

Annual Tax Return Guide

For Individuals 2014

Federation Limited

ABN 90 114 757 783

Federation Centres Trust No. 1

ABN 72 680 499 767

ARSN 104 931 928

Federation Centres Trust No. 2

ABN 55 660 046 905

ARSN 122 223 974

Federation Centres Trust No. 3

ABN 50 276 915 036

ARSN 153 269 759

This guide has been prepared to help Australian resident investors in **Federation Centres** (ASX code: FDC) understand their Annual Taxation Statement and complete their 2014 Australian Income Tax Return.

What You Will Need

You will need the following documents to assist you to complete your 2014 Income Tax Return:

- **A copy of the Individual tax return instructions 2014 (including the supplementary instructions which are only available online);**
- **A copy of the Tax return for individuals 1 July 2013 to 30 June 2014 (including the supplementary section);**
- **A copy of the 'Personal investors guide to capital gains tax 2014'; and**
- **Your Federation Centres Annual Taxation Statement For the Year Ended 30 June 2014.**

The first three publications listed above can be found on the Australian Taxation Office (ATO) website at www.ato.gov.au or by calling the ATO automated publication distribution service on **1300 720 092**. Please note that the supplementary instructions are only available online this year. The Federation Centres Annual Taxation Statement will be issued to investors on 29 August 2014.

Important Information

- This guide applies to you if you are an Australian resident individual taxpayer with stapled securities in Federation Centres comprising units in Federation Centres Trust No. 1, Federation Centres Trust No. 2, Federation Centres Trust No. 3 and shares in Federation Limited. This guide assumes you have no other investment income. This guide should not be used for other 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 stapled securities as an investment on capital account, rather than as part of a business that trades in these types of investments. It also assumes 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 2014 summarises the distributions you received in respect of the 12 months ended 30 June 2014 from each relevant stapled entity. 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.
- No dividend has been declared or paid by Federation Limited for the year ended 30 June 2014.
- Please refer to the back page of this tax guide if you sold your investment during the year ended 30 June 2014.

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 Federation Centres. This guide is not and should not be relied upon as taxation advice.

A. Australian Taxable Income Components (Items 1 and 6)

Step 1

Refer to the Tax return for individuals (supplementary section) 1 July 2013 to 30 June 2014. 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 2014 at **Box U**.

Step 2

If you have incurred any deductible expenses in deriving this income, you should include the total of the expenses at **Box Y** in **Question 13**.

Step 3

Determine from the information provided in the Individual tax return instructions 2014 supplementary tax return section (in **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 at the **'Net non-primary production amount'** 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 6) as shown on your Annual Taxation Statement for the year ended 30 June 2014 (if any), at **Box R** in **Question 13**.



Federation Limited ABN 104 114 757 757
 Federation Centres Limited ABN 689 849 786 322
 an associate entity for:
 • Federation Centres Trust No. 1 ABN 124 933 036
 • Federation Centres Trust No. 2 ABN 122 223 274
 • Federation Centres Trust No. 3 ABN 255 209 759

All Registry communications to:
 CI- Link Market Services Limited
 Locked Bag A14, Sydney South NSW 1235,
 Australia
 Telephone: (+61) 1300 554 474
 Security Code: FDC
 Email: registrars@linkmarketservices.com.au
 Website: www.linkmarketservices.com.au

Statement Date: 29 August 2014
 SRN: #####

Federation Centres Annual Taxation Statement For the Year Ended 30 June 2014

Dear Investor

This statement has been prepared to assist with the completion of your Australian Income Tax Return. The following is a summary of your taxable income relating to your total distribution for the year ended 30 June 2014. Generally, this income will be assessable in your 2014 Australian Income Tax Return, however, investors should seek their own tax advice. You should refer to the Federation Centres Annual Tax Return Guide for Individuals 2014 prior to completing your Australian Income Tax Return. The Federation Centres Annual Tax Return Guide for Individuals 2014 can be obtained from www.federationcentres.com.au/invest/investor-services/tax-guidance or by contacting us on 1800 802 400 for a hard copy.

Stapled entity Name	Federation Centres Trust No.1	Federation Centres Trust No.2	Federation Centres Trust No.3	Total
Distribution component				
1. Australian Taxable Income				
2. Discounted Capital Gain — TAP				
3. Discounted Capital Gain — NTAP				
4. Concession Capital Gain				
5. Tax Deferred Income				
6. Tax Deducted				

Net Distribution Paid = \$###

NOTE: No dividend has been declared or paid by Federation Limited for the year ended 30 June 2014.

B. Capital Gains Components (Items 2, 3 and 4)

Step 1

Refer to your Tax return for individuals (supplementary section) 1 July 2013 to 30 June 2014. In **Question 18 'Capital gains'**, you should print an 'X' in the **Yes Box** at **Box G**. As none of the CGT events of Federation Centres relate to an exemption or rollover, you should print an 'X' in the **No Box** at **Box M** in **Question 18**.

Step 2

Add the total Discounted Capital Gain – TAP (item2) and the total Discounted Capital Gain – NTAP (item3) as shown on your Annual Taxation Statement for the year ended 30 June 2014, together.

Step 3

Multiply the amount calculated under Step 2 by two.

Step 4

Enter the amount calculated in Step 3 at **Box H** titled **'Total current year capital gains'** in **Question 18**.

Step 5

Multiply the amount calculated in Step 3, by your relevant discount percentage as indicated in Notes 2 and 3 of your Annual Taxation Statement for the year ended 30 June 2014.

Step 6

Subtract the amount calculated under Step 5 from the amount calculated under Step 3. Enter this net capital gain at **Box A** titled **'Net capital gain'** in **Question 18**.

Note: The amounts for Concession Capital Gain (item 4) as shown on your Annual Taxation Statement for the year ended 30 June 2014 do not need to be disclosed at any label in your 2014 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 5)

Generally Tax Deferred Income is not taxable when received. Tax Deferred Income received from each relevant stapled entity reduces the capital gains tax cost base of your units in each relevant stapled entity. Once the total Tax Deferred Income amounts received by you during the total period you hold your units in each relevant stapled entity exceeds your cost base in respect of each of those units, the excess Tax Deferred Income should be a taxable capital gain.

If you sell your securities, your capital gain or loss should be calculated by subtracting from your sale proceeds, the cost base of your securities reduced by the total Tax Deferred Income amounts received by you from each relevant stapled entity.

Annual Tax Return Guide

For Individuals 2014

Have you sold your investment?

If you sold any of your stapled securities in Federation Centres during the year ended 30 June 2014, 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 2014' 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 stapled securities in Federation Centres during the year ended 30 June 2014.

Investor Services

Toll Free (AUS):	1800 802 400
Free Call (NZ):	0800 449 605
Telephone:	+61 3 8647 2303
Facsimile:	+61 3 9236 6582
Email:	investor@federationcentres.com.au
Website:	www.federationcentres.com.au