

Carindale

Property Trust

2015

Annual Report

Westfield

SCENTRE GROUP

Owner and Operator of  in Australia and New Zealand

As at 30 June 2015 the Carindale Property Trust share of Westfield Carindale was valued at \$765.1 million.

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 136,400 square metres.

Contents

- 02 Year in Review
- 03 Financial Highlights
- 04 Westfield Carindale
- 06 Westfield Carindale Community & Environment
- 08 Board of Directors

Financial Report Contents

- 11 Statement of Comprehensive Income
- 12 Balance Sheet
- 12 Statement of Changes in Equity
- 13 Cash Flow Statement
- 14 Notes to the Financial Statements
- 24 Directors' Declaration
- 25 Independent Audit Report
- 26 Directors' Report
- 29 Corporate Governance Statement
- 38 Investor Relations
- 39 Members' Information
- 40 Corporate Directory

SCENTRE GROUP

Owner and Operator of **Westfield** in Australia and New Zealand

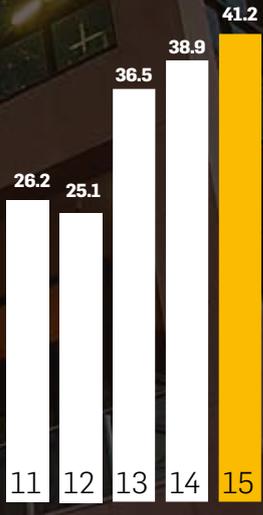
SCENTRE MANAGEMENT LIMITED ABN 41 001 670 579 AFS LICENCE 230329
AS RESPONSIBLE ENTITY OF CARINDALE PROPERTY TRUST ARSN 093 261 744

Westfield

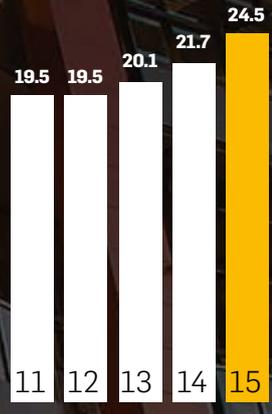


Westfield

\$ million



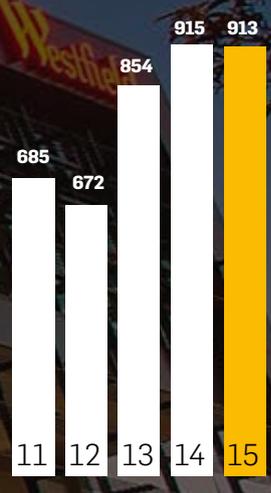
Net Property Income



Distribution to Members



Shopping Centre Investment



Total Retail Sales



WESTFIELD CARINDALE

Year in Review

Financial Results

Carindale Property Trust has reported a net profit of \$55.6 million for the year ended 30 June 2015.

Funds from operations, which excludes unrealised fair value adjustments of \$31.1 million, was \$24.5 million, an increase of 12.6% on the previous corresponding period.

The Trust's net property income for the period was \$41.2 million representing a 6.1% increase on the previous year, reflecting the impact of the completion of the redevelopment.

Carindale Property Trust's interest in Westfield Carindale has been independently valued as at 30 June 2015. The value of Carindale Property Trust's 50% interest in Westfield Carindale is \$765.1 million, representing a revaluation gain of \$31.0 million for the financial year.

Total assets of Carindale Property Trust increased 5.0% to \$771.6 million as at 30 June 2015.

At year end, borrowings were \$209.9 million with gearing at 27.4%. Since 30 June 2015 the bank loans have been renewed and extended to 2020 at lower cost.

Carindale Property Trust has also recently increased its interest rate hedging. The interest rate exposure was 71% hedged at 30 June 2015 and is 69% hedged on average for the next three years.

Total unit holders' funds attributable to members were \$532.9 million representing an increase of 6.2% on the previous year.

The net tangible asset backing as at 30 June 2015 was \$7.61 per unit, representing an increase of 6.2% on the previous year primarily as a result of the property revaluation.

Trust distribution

The total amount to be distributed to members for the financial year ended 30 June 2015 is \$24.5 million representing a full year distribution of 34.97 cents per unit.

An interim distribution of 16.99 cents per unit was paid on 27 February 2015 and the final distribution of 17.98 cents per unit will be paid to members on 31 August 2015.

The full year distribution is approximately 47% tax deferred which is due to depreciation and other capital allowances.

Centre performance

As at 30 June 2015 the centre was in excess of 99.5% leased. Total retail sales for the 12 months to 30 June 2015 were \$913million including specialty retail sales of \$11,068 per square metre.

Directors' Outlook

The Directors are pleased with the performance of Westfield Carindale which has performed well following the completion of the redevelopment in 2012. Forecast FFO and distribution per unit is expected to increase 12-14% for the financial year ending 30 June 2016. This reflects growth in net operating income and lower interest costs.

Westfield Carindale generates sales of \$913 million.



The Trust's net property income for the period was \$41.2 million, representing a 6.1% increase on the previous year.

5-year Financial Summary

Year	2011	2012	2013	2014	2015	% Change 2014 to 2015
Net Property Income (\$ million)	26.2	25.1	36.5	38.9	41.2	6.1
Distribution to members (\$ million)	19.5	19.5	20.1	21.7	24.5	12.8
Distribution per unit (cents)	27.80	27.80	28.70	31.00	34.97	12.8
Tax deferred component (%)	26	58	60	52	47	
Shopping centre investment (\$ million)	442.9	668.5	678.2	728.2	765.1	5.1
Total members' funds (\$ million)	388.0	446.6	451.6	501.7	532.9	6.2
Number of units on issue (million)	70	70	70	70	70	
Net tangible asset backing per unit	\$5.54	\$6.38	\$6.45	\$7.17	\$7.61	6.2



WESTFIELD CARINDALE

A long-established fixture in Brisbane's retail landscape, Westfield Carindale has enjoyed a genuine reinvention in recent years following the redevelopment that was completed in 2012. It remains one of Brisbane's premier retail destinations and has performed solidly in the past 12 months, generating \$913 million in retail sales, marginally down on the previous year as a result of increased competition in the trade area.

The centre has two department stores, two discount department stores, three supermarkets, an 8-screen cinema complex and more than 400 specialty retailers, and is one of Australia's best five performing shopping centres based on retail sales.

The Glasshouse dining precinct has welcomed two new food operators that have broadened the quick-service dining offer and complemented the existing mix of eating options.

