

Annual Tax Return Guide

Centro MCS
DIRECT PROPERTY

For Individuals 2012

Retail Responsible Entity Limited
ABN 80 145 213 663

This guide has been prepared to help Australian tax resident investors in Centro MCS Syndicates understand their Annual Taxation Statement and complete their 2011-12 income tax return. Separate guides have been prepared for other vehicles managed by Centro Retail Australia Group including Centro Retail Australia, Centro Direct Property Fund and Centro Direct Property Fund International.

What You Will Need

You will need the following documents to assist you to complete your 2011-12 income tax return:

- A copy of the Individual tax return instructions 2012;
- A copy of the Individual tax return instructions supplement 2012;
- A copy of the Individual tax return 2012 (including supplementary section);
- A copy of the 'Guide to foreign income tax offset rules 2011-12';
- A copy of the 'Personal investors guide to capital gains tax 2011-12'; and
- Your Annual Taxation Statement – For Year Ended 30 June 2012.

The first five publications listed above can be downloaded from the Australian Taxation Office (ATO) website at www.ato.gov.au or by calling the ATO Automated Publication Ordering Service on **1300 720 092**.

Important Information

- This guide assumes you are an Australian resident individual taxpayer with units in one or more **Centro MCS Syndicate**. 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 or capital losses and that you hold your units as an investment rather than as part of a business that trades in these types of investments (that is, the investment is held on capital account). It has also been assumed that the rules relating to the Taxation of Financial Arrangements (TOFA) do not apply to you.
- Your Annual Taxation Statement for the year ended 30 June 2012 summarises the distribution income you received in respect of the 12 months ended 30 June 2012 for each relevant Centro MCS Syndicate. 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.
- If you have more than one Annual Taxation Statement from a Centro MCS Syndicate investment, please add them up before disclosing the totals in the appropriate boxes of the tax return.
- Please refer to Page 10 of this tax guide if you have sold your investment during the year ended 30 June 2012.

Note

The taxation treatment of investment income can be complex. We recommend you seek professional taxation advice from your accountant or taxation adviser in relation to your investment in the Centro MCS Syndicates. This guide should not be relied upon as taxation advice.

Please use the tables below to locate the relevant tax guide for your investment.
The name of the Trust or Fund you are invested in is clearly marked on your 2012
Annual Tax Statement.

Tax Guide 1 – Page 4-5

Centro MCS 4
Centro MCS 5
Centro MCS 6
Centro MCS 8
Centro MCS 9
Centro MCS 10
Centro MCS 11
Centro MCS 12
Centro MCS 14
Centro MCS 15
Centro MCS 16
Centro MCS 17
Centro MCS 18
Centro MCS 19 NZ/I
Centro MCS 21 RPT
Centro MCS 22 Property Trust
Centro MCS 23 Property Trust
Centro MCS 27 Property Trust

Tax Guide 2 – Page 6-7

Centro MCS 9 Unit Trust
Centro MCS 10 Unit Trust
Centro MCS 11 Unit Trust
Centro MCS 12 Unit Trust
Centro MCS 14 Unit Trust
Centro MCS 15 Unit Trust
Centro MCS 16 Unit Trust
Centro MCS 17 Unit Trust
Centro MCS 18 Unit Trust
Centro MCS 19
Centro MCS 21 RHT
Centro MCS 22 Investment Trust
Centro MCS 23 Investment Trust
Centro MCS 25
Centro MCS 26
Centro MCS 27 Investment Trust
Centro MCS 28
Centro MCS 32
Centro MCS 33 (Trust 1 and Trust 2)
Centro MCS 34
Centro MCS 35
Centro MCS 36 (Trust 1 and Trust 2)
Centro MCS 37
Centro MCS 38 Trust
Woodlands

Tax Guide 3 – Page 8-9

Centro MCS 20

A. AUSTRALIAN TAXABLE INCOME COMPONENTS AND DEDUCTIONS (ITEMS 1, 5, 6 AND 7)

Step 1

Refer to the Individual tax return (supplementary section) 2012. In **Question 13** 'Partnerships and trusts', under the heading of 'Non-primary production', enter the total Australian Taxable Income (Item 1) as shown on your Annual Taxation Statement for the year ended 30 June 2012 at **Box U**.

