



Westfield Management Limited

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10 September 2008

The Manager
Company Announcements Office
ASX Limited
Level 4, Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

**CARINDALE PROPERTY TRUST (ASX: CDP)
2008 ANNUAL REPORT**

Attached is the Annual Report for Carindale Property Trust for the year ended 30 June 2008. The Annual Report will be despatched to members in the week commencing 15 September 2008.

The Report can be accessed on the Trust's website at www.carindalepropertytrust.com.au

Yours faithfully

WESTFIELD MANAGEMENT LIMITED
Responsible Entity of Carindale Property Trust

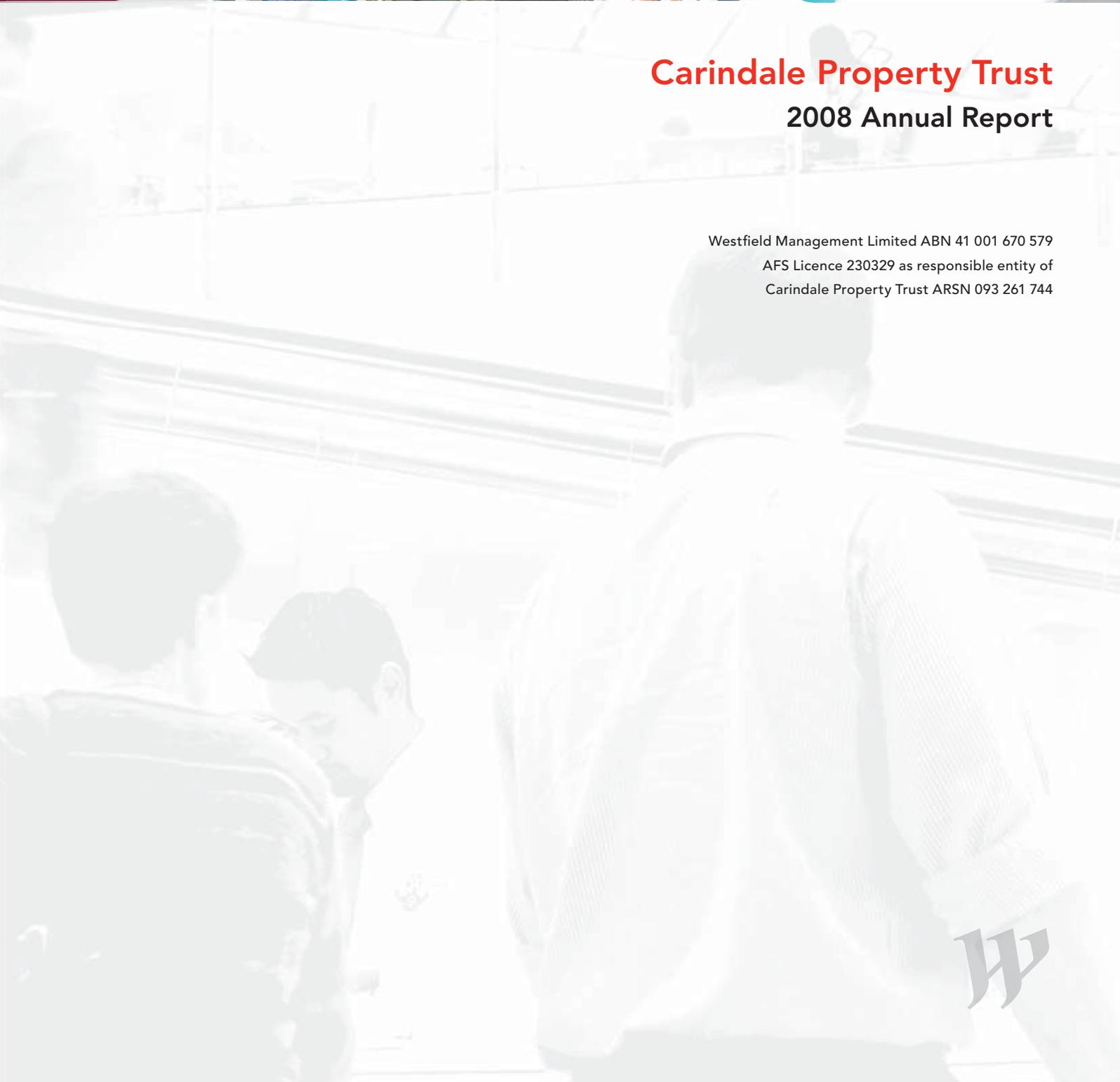
Simon Tuxen
Company Secretary

Encl.



Carindale Property Trust 2008 Annual Report

Westfield Management Limited ABN 41 001 670 579
AFS Licence 230329 as responsible entity of
Carindale Property Trust ARSN 093 261 744



Carindale Property Trust

Carindale Property Trust was listed on the Australian Stock Exchange in 1996. The Trust's sole investment is a 50% interest in Westfield Carindale, one of Brisbane's largest regional shopping centres at 116,767 square metres.

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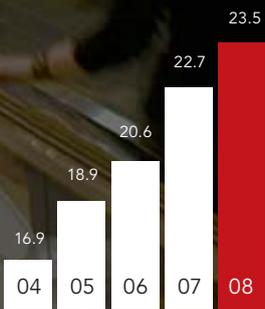
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**As at 30 June 2008
Westfield Carindale was
valued at \$890 million.***

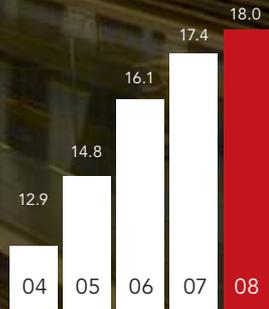


\$million

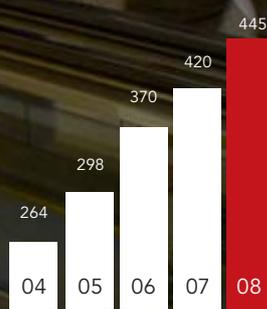
NET PROPERTY INCOME



DISTRIBUTION TO MEMBERS



SHOPPING CENTRE INVESTMENT



TOTAL RETAIL SALES



Financial Highlights

Carindale Property Trust has reported a net profit of \$42.4 million for the year ended 30 June 2008.

The Trust's net property income for the period was \$23.5 million representing a 3.9% increase on the previous year.

Westfield Carindale generates sales of \$674.1 million through its 2 department stores, 2 discount department stores, 3 supermarkets and 281 specialty retailers. The adjoining Home & Leisure Centre comprises a further 8 retailers.

Year	2004	2005	2006	2007	2008	% Change 2007 to 2008
Net Property Income (\$ million)	16.9	18.9	20.6	22.7	23.5	3.9%
Distribution to members (\$ million)	12.9	14.8	16.1	17.4	18.0	3.1%
Distribution per unit (cents)	18.43	21.16	22.94	24.91	25.69	3.1%
Tax deferred component (%)	46	37	31	24	20	–
Shopping centre investment (\$ million)	263.6	297.6	369.5	420.0	445.0	6.0%
Total members' funds (\$ million)	220.1	252.8	319.7	370.4	394.9	6.6%
Number of units on issue (million)	70	70	70	70	70	–
Net asset backing per unit	\$3.14	\$3.61	\$4.57	\$5.29	\$5.64	6.6%



Year in Review

Financial Results

Carindale Property Trust has reported a net profit of \$42.4 million for the year ended 30 June 2008. Excluding the property revaluation increment and other IFRS adjustments, profit was \$18.0 million.

The Trust's net property income for the period was \$23.5 million representing a 3.9% increase on the previous year. Growth in earnings has been generated through the ongoing intensive management of the Trust's sole property investment, Westfield Carindale.

An independent valuation of the Trust's 50% interest in Westfield Carindale was undertaken as at 30 June 2008 resulting in a \$23.9 million increase in the centre's value to \$445.0 million. This represents a 6% increase on the valuation undertaken at 30 June 2007.

Primarily as a result of the property revaluation, total assets of Carindale Property Trust increased 6.4% to \$452.4 million as at 30 June 2008. While borrowings have increased by 7.1% to \$44.0 million, the gearing level has remained at 9.7% of total assets. Total funds attributable to members increased 6.6% to \$394.9 million.

The net tangible asset backing as at 30 June 2008 has increased to \$5.64 per unit, an increase of 6.6% on the net tangible asset backing per unit as at 30 June 2007.

Trust distribution

The total amount distributed to members for the financial year ended 30 June 2008 was \$18.0 million representing a full year distribution of 25.69 cents per unit, up 3.1% on last year's 24.91 cents per unit. An interim distribution of 12.77 cents per unit was paid on 29 February 2008 and the final distribution of 12.92 cents per unit will be paid to members on 29 August 2008. The full year distribution is approximately 20% tax deferred which is due to depreciation and other allowances.

Centre performance

Westfield Carindale continues to perform well. The asset's strength has been consolidated by an ongoing capital works program that includes upgrades to amenities and furnishings, 40 shop upgrades and a tenancy remix that has seen the introduction of 12 new retailers to the centre. Combined with Westfield's intensive management these efforts have greatly contributed to the growth in net property income.

Total retail sales within the centre have grown to \$674.1 million for the 12 months to 30 June 2008 representing an increase of 7% on sales for the previous year.

Outlook

The Directors are pleased with the result which highlights the strength of the underlying asset and the benefit of an intensive management focus. They are confident that the centre is positioned for continuing future growth.





Ongoing Rejuvenation

40 stores were upgraded during the year and 12 new retailers were introduced to the centre.

Westfield Carindale continued with its ongoing capital works program providing a constantly revitalised environment through upgrades to various precincts, refurbishment of amenities and the introduction of numerous retailers.

The program of works over the past 12 months has included a major upgrade to the parents' rooms on Levels 1 and 2 with total replacement of all hard and soft furnishings. The Stay & Play Short Term Childminding was also upgraded providing shoppers with a greatly improved child-care environment.

Common mall areas have undergone improvements with a general ambience upgrade through the installation of new seating.

In consideration of shopper convenience and safety, a signage installation program was undertaken throughout the centre and its carparks, as well as an upgrade to emergency lighting and carpark line-marking to improve efficiency and traffic flow.

Major refurbishments were completed by Woolworths, Big W and Country Road, with the addition of Country Road Kids. The year also saw the introduction of a number of new fashion retailers including Sportscraft, Cotton On Kids, Fossil and Sintra. In addition, general retailers including Robin's Kitchen, Cardio-tech, BankWest and Specsavers were also introduced.

Maintaining occupancy of more than 99%, Westfield Carindale continues to be one of Brisbane's most desirable shopping destinations through a combination of an ongoing and customised tenancy remix and a constantly refreshed environment.

Planning approval has been granted for the centre's next major redevelopment, however, project details including funding are still to be finalised and agreed by joint venture partners Carindale Property Trust and Australian Prime Property Fund.



Community and Environment

Community

Westfield Carindale continues to be a major hub for its local community and during the financial year supported a range of events in and around the centre.

As a major sponsor of the Brisbane Billycart Championships, Westfield Carindale co-hosted an event for more than 4000 people at nearby Carindale Reserve in conjunction with the Brisbane City Council and Camp Hill Rotary Club. The centre also supported the Eastside Community Christmas Carols with almost 7000 people in attendance. Across both these events, Westfield Carindale generated 1000 new memberships for the centre's Kids Club program.

Westfield Carindale held two charity days during the year to raise funds and awareness for disabled children and their carers – in line with Westfield's national program of community support. Westfield Carindale was able to lend support to the local charity Montrose Access as part of a Mother's Day campaign, while the second event raised funds for the local Starlight Foundation branch. In both cases, the beneficiaries of each charity – the children – were able to come in to the centre and be treated to a special day of shopping and entertainment.

Environment

With increasing focus on the need to reduce the environmental impact of doing business, Westfield Carindale has continued to target new objectives to improve efficiency.

The total refurbishment of two parents' rooms and amenities provided the opportunity to upgrade all newly installed water facilities to best practice standard. Westfield Carindale worked closely with local authorities to ensure water reduction was maintained at the highest levels through an intensive management and reporting system in line with local government environmental objectives.

Ongoing focus on energy reduction through close monitoring of air conditioning systems, the retrofit lighting program in carparks and common mall areas, and waste management initiatives through close collaboration with retailers also contributed to Westfield Carindale's objective for greater efficiency and reduced environmental impact.

