended 30 June 2015 no dividends have been paid on shares in Australand Holdings Limited. The Australand 2015 Annual Tax Statement provides a detailed analysis of the Trust distributions which you received on 27 August 2014 and these amounts should be used in the preparation of your income tax return for the year ended 30 June 2015.

This guide has been prepared for general information only and should be read in conjunction with the Australian Taxation Office's (**ATO**) instructions and publications. For your convenience, a list of the relevant ATO publications is set out on page 4 of this guide. This guide does not constitute the giving of tax or financial product advice. Each investor's particular circumstances will be different and accordingly, you may wish to seek independent taxation advice.

For any further information in respect of your investment in Australand, please contact your adviser or call Link Market Services on 1300 554 474 (within Australia), between 8.00am and 7.30pm, Sydney time, Monday to Friday or call the Company Secretary on 02 9767 2000.

Yours sincerely

Nhu Nguyen
Company Secretary

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1. THIS GUIDE APPLIES TO YOU IF:

- You are an Australian resident individual investor in Australand for the whole income year.
- You are using *2014-15 Tax Return for Individuals* (**2015 Tax Return**) and *2014-15 Tax Return for Individuals (Supplementary section)* (**2015 Tax Return Supplementary Section**) to complete your income tax return.
- You are not a company, trust or superannuation fund.
- You held your stapled securities for the purpose of investment rather than for resale at a profit, and the capital gains tax (**CGT**) provisions apply to you.
- In calculating your capital gains or losses, you have used the FIFO (First In First Out) method. That is, the first parcel of stapled securities disposed of is the first parcel you acquired.

2. AUSTRALAND 2015 ANNUAL TAX STATEMENT (Annual Tax Statement)

Set out below is a brief outline of the components of the payments received by you from your investment in Australand.

TRUST DISTRIBUTIONS

Non-primary production trust distributions – these distributions are included in your assessable income and consist of interest and other income from Australand Property Trust, Australand Property Trust No.4 and Australand Property Trust No.5.

The amounts shown on the Annual Tax Statement represent the final trust distributions paid to you on 27 August 2014 in respect of the year ended 30 June 2015.

Tax deferred income – distributions of tax deferred income by a Trust will not be immediately taxable but will (unless it relates to the distribution of a CGT concession amount) reduce the CGT cost base of the units held in that Trust by you. Tax deferred income generally arises when depreciation and capital allowances have been allowed as tax deductions in the Trust. Once the tax deferred distributions reduce your CGT cost base to nil, any additional tax deferred distributions will give rise to an immediate capital gain. However, this gain may be reduced on account of the CGT 50% discount if you have held your units in the Trust for more than 12 months.

TFN amounts withheld - where you have not provided your TFN or claimed a relevant exemption, income tax has been withheld from the amount distributed to you by the Trusts at 49%. The tax withheld should be claimed as a credit in your return.

No tax will be withheld where you have provided your TFN or claimed the relevant exemption.

HOW TO PREPARE YOUR INCOME TAX RETURN USING THE ANNUAL TAX STATEMENT

2015 Tax Return (Supplementary Section) – Question 13 – Partnerships and Trusts – Non-Primary Production

Procedure

1. Add the amount of **Total non-primary production trust distributions** shown in the *Tax Return Disclosures* column to any non-primary production distributions received from other trusts and show the total amount at **13U** of your 2015 Tax Return (Supplementary Section).
2. Insert any deductions you can claim in respect of your trust distribution income that you recorded at **13U** and include the total deduction at **13Y** of your 2015 Tax Return (Supplementary Section).
3. Subtract the amount at **13Y** from the amount at **13U** and include the net amount in the *Net non-primary production amount* box beneath and to the right of **13Y** of your 2015 Tax Return (Supplementary Section). If this amount is a loss, write 'L' in the small box to the right of this figure.
4. Add the amount of **TFN amounts withheld** shown in the *Tax Return Disclosures* column to any TFN amounts deducted from other trust distributions and include at **13R** of your 2015 Tax Return (Supplementary Section).

3. DISPOSAL OF YOUR STAPLED SECURITIES

This summary will assist you to determine whether you have any liability to CGT on account of the disposal of your Australand stapled securities (APG Security). This includes the disposal of your APG Security to the Frasers Centrepoint Group in accepting the Frasers takeover offer or as part of the subsequent compulsory acquisition of your APG Security by the Frasers Centrepoint Group.

For tax purposes, the sale of an APG Security is treated as a disposal of each of a share in Australand Holdings Limited, a unit in Australand Property Trust, a unit in Australand Property Trust No.4, and a unit in Australand Property Trust No.5. Upon disposal of these stapled securities, you will have realised a capital gain if the portion of the consideration reasonably attributable to the share exceeds the CGT cost base of the share, and the portion of the consideration reasonably attributable to each of the units exceeds the CGT cost base of the relevant units. Notwithstanding the fact that these four assets cannot be traded separately, they are treated as separate assets for CGT purposes. For the purposes of this summary, except where specifically stated, the outcomes in respect of the four assets should be the same and therefore we have referred to the APG Security as a single asset.