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 will include Loan Interest and amortised Borrowing Costs used to finance your investment.

Step 3

Determine from the information provided in the Individual tax return instructions supplement on page s3, **Step 12** 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 5) as shown on your Annual Taxation Statement for the year ended 30 June 2012 (if any), in **Box R** of **Question 13**.

Repayment of Investors' Loan

For Centro MCS 4, 5, 8, 9, 14, 16, 17, 19NZ/1 and 22 Property Trust where a portion of the Investor loan has been repaid, the repayment of the loan constitutes a distribution and has been included in the total distribution used to calculate your tax components this year.

Tax Guide 1



Investor Services
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Centro The Glen
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NZ Freecall: 0800 449 605
Telephone outside Australia: 61 3 8847 1802
Facsimile: 61 3 8847 1868
Email: investor@centro.com.au
Website: www.centromcs.com.au

Retail Responsible Entity Limited
ABN 80 145 213 663

Statement Date: **24 August 2012**
SRI:

**Annual Taxation Statement
For the Year Ended 30 June 2012**

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 for the year ended 30 June 2012. Generally, this income will be assessable in your 2011-12 income tax return, however, investors should seek their own tax advice. You should refer to the 2012 Annual Tax Return Guide for Individuals prior to completing your Income Tax Return. The 2012 Annual Tax Return Guide can be obtained from www.centromcs.com.au or by contacting us on 1800 802 400 for a hard copy.

Syndicate Name	1. Australian Taxable Income	2. Discounted Capital Gain – TARP	3. Concession Capital Gain – TARP	4. Tax Deferred Income	5. Tax Deducted	6. Loan Interest	7. Borrowing Costs
	↓	↓	↓	↑	↓	↓	↓

Net Distribution Paid: = \$
Calculation = 1 + 2 + 3 + 4 - 5 - 6

PLEASE REFER OVERLEAF FOR IMPORTANT INFORMATION AND AN EXPLANATION OF THE VARIOUS COMPONENTS OF YOUR DISTRIBUTION.
PLEASE RETAIN THIS STATEMENT FOR TAXATION PURPOSES. A CHARGE MAY BE LEVIED FOR REPLACEMENT.

B. CAPITAL GAINS COMPONENTS (ITEMS 2 AND 3)

Step 1

Refer to the Individual tax return (supplementary section) 2012. If 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 MCS Syndicates relate to a forestry managed investment scheme interest, you should print **X** in the **NO** box at **Box Q** of **Question 18**. If your distribution does not include capital gains, print **X** in the **NO** box at **Box G** of **Question 18** and you do not need to read any further.

Step 2

Multiply the 'Discounted Capital Gain – TARP' (Item 2) as shown on your Annual Taxation Statement for the year ended 30 June 2012 by two.

Step 3

Enter the amount calculated in Step 2 in **Box H** titled 'Total current year capital gains' in **Question 18**.

Step 4

Multiply the amount calculated in Step 2 by your relevant discount percentage as indicated in Note 2 of your Annual Taxation Statement for the year ended 30 June 2012. Now subtract this calculated discount amount from the amount calculated under Step 2 and enter your net capital gain at **Box A** titled 'Net capital gain' in **Question 18**.

Note: The amounts for 'Concession Capital Gain – TARP' as shown on your Annual Taxation Statement for the year ended 30 June 2012 do not need to be disclosed at any label in your 2011-12 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.

C. TAX DEFERRED INCOME (ITEM 4)

Generally, Tax Deferred Income should not be 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 tax deferred distributions should give rise to a capital gain. In addition, as you acquired your units after 19 September 1985, if you sell your securities, your capital gain 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. Similarly your capital loss will be calculated by subtracting from your reduced cost base your sale proceeds.

If there was a Repayment of Investors' Loan by a Syndicate, the amount of the repayment is included as a component of the Tax Deferred Income.

