

## 2015 annual tax statement

### Frequently asked questions

This document includes some frequently asked questions about Novion Property Group's 2015 annual tax statement.

Please note that the annual tax statement is provided as a guide for resident Australian individuals only who hold their investment on capital account. It does not take into account your personal circumstances and we recommend you speak to a professional for taxation advice.

If you have any additional queries, including details relating to your securityholding, you can contact the Security Registry on 1300 887 890 or [registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au); or the Novion team directly, via [feedback@novion.com.au](mailto:feedback@novion.com.au).

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#### A. Franking credits

<p>A1. Why is my franking credit included in my Total net cash distribution?</p>	<p>Under Australian tax law, property trusts such as Novion Trust are required to distribute a trust's taxable income, of which franking credits form a part. While franking credits are not strictly a cash item, they do form part of Novion Trust's assessable income for tax purposes. Therefore, they have been included in your distribution, as described in Note 2 of the annual tax statement.</p> <p>The effect of including franking credits as part of the income distribution component is to reduce the tax-deferred component that would otherwise occur. Please note that if you are an Australian resident, tax deferred income reduces the cost base of your Novion Trust units, which in turn could lead to a higher capital gain when selling your Novion securities in the future.</p>
<p>A2. Am I able to claim the franking credit?</p>	<p>Please refer to Note 2 of your Annual Tax Statement to determine your eligibility to your entitlement to your franking credits.</p>

#### B. Dividends

<p>B1. Why are franked dividends disclosed separately from the trust distribution of non-primary production income?</p>	<p>Within the Supplementary Section of the Individual tax return 2015 you are required to separately show franked dividends received from trusts at Label 13C. Franked dividends have been disclosed separately to assist individuals in making the required disclosures in their tax returns. We note that we have provided tax statements for resident individual taxpayers who hold investments on capital account which are prepared in line with industry practice, and may not be suitable to each individual investor's particular taxation circumstances.</p>
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#### C. Tax implications of the merger of Novion and Federation Centres

<p>C1. What are the tax implications of the merger of Novion and Federation Centres?</p>	<p>In May 2015, securityholders approved the Merger between Novion and Federation Centres (Merger) and the Merger was implemented on 11 June 2015</p> <p>This had tax implications for securityholders who held Novion securities prior to the Merger. To view questions and answers relating to the tax consequences for Novion securityholders of the merger with Federation Centres, <a href="#">click here</a>.</p> <p>To view further information with respect the capital gains tax (CGT) implications of the Merger, <a href="#">click here</a>.</p>
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**D. Capital gains**

<p>D1. Why does my CGT concession amount exceed my total discounted capital gains in my Annual Tax Statement?</p>	<p>The CGT concession amount is the non assessable component of the discounted capital gain amount. The CGT concession amount exceeds the discounted capital gain due to the release of CGT concession amounts in the 30 June 2015 income year from the sale of Rosebud Plaza, VIC and The Entertainment Quarter, NSW that occurred in the 30 June 2014 income year.</p>
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