

# Annual Tax Return Guide

for Individuals

## 2004



Centro Property Trust

(ARSN 090 931 123)  
(ABN 94 943 360 462)

Centro Properties Limited

(ABN 52 006 378 365)

### Investors Who Have Sold their Investment During the Year Ended 30 June 2004

If you have sold any of your securities during the year ended 30 June 2004, you may have made a capital gain or loss. You may obtain a copy of the booklet 'Personal Investors Guide to Capital Gains Tax 2003 - 2004' from the Australian Taxation Office to assist you in calculating your gain or loss.

### Distribution Reinvestment Program

Even if you have reinvested your distributions as part of a distribution reinvestment program, the taxable components of your distribution should still be included in your 2003 - 2004 Individual Income Tax Return.

This guide has been prepared to help Centro Properties Group investors understand their Annual Taxation Statement for the year ended 30 June 2004 and complete their 2003 - 2004 income tax return.

Separate guides have been prepared for other vehicles managed by the Centro Properties Group including Centro MCS Property Syndicates and the Prime Retail Group.

To assist you in completing your 2003 - 2004 income tax return, you will need:

[A copy of the TaxPack 2004](#)

[A copy of the TaxPack 2004 Supplementary Booklet](#)

[An Annual Taxation Statement for the year ended 30 June 2004](#)

#### Important 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.**

Dear Investor

We are pleased to enclose your Annual Taxation Statement for the year ended 30 June 2004 and this Annual Tax Return Guide to assist you in completing your 2004 income tax return.

This guide assumes that you are an Australian resident individual taxpayer with 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 by other types of taxpayers such as a company, trust, partnership or superannuation fund.

This guide also assumes that you do not have any 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.

The Annual Taxation Statement for the year ended 30 June 2004 summarises the trust distributions you received in respect of the 12 months ended 30 June 2004. Investors should note that trust distributions are generally assessable in the year that they are earned, regardless of when they are paid. The Annual Taxation Statement for the year ended 30 June 2004 will summarise this information for you.

No dividend has been declared or paid by Centro Properties Limited for the year ended 30 June 2004.

The information in this Annual Tax Return Guide summarises the taxation aspects of your investment in the Centro Properties Group. This information should not be relied upon as taxation advice. If you require further information relating to your personal tax position we recommend that you contact your accountant or taxation adviser.

Thank you for your support of Centro Properties Group during the year.

Yours faithfully,

CPT Manager Limited - ABN 37 054 494 307  
(as Responsible Entity for  
Centro Property Trust)

Centro Properties Limited

Steps to complete your 2003 - 2004 Individual Tax Return

Australian Taxable Income

- Step 1** Refer to your Tax Pack 2004 Supplementary Booklet. In Question 12 ‘Partnerships and trusts’, under the heading of ‘Non-primary production’, enter the total Taxable Income at **Box U** as shown on your Annual Taxation Statement for the year ended 30 June 2004.
- 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** Subtract the total deductions at **Box Y** from the amount you entered at **Box U** in Question 12.
- Step 4** Enter the amount worked out in Step 3 in the ‘**Net non-primary production distribution**’ box in Question 12. If this is a negative amount (i.e. a loss) write ‘L’ in the box to the right of this figure.
- Step 5** Write the total amount of TFN Withholding Tax Deducted as shown on your Annual Taxation Statement for the year ended 30 June 2004, (if any) in **Box R** in Question 12.

Assessable Foreign Income

- Step 1** Refer to your Tax Pack 2004 Supplementary Section.You should answer ‘NO’ at I, ‘NO’ at **W** and ‘NO’ at J of Question 18.
- Step 2** The assessable foreign source income amount should be included at **Box E** on Question 19.This income is classified as ‘Other Income’.
- Step 3** Take away from this assessable amount any deductible expenses incurred in relation to earning this category of foreign income.
- Once you have worked through steps 2 and 3, include the total at **Box M** of Question 19.

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**Centro Properties Limited**  
ABN 52 006 378 365

**Centro Property Trust**  
ABN 94 943 360 462  
ARSN 090 931 123

Statement date:  
Reference number:

Dear Investor

**ANNUAL TAXATION STATEMENT FOR THE YEAR ENDED 30 JUNE 2004**

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 2004. Generally, this income will be assessable in your 2003/2004 income tax return, however investors should seek their own tax advice.

