

2017 Dexus Capital Reallocation

Frequently asked questions

Question	Response
What will lead to investors making capital gains slightly earlier than expected?	<p>Dexus securities are made up of a DDF, DIT, DOT and a DXO unit. Each unit will have its own cost base, the amount of which will depend on when you purchased your security and the amount of tax deferred distributions in respect of that unit you have received since purchase.</p> <p>The proposal, in a similar fashion to a tax deferred distribution, will reduce your DIT and DXO units' cost base.</p> <p>There will be no overall reduction in the cost base of your Dexus securities. However, if/when your cost base in a specific unit reduces to zero any subsequent tax deferred distributions are treated as capital gains in the year of receipt.</p> <p>Because your DIT and DXO units' cost base will be reduced under the proposal, future tax deferred distributions by these trusts will reduce this cost base to nil more quickly than would otherwise have been the case.</p>
Will some investors make a capital gain as a result of the capital reallocation payments? How does that happen?	<p>An Investor must calculate a separate cost base for each DDF, DIT, DOT and DXO units, the amount of which will depend on when you purchased your security and the amount of tax deferred distributions in respect of that unit you have received since purchase.</p> <p>Investor cost bases will vary and most will have cost bases in DIT and DXO significantly above the capital reallocation amount for DIT and DXO (17.21 cents). These Investors will not make a capital gain.</p> <p>It is possible that some investors may be holding DXO units that have a cost base of less than 17.21 cents. These Investors will make a capital gain equal to the difference between the cost base of 17.21 cents. However, these Investor's aggregate cost base will be increased by the amount of the capital gain.</p>
If I make a capital gain, am I entitled to the CGT discount?	<p>If you are an Australian resident individual, the trustee of a trust or a complying superannuation fund, you should be entitled to apply the appropriate rate of CGT discount if you have held the relevant unit for at least 12 months prior to the date for the capital reallocation.</p>
Can non-residents make a capital gain as a result of the capital reallocation payments?	<p>Generally, a non-resident will not make a capital gain as a result of the capital reallocation payment that is taxable in Australia even if its cost base in a DIT or DXO unit is reduced to nil unless:</p> <ul style="list-style-type: none"> - it, together with its associates, holds or has held a 10% or greater interest in Dexus; or - it holds its Dexus units through a permanent establishment in Australia.
Where do I get the information to determine if I have made a capital gain?	<p>We publish historical information on the distributions of each trust comprising the Dexus security and the relative value of each security on our website at www.dexus.com/investors If you cannot access our website please email dexus@linkmarketservices.com.au or call on +612 1800 819 675 for assistance.</p>



Do I need to disclose the capital reallocation payments in my tax return?	You do not need to disclose the capital reallocation payments in your tax return. However, if you make a capital gain as a result of the capital reallocation, you must include that capital gain in your 2018 Australian Taxation Return.
Will you need to do a capital reallocation again?	It is possible that we will need to ask your permission to do another reallocation again in the future.
How does the Proposal impact my investment?	The Proposal is asking for your approval to move value from one part of the Group to another part of the Group. There is no change to the number of securities you own, the net tangible asset value of the Group or the number securities on issue.
Will the capital reallocation affect Dexus' distribution policy?	The capital reallocation is not expected to have any effect on Dexus's distribution policy.
How is the ATO class ruling proceeding?	The ruling was received by Dexus on 8 November 2017 and is available on Dexus's website at www.dexus.com/investors
Why is the ATO class ruling necessary?	The purpose of the ATO class ruling is to provide certainty to security holders on the tax consequences for security holders as a result of the capital reallocation.