Westfield Carindale's fashion offer is one of the best in Brisbane's suburbs, with new arrival Sass & Bide, joining a selection of some of Australia's top fashion brands.

Large format retailers include Japanese discount novelty store Daiso and apparel and homewares retailer Harris Scarfe.

As one of Brisbane's biggest lifestyle destination, Westfield Carindale's broad based offer of retail, entertainment and leisure also includes a modern public library, a gym, a child-minding centre and outdoor play area.

The centre's design is ideally suited to Brisbane's temperate climate and capitalises on the available natural lighting and heating allowing for significant minimisation of energy usage.





The expanded centre boasts 2 department stores, 2 discount department stores, 3 supermarkets, an 8-screen cinema complex and more than 400 specialty retailers.



Westfield Carindale Community and Environment

Community

Westfield Carindale's role in the local community has always been a key focus for the centre's marketing activities, with a range of programs implemented in 2014 reinforcing the community connections.

In line with Scentre Group's well-established program providing support to the families of children with disabilities, Westfield Carindale continued its work with community partner Spina Bifida Hydrocephalus QLD primarily through the Scentre Group national Give Ability Day. The initiative provided a variety of in-centre entertainment and also raised much-needed funds.

Westfield Carindale continued its partnership with the Queensland Ballet, generating a number of in-centre events and exhibitions tailored to the trade area demographic. The partnership, which commenced in 2013, has established a meaningful connection between Westfield Carindale and the arts sector in Queensland. During the year a

number of activities have been generated thanks to the partnership including Queensland Ballet costume displays incorporated into visual merchandising displays in centre, and ballet classes for school holiday entertainment.

A number of long-term programs remain in place at Westfield Carindale, providing the community with welcome activities and services like mall-walking, Justice-of-the-Peace services and children's entertainment.

Environment

The program to maintain efficiency and minimise the environmental impact of the centre's operations continued at Westfield Carindale during the year, in line with Scentre Group's broader efforts across the entire Westfield shopping centre portfolio.

A number of energy-saving initiatives were implemented including the replacement of two chillers in Myer and eight packaged air conditioning (PAC) units in Harvey Norman and two PAC units in Dick Smith in the Home and Leisure Centre.

As part of the main building management infrastructure a chiller was upgraded, and designs were completed for a new building management system and IVIVA (intelligent building management) control system, anticipated to be introduced in the near future.

Westfield Carindale – in partnership with local water service provider Urban Utilities – installed smart metering to the centre's water meters allowing for web-based real-time monitoring, auto alerts of system performance and the ability to trend and track water usage.

The centre's fire hydrant pipework was replaced with a new system fully integrated into the main fire hydrant system, controlled and boosted from one central location.

During the year a number of retrofit lighting programs were initiated including a three-year program to convert emergency lighting system to RF LED Wi-Fi monitored, and a five-year program to convert all lighting to LED with approximately 1200 light fittings already changed to date.

A project is also underway to convert the centre's waste management system from RORO ('roll-on roll-off' individual bins where waste is not separated) to less labour-intensive compactors - allowing for greater efficiency by generating higher recycling rates and reduction in landfill.

Westfield Carindale has a 4-star Green Star Retail V1 from the Green Building Council of Australia, representing 'Best Practice' in environmentally sustainable building practices.

Westfield Carindale achieved a 3.5 star NABERS rating for both energy and water during the year.



Board of Directors



Mr Frank P Lowy AC
Chairman

Mr Frank P Lowy AC

Chairman

Frank Lowy is the non-executive Chairman of Scentre Group. He served as the Westfield Group's Chief Executive Officer for over 50 years before assuming a non-executive role in May 2011. Mr Lowy also serves as the Chairman of Westfield Corporation. He is the founder and Chairman of the Lowy Institute for International Policy and Chairman of Football Federation Australia Limited.



Mr Brian M Schwartz AM
Deputy Chairman

Mr Brian M Schwartz AM

Deputy Chairman

Brian Schwartz is a non-executive Director and Deputy Chairman of Scentre Group. In a career with Ernst & Young Australia spanning more than 25 years, he rose to the positions of Chairman (1996 - 1998) and then CEO of the firm from 1998 to 2004. From 2005 to 2009, Mr Schwartz was the CEO of Investec Bank (Australia) Limited. He is Chairman of Insurance Australia Group Limited and Deputy Chairman of Football Federation Australia Limited. Mr Schwartz is also a non-executive Director and Deputy Chairman of Westfield Corporation. Prior to the establishment of Scentre Group, Mr Schwartz was a non-executive Director and Deputy Chairman of Westfield Group. He is a fellow of the Australian Institute of Company Directors and the Institute of Chartered Accountants. Mr Schwartz is Chairman of Scentre Group's Human Resources Committee and a member of the Audit and Risk and Nomination Committees.



Mr Peter K Allen

Mr Peter K Allen

Chief Executive Officer

Peter Allen is an executive Director and Chief Executive Officer of Scentre Group. He has more than 20 years of global experience in senior financial, property and commercial roles. Prior to the establishment of Scentre Group, Mr Allen was an executive Director of Westfield Holdings Limited and the Westfield Group's Chief Financial Officer and a non-executive Director of Westfield Retail Trust. Mr Allen worked for Citibank in Melbourne, New York and London before joining Westfield in 1996 as Director for Business Development. From 1998 to 2004 he was based in London as Westfield's CEO of United Kingdom/Europe and was responsible for establishing Westfield's presence in the United Kingdom. Mr Allen is Chairman of the Shopping Centre Council of Australia. He also sits on the Board of the Kolling Foundation and is a member of the President's Council of the Art Gallery of NSW.



Mr Richard F Egerton-
Warburton AO, LVO

Mr Richard F Egerton- Warburton AO, LVO

Richard Warburton is a non-executive Director of Scentre Group. Before becoming a professional director, he was the Chairman and Chief Executive Officer of DuPont Australia and New Zealand where he was responsible for DuPont's petro-chemical business operations in Australia and New Zealand. Prior to the establishment of Scentre Group, Mr Warburton was Chairman of Westfield Retail Trust from December 2010 until June 2014. He is currently Chairman of Magellan Flagship Fund Limited and Citigroup Pty Limited and previously Chairman of David Jones Limited, AurionGold Limited, Caltex Australia Limited and the Board of Taxation, and a Director of Tabcorp Holdings Limited, Southcorp Limited, Nufarm Limited and the Reserve Bank of Australia. Mr Warburton is a Fellow (and former National President) of the Australian Institute of Company Directors. Mr Warburton is Chairman of Scentre Group's Nomination Committee and a member of the Audit and Risk Committee.



