

Level 3, 1C Homebush Bay Drive
RHODES NSW 2138

Locked Bag 2106
NORTH RYDE NSW 1670
DX 8419 Ryde

T 02 9767 2000
F 02 9767 2900
www.australand.com.au



Australand Property Trust No.5 - Fund Payment Notice

Following are the components for the Australand Property Trust No.5's distribution for the period ended 30 June 2009.

Ex Date: 24 June 2009
Record Date: 30 June 2009
Payable Date: 4 August 2009
Total Distribution Rate: 0.2904 cents per unit

Components of the Distribution	Total Cash Distribution	Component subject to fund payment withholding	Component subject to other non-resident withholding
Australian Income			
Interest income	0.000603		0.000603
Discounted capital gain	0.092552	0.185104	
Other income	0.197245	0.263397	
	0.290400	0.448501	0.000603

*All amounts are shown as cents per unit

This distribution includes a "Fund Payment" of 0.448501 cents per unit (**note 1**), pursuant to Subdivision 12-H of Schedule 1 of the *Taxation Administration Act 1953*.

Australand Property Trust No.5 declares that is a managed investment trust for the purposes of Subdivision 12-H of Schedule 1 of the *Taxation Administration Act 1953*, in respect of the income year ended 30 June 2009.

NOTE 1

Subdivision 12-H of the *Taxation Administration Act 1953* deals with distributions from managed investment trusts (“MITs”) to foreign residents. Specifically, it sets out the rules for the withholding taxes from distributions to foreign residents.

For the year of income ended 30 June 2009, a non final withholding rate of 22.5% applies to foreign residents in countries which have an exchange of information agreement with Australia. In all other cases a final withholding rate of 30% applies.

The trustee of a MIT is required to withhold tax from a “*fund payment*” amount in respect of an income year. The fund payment amount may not be the same as the cash distribution to unitholders.

The fund payment is calculated in accordance with Subdivision 12-H. The calculation is different to the way the trust calculates its taxable and non taxable components for income tax purposes. The calculation is specific to the withholding of tax from distributions to foreign residents and therefore the fund payment does not include:

- Australian sourced interest income (which is subject to a final interest withholding tax for foreign residents); and
- Foreign sourced income (which is not assessable to foreign residents).

Additionally, any discount capital gains that form part of the trust distribution (which is the case with Australand Property Trust No.5) are in fact grossed up (multiplied by 2) in calculating the fund payment amount. Significant discount capital gains will therefore increase the fund payment amount due to grossing up.

The trustee is also required to take into account earlier period fund payments made, in calculating the fund payment for the remaining period for the same income year.

As a result of the Subdivision 12-H calculation method for a fund payment, the amount determined by the RE of Australand Property Trust No.5 to be the fund payment amount for the period ended 30 June 2009 is 0.448501 cents per unit. The fund payment amount exceeds the period’s cash distribution amount of 0.2904 cents per unit.