(1) Australian Taxable Income	(2) Discounted Capital Gain	(3) Concession Capital Gain	(4) Index Method Capital Gain	(5) Other Method Capital Gain	(6) Tax Deferred Income	(7) Assessable Foreign Income	(8) Foreign Tax Credits	(9) Tax Deducted
↓					↑	↑	↑	↑

Net Distribution Paid: xxxx.xx

(1) **Australian Taxable Income** - This component of the distribution is attributable to interest (24.972632%) and other income (31.371666%). It represents your share of Australian distributable income adjusted by any tax deferred income, any capital gain items and foreign income. This is the taxable amount.

(2) **Discounted Capital Gain** - This component of the distribution is attributable to any capital gain using the discount method. The taxable amount is calculated by doubling the discounted capital gain and then applying the relevant discount percentage (50% for individuals and trusts, 33 1/3% for complying superannuation entities and 0% for companies).

(3) **Concession Capital Gain** - This component of the distribution relates to the capital gain discount applied by the Trust on any capital gain that it has realised. This is not a taxable amount and will not reduce your cost base.

(4) **Index Method Capital Gain** - This component of the distribution is attributable to any capital gain using the indexation method. This is the taxable amount.

(5) **Other Method Capital Gain** - This component of the distribution is attributable to any capital gain on assets held for less than 12 months. This is the taxable amount.

(6) **Tax Deferred Income** - This component of the distribution is attributable to plant and equipment depreciation, capital allowance on certain income producing buildings and other allowances. This amount is not a taxable amount. However, as you acquired your units after 20 September 1985, you should reduce your cost base or indexed cost base by this component in calculating any capital gain/loss when you sell your units.

(7) **Assessable Foreign Income** - This income includes the sum of foreign income and underlying foreign tax credits. This is the taxable amount.

(8) **Foreign Tax Credits** - This is the amount of foreign tax paid on foreign source income. Foreign tax credits are available for offset against Australian tax payable on foreign income.

(9) **Tax Deducted** - Tax deducted from Australian Residents who have not supplied their Tax File Number (TFN) or Australian Business Number (ABN) or have not claimed an exemption from quoting their TFN or ABN. If you are an overseas investor, tax has been deducted from your distribution because of your Non-Resident tax status.

No dividend has been declared or paid by **Centro Properties Limited** for the year ended 30 June 2004.

PLEASE RETAIN THIS STATEMENT FOR TAXATION PURPOSES.

A CHARGE MAY BE LEVIED FOR REPLACEMENT.

Tax Deferred Income

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 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 amounts received by you from that investment.

Capital Gains Components (items 2, 3, 4 and 5)

- Step 1** Refer to your Tax Pack 2004 Supplementary Booklet. If your distribution includes a capital gain, you should print X in the ‘YES’ Box at **G** in Question 17. If your distribution does not include a capital gain, then you do not need to read any further.
- Step 2** Multiply the ‘Discounted Capital Gain’ (item 2) as shown on your Annual Taxation Statement for the year ended 30 June 2004, by two.
- Step 3** Add the amount calculated in step 2 to ‘Index Method Capital Gain’ (item 4) and ‘Other Method Capital Gain’ (item 5) as shown on your Annual Taxation Statement for the year ended 30 June 2004. Write your total capital gains at **Box H** titled ‘Total current year capital gains’ in Question 17.
- Step 4** Calculate your net capital gain.

Use the amount calculated in Step 2, multiply this amount by the relevant discount percentage as indicated in point 2 of your Annual Taxation Statement for the year ended 30 June 2004. Now subtract this calculated discount amount from the amount calculated under Step 2, and then add to this amount the ‘Index Method Capital Gain’ (item 4) and ‘Other Method Capital Gain’ (item 5) as shown on your Annual Taxation Statement for the year ended 30 June 2004. 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 any 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.

Foreign Tax Credits

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 2003 - 2004 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; and
- ii) the Australian tax payable on the net foreign source income.

Any excess foreign tax credits may be carried forward for a period of 5 years to offset future Australian tax payable on foreign income of the same class.

You should obtain a copy of the booklet ‘How to Claim a Foreign Tax Credit’ 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 included at **Box O** of Question 19.