A GUIDE TO YOUR ANNUAL TAX STATEMENT

THIS GUIDE APPLIES TO YOU IF:

√ You are an individual resident investor in Thakral Holdings Group (Thakral); and

√ You are not a company, trust or superannuation fund investor in Thakral; and

√ You are using the “2007 Tax Return for Individuals” (“2007 Tax Pack”) and the “2007 Tax Return for Individuals (Supplementary section)" (“2007 Tax Pack Supplement”) to complete your income tax return; and

√ You hold your stapled securities for the purpose of investment, rather than for resale at a profit, and the capital gains tax (‘CGT’) provisions apply to you.

THAKRAL HOLDINGS TRUST DISTRIBUTION

The 2007 interim and final payments received from your investment in Thakral were paid entirely from Thakral Holdings Trust (Trust). Set out below is a brief outline of the components.

Income distribution

The income component of your distribution comprises “other income” which should be included as assessable income. You should refer to the 2007 Tax Pack labels on your Thakral Annual Tax Statement and include trust distributions from Trust in your income tax return. You should note that, generally, for an individual investor, trust distributions are recognised on a present entitlement basis. Therefore the Trust distributions paid in February and August, 2007 should be included in your 2007 income tax return.

Capital gains component

This component comprises your share of capital gains derived by the Trust and distributed to you. The components distributed to you will be noted on your Thakral Annual Tax Statement. A brief description is also provided below:

1. CGT Non-Concession

   This represents capital gains derived by the Trust from the sale of investments held for 12 months or less and the assessable component of the realised capital gains calculated under the CGT 50% discount method.

2. CGT Concession

   This represents the non-assessable component of the capital gains derived by the Trust which has been calculated under the CGT 50% discount method.

Tax deferred component

This component generally arises when depreciation and capital allowances have been allowed as tax deductions to the Trust. The tax deferred component is not assessable for income tax purposes but will reduce the cost base of your Thakral investment for CGT purposes. Once the tax deferred distributions reduce the cost base of your investment to nil, any additional tax deferred distributions will give rise to an immediate capital gain. However, this gain may be reduced firstly by any un-deducted losses and if there is still a capital gain, then by the CGT 50% discount

TFN amounts withheld

Where you have not provided your Tax File Number or claimed a relevant exemption, income tax has been withheld at 46.5% as required by the Tax Act. The tax withheld should be claimed as a credit in your return.

2. COMPLETING YOUR TAX RETURN USING YOUR THAKRAL ANNUAL TAX STATEMENT

2007 TAXPACK SUPPLEMENTARY SECTION

QUESTION 12: PARTNERSHIPS AND TRUSTS

Non-primary production income

1. Add the amount of non-primary production income 12U on your Thakral Annual Tax Statement to any other non-primary production income you received from other trust investments.

2. Write the total income at 12U of your 2007 Tax Pack Supplement.

3. Add together any deductions you can claim in respect of non-primary production income that you recorded at 12U.

4. Write the total deductions at 12Y of your 2007 Tax Pack Supplement.

   Note that the types of deductions you can claim are shown on page 56 of the 2007 Tax Pack and include interest on loans used to finance your investment and debits tax and bank charges.

5. Add the amounts at 12U (or subtract loss amounts) and subtract the amounts at 12Y.

6. Write this amount in the **'Net non-primary production distribution'** box beneath 12Y. If this amount is a loss, write **'L'** in the small box to the right of this figure.

7. Add the amount of TFN amounts withheld on your Thakral Annual Tax Statement to all other TFN amounts withheld from other trust investments.

8. Write the total of TFN amounts withheld at 12R on your 2007 Tax Pack Supplement.

QUESTION 17: CAPITAL GAINS

1. As the Trust derived capital gains during the year, you are required to separately disclose your share of these capital gains on your income tax return. You will need to complete Question 17 of the 2007 Tax Pack Supplement.

2. As you are entitled to a share of the capital gain derived by the Trust, print X in the 'YES'. box at 17G of your 2007 Tax Pack Supplement.

3. If you only have a capital gain from Trust, and no other capital gains, then include the total capital gain from your Thakral Annual Tax Statement at 17H and include the net capital gain from your Thakral Annual Tax Statement at 17A.

4. If you have capital gains and losses from other shares, units in a unit trust or managed investment fund or other assets, you will need to calculate your total current year capital gains (after taking into account capital losses) to complete 17H & 17A.

5. If total current year capital gains are more than the total current year and net prior year capital losses, use the ATO guide to help you calculate your net capital gain to include at 17A of your 2007 Tax Pack Supplement.

6. If total current year capital gains are less than the total current year and net prior year capital losses, you have made a net capital loss. Write this amount at 17V of your 2007 Tax Pack Supplement.

3. DISPOSAL OF YOUR STAPLED SECURITIES

What is a stapled security?

For tax purposes, the sale of a stapled security is treated as a disposal of a share in Thakral Holdings Limited and a unit in Thakral Holdings Trust. Upon disposal of a stapled security, you will realise a capital gain if the consideration exceeds the CGT cost base of the share and unit.

Cost base of your stapled security

The cost base of your shares and units is the amount you paid for them including the incidental costs of acquisition and disposal. Furthermore, you will need to apportion this cost base between the cost of your units and the cost of your shares because of the way in which the tax deferred components of your yearly distributions reduce the cost base of your units. For details of the apportionment of the cost base between your units and your shares refer to Investor Centre / Distribution Information on the Thakral website.

This year, your Thakral Annual Tax Statement lists the tax deferred component of your distribution. For details of prior years' tax deferred components refer to Investor Centre / Distribution Information on the Thakral website.

Calculation of Capital Gain/Loss

Your capital gains or capital losses from the disposal of your stapled securities may be ascertained as follows:

- Indexed Capital Gains – where your stapled securities were acquired prior to 21 September 1999, the taxable capital gain may be calculated as the difference between the sale proceeds and indexed cost base (using the frozen indexation factor at 30 September 1999). Alternatively, you may choose to apply the CGT 50% discount method below.

- Discount Capital Gains (>12 months)

  Where the stapled securities have been held for more than 12 months, you may choose to reduce your taxable capital gain by the CGT discount of 50% for individuals.

- Other Capital Gains (< 12 months)

  Where the stapled securities have been held for 12 months or less, no discount is available and accordingly such gains are assessable in full.

- Capital Losses

  A capital loss comprises the difference between the sale proceeds and the reduced cost base of your stapled securities. You can offset capital losses against capital gains. Current year capital losses are applied before prior year's capital losses. It is usually more efficient to offset capital losses in the following order:

  1. Against any other capital gains which are not entitled to the CGT 50% discount;
  2. Capital gains calculated under the indexation method; and
  3. Then, CGT discount capital gains.

If you choose to apply the capital losses against any discount capital gains, you must apply the capital losses against the grossed up capital gain amount (that is, your 50% discount capital gain x 2) before applying the discount percentage.

Please refer to the ATO publication "Personal Investors Guide to Capital Gains Tax 2004-05 (NAT 4152)" for more detail.

4. ATO LINKS

Relevant ATO publications to assist you in completing your tax return and / or calculating your capital gains include:

Refund of Franking Credits

You and Your Shares 2004-05

Personal Investor's guide to Capital Gains Tax 2004-05

To obtain copies of these publications from the ATO please phone the ATO publications distribution service on 1300 720 092 or obtain the information from the ATO website at www.ato.gov.au.