Mr Andrew W Harmos



Mr Michael F Ihlein



Ms Aliza Knox



Mr Steven M Lowy AM

Mr Andrew W Harmos

Andrew Harmos is a non-executive Director of Scentre Group. He is one of the founding directors of Harmos Horton Lusk Limited, an Auckland based specialist corporate legal advisory firm, where he specialises in takeover advice and structuring, securities offerings, company acquisitions and disposals, strategic and board corporate legal advice. Mr Harmos holds a Bachelor of Commerce and a Bachelor of Laws (Honours) from The University of Auckland. Prior to the establishment of Scentre Group, Mr Harmos was a non-executive Director of Westfield Retail Trust from December 2010 until June 2014. He is a Director of AMP Life Limited, The National Mutual Life Association and Elevation Capital Management Limited and is a Trustee of the Arts Foundation of New Zealand. Mr Harmos was formerly Chairman of the New Zealand Stock Exchange. Mr Harmos is a member of Scentre Group's Nomination Committee and Human Resources Committee.

Mr Michael F Ihlein

Michael Ihlein is a non-executive Director of Scentre Group. He is a highly experienced corporate and finance executive with a long career with Coca-Cola Amatil Limited (and related companies), where he was Managing Director, Poland (1995 – 1997) and Chief Financial Officer and executive Director (1997 – 2004). Mr Ihlein joined Brambles as Chief Financial Officer and executive Director in March 2004 and held the position of Chief Executive Officer from July 2007 until his retirement in November 2009. Mr Ihlein holds a Bachelor of Business Studies (Accounting) from the University of Technology, Sydney. Prior to the establishment of Scentre Group, Mr Ihlein was a non-executive Director of Westfield Retail Trust from December 2010 until June 2014. He is currently a Director of CSR Limited, Snowy Hydro Limited and Murray Goulburn Co-operative Co Limited, Chair of Australian Theatre for Young People and is a Fellow of the Australian Institute of Company Directors, CPA Australia and the Financial Services Institute of Australasia (Finsia). Mr Ihlein is the Chairman of Scentre Group's Audit and Risk Committee and is a member of the Human Resources Committee.

Ms Aliza Knox

Aliza Knox is a non-executive Director of Scentre Group. She has more than two decades of broad international marketing and management experience. She holds an MBA in Marketing (Honors) from New York University-Leonard N. Stern, School of Business, and a B.A., Applied Mathematics and Economics (Magna Cum Laude) from Brown University. Ms Knox is currently Managing Director of Online Sales, Asia Pacific and Latin America at Twitter (Singapore), a role she has held since 2012. Previously, she was the Managing Director of Commerce and Online Sales & Operations for Asia Pacific at Google Asia Pacific Pte. Ltd. from 2007 to 2012. Ms Knox has been a non-executive Director of Singapore Post Limited since August 2013. In 2014 she was appointed to the supervisory board of GfK. She is also a non-executive Director of InvoCare Limited, a position she will step down from on 31 August 2015. In 2015, Ms Knox was appointed to ANZ's International Technology and Digital Business Advisory Panel. Her other roles include Senior Vice President, Commercial Solutions and Global Product Platforms at Visa International (from 2002 to 2007) and Senior Vice President, International Wireless and Global Expansion Asian Focus at Charles Schwab Corporation (from 1999 to 2001).

Mr Steven M Lowy AM

Steven Lowy is a non-executive Director of Scentre Group. He holds a Bachelor of Commerce (Honours) from the University of NSW. Prior to joining Westfield in 1987, Mr Lowy worked in investment banking in the US. He is an executive Director of Westfield Corporation and currently serves as its Co-Chief Executive Officer. Mr Lowy is a Director of the Lowy Institute for International Policy and a member of the Prime Minister's Business-Government Advisory Group on National Security. His previous appointments include President of the Board of Trustees of the Art Gallery of New South Wales, Chairman of the Victor Chang Cardiac Research Institute and Presiding Officer of the NSW Police Force Associate Degree in Policing Practice Board of Management.

Financial Report

Contents

11	Statement of Comprehensive Income
12	Balance Sheet
12	Statement of Changes in Equity
13	Cash Flow Statement
14	Notes to the Financial Statements
24	Directors' Declaration
25	Independent Audit Report
26	Directors' Report
29	Corporate Governance Statement
38	Investor Relations
39	Members' Information
40	Corporate Directory

Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2015

	Note	30 Jun 15 \$'000	30 Jun 14 \$'000
Revenue			
Property revenue	3a	55,486	53,342
Expenses			
Property expenses and outgoings		(14,246)	(14,475)
Net property income		41,240	38,867
Other expenses			
Manager's service charge		(4,590)	(4,272)
Other costs		(310)	(395)
		(4,900)	(4,667)
Interest income		91	122
Net fair value gain on interest rate derivatives		1,408	2,265
Financing costs	3b	(13,164)	(13,851)
Property revaluation		30,970	49,104
Net profit attributable to members of the Trust	13(ii)	55,645	71,840
Total comprehensive income attributable to members of the Trust		55,645	71,840
		cents	cents
Basic earnings per unit	6	79.49	102.63
Diluted earnings per unit	6	79.49	102.63

Balance Sheet

AS AT 30 JUNE 2015

	Note	30 Jun 15 \$'000	30 Jun 14 \$'000
Current assets			
Cash and cash equivalents	13(i)	3,063	3,437
Trade and other receivables	4	2,588	2,296
Prepayments and deferred costs	5	302	302
Total current assets		5,953	6,035
Non current assets			
Investment properties	7	765,071	728,214
Prepayments and deferred costs	5	609	1,011
Total non current assets		765,680	729,225
Total assets		771,633	735,260
Current liabilities			
Trade and other payables	8	22,551	19,591
Derivative liabilities	10	38	1,111
Total current liabilities		22,589	20,702
Non current liabilities			
Interest bearing liabilities	9	209,969	206,314
Derivative liabilities	10	6,182	6,517
Total non current liabilities		216,151	212,831
Total liabilities		238,740	233,533
Net assets		532,893	501,727
Equity attributable to members of the Trust			
Contributed equity		187,934	187,934
Reserves		50	47
Retained profits	12	344,909	313,746
Total equity attributable to members of the Trust		532,893	501,727

Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2015

	30 Jun 15 \$'000	30 Jun 14 \$'000
Changes in equity attributable to members of the Trust		
Opening balance of contributed equity	187,934	187,934
Closing balance of contributed equity	187,934	187,934
Opening balance of reserves	47	-
- Amount transferred from retained profits	3	47
Closing balance of reserves	50	47
Opening balance of retained profits	313,746	263,653
- Profit attributable to members of the Trust	55,645	71,840
- Distribution payable to members of the Trust	(24,479)	(21,700)
- Amount transferred to other reserves	(3)	(47)
Closing balance of retained profits	344,909	313,746
Closing balance of equity attributable to members of the Trust	532,893	501,727

Cash Flow Statement

FOR THE YEAR ENDED 30 JUNE 2015

	Note	30 Jun 15 \$'000	30 Jun 14 \$'000
Cash flows from operating activities			
Receipts in the course of operations (including GST)		61,862	59,656
Payments in the course of operations (including GST)		(21,078)	(20,092)
Goods and services tax paid to government bodies		(3,251)	(3,429)
Net cash flows from operating activities	13(ii)	37,533	36,135
Cash flows used in investing activities			
Payments of capital expenditure for property investments		(6,837)	(4,179)
Net cash flows used in investing activities		(6,837)	(4,179)
Cash flows used in financing activities			
Net proceeds from interest bearing liabilities		3,700	3,663
Financing costs		(11,838)	(14,448)
Interest received		91	122
Distribution paid to members		(23,023)	(20,930)
Net cash flows used in financing activities		(31,070)	(31,593)
Net (decrease)/increase in cash and cash equivalents held		(374)	363
Opening cash and cash equivalents brought forward		3,437	3,074
Cash and cash equivalents at the end of the year	13(i)	3,063	3,437

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1 BASIS OF PREPARATION OF THE YEAR END FINANCIAL REPORT

(a) Corporate information

This financial report of Carindale Property Trust (Trust) for the year ended 30 June 2015 was approved in accordance with a resolution of the Board of Directors of Scentre Management Limited, as responsible entity of the Trust (Responsible Entity) on 25 August 2015.

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 issued by the International Accounting Standards Board. The accounting policies adopted are consistent with those of the previous financial year except that the Trust has adopted the following new or amended standards which became applicable on 1 July 2014.

- AASB 1031 Materiality;
- AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities;
- AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets;
- AASB 2013-4 Amendments to Australian Accounting Standards - Novation of Derivatives and Continuation of Hedge Accounting;
- AASB 2013-5 Amendments to Australian Accounting Standards - Investment Entities;
- AASB 2013-9 Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments; and
- AASB 2014-1 Amendments to Australian Accounting Standards - Part A: Annual Improvements 2010-2012 and 2011-2013 Cycles.

The adoption of these new and amended standards did not have a significant impact on the Trust's results in the current period.

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 2015. The impact of these new standards (to the extent relevant to the Trust) and interpretations is as follows:

- AASB 9 Financial Instruments (effective from 1 January 2018)
This standard includes requirements to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139 Financial Instruments: Recognition and Measurement.
- AASB 15 Revenue from Contracts with Customers (expected to be effective from 1 January 2018)
This standard determines the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer.
- AASB 2015-2 Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB101 (effective from 1 January 2016)
The standard makes amendments to AASB101 - Presentation of Financial Statements arising from the IASB's Disclosure Initiative project. The amendments are designed to encourage companies to apply professional judgment in determining what information to disclose in the financial statements.
- AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB1031 Materiality (effective from 1 July 2015)
This standard completes the AASB's project to remove Australian guidance on materiality from Australian Accounting Standards.

The Responsible Entity is currently assessing the impact of these recently issued or amended standards.

(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 and Australian Accounting Standards. 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) Significant accounting judgements, estimates and assumptions

The preparation of the financial report requires management to make judgements, estimates and assumptions. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and other various factors it believes to be reasonable under the circumstances, the results of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements, in particular, Note 2: Summary of significant accounting policies, Note 7: Investment properties and Note 19: Fair value of financial assets and liabilities. Actual results may differ from these estimates under different assumptions and conditions and may materially affect the Trust's financial results or the financial position in future periods.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Investment properties

The Trust's investment properties include shopping centre investments and development projects.

i) Shopping centre investment

The Trust's shopping centre investment comprises of freehold and leasehold land, buildings and leasehold improvements.

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 in 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, the shopping centre investment is measured at cost including transaction costs. Subsequent to initial recognition, the Trust's shopping centre investment is stated at fair value. Gains and losses arising from changes in the fair value of its shopping centre investment are included in the statement of comprehensive income in the year in which they arise. Any gains or losses on the sale of a shopping centre investment are recognised in the statement of comprehensive income in the year of sale. The shopping centre investment carrying amount includes components relating to lease incentives, leasing costs and receivables on rental income that have been recorded on a straight line basis.

At each reporting date, the carrying value of the shopping centre 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.

Independent valuations of shopping centres are prepared annually with the exception of when the shopping centre is under development. The Directors' assessment of fair value takes into account annual independent valuations, that were prepared which take into account any changes in estimated yield, underlying income and valuations of comparable centres. 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 which are based upon assumptions and judgement in relation to future rental income, property capitalisation rate or estimated yield and make reference to market evidence of transaction prices for similar properties.

Where the centre is undergoing a major redevelopment, the fair value of the centre is assessed by the Directors at each reporting date and any increment and decrement recognised. An independent valuation is obtained on completion of the major redevelopment.

ii) Major redevelopment

The Trust's development projects include costs incurred for the current and future redevelopment and expansion of its shopping centre investment. Development projects include capitalised construction and development costs and where applicable borrowing costs on qualifying developments.

Development projects are carried at fair value based on Directors' assessment of fair value at each reporting date taking into account the expected costs to complete, the stage of completion, expected underlying income and yield of the development. Any increment or decrement in the fair value of development projects resulting from Directors' assessment of fair value is included in the statement of comprehensive income in the year in which it arises. On completion, development projects are reclassified to shopping centre investment and an independent valuation is obtained.

The assessment of fair value and possible impairment in the fair value of shopping centre investment and development projects are significant estimates that can change based on the Trust's continuous process of assessing the factors affecting its 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 carried at fair value. Recoveries from tenants are recognised as income in the year the applicable costs are accrued.