Board of Directors



Mr Frank P Lowy AC Chairman



Mr David H Lowy AM Deputy Chairman



Mr Roy L Furman



Mr David M Gonski AC



Prof. Frederick G Hilmer AO



Mr Stephen P Johns

Mr Frank P Lowy AC Chairman

Frank Lowy is executive chairman and co-founder of the Westfield Group. He is the founder and chairman of the Lowy Institute for International Policy, a member of The Brookings Institution's International Advisory Council, and chairman of Football Federation Australia. Mr Lowy is chairman of the Westfield Group Nomination Committee.

Mr David H Lowy AM Deputy Chairman

David Lowy was appointed non-executive deputy chairman of Westfield Holdings Limited in June 2000. He holds a Bachelor of Commerce degree from the University of NSW. Mr Lowy joined Westfield in 1977 and was appointed executive director in 1981 and became managing director in 1987, a position he held until June 2000. He is a principal of LFG Holdings, a director of Consolidated Media Holdings Limited and Crown Limited and the founder and president of Temora Aviation Museum. Mr Lowy is chairman of the Westfield Group Board Risk Management Committee.

Mr Roy L Furman

Roy Furman was appointed as a non-executive director of Westfield Holdings Limited in July 2004 following the merger of Westfield Holdings Limited with Westfield Trust and Westfield America Trust. He holds a degree in law from Harvard Law School. Mr Furman is based in the US and is vice chairman of Jefferies and Company and chairman of Jefferies Capital Partners, a group of private equity funds. In 1973 he co-founded Furman Selz – an international investment banking, institutional brokerage and money management firm and was its CEO until 1997. Mr Furman is a member of the Westfield Group Remuneration Committee.

Mr David M Gonski AC

David Gonski was appointed as a non-executive director of Westfield Holdings Limited in 1985. He holds degrees in law and commerce from the University of NSW. Mr Gonski is chairman of Investec Bank Australia Limited and Coca-Cola Amatil Limited. He is a director of ASX Limited and Singapore Airlines Limited. He is also chairman of Sydney Grammar School and the National E-Health Transition Authority (NEHTA), and Chancellor of the University of NSW. Mr Gonski is a member of the Westfield Group Audit & Compliance Committee, Remuneration Committee and Nomination Committee.

Professor Frederick G Hilmer AO

Frederick Hilmer was appointed a non-executive director of Westfield Holdings Limited in 1991. He holds degrees in law from the Universities of Sydney and Pennsylvania and an MBA from the Wharton School of Finance. Professor Hilmer became vice-chancellor and president of the University of NSW (UNSW) in June 2006. From 1998 until November 2005, he was chief executive officer and a director of John Fairfax Holdings Limited. Between 1989 and 1997, he was Dean and Professor of Management at the Australian Graduate School of Management (UNSW). Professor Hilmer is chairman of the Westfield Group Audit & Compliance Committee and Remuneration Committee and is the lead independent director.

Mr Stephen P Johns

Stephen Johns was appointed an executive director of Westfield Holdings Limited and Westfield Management Limited in 1985 and of Westfield America Management Limited in 1996. He held a number of positions within Westfield, including Group Finance Director from 1985 to 2002, and became a non-executive director of the three Westfield entities in October 2003. Mr Johns holds a Bachelor of Economics degree from the University of Sydney and is a fellow of the Institute of Chartered Accountants in Australia. He is also chairman of the Spark Infrastructure Group, a director of Brambles Limited and Sydney Symphony Limited. Mr Johns is a member of the Westfield Group Audit & Compliance Committee and Risk Management Committee.



Mr Peter S Lowy



Mr Steven M Lowy



Mr John McFarlane



Prof. Judith Sloan



Dr Gary H Weiss



Ms Carla M Zampatti AM

Mr Peter S Lowy

Peter Lowy was appointed managing director of Westfield Holdings Limited in 1997 and currently serves as group managing director of the Westfield Group. He holds a Bachelor of Commerce degree from the University of NSW. Prior to joining Westfield in 1983, Mr Lowy worked in investment banking both in London and New York. He serves on the Executive Committee and Board of Governors for National Association of Real Estate Investment Trusts, the Executive Committee of the Washington Institute for Near East Policy and is a member of the management board of the European Public Real Estate Association. Mr Lowy serves on the Board of Directors of the Lowy Institute for International Policy (Australia), the RAND Corporation Board of Trustees, and the board of the Homeland Security Advisory Council (US).

Mr Steven M Lowy

Steven Lowy was appointed managing director of Westfield Holdings in 1997 and currently serves as group managing director of the Westfield Group. Mr Lowy holds a Bachelor of Commerce (Honours) degree from the University of NSW. Prior to joining Westfield in 1987, he worked in investment banking in the US. Mr Lowy is President of the Board of Trustees of the Art Gallery of New South Wales. He is Chairman of the Victor Chang Cardiac Research Institute; a director of the Lowy Institute for International Policy; a member of the Prime Minister's Business-Government Advisory Group on National Security; and Chairman of the Board of Management for the Associate Degree of Policing Practice NSW (ADPP).

Mr John McFarlane

John McFarlane was appointed as a non-executive director of Westfield Holdings Limited in February 2008. He holds a Master of Arts degree from the University of Edinburgh and an MBA from Cranfield School of Management. Mr McFarlane is a director of Old Oak Holdings Limited (UK) and The Royal Bank of Scotland* and is a member of Consolidated Press Holdings Advisory Board. He is the former Chief Executive Officer and Managing Director of Australian & New Zealand Banking Group Limited and his previous appointments include Group Executive Director of Standard Chartered Plc, Head of Citibank in the UK and director of the London Stock Exchange.

Professor Judith Sloan

Judith Sloan was appointed as a non-executive director of Westfield Holdings Limited in February 2008. She is a Commissioner of the Productivity Commission and the Australian Fair Pay Commission, Chairman of Babcock & Brown Communities Limited and a director of Santos Limited. She holds a degree in Economics from the University of Melbourne, a Master of Arts degree in Economics specialising in Industrial Relations, also from the University of Melbourne and a Master of Science degree in Economics from the London School of Economics. Professor Sloan has held academic appointments at the University of Melbourne and Flinders University and is a member of the Board of the Lowy Institute for International Policy. Her previous appointments include Deputy Chair of the Australian Broadcasting Corporation and director of Mayne Group Limited (now known as Symbion Health Limited).

Dr Gary H Weiss

Gary Weiss was appointed as a non-executive director of Westfield Holdings Limited in July 2004 following the merger of Westfield Holdings Limited with Westfield Trust and Westfield America Trust. He holds a masters degree in law, as well as a Doctor of Juridical Science (JSD) from Cornell University, New York. Dr Weiss is an executive director of Guinness Peat Group plc, chairman of Coats plc and Ariadne Australia Limited, a director of Capral Limited, Canberra Investment Corporation Limited, Tag Pacific Limited and Premier Investments Limited. Dr Weiss is a member of the Westfield Group Board Risk Management Committee.

Ms Carla M Zampatti AM

Carla Zampatti was appointed as a non-executive director of Westfield Holdings Limited in 1997. She is executive chairman of the Carla Zampatti Group, chairman of the Special Broadcasting Service (SBS), a trustee of the Sydney Theatre Company Foundation Trust and a member of the Board of the Australian Multicultural Foundation. She is a former Director of McDonald's Australia Limited. Ms Zampatti is a member of the Westfield Group Nomination Committee.

*effective 1 October 2008.

Financial Report

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Income Statement

FOR THE YEAR ENDED 30 JUNE 2008

	Note	30 Jun 08 \$'000	30 Jun 07 \$'000
Revenue and other income			
Property revenue	3	32,966	30,401
Property revaluation		23,898	49,978
		56,864	80,379
Interest income		134	126
Net unrealised gain on fair value of derivatives that do not qualify for hedge accounting		748	890
Total revenue and other income		57,746	81,395
Expenses			
Property expenses and outgoings		(9,422)	(7,732)
Manager's service charge		(2,675)	(2,570)
Other costs		(191)	(182)
		(12,288)	(10,484)
Financing costs			
– Interest bearing liabilities		(3,018)	(2,796)
Total expenses		(15,306)	(13,280)
Net profit attributable to members of the Trust		42,440	68,115
		cents	cents
Basic earnings per unit	4	60.63	97.31
Diluted earnings per unit	4	60.63	97.31

Statement of Distribution

FOR THE YEAR ENDED 30 JUNE 2008

	30 Jun 08 \$'000	30 Jun 07 \$'000
Profit attributable to members of the Trust	42,440	68,115
Less: property revaluation	(23,898)	(49,978)
Add: tenant allowances amortised	190	190
Less: net unrealised gain on fair value of derivatives that do not qualify for hedge accounting	(748)	(890)
Distribution paid/payable to members	17,984	17,437
Distribution paid to members	(8,939)	(8,540)
Distribution payable to members	9,045	8,897
	cents	cents
Basic earnings per unit	60.63	97.31
Less: revaluation of investment properties	(34.14)	(71.40)
Add: tenant allowances amortised	0.27	0.27
Less: net unrealised gain on fair value of derivatives that do not qualify for hedge accounting	(1.07)	(1.27)
Distribution paid/payable to members per unit	25.69	24.91
Distribution paid to members	(12.77)	(12.20)
Distribution payable to members per unit	12.92	12.71

Balance Sheet

AS AT 30 JUNE 2008

	Note	30 Jun 08 \$'000	30 Jun 07 \$'000
Current assets			
Cash and cash equivalents	13(i)	2,666	1,778
Trade and other receivables	5	2,209	1,784
Prepayments and deferred costs	7	28	–
Total current assets		4,903	3,562
Non current assets			
Investment properties	8	445,045	420,045
Derivative assets	6	2,419	1,671
Total non current assets		447,464	421,716
Total assets		452,367	425,278
Current liabilities			
Trade and other payables	9	13,546	13,827
Total current liabilities		13,546	13,827
Non current liabilities			
Interest bearing liabilities	10	43,969	41,055
Total non current liabilities		43,969	41,055
Total liabilities		57,515	54,882
Net assets		394,852	370,396
Equity attributable to members of the Trust			
Contributed equity		187,934	187,934
Retained profits	12	206,918	182,462
Total equity attributable to members of the Trust		394,852	370,396

Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2008

	30 Jun 08 \$'000	30 Jun 07 \$'000
Opening balance of equity attributable to members of the Trust	370,396	319,718
Distribution payable to members of the Trust	(17,984)	(17,437)
Net adjustment recognised directly in equity	352,412	302,281
Profit attributable to members of the Trust	42,440	68,115
Closing balance of equity attributable to members of the Trust	394,852	370,396

Cash Flow Statement

FOR THE YEAR ENDED 30 JUNE 2008

	Note	30 Jun 08 \$'000	30 Jun 07 \$'000
Cash flows from operating activities			
Receipts in the course of operations (including GST)		36,098	33,148
Payments in the course of operations (including GST)		(14,154)	(10,752)
Goods and services taxes paid to government bodies		(2,053)	(1,951)
Net cash flows from operating activities	13(ii)	19,891	20,445
Cash flows from investing activities			
Payments of capital expenditure for property investments		(1,102)	(833)
Goods and services taxes paid to suppliers for investing activities		(139)	(95)
Interest received		134	126
Net cash flows used in investing activities		(1,107)	(802)
Cash flows from financing activities			
Net drawings on/(repayments of) interest bearing liabilities		3,100	(445)
Financing costs		(3,160)	(2,438)
Distribution paid to members		(17,836)	(16,960)
Net cash flows used in financing activities		(17,896)	(19,843)
Net increase/(decrease) in cash and cash equivalents held		888	(200)
Add: opening cash and cash equivalents brought forward		1,778	1,978
Cash and cash equivalents at the end of the year	13(i)	2,666	1,778

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2008

NOTE 1 BASIS OF PREPARATION OF THE FINANCIAL REPORT

(a) Corporate information

This financial report of Carindale Property Trust (the "Trust") for the year ended 30 June 2008 was approved on 27 August 2008, in accordance with a resolution of the Board of Directors of Westfield Management Limited, as responsible entity of the Trust ("Responsible Entity").

The nature of the operations and principal activities of Carindale Property Trust are described in the Directors' Report.

(b) Statement of Compliance

This financial report complies with Australian Accounting Standards and International Financial Reporting Standards.

