7 August 2015

1 Homebush Bay Drive
Building C, Level 3
Rhodes NSW 2138

02 9767 2000

PO Box 3307
Rhodes NSW 2138

australand.com.au

A GUIDE TO YOUR AUSTRALAND ASSETS TRUST 2015 ANNUAL TAX STATEMENT

Dear Unitholder

This Guide has been prepared to assist you and your tax adviser to complete your income tax return for the year ended 30 June 2015 from your ***Australand ASSETS Trust Annual Tax Statement for the year ended 30 June 2015***. All ASSETS on issue were redeemed on 12 September 2014 in accordance with the Issuer Realisation Notice dated 3 September 2014.

Your investment consisted of units in the Australand ASSETS Trust (referred to as **securities**). The Australand ASSETS Trust Annual Tax Statement for the year ended 30 June 2015 provides a detailed analysis of the trust distributions to which you were entitled for the year 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 3 of the 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 the Trusts, 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

A GUIDE TO YOUR AUSTRALAND ASSETS TRUST 2015 ANNUAL TAX STATEMENT

1. THIS GUIDE APPLIES TO YOU IF:

- You are an Australian resident individual investor in the ASSETS Trust for the whole income year.
- You are using *2015 Tax Return for Individuals* (**2015 Tax Return**) and *2015 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 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 units disposed of is the first parcel you acquired.

2. AUSTRALAND ASSETS TRUST 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 the Trusts.

TRUST DISTRIBUTIONS

Non-primary production trust distributions - these distributions are included in your assessable income and consist of interest and other income from Australand ASSETS Trust.

The amounts shown on the Annual Tax Statement represent the final trust distributions paid to you on redemption in September 2015.

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 Trust 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. REDEMPTION OF YOUR SECURITIES

This summary will assist you to determine whether you have any liability to CGT as a result of your securities being redeemed. Upon redemption of your securities, you will have realised a capital gain if the portion of the consideration reasonably attributable to each of the units exceeds the CGT cost base of the relevant units.

If you disposed of your stapled securities in other circumstances (i.e. not as a result of the redemption of securities), this summary will apply to you in the same way.

Cost base of your securities

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

In that regard, the original issue price for the securities was $100 (payable in two instalments of $65 and $35) per security. However, if the securities were acquired on market you will have a different cost base.

Consideration for your securities

The amount paid to redeem your securities should constitute the consideration for your securities.

This should be $100 per security as set out in the Issuer Realisation Notice which you should have received in September 2014 in respect of the redemption.

A GUIDE TO YOUR AUSTRALAND ASSESTS TRUST 2015 ANNUAL TAX STATEMENT

The distribution payable under the ASSETS Terms for the period from 1 July 2014 to 12 September 2014 of $1.5155 per security should not form part of the consideration but rather included in your 2015 Tax Return as described in your Annual Tax Statement.

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

Your capital gains or capital losses from the redemption of your securities may be ascertained as follows:

- **Discounted capital gains (more than 12 months)** - where the securities 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 units making up the securities 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 units making up the securities. 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 securities in July 2010 for $90 per security.

These securities were redeemed for $100 per security in September 2014.

Calculation of capital gain / loss

Step 1 – Determine the cost base

Assuming the investor did not incur any incidental costs in acquiring the securities, the cost base for each security is $90.

Step 2 – Determine the capital proceeds

The capital proceeds for each security is $100 (being the redemption price as set out in the Issuer Realisation Notice).

Step 3 – Work out your gross capital gains / loss

The investor should make a capital gain of $1,000 on the redemption of the securities.

Step 4 – Work out your net capital gain

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 $500.

Step 5 – Disclose on your 2015 tax return

Assuming the investor does not make any other capital gains or losses on investments, the investor would disclose $1,000 at 18H of the 2015 tax return (supplementary section) and $500 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 2015* or *Guide to capital gains tax 2015* (where a capital gain or loss has been derived from shares or managed funds); and
- *You and your shares 2015.*

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.