Certain tenant allowances that are classified as lease incentives are recorded as part of investment properties and 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 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 be readied 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 associated financing costs are capitalised.

(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 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 documentation, designation and effectiveness parameters before a derivative instrument is deemed to qualify for hedge accounting treatment. These documentation, designation, and effectiveness requirements cannot be met in all circumstances. As a result, 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 statement of comprehensive income.

The fair value of derivatives have been determined with reference to market observable inputs for contracts with similar maturity profiles. The valuation is a present value calculation which incorporates interest rate curves and the credit quality of all counterparties.

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 other payables 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.

The fair value of the Trust's unquoted instruments, loans from banks and finance leases (as disclosed in Note 19) is estimated by discounting future cash flows using rates that approximate the Trust's borrowing rate as at 30 June 2015 for debt with similar maturity, credit risk and terms.

(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 the 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 of the Trust divided by the weighted average number of ordinary units. Diluted earnings per unit is calculated as net profit attributable to members of the Trust 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.

	30 Jun 15 \$'000	30 Jun 14 \$'000
NOTE 3a PROPERTY REVENUE		
Shopping centre base rent and other property income	56,701	54,618
Amortisation of tenant allowances	(1,215)	(1,276)
	55,486	53,342
NOTE 3b FINANCING COSTS		
Gross financing costs (excluding net fair value gain or loss on interest rate hedges that do not qualify for hedge accounting)	(13,164)	(13,851)
	(13,164)	(13,851)
NOTE 4 TRADE AND OTHER RECEIVABLES		
Trade receivables	652	649
Other debtors	1,936	1,647
	2,588	2,296

	30 Jun 15	30 Jun 14
	\$'000	\$'000
NOTE 5 PREPAYMENTS AND DEFERRED COSTS		
Current	302	302
Non current	609	1,011
	Cents	Cents

NOTE 6 EARNINGS PER UNIT AND NET TANGIBLE ASSET BACKING PER UNIT

(i) Earnings per share

Basic earnings per unit	79.49	102.63
Diluted earnings per unit	79.49	102.63

Basic and diluted earnings per unit are calculated by dividing the earnings of \$55,645,000 (2014: \$71,840,000) by the weighted average number of ordinary units on issue during the financial year. The weighted average number of units used in the calculation of basic and diluted earnings per unit is 70,000,000 (2014: 70,000,000).

	\$	\$
(ii) Net asset backing per unit		
Net asset backing per unit	7.61	7.17

	30 Jun 15	30 Jun 14
	\$'000	\$'000

NOTE 7 INVESTMENT PROPERTIES

Shopping centre investment	765,071	728,214
	765,071	728,214

Movement in investment properties

Balance at the beginning of the year	728,214	678,228
Additions including redevelopment costs	5,887	882
Net revaluation increment	30,970	49,104
Balance at the end of the year	765,071	728,214

The Trust's interest in Westfield Carindale has been independently valued as at 30 June 2015. The valuation of the Trust's 50% interest in Westfield Carindale is \$765.1 million (2014: \$728.2 million) with a capitalisation rate of 5.50% (2014: 5.50%). This valuation was conducted by Knight Frank Australia Pty Ltd in accordance with the International Valuation Standards Committee.

NOTE 8 TRADE AND OTHER PAYABLES

Current

Trade creditors	1,502	1,014
Other creditors and accruals	8,463	7,447
Distribution payable	12,586	11,130
	22,551	19,591

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

	30 Jun 15 \$'000	30 Jun 14 \$'000
--	---------------------	---------------------

NOTE 9 INTEREST BEARING LIABILITIES

Non current

Finance lease	69	114
Loans payable – secured (i)	209,900	206,200
	209,969	206,314

(i) The Trust has a \$230 million floating interest 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 and matures in the second half of calendar year 2018.

The maturity profile in respect of the above liabilities:

Due within one year	2	1
Due between one and five years	209,912	206,204
Due after five years	55	109
	209,969	206,314

NOTE 10 DERIVATIVE LIABILITIES

Current – Payables on interest rate derivatives	38	1,111
Non current – Payables on interest rate derivatives	6,182	6,517

The Trust presents the fair value of its derivative assets and derivative liabilities on a gross basis. However, certain derivative assets and liabilities are subject to legally enforceable master netting arrangements within the secured financing facilities. As at 30 June 2015, these netting arrangements have no impact on the derivative liabilities disclosed above (30 June 2014: nil).

	30 Jun 15 Units	30 Jun 14 Units
--	--------------------	--------------------

NOTE 11 TRUST UNITS

Number of fully paid up units on issue

Balance at the beginning and end of the period	70,000,000	70,000,000
--	------------	------------

	30 Jun 15 \$'000	30 Jun 14 \$'000
--	---------------------	---------------------

NOTE 12 RETAINED PROFITS

Balance at the beginning of the year	313,746	263,653
Net profit attributable to members of the Trust	55,645	71,840
Distribution paid/payable to members of the Trust	(24,479)	(21,700)
Other reserves	(3)	(47)
Balance at the end of the year	344,909	313,746

NOTE 13 CASH AND CASH EQUIVALENTS

(i) Components of cash and cash equivalents

Cash	3,063	3,437
Total cash and cash equivalents	3,063	3,437

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

Net cash flows from operating activities	37,533	36,135
Property revaluation	30,970	49,104
Financing costs	(13,164)	(13,851)
Net fair value gain on interest rate derivatives	1,408	2,265
Interest received	91	122
Decrease in other net assets attributable to operating activities	(1,193)	(1,935)
Net profit attributable to members of the Trust	55,645	71,840

	30 Jun 15 \$'000	30 Jun 14 \$'000
(iii) Financing facilities		
Committed financing facilities available to the Trust:		
Total financing facilities	230,000	230,000
Amounts utilised	(209,900)	(206,200)
Available financing facilities	20,100	23,800
Cash	3,063	3,437
Total available financing facilities and available cash	23,163	27,237
The maturity profile in respect of the above financing facilities:		
Due within one year	-	-
Due between one and five years	230,000	230,000
Due after five years	-	-

NOTE 14 DISTRIBUTIONS PAID AND PAYABLE TO MEMBERS

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

Distribution payable to members		
- Ordinary units: 17.98 cents per unit, 47% estimated tax deferred	12,586	-
Distribution paid to members		
- Ordinary units: 15.90 cents per unit, 52% tax deferred	-	11,130
	12,586	11,130

(b) Distribution paid to members

Distribution in respect of the 6 months to 31 December 2014		
- Ordinary units: 16.99 cents per unit, 47% estimated tax deferred	11,893	-
Distribution in respect of the 6 months to 31 December 2013		
- Ordinary units: 15.10 cents per unit, 52% tax deferred	-	10,570
	11,893	10,570

NOTE 15 SEGMENT INFORMATION

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

NOTE 16 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:

- complies with capital and distribution requirements of the Trust's constitution;
- complies with capital requirements in relation to the Trust's borrowing covenants; and
- continues 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 17 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 Scentre Group's treasury risk management policy. The policy has been established to manage the key financial risks such as interest rate, counterparty credit and liquidity.