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Trust for the annual reporting period ended 30 June 2008. The Directors have assessed the impact of these new or amended standards (to the extent relevant to the Trust) and interpretations as follows:

- AASB 8 Operating Segments, AASB 101 Presentation of Financial Statements and AASB 123 Borrowing Costs which are applicable for annual reporting periods beginning on or after 1 January 2009.

These standards will not impact the amounts recognised in the financial statements.

(c) Basis of Accounting

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other mandatory professional reporting requirements. The financial report has also been prepared on a historical cost basis, except for investment properties and derivative financial instruments that have been measured at fair value.

Investment property is held jointly as tenants in common. The proportionate share of the income and expenditure and of the assets and liabilities of property interests are held as tenants in common and have been included in their respective classifications in this financial report.

This financial report is presented in Australian dollars.

(d) Adoption of New Accounting Standards

The Trust has adopted AASB 7 Financial Instruments: Disclosures, AASB 101 Presentation of Financial Statements and all consequential amendments which became applicable on 1 January 2007. The adoption of these standards has only affected the disclosure in these financial statements. These standards have not affected the amounts recognised in the income statement or the balance sheet of the Trust.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Investment properties

The Trust's investment properties include freehold and leasehold land, buildings, leasehold improvements, construction and development projects.

Land and buildings are considered as having the function of an investment and therefore are regarded as a composite asset, the overall value of which is influenced by many factors, the most prominent being income yield, rather than by the diminution of value of the building content due to effluxion of time. Accordingly, the buildings and all components thereof, including integral plant and equipment, are not depreciated.

Initially, investment properties are measured at cost including transaction costs. Subsequent to initial recognition, the Trust's investment properties are stated at fair value. Gains and losses arising from changes in the fair values of investment properties are included in the income statement in the year in which they arise. Any gains or losses on the sale of an investment property are recognised in the income statement in the year of sale.

Amounts capitalised to construction and development projects include the cost of sundry acquisitions and development costs in respect of qualifying assets and borrowing costs during the development.

At each reporting date, the carrying value of the property investment is assessed by the Directors and, where the carrying value differs materially from the Directors' assessment of fair value, an adjustment to the carrying value is recorded as appropriate.

Investment properties are derecognised when they have been disposed of. Any gains or losses on the derecognition of an investment property are recognised in the income statement in the year of derecognition.

The Directors' assessment of fair value of the investment property is confirmed by annual independent valuations. In determining the fair value, the capitalisation of net income method and the discounting of future cash flows to their present value have been used.

The assessment of fair value and possible impairment in the fair value of the investment property is a significant estimate that can change based on the Trust's continuous process of assessing the factors affecting the property.

(b) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Trust and can be reliably measured. Rental income from investment properties is accounted for on a straight line basis over the lease term. Contingent rental income is recognised as income in the period in which it is earned. If not received at balance date, revenue is reflected in the balance sheet as receivables and are carried at fair value. Recoveries from tenants are recognised as income in the year the applicable costs are accrued.

Certain tenant allowances are amortised over the term of the lease. The amortisation is recorded against property income.

All other revenues are recognised on an accruals basis.

(c) Expenses

Expenses including rates, taxes and other outgoings, are brought to account on an accruals basis and any related payables are carried at cost. All other expenses are brought to account on an accruals basis.

(d) Taxation

Under current Australian income tax legislation, the Trust is not liable for Australian income tax, including capital gains tax, provided that members are presently entitled to the income of the Trust as determined in accordance with the Trust's constitution.

(e) Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST except where the GST incurred on purchase of goods and services is not recoverable from the tax authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable. Receivables and payables are stated with the amounts of GST included.

The net amount of GST payable or receivable to government authorities is included as part of receivables or payables in the balance sheet.

Cash flows are included in the cash flow statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(f) Financing costs

Financing costs include interest, amortisation of discounts or premiums relating to borrowings and other costs incurred in connection with the arrangement of borrowings. Financing costs are expensed as incurred unless they relate to a qualifying asset. A qualifying asset is an asset which generally takes more than 12 months to get ready for its intended use or sale. In these circumstances, the financing costs are capitalised to the cost of the asset. Where funds are borrowed by the Trust for the acquisition or construction of a qualifying asset, the amount of financing costs capitalised are those incurred in relation to that borrowing.

Refer note 2(h) for other items included in financing costs.

(g) Contributed equity

Issued and paid up capital is recognised at the fair value of the consideration received by the Trust. Any transaction costs arising on the issue of ordinary units are recognised directly in equity as a reduction of the unit proceeds received.

(h) Derivative and other financial assets and liabilities

The Responsible Entity utilises interest rate swaps to manage the risks associated with interest rate fluctuations. Such derivative financial instruments are recognised at fair value.

The Responsible Entity has set defined policies and implemented a comprehensive hedging program to manage interest rate risks. Derivative instruments are transacted to achieve the economic outcomes in line with the Trust's treasury policy and hedging program and are not transacted for speculative purposes. Accounting standards however require compliance with onerous documentation, designation and effectiveness parameters before a derivative instrument is deemed to qualify for hedge accounting treatment. These documentation, designation, and effectiveness requirements are not met in all circumstances. As a result, all derivative instruments are deemed not to qualify for hedge accounting and are recorded at fair value. Gains or losses arising from the movement in fair values are recorded in the income statement.

The fair value of interest rate swaps are determined by reference to market rates for similar instruments.

The accounting policies adopted in relation to material derivatives and other financial assets and liabilities are detailed as follows:

i) Financial assets

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and on hand and short term deposits with an original maturity of 90 days or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and at bank, short term money market deposits and bank accepted bills of exchange readily convertible to cash, net of bank overdrafts and short term loans. Bank overdrafts are carried at the principal amount. Interest is charged as an expense as it accrues.

Receivables

Trade and sundry debtors are carried at original invoice amount, less provision for doubtful debts, and are due within 30 days. Collectability of trade and sundry receivables is reviewed on an ongoing basis. Individual debts that are determined to be uncollectible are written off when identified. An impairment provision for doubtful debts is recognised when there is evidence that the Trust will not be able to collect the receivable.

ii) Financial liabilities

Payables

Trade and sundry creditors are carried at amortised cost and due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Trust prior to the end of the financial year that are unpaid and arise when the Trust becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 60 days.

Interest bearing liabilities

Interest bearing liabilities are recognised initially at the fair value of the consideration received less any directly attributable transaction costs. Subsequent to initial recognition, interest bearing liabilities are recorded at amortised cost using the effective interest rate method.

Interest bearing liabilities are classified as current liabilities where the liability has been drawn under a financing facility which expires within one year. Amounts drawn under financing facilities which expire after one year are classified as non current.

Financing costs for interest bearing liabilities are recognised as an expense on an accruals basis.

(i) Recoverable amount of assets

At each reporting date, the Responsible Entity assesses whether there is any indication that an asset may be impaired. Where an indicator of the impairment exists, the Responsible Entity makes an estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

(j) Earnings per unit

Basic earnings per unit is calculated as net profit attributable to members divided by the weighted average number of ordinary units. Diluted earnings per unit is calculated as net profit attributable to members divided by the weighted average number of ordinary units and dilutive potential ordinary units.

(k) Rounding

In accordance with ASIC Class Order 98/0100, the amounts shown in the financial report have, unless otherwise indicated, been rounded to the nearest thousand dollars. Amounts shown as 0.0 represent amounts less than \$500 that have been rounded down.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2008

	30 Jun 08 \$'000	30 Jun 07 \$'000
NOTE 3 PROPERTY REVENUE		
Shopping centre base rent and other property income	33,156	30,591
Tenant allowances amortised	(190)	(190)
	32,966	30,401

	30 Jun 08 Cents	30 Jun 07 Cents
NOTE 4 EARNINGS PER UNIT		
Basic earnings per unit	60.63	97.31
Diluted earnings per unit	60.63	97.31

Basic and diluted earnings per unit is calculated by dividing the earnings of \$42,440,000 (2007: \$68,115,000) by the weighted average number of ordinary units on issue during the year. The weighted average number of units used in the calculation of basic and diluted earnings per unit is 70,000,000 (2007: 70,000,000).

	30 Jun 08 \$'000	30 Jun 07 \$'000
NOTE 5 TRADE AND OTHER RECEIVABLES		
Trade receivables	545	20
Provision for doubtful debts	(8)	(9)
	537	11
Other debtors	1,672	1,773
	2,209	1,784

NOTE 6 DERIVATIVE ASSETS

Non current

Receivables on interest rate hedges	2,419	1,671
	2,419	1,671

NOTE 7 PREPAYMENTS AND DEFERRED COSTS

Current

Other prepayments	28	–
	28	–

	30 Jun 08 \$'000	30 Jun 07 \$'000
NOTE 8 INVESTMENT PROPERTIES		
Shopping centre investments	445,000	420,000
Other	45	45
	445,045	420,045

Movement in investment properties

Balance at the beginning of the year	420,045	369,594
Additions including redevelopment costs	1,102	473
Net revaluation increment	23,898	49,978
Balance at the end of the year	445,045	420,045

Investment properties are carried at the Directors' determination of fair value based on annual independent valuations where appropriate. The carrying amount of investment properties comprises the original acquisition cost, subsequent capital expenditure, tenant allowances and revaluation increments and decrements. In prior period financial statements, tenant allowances were disclosed in a separate asset class. Tenant allowances are included in the property investment balance to reflect the value of the entire shopping centre. The prior period amounts have been reclassified to reflect this change in disclosure. Total assets, net assets and equity have not changed as a result of this reclassification.

An independent valuation of the shopping centre is conducted annually. The independent valuation uses both the capitalisation of net income method and the discounting of future net cash flows to their present value method.

The independent valuation was conducted by CB Richard Ellis Pty Limited on 30 June 2008 in accordance with the standards of the International Valuation Standards Committee.

	30 Jun 08 \$'000	30 Jun 07 \$'000
NOTE 9 TRADE AND OTHER PAYABLES		
Current		
Trade creditors	2,137	2,619
Other creditors and accruals	2,364	2,311
Distribution payable	9,045	8,897
	13,546	13,827

NOTE 10 INTEREST BEARING LIABILITIES

Bills payable – secured ⁽ⁱ⁾	43,969	41,055
<p>⁽ⁱ⁾ The Trust maintains a \$55 million interest only floating rate facility. Drawings under this facility are secured by a registered mortgage over the Trust's interest in Westfield Carindale and a fixed and floating charge over all assets and undertakings of the Trust. The facility is subject to negative pledge arrangements.</p> <p>The maturity profile in respect of the above borrowing:</p>		
Due between one and two years	43,969	–
Due after two years	–	41,055

	30 Jun 08 Units	30 Jun 07 Units
NOTE 11 TRUST UNITS		
Number of units on issue		
Balance at the beginning and end of the period	70,000,000	70,000,000

	30 Jun 08 \$'000	30 Jun 07 \$'000
NOTE 12 RETAINED PROFITS		
Balance at the beginning of the year	182,462	131,784
Net profit attributable to members	42,440	68,115
Distribution paid/payable	(17,984)	(17,437)
Retained profits at the end of the year	206,918	182,462

NOTE 13 CASH AND CASH EQUIVALENTS

(i) Components of cash and cash equivalents

Cash	2,666	1,559
Funds on deposit	–	219
Total cash and cash equivalents	2,666	1,778

(ii) Reconciliation of cash flows from operating activities to net profit attributable to members

Net cash provided by operating activities	19,891	20,445
Property revaluation	23,898	49,978
Financing costs	(3,018)	(2,796)
Mark to market of interest rate hedges that do not qualify for hedge accounting	748	890
Interest received	134	126
Increase/(decrease) in other net assets attributable to operating activities	787	(528)
Net profit attributable to members	42,440	68,115

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2008

	30 Jun 08 \$'000	30 Jun 07 \$'000
NOTE 13 CASH AND CASH EQUIVALENTS (CONTINUED)		
(iii) Financing facilities		
Committed financing facilities available to the Trust:		
Total financing facilities	55,000	55,000
Amount utilised	(44,600)	(41,500)
Available financing facilities	10,400	13,500
Cash	2,666	1,778
Total available financing facilities and available cash	13,066	15,278

NOTE 14 DISTRIBUTIONS PAID AND PAYABLE TO MEMBERS

(a) Current/prior period distribution payable/paid to members

Distribution payable to members		
– Ordinary units: 12.92 cents per unit, 20% estimated tax deferred	9,045	–
Prior period distribution paid to members		
– Ordinary units: 12.71 cents per unit, 24% tax deferred	–	8,897
	9,045	8,897

(b) Distribution paid to members

Distribution in respect of the 6 months to 31 December 2007		
– Ordinary units: 12.77 cents per unit, 20% estimated tax deferred	8,939	–
Distribution in respect of the 6 months to 31 December 2006		
– Ordinary units: 12.20 cents per unit, 24% tax deferred	–	8,540
	8,939	8,540

NOTE 15 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

Capital commitments contracted but not provided for:

Due within one year	–	–
---------------------	---	---

The Trust has a bank guarantee arising from obligations in respect of a lease commitment totalling \$75,000 (2007: \$75,000).