A. AUSTRALIAN TAXABLE INCOME COMPONENTS (ITEMS 1 AND 5)

Step 1

Refer to Individual tax return (supplementary section) 2012.

In **Question 13** 'Partnerships and trusts', under the heading of 'Non-primary production', enter the total Australian Taxable Income (Item 1) as shown on your Annual Taxation Statement for the year ended 30 June 2012 at **Box U**.

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**.

Step 3

Determine from the information provided in the Individual tax return instructions supplement on page s3, **Step 12** 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 5) as shown on your Annual Taxation Statement for the year ended 30 June 2012 (if any), in **Box R** of **Question 13**.

Tax Guide 2

Centro MCS™
DIRECT PROPERTY

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Retail Responsible Entity Limited
 ABN 80 145 213 663
Centro MCS Manager Limited
 ABN 69 051 908 984

Statement Date: 24 August 2012
SRN:

Annual Taxation Statement
For the Year Ended 30 June 2012

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 for the year ended 30 June 2012. Generally, this income will be assessable in your 2011-12 income tax return, however, investors should seek their own tax advice. You should refer to the 2012 Annual Tax Return Guide for Individuals prior to completing your Income Tax Return. The 2012 Annual Tax Return Guide can be obtained from www.centromcs.com.au or by contacting us on 1800 802 400 for a hard copy.

Syndicate name	1. Australian Taxable Income	2. Discounted Capital Gain – TARP	3. Concession Capital Gain – TARP	4. Tax Deferred Income	5. Tax Deducted
	↓	↓	↓	↑	↑

Net Distribution Paid = \$
Calculation = 1 + 2 + 3 + 4 - 5

PLEASE REFER OVERLEAF FOR IMPORTANT INFORMATION AND AN EXPLANATION OF THE VARIOUS COMPONENTS OF YOUR DISTRIBUTION.
PLEASE RETAIN THIS STATEMENT FOR TAXATION PURPOSES. A CHARGE MAY BE LEVIED FOR REPLACEMENT.

B. CAPITAL GAINS COMPONENTS (ITEMS 2 AND 3)

Step 1

Refer to the Individual tax return (supplementary section) 2012.

If 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 MCS Syndicates relate to a forestry managed investment scheme interest, you should print **X** in the **NO** box at **Box Q** of **Question 18**. If your distribution does not include capital gains, print **X** in the **NO** box at **Box G** of **Question 18** and you do not need to read any further.

Step 2

Multiply the 'Discounted Capital Gain – TARP' (Item 2) as shown on your Annual Taxation Statement for the year ended 30 June 2012 by two.

Step 3

Enter the amount calculated in Step 2 in **Box H** titled 'Total current year capital gains' in **Question 18**.

Step 4

Multiply the amount calculated in Step 2 by your relevant discount percentage as indicated in Note 2 of your Annual Taxation Statement for the year ended 30 June 2012. Now subtract this calculated discount amount from the amount calculated under Step 2 and enter your net capital gain at **Box A** titled 'Net capital gain' in **Question 18**.

Note: The amounts for 'Concession Capital Gain – TARP' as shown on your Annual Taxation Statement for the year ended 30 June 2012 do not need to be disclosed at any label in your 2011-12 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.

C. TAX DEFERRED INCOME (ITEM 4)

Generally, Tax Deferred Income should not be 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 tax deferred distributions should give rise to a capital gain. In addition, as you acquired your units after 19 September 1985, if you sell your securities, your capital gain 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. Similarly your capital loss will be calculated by subtracting from your reduced cost base your sale proceeds.

A. AUSTRALIAN TAXABLE INCOME COMPONENTS (ITEMS 1 AND 4)

Step 1

Refer to the Individual tax return (supplementary section) 2012. In **Question 13** 'Partnerships and trusts', under the heading of 'Non-primary production', enter the total Australian Taxable Income (Item 1) as shown on your Annual Taxation Statement for the year ended 30 June 2012 at **Box U**.

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**.

Step 3

Determine from the information provided in the Individual tax return instructions supplement on page s3, **Step 12** 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 4) as shown on your Annual Taxation Statement for the year ended 30 June 2012 (if any), in **Box R** of **Question 13**.