Scentre Group's treasury risk management policies establishes 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. Through its training and procedures, 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 objectives has been established.

Scentre Group has an established Board approved risk management framework including policies, procedures, limits, and permitted types of derivative financial instruments. The Board reviews and oversees the Trust's compliance with these policies, procedures and limits. The Board is assisted in the oversight role by the Treasury Finance Committee, an internal executive committee, and internal audit function.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 17 FINANCIAL RISK MANAGEMENT (continued)

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 Responsible Entity enters into interest rate swaps 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 18 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 and floating rate interest bearing liabilities. Fixed rate debt is achieved through the use of derivative financial instruments approved by the Board. 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.

(i) Summary of floating interest rate positions at balance date

The Trust has interest rate risk on borrowings which are typically floating rate debt. The exposures at reporting date together with the interest rate risk management transactions are as follows:

Interest payable	Note	30 Jun 15 \$'000	30 Jun 14 \$'000
Principal amounts of all interest bearing liabilities:			
Non current – Loans payable – secured	9	209,900	206,200
		209,900	206,200
Principal amounts of fixed interest rate instruments:			
Fixed rate derivatives			
– A\$	18(ii)	149,000	156,000
		149,000	156,000

At 30 June 2015, the Trust has hedged 71% (2014: 76%) of its interest payable exposure by way of interest rate swaps of varying durations with floating exposure of \$60,900,000 payable (2014: \$50,200,000) at an average rate of 3.54%, including margin (2014: 4.21%). Changes to the fair value of the derivatives due to interest rate movements are set out in Note 18(ii).

Interest rate sensitivity		30 Jun 15 \$'000	30 Jun 14 \$'000
The sensitivity of interest expense to changes in floating interest rates is as follows:	Interest rate movement		(Increase)/decrease in interest expense
	–2.0%	1,218	1,004
	–1.0%	609	502
	–0.5%	305	251
	0.5%	(305)	(251)
	1.0%	(609)	(502)
	2.0%	(1,218)	(1,004)

(ii) Summary of fixed interest rate positions at balance date

Notional principal amounts and contracted rates of the Trust's interest rate swaps:

Swaps contracted as at the reporting date and outstanding at	30 Jun 15 Notional principal amount \$'000	30 Jun 15 Average rate	30 Jun 14 Notional principal amount \$'000	30 Jun 14 Average rate
A\$ payable				
30 June 2014	–	–	A\$(156,000)	5.46%
30 June 2015	A\$(149,000)	4.65%	A\$(109,000)	5.42%
30 June 2016	A\$(149,000)	4.28%	A\$(89,000)	5.39%
30 June 2017	A\$(117,000)	3.91%	A\$(57,000)	5.25%
30 June 2018	A\$(90,000)	2.78%	–	–
30 June 2019	A\$(70,000)	2.80%	–	–
30 June 2020	A\$(40,000)	2.73%	–	–

The Trust's interest rate swaps do not meet the accounting requirements to qualify for hedge accounting treatment. Changes in fair value have been reflected in the statement of comprehensive income. At 30 June 2015, the aggregate fair value is a payable of \$6,219,511 (2014: \$7,628,014). The change in fair value for the year ended 30 June 2015 was \$1,408,503 (2014: \$2,264,935).

		30 Jun 15	30 Jun 14
Fair value sensitivity		\$'000	\$'000
The sensitivity of fair value of interest rate swaps to changes in interest rates is as follows:	Interest rate movement		(Increase)/decrease in interest expense
	-2.0%	(9,305)	(6,098)
	-1.0%	(4,628)	(3,003)
	-0.5%	(2,308)	(1,490)
	0.5%	2,304	1,467
	1.0%	4,600	2,912
	2.0%	9,158	5,738

NOTE 19 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Set out below is a comparison by category of carrying amounts and fair values of all the Trust's financial instruments.

	Fair value		Carrying amount	
	30 Jun 15	30 Jun 14	30 Jun 15	30 Jun 14
	\$'000	\$'000	\$'000	\$'000
Assets				
Cash	3,063	3,437	3,063	3,437
Trade and other receivables (i)	2,588	2,296	2,588	2,296
Liabilities				
Trade and other payables (i)	22,554	19,591	22,554	19,591
Interest bearing liabilities (ii)				
– Finance lease	69	114	69	114
– Floating rate debt	209,900	206,200	209,900	206,200
Derivative liabilities (ii)	6,220	7,628	6,220	7,628

(i) These financial assets and liabilities are not subject to interest rate risk and the fair value approximates carrying amount.

(ii) These financial assets and liabilities are subjected to interest rate and market risks, the basis of determining the fair value is set out in the fair value hierarchy below.

Determination of fair value

The Trust uses the following hierarchy for determining and disclosing the fair value of a financial instrument. The valuation techniques comprise:

Level 1: the fair value is calculated using quotes (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: the fair value is estimated using inputs other than quoted prices that are observable, either directly (as prices) or indirectly (derived from prices).

Level 3: the fair value is estimated using inputs that are not based on observable market data.

	30 Jun 15	Level 1	Level 2	Level 3
	\$'000	\$'000	\$'000	\$'000
Liabilities measured at fair value				
Interest bearing liabilities				
– Finance lease	69	–	69	–
– Floating rate debt	209,900	–	209,900	–
Derivative liabilities				
– Interest rate derivatives	6,220	–	6,220	–
	30 Jun 14	Level 1	Level 2	Level 3
	\$'000	\$'000	\$'000	\$'000
Liabilities measured at fair value				
Interest bearing liabilities				
– Finance lease	114	–	114	–
– Floating rate debt	206,200	–	206,200	–
Derivative liabilities				
– Interest rate derivatives	7,628	–	7,628	–

During the year, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

All other financial assets and liabilities have a fair value which approximates carrying amount.