From time to time, the Trust is involved in lawsuits and claims. The Responsible Entity believes that the ultimate outcome of such pending litigation and claims will not materially affect the results or the financial position of the Trust.

NOTE 16 SEGMENT INFORMATION

The Trust operates in one business segment, being the ownership of a shopping centre, and one geographic segment being Australia.

NOTE 17 CAPITAL RISK MANAGEMENT

The Responsible Entity seeks to manage the Trust's capital requirements to maximise value to members through the mix of debt and equity funding, while ensuring that the Trust:

- comply with capital and distribution requirements of the Trust's constitution;
- comply with capital requirements in relation to the Trust's borrowing covenants; and
- continue to operate as a going concern.

The Responsible Entity assesses the adequacy of the Trust's capital requirements, cost of capital and gearing (i.e. debt/equity mix) as part of its broader strategic plan. The Responsible Entity continuously reviews the Trust's capital structure to ensure:

- sufficient funds and financing facilities, on a cost effective basis are available to implement operating strategies;
- adequate financing facilities for unforeseen contingencies are maintained; and
- distributions to members are made within the stated distribution policy.

NOTE 18 FINANCIAL RISK MANAGEMENT

The Trust's principal financial instruments comprise cash, receivables, payables, interest bearing liabilities, and derivative financial instruments.

The Responsible Entity manages the Trust's exposure to key financial risks in accordance with the Trust's treasury risk management policy. The policy has been established to manage the key financial risks such as interest rate, counterparty credit and liquidity.

The Trust's treasury risk management policies are established to identify and analyse the risks faced by the Trust, to set appropriate risk limits and controls to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Trust's activities. The Westfield Group through its training and procedures, has developed a disciplined and constructive control environment in which relevant treasury and finance personnel understand their roles and obligations in respect of the Trust's treasury management objective.

The Trust has an established Board approved risk management framework including policies, procedures, limits, and allowed types of derivative financial instruments. The Board has appointed a Risk Management Committee comprising three directors. The Risk Management Committee reviews and oversees management's compliance with these policies, procedures and limits. The Risk Management Committee is assisted in the oversight role by the Westfield Group internal audit function.

The Responsible Entity uses different methods to measure and manage different types of risks to which the Trust is exposed. These include monitoring levels of exposure to interest rates, liquidity and credit risk. The Trust enters into interest rate swaps. The purpose of these swaps is to manage the interest rate risk arising from the Trust's operations. The Responsible Entity seeks to deal only with creditworthy counterparties and these assessments are regularly reviewed. Liquidity risk is monitored through the use of future rolling cash flow forecasts.

NOTE 19 INTEREST RATE RISK MANAGEMENT

The Trust is exposed to interest rate risk on its borrowings and derivative financial instruments. The risk is managed by the Responsible Entity by maintaining an appropriate mix between fixed rate and floating rate interest bearing liabilities. Fixed rate debt is achieved through the use of derivative financial instruments. These activities are evaluated regularly to ensure that the Trust is not exposed to interest rate movements that could adversely impact its ability to meet its financial obligations and to ensure compliance with borrowing covenants.

	Note	30 Jun 08 \$'000	30 Jun 07 \$'000
(i) Summary of interest rate positions at balance date			
Interest payable			
Principal amounts of all interest bearing liabilities:			
Interest bearing liabilities	10	43,969	41,055
		<u>43,969</u>	<u>41,055</u>
Principal amounts of fixed interest rate liabilities:			
Fixed rate derivatives			
– A\$		34,000	34,000
		<u>34,000</u>	<u>34,000</u>

At 30 June 2008, 77% of the Trust's interest payable exposure was fixed. The remaining 23% is exposed to floating rates on a principal payable of \$9,969,000 at an average interest rate of 7.96%, including margin (30 June 2007: 17% unhedged on \$7,055,000 at an average rate of 7.0%). An increment of 0.5% in the market rate would result in an increase in interest expense of \$49,845 (30 June 2007: \$35,275). A decrement of 0.5% in the market rate would result in a decrease in interest expense of \$49,845 (30 June 2007: \$35,275). Changes to the fair value of the fixed rate borrowings and derivatives due to interest rate movements are set out at Note 19(ii).

(ii) Interest rate derivatives

Notional principal or contract amounts of the Trust's interest rate derivatives:

	30 Jun 08 Principal amount \$'000	30 Jun 08 Average rate including margin	30 Jun 07 Principal amount \$'000	30 Jun 07 Average rate including margin
Derivatives contracted as at 30 June 2008 and outstanding at				
A\$ payable				
30 June 2007	–	–	A\$(34,000)	6.27%
30 June 2008	A\$(34,000)	5.90%	A\$(29,000)	6.28%
30 June 2009	A\$(34,000)	5.90%	A\$(29,000)	6.28%
30 June 2010	A\$(34,000)	5.90%	A\$(29,000)	6.28%
30 June 2011	A\$(29,000)	5.73%	A\$(29,000)	6.28%
30 June 2012	A\$(26,000)	6.32%	A\$(19,000)	6.53%
30 June 2013	A\$(26,000)	6.32%	A\$(19,000)	6.53%
30 June 2014	A\$(26,000)	6.32%	A\$(19,000)	6.53%
30 June 2015	A\$(17,000)	6.60%	A\$(10,000)	6.71%
30 June 2016	A\$(17,000)	6.60%	A\$(10,000)	6.71%
30 June 2017	A\$(17,000)	6.60%		

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2008

NOTE 19 INTEREST RATE RISK MANAGEMENT (CONTINUED)

The Trust's interest rate derivatives do not meet the accounting requirements to qualify for hedge accounting treatment. Gains or losses arising from changes in fair value have been reflected in the income statement. The gain for the year ended 30 June 2008 was \$747,999 (30 June 2007: \$888,813). At balance date the aggregate fair value is a receivable of \$2,418,815 (30 June 2007: \$1,670,816). An increment of 0.5% in market interest rates would result in a decrease in interest expense of \$784,653 (30 June 2007: \$730,717). A decrement of 0.5% in the market rate would result in an increase in interest expense of \$815,119 (30 June 2007: \$758,301).

NOTE 20 CREDIT RISK MANAGEMENT

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Trust. Credit limits have been established to ensure that the Trust deals only with creditworthy counterparties and that counterparty concentration risk is addressed and the risk of loss is mitigated. Counterparty exposure is measured as the aggregate of all obligations of any single legal entity or economic entity to the Trust, after allowing for appropriate set offs which are legally enforceable. A maximum credit limit is allocated to each counterparty based on its credit rating. The counterparty credit risk associated with investment instruments is assessed based on outstanding face value.

At 30 June 2008, the Trust had 100% of its aggregate credit risk spread with a counterparty with an S&P long term rating of AA- or higher. The aggregate credit risk in respect of derivative financial instruments is \$2,418,815 (2007: \$1,670,816).

The Responsible Entity undertakes active liquidity and funding risk management which ensures that the Trust has sufficient funds available to meet its financial obligations as and when they fall due, working capital and expected committed capital expenditure requirements. The Responsible Entity prepares and monitors rolling forecasts of liquidity requirements on the basis of expected cash flow.

Refer to Note 10 for details on the total funding facility, interest bearing liabilities and their respective maturity profiles.

	30 Jun 08 \$'000	30 Jun 07 \$'000
NOTE 21 INTEREST AND DERIVATIVE MATURITY PROFILE		
Maturity profile of the principal amounts of current and non-current interest bearing liabilities (refer Note 10) together with the estimated interest to maturity, and the estimated impact of contracted interest derivative cash flows is set out below:		
Due within one year	3,023	3,018
Due between one and five years	45,481	45,590
	48,504	48,608
	30 Jun 08 \$'000	30 Jun 07 \$'000

NOTE 22 LEASE RECEIVABLES

Operating lease receivables

The property owned by the Trust is leased to third party retailers under operating leases at 30 June 2008.

Lease terms vary between retailers and some leases include percentage rental payments based on sales revenue.

Future minimum rental revenues under non-cancellable operating leases at 30 June 2008 are as follows:

Due within one year	26,157	23,230
Due between one and five years	53,856	56,715
Due greater than five years	29,841	32,329
	109,854	112,274

These amounts do not include percentage rentals which may become receivable under certain leases on the basis of retailer sales in excess of stipulated minimums and do not include recovery of outgoings.

NOTE 23 AUDITORS' REMUNERATION

	30 Jun 08 \$'000	30 Jun 07 \$'000
Amount paid or due and payable to the auditors of the Trust:		
Auditing the financial reports of the Trust	60.5	47.0
Accounting and other services including compliance plan audit	7.7	5.0
Total auditor's remuneration reflected in Income Statement	68.2	52.0

NOTE 24 RELATED PARTY TRANSACTIONS

Westfield Management Limited, the Responsible Entity of the Trust, is considered to be a related party of the Trust.

The constitution of the Trust allows for an annual manager's service fee payable to the Responsible Entity up to a maximum of 2% of the total tangible assets of the Trust, which amounts to \$9,047,340 for the year to 30 June 2008 (2007: \$8,505,560), or such lesser amount as the Responsible Entity may determine. The manager's service fee paid or payable to the Responsible Entity for the year ended to 30 June 2008 was \$2,674,510 (2007: \$2,570,118), equivalent to 0.6% of the Trust's total tangible assets.

During the year, amounts paid (excluding GST) to associates of the Responsible Entity for capital costs amounted to \$621,608 (2007: \$306,170).

Real estate management fees expensed for the year ended 30 June 2008 due to associates of the Responsible Entity are based on normal commercial terms and were \$1,640,000 (2007: \$1,516,000). As at 30 June 2008, real estate management fees of \$141,201 (2007: \$125,553) were payable to associates of the Responsible Entity.

Reimbursement of expenses for the year ended 30 June 2008 paid and payable to associates of the Responsible Entity are based on normal commercial terms and were \$1,240,000 (2007: \$582,000).

As at 30 June 2008, Westfield Management Limited, as responsible entity of Westfield Trust, held 35 million units in the Trust (2007: 35 million units).

Details of Key Management Personnel

(i) Directors

The Directors of Westfield Management Limited, the responsible entity of the Trust are considered to be key management personnel.

F P Lowy, AC	Executive Chairman
D H Lowy, AM	Non-executive Deputy Chairman
R L Furman	Non-executive Director
D M Gonski, AC	Non-executive Director
F G Hilmer, AO	Non-executive Director
S P Johns	Non-executive Director
P S Lowy	Group Managing Director
S M Lowy	Group Managing Director
J McFarlane	Non-executive Director (appointed 26 February 2008)
J Sloan	Non-executive Director (appointed 26 February 2008)
G H Weiss	Non-executive Director
D R Wills, AO	Non-executive Director (retired 23 May 2008)
C M Zampatti, AM	Non-executive Director

(ii) Other Key Management Personnel

In addition to the Directors noted above, the following persons were key management personnel with the authority for the strategic direction and management of Carindale Property Trust.

P Allen	Group Chief Financial Officer
R Jordan	Managing Director, Australia and New Zealand

Other than the appointment of Mr John McFarlane and Professor Judith Sloan and the retirement of Mr Dean Willis AO, there were no other changes of the key management personnel after reporting date and before the date the financial report was authorised for issue.

