Annual Tax Return Guide

For Individuals 2013

Federation Limited (previously Centro Retail Limited)

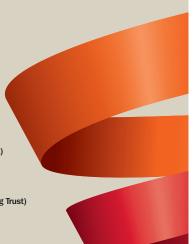
ABN 90 114 757 783

ABN 55 660 046 905 ARSN 122 223 974 Federation Centres Trust No. 1 (previously Centro Retail Trust)

ABN 72 680 499 767 ARSN 104 931 928

Federation Centres Trust No. 3 (previously Centro DPF Holding Trust)

ABN 50 276 915 036 ARSN 153 269 759



This guide has been prepared to help Australian resident investors in **Federation Centres** (Previously Centro Retail Australia) (ASX code: FDC) understand their Annual Taxation Statement and complete their 2012-13 income tax return. Separate guides have been prepared for other vehicles managed by Federation Centres including Retail Direct Property Syndicates (previously Centro MCS Syndicates).

What You Will Need

You will need the following documents to assist you to complete your 2012-13 income tax return:

A copy of the Individual tax return instructions 2013;

Federation Centres Trust No. 2 (previously Centro Australia Wholesale Fund)

- A copy of the Individual tax return instructions supplement 2013;
- A copy of the Tax return for individuals 1 July 2012 to 30 June 2013 (including the supplementary section);
- A copy of the 'Guide to foreign income tax offset rules 2012-13';
- A copy of the 'Personal investors guide to capital gains tax 2013'; and
- Your Federation Centres Annual Taxation Statement For Year Ended 30 June 2013.

The first five 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**. The Federation Centres Annual Taxation Statement will be sent to investors on 28 August 2013.

Important Information

- This guide assumes 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 also assumes you have no other investment income. 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 stapled securities as an investment (i.e. the investment is held on capital account), rather than as part of a business that trades in these types of investments. 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 2013 summarises the distributions of income you received in respect of the 12 months ended 30 June 2013 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 2013.
- Please refer to the back page of this tax guide if you have sold your investment during the year ended 30 June 2013.

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.

Australian Taxable Income Components (Items 1 and 7)

Refer to the Tax return for individuals (supplementary section) 1 July 2012 to 30 June 2013. In Question 13 'Partnerships and trusts', under the heading of 'Nonprimary production', enter the total Australian Taxable Income (item 1) as shown on your Annual Taxation Statement for the year ended 30 June 2013 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 supplement 2013 (on page s3 Step 12) which code (if any) should be put in the box to the right of Box Y in Question 13.

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.

Enter the total amount of Tax Deducted (item 7) as shown on your Annual Taxation Statement for the year ended 30 June 2013 (if any), at Box R in Question 13.

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

Refer to your Tax return for individuals (supplementary section) 1 July 2012 to 30 June 2013. 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 2013, 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.

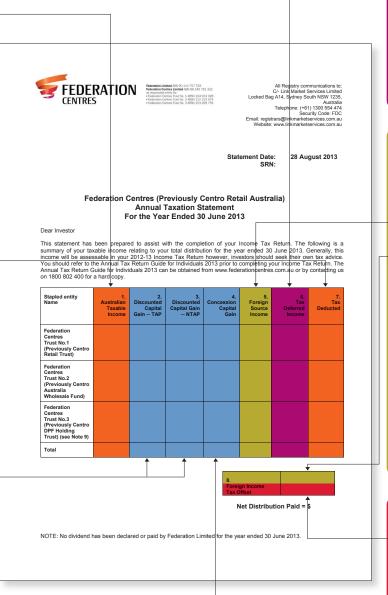
Multiply the amount calculated in Step 3, by your relevant discount percentage as indicated in Notes 2 and 3 of your Annual Taxation Statement for the year ended

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 2013 do not need to be disclosed at any label in your 2012-13 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.



02

Tax Deferred Income (Item 6)

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. In addition, as you acquired your securities after 19 September 1985, 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.

Foreign Source Income Components (Items 5 and 8)

June 2013. In Question 19 'Foreign entities', you should print an 'X' in the No Box at Boxes I and W, unless you have these interests in foreign entities.

In Question 20, add the amount of total Foreign Source Income (item 5) and the Foreign Income Tax Offset (item 8) amount (if any) together as shown on your Annual Taxation Statement for the year ended 30 June 2013, to determine the assessable foreign source income amount and enter this at Box E in Question

Step 3

Step 4

Subtract the total deductions calculated under Step 3 from the gross assessable amount at Box M in Question 20. If this is a negative amount, (i.e. a loss) enter

Step 5

Investors will need to consider the value of their investment in Federation Centres how to answer Box P in Question 20.

Please note that all foreign source income amounts have been converted to Australian currency in your Annual Taxation Statement.

Foreign Income Tax Offset (Item 8)

As foreign tax has been withheld from the foreign source income, you may be entitled to a foreign income tax offset. Australian resident investors will generally be able to claim the full amount shown at item 8, as shown on your Annual Taxation Statement for the year ended 30 June 2013, where the amount is not more than \$1,000. Where the amount is greater than \$1,000, you can claim:

- \$1,000; or
- An amount equal to the foreign income offset limit as explained in the 'Guide to foreign income tax offset rules 2012-13' which is available from the ATO website at www.ato.gov.au.

The amount of foreign income tax offset that you are entitled to claim should be entered at Box 0 in Question 20.

03

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Have you sold your investment?

If you have sold any of your stapled securities in Federation Centres during the year ended 30 June 2013, 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 2013' 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 2013.

Investor Services

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

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