Investment properties are considered Level 3, refer to Note 7: Investment properties for relevant fair value disclosures.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

NOTE 20 CREDIT AND LIQUIDITY 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 approved 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 its outstanding face value.

At 30 June 2015, the aggregate credit risk in respect of cash and cash equivalents is \$3,063,262 (2014: \$3,437,346).

At 30 June 2015, the aggregate credit risk in respect of derivative financial instruments is nil (2014: nil).

The Responsible Entity undertakes active liquidity and funding risk management to enable the Trust to have 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.

Interest bearing liabilities, funding facilities and their maturity profiles are set out in Notes 9 and 13(iii).

NOTE 21 FINANCIAL COVENANTS

The Trust is required to comply with certain financial covenants in respect of its borrowings facilities. The major financial covenants are summarised as follows:

- a) Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA) to gross interest expense excluding gains or losses from mark to market;
 - not less than 1.3 times
- b) Loan to Value Ratio (LVR) (debt to latest property value);
 - not exceed 50%

At and during the years ended 30 June 2015 and 30 June 2014, the Trust was in compliance with all the above financial covenants.

	30 Jun 15	30 Jun 14
	\$'000	\$'000

NOTE 22 INTEREST BEARING LIABILITIES, INTEREST AND DERIVATIVE CASH FLOW MATURITY PROFILE

Interest bearing liabilities and interest

Maturity profile of the principal amounts of current and non current interest bearing liabilities (refer to Note 9) together with the aggregate future estimated nominal interest thereon is set out below:

Due within one year	7,267	8,672
Due between one and five years	229,026	235,114
Due after five years	55	109
	236,348	243,895

Derivatives

Maturity profile of the estimated future nominal cashflows in respect of interest rate swaps is set out below:

Due within one year	3,452	3,839
Due between one and five years	2,938	4,072
Due after five years	–	–
	6,390	7,911

NOTE 23 LEASE RECEIVABLES

Operating lease receivables

The property owned by the Trust is leased to third party retailers under operating leases at 30 June 2015.

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

Future minimum rental revenues under non-cancellable operating retail property leases:

Due within one year	41,677	42,375
Due between one and five years	93,325	115,370
Due greater than five years	45,314	40,816
	180,316	198,561

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.

30 Jun 15 30 Jun 14
\$'000 \$'000

NOTE 24 AUDITOR'S REMUNERATION

Amount paid or due and payable to the auditors of the Trust:

Auditing the financial report of the Trust	90	84
Accounting and other services including compliance plan audit	3	2
	93	86

NOTE 25 RELATED PARTY TRANSACTIONS

Scentre Management Limited, as Responsible Entity of Scentre Group Trust 1, held 35 million units in the Trust (2014: 35 million units).

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 \$15,432,700 for the year to 30 June 2015 (2014: \$14,705,200), 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 2015 was \$4,589,955 (2014: \$4,274,093) representing 0.6% (2014: 0.6%) of the total tangible assets of the Trust as of 30 June 2015.

During the year, amounts paid or payable (excluding GST) to associates of the Responsible Entity for capital costs amounted to \$4,991,894 (2014: \$1,665,303). As at 30 June 2015, remaining capital costs of \$67,729 (2014: \$26,000) were payable to associates of the Responsible Entity.

Real estate management fees expensed for the year ended 30 June 2015 due to associates of the Responsible Entity are based on normal commercial terms and were \$2,818,337 (2014: \$2,712,500). As at 30 June 2015, real estate management fees of \$228,135 (2014: \$223,613) were payable to associates of the Responsible Entity.

Reimbursement of expenses for the year ended 30 June 2015 paid and payable to associates of the Responsible Entity are based on normal commercial terms and were \$2,145,836 (2014: \$2,186,500).

As at 30 June 2015, Scentre Management Limited, as Responsible Entity of Scentre Group Trust 1, held 35 million units in the Trust (2014: 35 million units).

Details of Key Management Personnel

(i) Directors

The Directors of Scentre Management Limited, the Responsible Entity of the Trust are considered to be Key Management Personnel.

Frank Lowy	Chairman / Non-Executive Director	Andrew Harnos	Non-Executive Director
Brian Schwartz	Deputy Chairman / Non-Executive Director	Michael Ihlein	Non-Executive Director
Peter Allen	Chief Executive Officer / Executive Director	Aliza Knox	Non-Executive Director (appointed 7 May 2015)
Laurence Brindle	Non-Executive Director (retired 7 May 2015)	Steven Lowy	Non-Executive Director
Richard Egerton-Warburton	Non-Executive Director	Sandra McPhee	Non-Executive Director (retired 7 May 2015)

On 7 May 2015, at the conclusion of the Annual General Meeting of Scentre Group Limited (the parent entity of Scentre Group of which the Responsible Entity, Scentre Management Limited is part) Mr Laurence Brindle and Ms Sandra McPhee retired. At that meeting, Ms Aliza Knox was elected as a Director.

(ii) Other Key Management Personnel

The Responsible Entity does not have any employees. However in addition to the Directors noted above, the following person was a Key Management Personnel for the financial year with the authority for the strategic direction and management of Carindale Property Trust.

Mark Bloom – Chief Financial Officer, Scentre Group

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 Scentre Group Limited. Scentre Group Limited is the parent entity of Scentre Group, of which the Responsible Entity, Scentre Management Limited is part. Executive Directors and other Key Management Personnel are paid by Scentre Limited, a wholly owned subsidiary of Scentre Group 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 26 SUBSEQUENT EVENTS

Since 30 June 2015, the Trust has refinanced its \$230 million floating interest rate facility with its existing lenders with a maturity of August 2020. In addition, the Trust has hedged an additional \$40 million of its interest rate exposure.

Directors' Declaration

The Directors of Scentre 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;

(b) in the Directors' opinion, the financial statements and notes thereto are in accordance with the Corporations Act 2001, including sections 296 and 297, the International Financial Reporting Standards issued by the International Accounting Standards Board; and

(c) they have been provided with the declarations required by section 295A of the Corporations Act 2001 (Cwlth).

Made on 25 August 2015 in accordance with a resolution of the Board of Directors.