Compensation of Key Management Personnel

The Directors of the Responsible Entity receive remuneration in their capacity as Directors of the Responsible Entity. These amounts are paid directly by Westfield Holdings Limited. Westfield Holdings Limited is the parent entity of the Westfield Group, of which the Responsible Entity, Westfield Management Limited is part. Other key management personnel are paid by Westfield Limited, a wholly owned subsidiary of Westfield Holdings Limited. Management fees payable by the Trust to the Responsible Entity are calculated as a percentage of the Trust's total tangible assets and are not determined by reference to specific costs incurred by the Responsible Entity. Consequently, no compensation as defined in AASB 124 Related Parties is paid directly by the Trust, or indirectly by a related party of the Trust, to those key management personnel in respect of their services to the Trust.

NOTE 25 SUBSEQUENT EVENTS

There has not been any matter or circumstance occurring subsequent to the end of the financial year ended 30 June 2008 that has significantly affected, or may significantly affect, the operations of the Trust, the results of those operations, or the state of affairs of the Trust in future financial years.

Directors' Declaration

The Directors of Westfield Management Limited, the Responsible Entity of Carindale Property Trust ("Trust") declare that:

- (a) in the Directors' opinion, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable; and
- (b) in the Directors' opinion, the financial statements and notes thereto are in accordance with the Corporations Act 2001, including sections 296 and 297; and
- (c) they have been provided with the declarations required by section 295A of the Corporations Act 2001 (Cwlth).

Made on 27 August 2008 in accordance with a resolution of the Board of Directors.



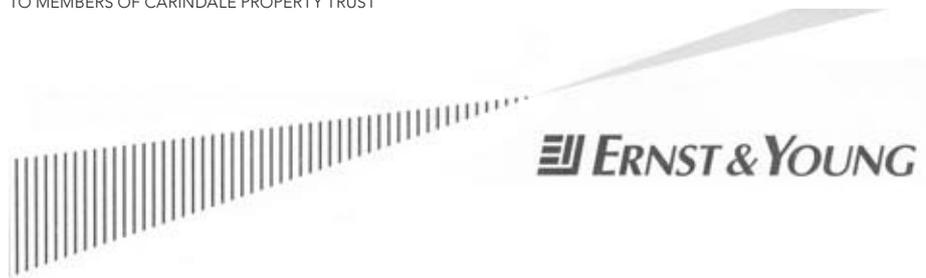
FP Lowy, AC
Executive Chairman



Professor FG Hilmer, AO
Director

Independent Audit Report

TO MEMBERS OF CARINDALE PROPERTY TRUST



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680 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

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www.ey.com/au

Report on the Annual Financial Report

We have audited the accompanying financial report of Carindale Property Trust (the "Trust"), which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of Westfield Management Limited, the Responsible Entity of the Trust ("Responsible Entity"), are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have met the independence requirements of the Corporations Act 2001. We have given to the directors of Westfield Management Limited a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Auditor's Opinion

In our opinion:

1. the financial report of Carindale Property Trust is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of Carindale Property Trust at 30 June 2008 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
2. the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

A stylized, handwritten signature of Ernst & Young.

Ernst & Young

A handwritten signature of S J Ferguson.

S J Ferguson

Partner

Sydney, 27 August 2008

Liability Limited by a scheme approved
under Professional Standards Legislation

Directors' Report

The Directors of Westfield Management Limited, the Responsible Entity of Carindale Property Trust ("Trust"), submit the following report for the financial year ended 30 June 2008.

1. Operations & Activities

- A review of the operations of the Trust during the financial year and the results of those operations is set out in the "Year in Review" at page 3 of the Annual Report ("Review of Operations").
- There were no significant changes in the Trust's state of affairs during the financial year.
- The principal activity of the Trust during the financial year was the long term ownership of a 50% interest in the Westfield Carindale shopping centre. There were no significant changes in the nature of that activity during the financial year.
- No other matter of circumstance has arisen since the end of the financial year that has significantly affected, or may significantly affect, the Trust's operations, the results of those operations, or the Trust's state of affairs, in future financial years.

2. Environmental Performance

The Westfield Group has in place procedures to identify and comply with environmental laws and regulations applicable to Westfield Carindale shopping centre including, where applicable, obtaining and complying with the conditions of relevant authority consents and approvals and obtaining of any necessary licences. These compliance procedures are regularly reviewed and audited and their application closely monitored. Further information in relation to the Westfield Group's philosophy in relation to the environment and community is set out in the Westfield Group's 2007 Annual Report.

3. Distributions

The following distributions were paid to members of the Trust during the financial year:

	\$'000
12.71 cents per unit for the 6 months ended 30 June 2007, paid 31 August 2007	8,897
12.77 cents per unit for the 6 months ended 31 December 2007, paid 29 February 2008	8,939

The following distribution was recommended or declared for payment to members, but not paid, during the financial year:

	\$'000
12.92 cents per unit for the 6 months ended 30 June 2008, paid 29 August 2008	9,045

4. Directors

4.1 Board Membership & Qualifications

The Directors of Westfield Management Limited, the Responsible Entity of the Trust ("Responsible Entity"), during the financial year, were as follows:

Mr Frank Lowy AC, Mr David Lowy AM, Mr Roy Furman, Mr David Gonski AC, Professor Fred Hilmer AO, Mr Stephen Johns, Mr Peter Lowy, Mr Steven Lowy, Mr John McFarlane, Professor Judith Sloan, Dr Gary Weiss, Mr Dean Wills AO and Ms Carla Zampatti AM.

The composition of the Board changed during the financial year with the appointments of Mr John McFarlane and Professor Judith Sloan on 26 February 2008 and the retirement of Mr Dean Wills AO on 23 May 2008. The rest of the Board remains unchanged.

Details of the qualifications, experience and special responsibilities of each of the Directors of the Responsible Entity as at the date of this report are set out on pages 6 to 7 of the Annual Report.

4.2 Directors' Relevant Interests

The names of the Directors of the Responsible Entity and the relevant interests of each director in the units of the Trust as at the date of this report are shown below:

Director	Number of Units
FP Lowy AC	Nil
DH Lowy AM	Nil
RL Furman	Nil
DM Gonski AC	Nil
FG Hilmer AO	Nil
SP Johns	Nil
PS Lowy	Nil
SM Lowy	Nil
J McFarlane	Nil
J Sloan	Nil
GH Weiss	Nil
CM Zampatti AM	Nil

5. Options and Other Interests

- No options were granted over unissued interests in the Trust during or since the end of the financial year to any of the Directors or officers of the Responsible Entity.
- There are no unissued interests in the Trust under option.
- No interests in the Trust were issued during or since the end of the financial year as a result of the exercise of an option over unissued interests in the Trust.
- None of the Directors of the Responsible Entity are party to or entitled to a benefit under a contract which confers a right to call for, or be delivered, interests in the Trust.

6. Indemnities and Insurance Premiums

No insurance premiums were paid during or since the end of the financial year out of the assets of the Trust in regards to insurance cover provided to either officers of the Responsible Entity or the auditors of the Trust. As long as the Responsible Entity acts in accordance with the constitution of the Trust and the Corporations Act 2001, it remains fully indemnified out of the assets of the Trust against any losses incurred while acting as responsible entity of the Trust. The auditors of the Trust are not indemnified out of the assets of the Trust.

7. Information for Registered Schemes

- \$4,314,510 in fees were paid or are payable to the Responsible Entity and its associates out of the assets of the Trust during the financial year.
- Westfield Management Limited as responsible entity of Westfield Trust held 35,000,000 units in the Trust as at the end of the financial year.
- No interests were issued in the Trust during the financial year.
- No withdrawals were made from the Trust during the financial year.
- Details of the value of the Trust's assets as at the end of the financial year and the basis for the valuation are set out in Note 8 on pages 14 and 15 of the Annual Report.
- Details of the number of interests in the Trust as at the end of the financial year are set out in Note 11 on page 15 of the Annual Report.
- At the date of this Report, the Responsible Entity of the Trust had an Audit and Compliance Committee.

8. Auditor's Independence Declaration



In relation to our audit of the financial report of Carindale Property Trust for the year ended 30 June 2008, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

A handwritten signature in black ink, appearing to read 'S J Ferguson', written over the printed name.

Ernst & Young

S J Ferguson
Partner
Sydney, 27 August 2008

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under Professional Standards Legislation

9. ASIC Disclosures

9.1 Rounding

Pursuant to ASIC Class Order 98/0100, the amounts shown in the financial statements have been rounded to the nearest thousand dollars.

9.2 Synchronisation of Financial Year

The Trust is a consolidated entity of each of Westfield Trust and Westfield Holdings Limited. By orders dated 21 November 2001 and 27 June 2005 respectively made by the Australian Securities and Investments Commission, the Directors of the Responsible Entity of Westfield Trust and Westfield Holdings Limited have been relieved from compliance with the requirement to ensure that the financial year of the Trust coincides with the financial year of Westfield Trust and Westfield Holdings Limited.

This report is made on 27 August 2008 in accordance with a resolution of the Board of Directors of the Responsible Entity.

A handwritten signature in black ink, appearing to read 'FP Lowy', written over the printed name.

FP Lowy, AC
Executive Chairman

A handwritten signature in black ink, appearing to read 'F.G. Hilmer', written over the printed name.

Professor FG Hilmer, AO
Director

Corporate Governance Statement

The Responsible Entity, through its Board and the executives of its parent company Westfield Holdings Limited ("Westfield Holdings"), recognises the need to establish and maintain corporate governance policies and practices which reflect the requirements of the market regulators and participants and the expectations of members and others who deal with the Trust and the broader Westfield Group. These policies and practices remain under constant review as both regulation and good practice evolve.

The corporate governance practices of the Responsible Entity should be considered having regard to the following circumstances:

- the Trust is a single centre property trust which owns a 50% interest in Westfield Carindale in suburban Brisbane;
- the Responsible Entity of the Trust during the financial year was Westfield Management Limited, a wholly owned subsidiary of Westfield Holdings. As a member of the Westfield Group, the Responsible Entity has adopted, and is bound by, the terms of the various charters and policies implemented by the Group; and
- neither the Trust nor the Responsible Entity has any employees. The operations of the Trust are performed by Westfield Group executives and employees (see 8.1). The management of the centre is also conducted by subsidiaries of Westfield Holdings.

This statement outlines the Responsible Entity's main corporate governance practices during the financial year and the extent of the Responsible Entity's compliance with them as at the end of the financial year by reference to the second edition of the Corporate Governance Principles and Recommendations published in August 2007 by the ASX Corporate Governance Council and to the Corporations Act 2001. The second edition of the Principles applies to the first financial year beginning on or after 1 January 2008. However, the Council has encouraged entities to make an early transition to the new Principles. The Westfield Group and therefore, the Responsible Entity, has made this early transition.

Corporate governance documentation, including charters and relevant corporate policies and codes, can be found on the Trust's website www.carindalepropertytrust.com.au.

Principle 1: Lay Solid Foundations for Management and Oversight

1.1 Functions of Board and Management

The Board of the Responsible Entity has adopted the Westfield Group's Board Charter which sets out the objectives, responsibilities and framework for the operation of the Board. The Charter also formalises the matters that are reserved for the Board. Specifically, the Board reserved its authority over the following matters except where such matters are expressly delegated to a committee of the Board, a Group Managing Director or another nominated member of the senior management team:

- strategy and direction – providing overall strategic direction and plans for major business units, key business and financial objectives and approving the distribution policy, amounts and timing of payments and significant acquisitions, disposals of asset or expenditure;
- financial controls, compliance and risk management – approving budgets, treasury policies, financial statements, published reports, and any significant changes in accounting policies or procedures, establishing and reviewing the effectiveness of the internal control systems and risk management processes and compliance with statutory and regulatory obligations;
- capital structure – approving any changes to the capital structure including any reductions in share capital, share buy backs or issue of new securities other than in accordance with the Group's equity based incentive plans;
- appointments – appointing Directors to the Board and the Company Secretary, appointing and evaluating the performance of Group Managing Directors and the Group Chief Financial Officer and appointing external auditors;
- delegation of authority – approving any changes to the membership or Charter of any committee of the Board, determining the scope of authority delegated to a Group Managing Director or the Group Chief Financial Officer and any other significant matters;
- significant policies affecting the Trust – including the Directors' Code of Conduct, security trading policies for Directors and senior executives, health and safety policies, risk management policies and continuous disclosure and communications policies; and
- corporate governance matters – determining the independence and remuneration of Non-executive Directors, resolutions and documentation to be put to members in general meeting and approving announcements and press releases concerning matters decided by the Board.