Cost base of shares and units

Generally, the cost base of your APG Security is the amount you paid for them including the incidental costs of acquisition and disposal.

To assist you in calculating the cost base of your APG Security, you can use the information which is available in the AHL, APT, APT4 and APT5 Cost Base Apportionment Percentages document in the Investor Centre on Australand's website at www.australand.com.au

On 1 May 2010, Australand undertook a 5 for 1 security consolidation. To assist you in determining your cost base per APG Security, please refer to Consolidation of Australand Property Group (APG) Securities Taxation Summary for Securityholders document in the Investor Centre on Australand's website at www.australand.com.au

In the case of your units, the cost base will be reduced by any tax deferred income distributions received by you, details of which are available in the APT, APT4 and APT5 Tax Deferred History and Summary of Cost Base Adjustments for Australand Property Group Securities document in the Investor Centre on Australand's website at www.australand.com.au

Consideration from sale

You will have to apportion the sale proceeds received from the sale of your APG Security across the shares and units sold that make up each APG Security. To assist you in doing this, you can use the information which is available on the Cost Base Apportionment Percentages page in the Investor Centre on Australand's website at www.australand.com.au

Calculation of capital gain/loss and how to disclose on your 2015 tax return (supplementary section)

Your capital gains or capital losses from the disposal of your APG Security may be ascertained as follows:

- **Discounted capital gains (more than 12 months)** - where the shares and units making up the APG Security have been held by you for more than 12 months, your taxable capital gain after capital loss recoupment, if any, is reduced by the CGT discount of 50% for individuals. Show your gross capital gains at **18H** of your 2015 tax return (supplementary section). Subtract your capital losses first, if any, and then reduce that amount by the CGT discount of 50%. Show the net capital gain at **18A** of your 2015 tax return (supplementary section).
- **Other capital gains (12 months or less)** - where the shares and units making up the APG Security have been held by you for 12 months or less, no CGT discount is available and accordingly such gains are assessable in full. Show your gross capital gains at **18H** of your 2015 tax return (supplementary section). Subtract your capital losses first, if any. Show the net capital gain at **18A** of your 2015 tax return (supplementary section).
- **Capital losses** - a capital loss occurs when the sale proceeds are less than the reduced cost base of the shares and units making up the APG Security. This amount may be used to offset your other capital gains, if any. Show the balance carried forward to future years at **18V** of your 2015 tax return (supplementary section).

Please refer to the ATO Publication *Personal investors guide to capital gains tax 2014-15* for further details.

Illustrative Example

This example is for illustrative purposes only and you should seek your own taxation advice in relation to your individual circumstances.

Facts

An investor bought 100 APG securities in July 2010 for $3 per APG Security.

The investor disposed of their APG Securities to Frasers in August 2014 as part of the takeover for $4.48 per APG Security.

Calculation of capital gain / loss

Step 1 – Determine the cost base

The cost base is $300.

Step 2 – Adjust the cost base of each unit for any tax deferred income distributions

Using the information in the *Summary of Cost Base Adjustments* document, the investor determines that the cost base of each APG Security after adjusting for tax deferred distributions received during the time the investor held the securities is $2.62 per APG Security. Therefore, the adjusted cost base is $262.

Step 3 – Determine the capital proceeds for each share and unit

The capital proceeds for each APG Security is $4.48. Total proceeds are $448.

Step 4 – Work out your gross capital gains / loss

The capital gain for each APG Security is $1.86 per APG Security. The total capital gain is $186 for the investor's 100 APG Securities.

Step 5 – Work out your net capital gain

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Broadly, the net capital gain is calculated by applying the following to the gross capital gains in this order:

- capital losses from this year;

- unapplied net capital losses from earlier years; and

- the CGT discount.

The investor is entitled to the CGT discount as the investor held the securities for more than 12 months.

Assuming the investor has no unapplied net capital losses from earlier years, the investor's net capital gains from the disposal of their securities is $0.93 per APG Security (being ($1.86 / 2). That is, the investor makes a $93 net capital gain from the disposal of the 100 APG Securities.

Step 6 – Disclose on your 2015 tax return

Assuming the investor does not make any other capital gains or losses, the investor would disclose $186 at **18H** of the 2015 tax return (supplementary section) and $93 at **18V** of the 2015 Tax Return (Supplementary Section).

4. ATO PUBLICATIONS

Various publications are issued by the ATO to assist individual taxpayers prepare their tax returns and these include:

- *Individual Tax Return Instructions 2015* and *Individual Tax Return Instructions Supplement 2015*;
- *Personal investors guide to capital gains tax 2014-15* or *Guide to capital gains tax 2014-15* (where a capital gain or loss has been derived from shares or managed funds); and
- *You and your shares 2014-15.*

You can obtain any of the publications detailed above by calling the ATO's Publications Distribution Service on 1300 720 092, visiting an ATO office or downloading them at www.ato.gov.au and then selecting *Forms* from the right hand menu.