B. TAX DEFERRED INCOME (ITEM 2)

Generally, Tax Deferred Income should not be 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 tax deferred distributions should give rise to a capital gain. In addition, as you acquired your units after 19 September 1985, if you sell your securities, your capital gain 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. Similarly your capital loss will be calculated by subtracting from your reduced cost base your sale proceeds.

Tax Guide 3

Centro MCS™
DIRECT PROPERTY

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 Website: www.centromcs.com.au

Retail Responsible Entity Limited
 ABN 80 145 213 663

Centro MCS 20
 ARSN 059 937 694
 ABN 19 498 860 411

Statement Date: 24 August 2012
SRN:

Annual Taxation Statement
For the Year Ended 30 June 2012

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 for the year ended 30 June 2012. Generally, this income will be assessable in your 2011-12 income tax return, however, investors should seek their own tax advice. You should refer to the 2012 Annual Tax Return Guide for Individuals prior to completing your Income Tax Return. The 2012 Annual Tax Return Guide can be obtained from www.centromcs.com.au or by contacting us on 1800 802 400 for a hard copy.

1. Australian Taxable Income	2. Tax Deferred Income	3. Foreign Source Income	4. Tax Deducted

Total Distribution (1 + 2 + 3 - 4) = \$

5. Foreign Income Tax Offsets

PLEASE REFER OVERLEAF FOR IMPORTANT INFORMATION AND AN EXPLANATION OF THE VARIOUS COMPONENTS OF YOUR DISTRIBUTION.
PLEASE RETAIN THIS STATEMENT FOR TAXATION PURPOSES. A CHARGE MAY BE LEVIED FOR REPLACEMENT.

C. FOREIGN SOURCE INCOME COMPONENT (ITEM 3)

Step 1

Refer to the Individual tax return (supplementary section) 2012. Add the amount of 'Foreign Source Income' (Item 3) and the 'Foreign Income Tax Offset' amount (Item 5) (if any) together to determine the assessable foreign source income and enter this amount in **Box E** in **Question 20**.

Step 2

If you have incurred any deductible expenses in deriving this foreign source income, add all of these costs up.

Step 3

Subtract the total deductions calculated under Step 2 from the gross assessable foreign source income calculated in Step 1. Enter this net foreign source income at **Box M** in **Question 20**. If this is a negative amount (i.e. a loss) enter 'L' in the box to the right of this figure.

Step 4

Investors will need to consider the value of their investment in Centro MCS 20 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.

D. FOREIGN INCOME TAX OFFSET (ITEM 5)

As foreign tax has been withheld from the foreign source income, you may be entitled to foreign income tax offset. Australian resident investors will generally be able to claim the full amount shown here (where the amount is not more than \$1,000) or where the amount is greater than \$1,000, you can claim:

- i) \$1,000; or
- ii) an amount equal to the foreign income tax offset limit as explained in the 'Guide to foreign income tax offset rules 2011-12' which is available from the ATO website at www.ato.gov.au and follow the steps in the guide.

The amount of the foreign income tax offset you calculate that you are entitled to claim should be entered in **Box O** of **Question 20**.

Annual Tax Return Guide

For Individuals

Have you sold your investment?

If you have sold any of your units in any of your syndicate investments during the year ended 30 June 2012, 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 2011-12' from the ATO 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 2012. However, please note that there is general tax information provided on the 2012 Annual Taxation Statement for Centro MCS 5, 6, 15 and 15 Unit Trust on the redemption of units.

Wind up of Centro MCS 32, 35, 36 Trust 1, 36 Trust 2 and 38 Trust (US Syndicates)

As a result of the wind up of the US Syndicates during the year ended 30 June 2012 you are required to work out the CGT consequences that arise from the cancellation of your units. You will need to obtain a copy of the booklet 'Personal investors guide to capital gains tax 2011-12' from the ATO to assist in calculating your gain or loss.

A capital loss will arise to the extent that the capital proceeds you received from the redemption of your units is less than the reduced cost base of your units.

Investor Services

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

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