The Board has delegated a number of these responsibilities to its Committees. The role and responsibilities of these Committees are explained later in this statement.

The Board has delegated the day to day management of the business of the Westfield Group and Trust to management through the Executive Chairman and the Group Managing Directors subject to the agreed authority limits applicable to the senior executive management team.

The Board has delegated to management responsibility for:

- strategy: development of strategies and the management and performance of the Trust's business and operations;
- management: managing the Trust in accordance with the strategy, business plans and policies approved by the Board;
- financial performance: developing the annual budget, managing day to day operations within the budget and ensuring that the financial reports present a true and fair view of the Trust's financial condition and operational results and are in accordance with the relevant accounting standards;
- risk management: maintaining effective risk management frameworks and internal control systems;
- continuous disclosure: keeping the Board and the market fully informed about material developments;
- selection of senior management: making recommendations for the appointment of senior executives, determining terms of appointment, evaluating performances and developing and maintaining succession plans for senior management.

1.2 Process for Evaluating the Performance of Senior Executives

The Responsible Entity does not have any employees. The operations of the Trust are performed by Westfield Group executives and employees. Information regarding the process of objective setting and performance review of senior executives of the Group can be found in the 2007 Annual Report of the Westfield Group at www.westfield.com/corporate.

In the case of the senior executive team (including the Group Managing Directors) an assessment of their performance is undertaken by the Remuneration Committee and the Group Board. Issues relating to remuneration are dealt with in more detail in the Remuneration Report which forms part of the Directors' Report in the 2007 Annual Report of the Westfield Group.

In addition to the induction program provided to new employees generally, new members of the senior executive team undertake an induction program tailored to their needs, which includes individual meetings with every member of the senior executive team. Training and development programs are also available to ensure that senior executives update their skills and knowledge.

1.3 Performance Evaluation

During the financial year, each member of the senior executive team, including the Group Managing Directors, was subject to a performance review as described in 1.2 above.

Principle 2: Structure the Board to Add Value

2.1 Independent Directors

During the financial year, the composition of the Board of the Responsible Entity changed with the appointments of Mr John McFarlane and Professor Judith Sloan on 26 February 2008 and the retirement of Mr Dean Wills AO on 23 May 2008. The rest of the Board remains unchanged. Of these Directors, seven are considered by the Board to be independent Directors. Therefore, a majority of the Directors are independent.

The composition of the Board is set out in the table below:

Name	Position Held	Independent (Y/N)	Year appointed to Responsible Entity*
Frank P Lowy AC	Executive Chairman	N	1979
David H Lowy AM	Non-executive Deputy Chairman	N	2004
Roy L Furman	Non-executive Director	Y	2004
David M Gonski AC	Non-executive Director	Y	2004
Frederick G Hilmer AO	Non-executive Director	Y	2004
Stephen P Johns	Non-executive Director	N	1985
Peter S Lowy	Group Managing Director / Executive Director	N	1987
Steven M Lowy	Group Managing Director / Executive Director	N	1989
John McFarlane	Non-executive Director	Y	2008
Judith Sloan	Non-executive Director	Y	2008
Gary H Weiss	Non-executive Director	Y	2002
Carla M Zampatti AM	Non-executive Director	Y	2004

* Westfield Management Limited became the Responsible Entity of the Trust in 2000.

Corporate Governance Statement (continued)

Principle 2: Structure the Board to Add Value (continued)

2.1 Independent Directors (continued)

Biographies of the Directors are included in the section on the Board of Directors in this Annual Report.

The Board Charter requires that the Board regularly assess the independence of each Director in light of the terms of the Board Charter, the interests they have disclosed and such other factors as the Board determines are appropriate to take into account.

In making this determination the Board is seeking to assess whether Directors are:

- independent of management; and
- free of any business or other relationship that could materially interfere or be perceived to materially interfere with their unfettered and independent judgement; and
- capable of making decisions without bias and which are in the best interests of all members.

A Non-executive Director will not be regarded as an independent Director if that Director:

- (a) is a substantial securityholder of the Westfield Group (or, in the case of the Responsible Entity, the Trust) or an officer of, or otherwise associated directly with, a substantial securityholder of the Westfield Group (or, in the case of the Responsible Entity, the Trust);
- (b) within the last three years has been employed in an executive capacity by any member of the Group, or been a Director after ceasing to hold any such employment;
- (c) within the last three years has been a partner or a senior management executive with audit responsibilities of a firm which has acted in the capacity of statutory auditor of any member of the Group;
- (d) within the last three years has been a principal, employee or consultant of a material professional adviser to any member of the Group – for this purpose a material professional adviser is an adviser whose billings to the Group exceed 1% of the adviser's total revenues;
- (e) is a principal, employee or associate of a material supplier to, or material customer of, any member of the Group – for this purpose a material supplier to the Group means a supplier whose revenues from the Group exceed 5% of the supplier's total revenues. A material customer is a customer whose payments to the Group exceed 1% of the customer's operating costs;
- (f) has a material contractual relationship with any member of the Group other than as a Director of the Westfield Group Boards; and
- (g) has any interest or business or other relationship which could materially interfere with the Director's ability to act in the best interests of the Group and independently of management.

Each Non-executive Director has signed a letter of appointment which, amongst other things, places the onus on each independent Director to disclose immediately to the Board any matter or circumstance which the Director believes may impact the Director's status as an independent Director. Where the Board concludes that a Director has lost the status as an independent Director, that conclusion will be notified to the market.

The Nomination Committee's Charter discloses a process for selection and appointment of new Directors and re-election of incumbent Directors. The role and responsibilities of the Nomination Committee are set out later in this statement.

2.2 Chairperson and Independence

The Responsible Entity notes the ASX Corporate Governance Council's recommendations that listed entities have an independent director as chairman and that the roles of chairman and chief executive officer are not held by the same person. Notwithstanding this recommendation, and for the reasons set out below, the Board believes that Mr Frank Lowy AC is the most appropriate person to act as chairman of the Board of the Responsible Entity notwithstanding that he is the Chief Executive Officer of the Westfield Group, and is not an independent Director.

Mr Lowy is the co-founder of Westfield, and has overseen the success of the Group since 1960. With over 47 years direct experience in the design, construction and management of shopping centres and associated fund and asset management, Mr Lowy's experience and reputation is unparalleled in the industry.

Mr Lowy's knowledge of the Westfield Group, its history, its growth and of the broader industry, both locally and internationally, places him in a unique position to lead the Board and the Westfield Group. For this reason, the Board takes the view that it is in the best interests of members that Mr Lowy, with his background and experience, be the Chairman of the Responsible Entity and Chief Executive Officer of the Westfield Group.

In arriving at this view, the Board has noted the following matters:

- the appointment of Professor Hilmer, as the lead independent Director. Where necessary, Professor Hilmer will act as a liaison point for independent Directors and confer with the Chairman and with independent Directors on Board matters;
- there is a majority of independent Directors serving on the Board; and
- the delegation of certain responsibilities to Board committees (of which the chairman is not a member), the Chairman being a member (and chair) of the Nomination Committee only.

2.3 Nomination Committee

As the Responsible Entity is a wholly owned subsidiary of Westfield Holdings, recommendations relating to the composition of the Board of the Responsible Entity are made by the Nomination Committee of Westfield Holdings. The Responsible Entity does not have its own Nomination Committee.

The Nomination Committee is responsible for advising the Westfield Group Boards on the appointment of suitably qualified directors who are able to meet the needs of the Westfield Group and the ongoing evaluation and review of the performance of the Board.

The functions undertaken by the Committee in discharging that responsibility include:

- assessing the skills of current Westfield Group Board members against the collective skill set required by the Westfield Group Boards;
- making recommendations to the Westfield Group Boards regarding their composition and reviewing the effectiveness of the Boards;
- identifying suitable candidates to fill Group Board vacancies; and
- ensuring the existence of proper succession planning processes and plans for the Westfield Group Boards and other senior executive positions.

A Charter for the Nomination Committee has been approved by the Group Boards, including the Responsible Entity, and appears in the corporate governance section of the Trust's website www.carindalepropertytrust.com.au.

Recommendations made by the Nominations Committee will be considered by the Board of Westfield Holdings which will make a recommendation to the Board of the Responsible Entity on the appointment of a director to fill a casual vacancy.

2.4 Review of Board and Committees

An induction program exists for new Directors joining the Westfield Boards to help familiarise them with matters relating to the current issues before the Board. New Board members are provided with the opportunity to experience first hand the operations of the Group and to meet and discuss all aspects of the Group's operations with key members of executive management. As part of the induction program, the Company Secretary provides access to information in areas such as operations, finance, treasury and risk management to assist the new Board member as required.

New Directors receive a letter of appointment which sets out the key terms and conditions on which each Director is appointed. This letter provides that if a Director ceases to be a Director of Westfield Holdings (as parent company) for any reason, he/she must also resign as a Director of Westfield Management Limited and Westfield America Management Limited. The letter of appointment conforms with the Recommendations of the ASX Corporate Governance Council.

The letter also sets out a procedure by which Directors are able to take independent professional advice at the Group's expense. Directors are encouraged to direct any enquiries or requests for additional information to the Company Secretary, who will facilitate a response to the query and/or provide the Director with the requested information.

On an ongoing basis, Directors are provided with periodic updates on legal and corporate developments, particularly those pertaining to matters relating to the responsibilities of boards and directors generally, changes to the Corporations Act, corporate governance principles, tax and accounting developments and other matters of interest. Management also makes regular presentations to the Board and Board Committees on operational, financial, treasury, legal and tax issues of relevance to the Board.

The Company Secretary is appointed and removed by the Board. The Company Secretary works with the Chairman, the Board and the Board Committees on all governance related issues. All Directors have access to the Company Secretary for the purpose of obtaining information or advice. The office of the Company Secretary provides secretariat services for each of the Committees. The Committee agendas, paper and minutes are available to all members of the Board.

The Board undertakes ongoing self assessment and review of its performance and of the performance of the Board Committees. Board surveys are conducted on a regular basis in order to establish the views of all Directors on these issues.

During the year, the Committee discussed a range of issues relating to the roles, skills and performance of the Board, its procedures and practices. Overall, the Committee found that the Board has a wide diversity of skills, experience and views and that there are no obvious deficiencies in the collective skill set of the Board. The Committee is of the view that the Board has continued to work in a cohesive, focused and strategic way with Directors actively encouraged to express a full range of views.

Principle 3: Promote Ethical and Responsible Decision Making

3.1 Code of Conduct

The Directors' Code of Conduct covers personal conduct, situations of conflict of interest, confidentiality and director independence. A copy of the Code of Conduct appears in the corporate governance section of the Trust's website, www.carindalepropertytrust.com.au.

Compliance Manual

The Westfield Group has developed a Compliance Manual which provides detailed guidance to employees of the Group on the laws applicable in the jurisdiction in which they work and the standards of conduct and the procedures to be adopted to comply with those laws. For example, the Australian Compliance Manual deals with issues such as:

- occupational health and safety;
- trade practices;
- retail tenancy legislation;
- environment;
- Corporations Act and ASX Listing Rules requirements; and
- complaints handling procedures.

Corporate Governance Statement (continued)

Principle 3: Promote Ethical and Responsible Decision Making (continued)

The conduct of all the Group's employees is governed by a set of core principles which incorporate the fundamental principles to which employees are expected to adhere when dealing with other staff members, customers and retailers, shareholders and the community. These values include requirements that Westfield staff, at all times:

- welcome a diversity of people;
- create a healthy and safe work environment;
- create an environment that motivates and allows staff to contribute and develop;
- display honest, just and fair management in all dealings with staff;
- meet the commitments of the Westfield Group;
- examine ways to continually improve processes in a manner which adds value;
- provide members with sustainable superior returns on a sustainable basis;
- constantly seek new opportunities and pursue sound growth and earning opportunities;
- conduct our activities in a safe and environmentally responsible manner; and
- contribute expertise and resources to promote positive interaction between all members of the community.

The conduct of all Westfield employees is governed by a set of core principles which incorporate the fundamental principles to which employees are expected to adhere when dealing with other staff members, customers and retailers, shareholders and the community. These values include requirements that Westfield staff, at all times:

- act with honesty and integrity and welcome a diversity of people;
- create a healthy and safe work environment;
- meet our commitments;
- examine ways to improve processes in a manner which adds value;
- provide shareholders with sustainable superior returns;
- constantly seek new opportunities for growth;
- conduct our activities in an environmentally responsible manner; and
- contribute our expertise and resources to promote positive change in the community.

Staff Code of Conduct

Westfield's core principles are supplemented by the Staff Code of Conduct which is issued to all employees at the time of joining the Group and deals in broad terms with issues such as:

- the high standards of personal conduct and ethical behaviour expected of all employees;
- the duty of employees to avoid conflicts of interest which may arise if the employee or any person or entity associated with that employee has a business arrangement or relationship with a Group company outside their normal employment relationship;
- the duty of employees to maintain confidentiality with respect to the Group's information and information provided by our retailers and customers;
- the duty of employees to avoid discrimination against any person; and
- the Group's policy prohibiting harassment in any form.

The Staff Code of Conduct, which is provided to, and acknowledged by, all employees who join Westfield, and the Compliance Manual are each reviewed on a regular basis to ensure they remain current. Compliance seminars to update staff on changes to legal requirements and procedures are conducted on a regular basis and all staff in the relevant divisions are required to attend.

It is the responsibility of each Director and employee to understand the Code of Conduct and other policies applicable to them and to bring to the attention of senior management any conduct or activities which may be in breach of those policies so that a proper investigation can be conducted.

Serious breaches of these policies (including matters such as suspicions of fraud or financial impropriety, auditing issues, improper or unethical behaviour or criminal activities) must be reported immediately to a compliance officer in the relevant country or to the Group Compliance Officer for investigation in accordance with the Group's policies. Where appropriate, the police or other regulatory authority will be informed.

Complaints are treated in a confidential manner. No action of any kind will be taken against a Westfield employee, adviser or contractor who, in good faith, makes an allegation against the Westfield Group, any employee, adviser or contractor, whether or not that complaint is confirmed by subsequent investigation.

Whistleblower Policy

The whistleblower policy forms an integral part of the Westfield Group's compliance program. The policy has been adopted to ensure that concerns regarding unethical, unlawful or improper conduct may be raised without fear of reprisal.

Under the policy, Whistleblower Protection Officers have been appointed in each country in which the Group operates. Employees are encouraged to report any genuine matter or behaviour that they honestly believe contravenes Westfield's Code of Conduct, policies or the law. Such matters may include any actual or suspected:

- conduct or practices which are illegal or breach any law;
- corrupt activities;
- theft or fraud;
- misleading or deceptive conduct of any kind;
- harm to public health or safety or the health or safety of any Westfield employee.

Westfield will investigate all reported concerns appropriately and will, where applicable, provide feedback regarding the investigation's outcome. Westfield will take any necessary action in response to a report and where no action is taken, an explanation will be provided. Where appropriate, a third party may be engaged to assist in the investigation.

Every six months a report is provided to the Westfield Group's Audit and Compliance Committee summarising the whistleblower activities for the period.

3.2 Security Trading Policy

All Directors and employees are subject to the Corporations Act restrictions on buying, selling or subscribing for securities in the Trust and the Westfield Group if they are in possession of price sensitive information (i.e. information which a reasonable person would expect to have a material impact on the price or value of the relevant security) which has not been published.

In addition, certain employees are required to obtain a clearance notice prior to trading in a Westfield Group security, including units in the Trust, and are prohibited from doing so in certain defined black-out periods which include the period of preparation of half-year and full-year results.

At any other time, any member of the Board wishing to trade in the Group's securities, including units in the Trust, must obtain a clearance from the Company Secretary.

A copy of the Security Trading Policy is available on the Trust's website.

Principle 4: Safeguard Integrity in Financial Reporting

4.1 Audit and Compliance Committee

The Responsible Entity has an Audit and Compliance Committee.

The composition of the Audit and Compliance Committee is as set out in the table below:

Name	Position Held	Status
Frederick G Hilmer AO	Chairman	Independent Director
David M Gonski AC	Member	Independent Director
Stephen P Johns	Member	Non-executive Director

The Committee met six times in the financial year. All members of the Committee (at the relevant times) attended those meetings.

The primary function of the Audit and Compliance Committee is to ensure that an effective internal control framework exists in the Trust, through the establishment and maintenance of adequate internal controls to safeguard the assets of the business and to ensure the integrity and reliability of financial and management reporting systems.

A compliance officer has been appointed for the operations of the Trust. This officer is responsible for reviewing and monitoring the efficacy of compliance systems within the Group on an ongoing basis to ensure appropriate measures are in place to educate staff as to their compliance responsibilities, and to report to the Audit and Compliance Committee on those matters.

4.2 Audit and Compliance Committee Charter

The Responsible Entity has adopted the Charter approved by the Westfield Group Boards. Amongst other things, the Charter sets out the objectives and responsibilities of the Audit and Compliance Committee, which are listed below.

The Audit and Compliance Committee assists the Board in fulfilling its corporate governance responsibilities by:

- reviewing and reporting to the Board on the half-year and annual reports and financial statements of the Trust;
- making recommendations regarding the appointment, evaluation and removal of the Trust's external auditor and reviewing and reporting to the Board on the adequacy, scope and quality of the annual statutory audit and half-year audit review and generally on the integrity and reliability of the financial statements;
- reviewing the effectiveness of the Trust's internal control environment, including the effectiveness of internal control procedures;
- monitoring and reviewing the reliability of financial reporting;
- monitoring and reviewing the compliance of the Trust with applicable laws and regulations;
- monitoring the scope of the internal audit function to ensure that its resources are adequate and used effectively, including the co-ordination of the internal and external audit functions;
- monitoring the adequacy and effectiveness of compliance systems in relation to the legal exposures of the Trust.

Corporate Governance Statement (continued)

Principle 4: Safeguard Integrity in Financial Reporting (continued)

The Audit and Compliance Committee meets with external auditors at least twice each year (and more frequently if required) to review the adequacy of existing external audit arrangements and the scope of the audit. The internal and external auditors have a direct line of communication at any time to either the chairman of the Audit and Compliance Committee or the chairman of the Board.

The Audit and Compliance Committee reports to the Board after each Committee meeting

The internal and external auditors, the Group Chief Financial Officer and the Group Compliance Officer are invited to attend Audit and Compliance Committee meetings at the discretion of the Committee. At least annually, the Audit and Compliance Committee meets with the internal auditor and external auditors without management being present.

Charter of Non-Audit Services

The Board has adopted a Charter of Non-Audit Services which is intended to ensure that the external auditor carries out its functions in a manner which is demonstrably independent of the Westfield Group.

The Westfield Group recognises that a high quality independent statutory audit is fundamental to the maintenance of sound corporate governance and to the proper functioning of the capital markets. It is an integral part of the process of providing members with clear, comprehensive and reliable financial information. This Charter reflects the Group's desire to preserve the independence of the statutory audit process.

Under the terms of the Charter the lead audit partner (having primary responsibility for the audit) and the audit partner responsible for reviewing the audit must rotate every five years. The Committee requires that a succession plan be presented to it for approval by the external auditor at least one year before the rotation is due to occur.

The Charter of Non-Audit Services also sets out some key requirements in the relationship between the external auditor and the Group and defines the scope and value of the non-audit services which may be provided by the external auditor to the Westfield Group without impacting the actual or perceived independence of the external auditor. The Charter also requires an annual confirmation by the external auditor regarding compliance with the terms of the Charter and a variety of other issues which impact the actual and perceived independence of the external auditor.

The Audit and Compliance Committee Charter and the Charter of Non-Audit Services are available on the Trust's website.

4.3 Compliance Sub-Committee of the Audit and Compliance Committee

Under the Corporations Act, the Responsible Entity is required to register a Compliance Plan with the Australian Securities and Investment Commission (ASIC) for the Trust. The Compliance Plan outlines the measures which are to be applied by the Responsible Entity to ensure compliance with the Corporations Act and the Trust's constitution.

The Compliance Sub-Committee (a sub-committee of the Audit and Compliance Committee) is responsible for monitoring Westfield's compliance with the Compliance Plan and reports on its findings to the Board through the Audit and Compliance Committee.

The members of the Compliance Sub-Committee are Mr J B Studdy AM (Chairman) and Mr S P Johns. Mr Studdy served as a Director on the Group Board until he resigned in May 2007. Mr Studdy is engaged by the Westfield Group as Chairman of the Sub-Committee.

The Sub-Committee met four times during the financial year. Both members of the Sub-Committee attended each of those meetings.

Principle 5: Make Timely and Balanced Disclosure

5.1 Continuous Disclosure and Communications Policy

Westfield is committed to maintaining a level of disclosure that meets the highest standards and provides all investors with timely and equal access to information.

The Westfield Group's Continuous Disclosure and Communications Policy underlines the Group's commitment to ensuring that the Group's and the Trust's members and the market are provided with high quality, relevant and accurate information regarding its activities in a timely manner and that investors are able to trade in Westfield Group securities, including units in the Trust, in a market which is efficient, competitive and informed as well as ensuring that market participants have an equal opportunity to review and assess information disclosed by the Group.

The policy includes a vetting and authorisation process so that all disclosures are factual, do not omit material matters and are expressed in a clear and objective manner.

The Continuous Disclosure and Communications Policy is available on the Trust's website.

Principle 6: Respect the Rights of Shareholders

6.1 Communications with Members

The Westfield Group is committed to providing all members with comprehensive, timely and equal access to information about its activities to enable them to make informed investment decisions.

To date, because of its relatively small member base of just over 2,300, and as it is a single centre property trust, the Trust has limited the use of the internet as a means of communication with members.

Legislative amendments in 2007 have enabled the Trust to make its Annual Report available online in absence of a member electing to receive a printed copy. The Responsible Entity has encouraged members to access the Annual Report online as this assists with the Trust's commitment to the environment, as well as having the benefit of reducing costs. Consequently a printed copy of the Annual Report will only be sent to those members who have made an election to receive it. Otherwise members will be notified when the Annual Report is available to be accessed online at the Trust's website www.carindalepropertytrust.com.au once it is released.

Members have also been encouraged to consider providing the Trust with email addresses so members can be notified by email when the Annual Report is available and otherwise to keep members updated on all other member communications.

Notwithstanding the above recent development, the investor relations area is still available to address enquiries of members, potential investors and the broader investment community concerning Trust-related matters. Furthermore, in addition to the mandatory annual financial report sent to members, the Trust provides interim reviews to members so that they are kept up to date every six months with the performance of their investment. Current and past Trust financial reports are also placed on the Trust's website so that these are more immediately available for review.

As the usage and acceptance of electronic communication in the community increases, the Responsible Entity will work closely with its share registry to investigate the increased use of electronic means of communicating with investors.

Principle 7: Recognise and Manage Risk

7.1 Risk Oversight and Management

The Trust is part of the Westfield Group's Risk Management framework. Each of Westfield Holdings, Westfield Management Limited and Westfield America Management Limited has established a Board Risk Management Committee.

The responsibilities of the Committee are detailed in the Board Risk Management Committee Charter, which is available on the Trust's website.

The objective of the Committee is to assist the Board by monitoring and reviewing the corporate policies for identifying and managing relevant risks associated with the business of the Westfield Group (including the Trust) and the adequacy of the Group's practices and procedures in implementing those policies. This includes monitoring and reviewing:

- (a) the Westfield Group's policies regarding risk oversight and risk management which are incorporated in the Enterprise Risk Management Policy and Enterprise Risk Management Framework;
- (b) the appropriateness of the Enterprise Risk Management Policy and internal control systems adopted by the Westfield Group;
- (c) the Westfield Group's continuing processes for:
 - i) the identification of material financial, legal and operational risks associated with the conduct of the business of the Group;
 - ii) the maintenance of appropriate internal control systems designed to manage key risk areas;
 - iii) assessing the above matters in conjunction with management and the internal and external auditors; and
 - iv) monitoring and reporting against compliance with the Enterprise Risk Management Policy and Enterprise Risk Management Framework.

7.2 Management of Material Business Risks

In addition to the Board Risk Management Committee, there is an Executive Risk Management Committee which comprises the Group Chief Financial Officer, the Group General Counsel, a Deputy Group Chief Financial Officer, the Chief Operating Officers and the Chief Risk Officer. This Committee is responsible for:

- assisting in the formulation of all aspects of the risk management process to be adopted by the Group;
- overseeing the implementation of the Westfield Group's policies and procedures by management by ensuring that all phases of the process of identification, assessment, control, review and reporting are reflected appropriately in the business processes of the Group;
- ensuring that there is a proper allocation of responsibility for the implementation and conduct of the risk management process between the Group's management in the various jurisdictions in which the Group operates; and
- implementing appropriate systems for confirming compliance with all relevant laws and other regulatory obligations are complied with and for ensuring that the risk management processes of the Group are such that the Group Managing Directors and the Group Chief Financial Officer are able to give those certifications which are required to be given in order to comply with the Corporations Act, applicable accounting standards and the ASX Corporate Governance Principles and Recommendations.

Corporate Governance Statement (continued)

Principle 7: Recognise and Manage Risk (continued)

The Executive Risk Management Committee is required to report to the Board, through the Board Risk Management Committee, as to the effectiveness of the Westfield Group's management of its material risks.

7.3 Executive Chairman, Group Managing Directors and Chief Financial Officer Assurance

The Executive Chairman, the Group Managing Directors and the Group Chief Financial Officer confirm in writing to the Board, at the time the financial statements are being considered for approval by the Board, that in all material respects:

- the financial statements present a true and fair view; and
- that this assertion is founded on a sound system of financial risk management and internal compliance and control which implements the policies adopted by the Board; and
- that the Trust's financial risk management and internal compliance and control systems are operating efficiently and effectively in all material respects in relation to financial reporting risks.

The Board receives regular reports from management, the Audit and Compliance Committee and the Board Risk Management Committee on areas where there are considered to be significant business risks and on the management of those risks. The internal audit function also monitors these risks and reports to the Audit and Compliance and Board Risk Management Committees.

Principle 8: Remunerate Fairly and Responsibly

8.1 Remuneration Policies

Details of the management fees paid to the Responsible Entity under the constitution of the Trust are contained in Note 24 to the financial statements on page 19 of the Annual Report.

The Responsible Entity does not have any employees. The operations of the Trust are performed by Westfield Group executives and staff. Reference should be made to the 2007 Annual Report of the Westfield Group for details of remuneration policies of the Group.

As a consequence, as noted in section 8.2 below, recommendations on remuneration issues affecting the Trust or the Responsible Entity are made by the Remuneration Committee of Westfield Holdings.

8.2 Structure of Non-executive Directors' Remuneration

As the Boards of the Responsible Entity and Westfield Holdings are identical, no additional fees are paid to the Non-executive Directors of the Responsible Entity by the Responsible Entity in respect of their work in relation to the Trust. Rather, Directors' fees are paid by Westfield Holdings and the Remuneration Committee of that Board takes into account the levels of effort required by the Directors in fulfilling their duties on the Board of the Responsible Entity when the level of those fees is being set. As the Responsible Entity is also the responsible entity of Westfield Trust and a number of other unlisted registered schemes, this is also taken into account in determining any fees to be paid to Non-executive Directors of the Board.

Non-executive Directors receive their fees in cash. The Non-executive Directors do not participate in schemes designed for the remuneration of executives, nor do they receive options or other equity based entitlements or bonus payments. Directors are not entitled to any payment on retirement or resignation.

Reference should be made to the 2007 Annual Report of the Westfield Group for full disclosure of Directors' fees paid by Westfield Holdings.

Investor Relations

Carindale Property Trust Distribution Details

The final distribution of 12.92 cents per unit was paid to members on 29 August 2008. An interim distribution of 12.77 cents per unit was paid on 29 February 2008. The full year distribution of 25.69 cents is approximately 20% tax deferred.

Carindale Property Trust Website

- > Unit price & graph
- > News and announcements
- > Unitholding details
- > Annual reports
- > Current and historical tax information
- > Downloadable unitholder forms
- > Calendar
- > Corporate Governance Policy

Electronic Information

By becoming an electronic investor and registering your email address, you can receive via email news and announcements, distribution statements, taxation statements and Annual Reports.

Secure Access to Your Unitholding Details 24 Hours a Day

Online – You can go to www.carindalepropertytrust.com.au to access your unitholding information including the latest press releases, results announcements, presentations and more. To view your unitholding, you will need your SRN/HIN and you will be asked to verify your postcode (inside Australia) or your country of residence (outside Australia).

Phone – You can confirm your holding balance, request forms and access dividend and trading information by phoning 1300 132 211, then by pressing 2. You may be asked to enter your SRN/HIN.

Distribution

The distribution was paid at the end of August and at the end of February.

To ensure timely receipt of your distribution, please consider the following:

Direct Credit

You can receive your distribution payment efficiently and safely by having it direct credited to your bank account. If you wish to register for direct credit, please complete the form and return it to the registry. A form can be downloaded from www.carindalepropertytrust.com.au or by phoning our registry on 1300 132 211 (Please have your SRN/HIN available for you to quote).

Tax File Number (TFN)

You are not required by law to provide your Tax File Number, Australian Business Number or Exemption.

However, if you do not provide your TFN, ABN or Exemption, withholding tax at the highest marginal rate, currently 46.5% for Australian resident members may be deducted from distributions paid to you and 10% for non-resident members.

If you have not supplied this information and wish to do so, please advise the registry or your sponsoring broker.

Annual Tax Statement

The Annual Tax Statement is dispatched to members every year in August.

Share Registry

All changes of name, tax file number, address, payment instructions and document requests should be passed to the Registry.

Computershare Investor Services Pty Limited

GPO Box 523

Brisbane QLD 4001

Telephone: 1300 132 211

International: +61 3 9415 4070

Facsimile: +61 3 9473 2500

E-mail: westfield@computershare.com.au

Website: www.computershare.com

All other queries can be directed to Investor Relations.

Investor Information

Carindale Property Trust

Level 24, Westfield Towers

100 William Street

Sydney NSW 2011, Australia

Telephone: +61 2 9358 7877

Facsimile: +61 2 9358 7881

E-mail: investor@au.westfield.com

Website: www.carindalepropertytrust.com.au

Investor Relations (continued)

Carindale Property Trust – Calendar

Date	Event
23 December 2008	Units trade ex-distribution
31 December 2008	Record date for Carindale Property Trust, 6 months to 31 December 2008
February 2009	Half-year results released, 6 months to 31 December 2008
27 February 2009	Payment date for Carindale Property Trust distribution, 6 months to 31 December 2008
April 2009	Half-year review (report) released, 6 months to 31 December 2008
24 June 2009	Units trade ex-distribution
30 June 2009	Record date for Carindale Property Trust, 6 months to 30 June 2009
31 August 2009	Payment date for Carindale Property Trust distribution, 6 months to 30 June 2009. Full year results released, 12 months to 30 June 2009. Annual Taxation Statement issued
September 2009	Annual Report released

Listing

ASX – Code: CDP

Members' Information

FOR THE YEAR ENDED 30 JUNE 2008

Twenty largest ordinary members as at 25 August 2008

	No. of ordinary units	% of issued ordinary units
Westfield Management Limited	35,000,000	50.00%
Citicorp Nominees Pty Limited	5,867,674	8.38%
JP Morgan Nominees Australia Limited	5,357,920	7.65%
National Nominees Limited	5,087,263	7.27%
M F Custodians Limited	1,491,364	2.13%
Australian Reward Investment Alliance	542,326	0.77%
Mellett Super Pty Limited <Mellett A Fund A/C>	367,494	0.52%
Mr Gordon Joseph Payne	259,000	0.37%
ANZ Nominees Limited <Cash Income A/C>	187,299	0.27%
Worldwide Finances Holdings Pty Limited	165,540	0.24%
Mr Ian Somers and Mrs Jan Somers <Somerset Fin Servs S/F A/C>	153,205	0.22%
Barland Investments Pty Limited	150,000	0.21%
HSBC Custody Nominees (Australia) Limited	145,412	0.21%
Avanteos Investments Limited <Symetry Retire SVS 1006 A/C>	137,197	0.20%
Asia Union Investments Pty Limited	131,690	0.19%
The Clem Jones Home for the aged and disabled	125,000	0.18%
Ventureline Pty Ltd	120,000	0.17%
Mr Alexander Craig McMorrison & Mrs Jennifer Victoria McMorrison <McMorrison Super Fund A/C>	115,005	0.16%
Mr Peter Oakley & Mrs Clara Oakley <Oakley Family S/Fund A/C>	105,000	0.15%
Cogent Nominees Pty Limited	100,327	0.14%
	55,608,716	79.43%

Spread of Ordinary Members as at 25 August 2008

Holding	No. of Members	No. of units
1 – 1,000	235	150,826
1,001 – 5,000	982	3,003,685
5,001 – 10,000	412	3,412,122
10,001 – 100,000	345	7,824,651
100,001 and over	20	55,608,716
Total	1,994	70,000,000

Voting rights for each class

At a meeting of members, on a show of hands, every member who is present in person or by proxy (and who is not otherwise disentitled from voting) has one vote. On a poll, every such member has one vote for each dollar of the value of their total holding in the trust.

Unmarketable parcel

As at 25 August 2008, there were 9 members with less than a marketable parcel of quoted securities.

Substantial Holders

The names of the Trust's substantial holders and the number of ordinary units in which each has a relevant interest, as disclosed in the substantial holders notices given to the Trust, are as follows:

Name of Substantial Holder	No. of units
Westfield Group	35,000,000
Westpac Banking Corporation (WBC)	4,756,385
UBS Nominees Pty Ltd	4,646,930
Challenger Financial Services Group	3,563,436

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Directory

Carindale Property Trust

ABN 29 192 934 520
ARSN 093 261 744

Responsible Entity

Westfield Management Limited
ABN 41 001 670 579
AFS Licence 230329

Registered Office

Level 24, Westfield Towers
100 William Street
Sydney NSW 2011
Telephone: +61 2 9358 7000
Facsimile: +61 2 9358 7077

Secretaries

Simon J Tuxen
Maureen T McGrath

Auditors

Ernst & Young
The Ernst & Young Centre
680 George Street
Sydney NSW 2000

Investor Information

Carindale Property Trust
Level 24, Westfield Towers
100 William Street
Sydney NSW 2011
Telephone: +61 2 9358 7877
Free Call: 1800 116 661
Facsimile: + 61 2 9358 7881
E-mail: investor@au.westfield.com

Unit Registry

Computershare Investor
Services Pty Limited
Level 19
307 Queen Street
Brisbane QLD 4001
GPO Box 523
Brisbane QLD 4001
Telephone: +61 3 9415 4070
Toll Free: 1300 132 211
Facsimile: +61 3 9473 2500
E-mail: westfield@computershare.com.au
Website: www.computershare.com

Listings

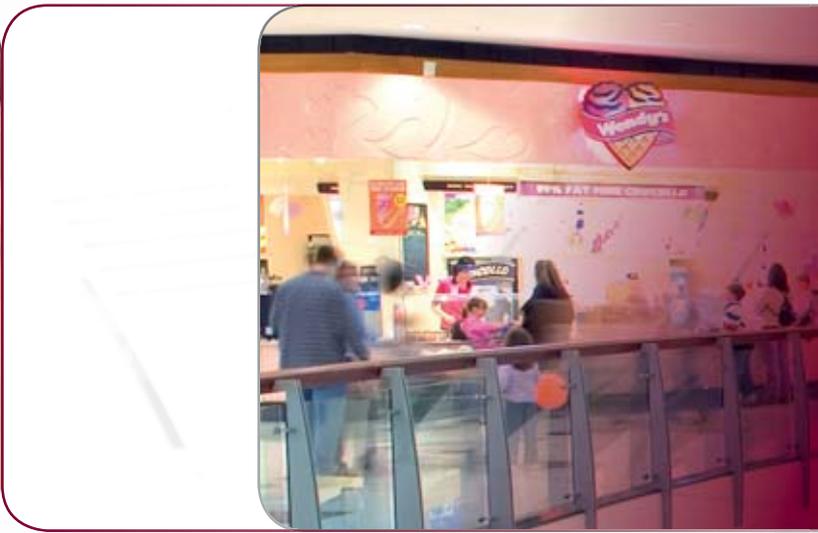
ASX – CDP



As part of the Trust's focus on environmental factors affecting its business, this Annual Report is printed on papers produced by UPM Kymmene, the No1 forest products company on the Dow Jones sustainability index 2007.

The paper has been manufactured using 'Certified Fibre' from sustainable, well managed forests and processed Chlorine free (ECF).

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Westfield

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