Frank Lowy AC
Chairman



Michael Ihlein
Director

Independent Audit Report

TO MEMBERS OF CARINDALE PROPERTY TRUST



Report on the financial report

We have audited the accompanying financial report of Carindale Property Trust (the Trust), which comprises the balance sheet as at 30 June 2015, the statement of comprehensive income, statement of changes in equity and the cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of Scentre Management Limited, the responsible entity of the Trust, are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 the auditor's 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, the auditor considers internal controls relevant to the entity's preparation of the financial report that gives a true and fair view 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 complied with the independence requirements of the Corporations Act 2001. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report. We confirm that the Auditor's Independence Declaration would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

- a. 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 Trust's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- b. the financial report also complies with International Financial Reporting Standards as disclosed in the notes.

Ernst & Young

Graham Ezzy
Partner

Sydney
25 August 2015

Liability Limited by a scheme approved
under Professional Standards Legislation

Directors' Report

The Directors of Scentre Management Limited, as responsible entity of the Trust (Responsible Entity or Company), submit the following report for the year ended 30 June 2015 (Financial Year).

1. OPERATIONS AND ACTIVITIES

1.1 Principal Activity

The principal activity of the Trust during the Financial Year was the long term ownership of a 50% interest in Westfield Carindale shopping centre, which is located in the suburb of Carindale, east of Brisbane.

The centre is one of Australia's top 5 shopping centres based on retail sales featuring 2 department stores, 2 discount department stores, 3 supermarkets, an 8-screen cinema complex and more than 400 specialty retailers. As at 30 June 2015, the centre was in excess of 99.5% leased with retail sales of \$913.0 million.

As at 30 June 2015, the centre has been independently valued at \$1,530.2 million (the Trust's share \$765.1 million), representing a revaluation gain of \$31.0 million since 30 June 2014.

1.2 Financial Results

The Trust's net property income for the Financial Year was \$41.2 million, representing a 6.1% increase on the previous year.

Funds from operations for the Financial Year (which excludes unrealised fair value adjustments of \$31.1 million) was \$24.5 million compared to \$21.7 million in the previous financial year, representing a 12.6% increase.

As at 30 June 2015, total assets of the Trust increased 5.0% to \$771.6 million and total unit holder funds attributable to members were \$532.9 million.

The net tangible asset backing as at 30 June 2015 was \$7.61 per unit, representing an 6.2% increase on last year primarily as a result of the property revaluation.

The Trust has a secured loan facility. As at 30 June 2015, borrowings were \$209.9 million with a gearing of 27.4% of the latest property value.

The total amount to be distributed to members for the Financial year is \$24.5 million, representing a full year distribution of 34.97 cents per unit. Details of interim distributions are set out in section 3 of this report.

Profit after tax, funds from operations and distribution for the period

	30 Jun 15	30 Jun 14
	\$'000	\$'000
Net property income	41,240	38,867
Manager's service charge	(4,590)	(4,272)
Overheads	(310)	(395)
Net fair value gain on interest rate derivatives	1,408	2,265
Net financing costs	(13,073)	(13,729)
Property revaluation	30,970	49,104
Profit attributable to members of the Trust	55,645	71,840
Adjustments:		
– Property revaluation	(30,970)	(49,104)
– Tenant allowances amortised	1,215	1,276
– Net fair value gain on interest rate derivatives	(1,408)	(2,265)
Funds from operations (FFO)	24,482	21,747
Amount transferred to other reserves	(3)	(47)
Distributable Amount	24,479	21,700
FFO per unit	34.97	31.07
Distributable Amount per unit	34.97	31.00

1.3 Future Prospects

Statements as to future prospects must be assessed in light of the Trust's principal activity, which is the ownership of its shopping centre asset, Westfield Carindale in Brisbane. The Directors are pleased with the performance of Westfield Carindale which has performed well following the completion of the redevelopment in 2012. Forecast FFO and distribution per unit is expected to increase 12-14% for the financial year ending 30 June 2016. This reflects growth in net operating income and lower interest costs.

1.4 Risks

The Trust's sole investment is a 50% interest in Westfield Carindale, and as such is exposed to the risks inherent in the ownership of a single asset. The performance of the Trust may be affected by the local economic and retail conditions in south east Queensland specifically and Australia more generally.

There were no significant changes in the nature of that activity or the state of affairs for the Trust during the Financial Year. No matter or 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.

1.5 Subsequent Events

Since 30 June 2015, the Trust has refinanced its \$230 million bank facility with the same financial institutions at a lower cost and with a maturity to 31 August 2020. In addition, the Trust has hedged an additional \$40 million of its interest rate exposure.

Directors' Report (continued)

2. Sustainability

Environmental laws and regulations in force in the jurisdictions in which Scentre Group operates are applicable to areas of the Group's operations and in particular to its development, construction and shopping centre management activities.

The Group has in place processes and procedures to identify and comply with such requirements, including where applicable, obtaining and complying with the conditions of relevant authority consents and approvals and the obtaining of any necessary licences. These compliance processes and procedures are regularly reviewed and audited and their application closely monitored. As the Trust formed part of Scentre Group on 30 June 2015, reference is made to Scentre Group's 2015 Sustainability Report, which can be found on www.scentre.com.

3. Distributions

The total amount to be distributed to members for the Financial Year is \$24.5 million representing a full year distribution of 34.97 cents per unit, which includes the distribution paid on 27 February 2015 and the distribution to be paid on 31 August 2015.

The following distributions were paid to members of the Trust during the Financial Year.

	\$'000
15.90 cents per unit for the 6 months ended 30 June 2014, paid 29 August 2014	\$11,130
16.99 cents per unit for the 6 months ended 31 December 2014, paid 27 February 2015	\$11,893

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

	\$'000
17.98 cents per unit for the 6 months ended 30 June 2015, payable on 31 August 2015	\$12,586

4. Directors and Secretaries

4.1 Board Membership and qualifications

The following Directors served on the Board of the Responsible Entity during the Financial Year:

Mr Frank Lowy, Mr Brian Schwartz, Mr Peter Allen, Mr Laurence Brindle, Mr Richard Egerton-Warburton, Mr Andrew Harnos, Mr Michael Ihlein, Ms Aliza Knox, Mr Steven Lowy and Ms Sandra McPhee.

The Board of the Responsible Entity is identical to the Board of Scentre Group Limited, the parent company of Scentre Group. If a Director ceases to be a Director of Scentre Group Limited for any reason, they must also retire from the Board of the Responsible Entity.

At the Annual General Meeting of Scentre Group Limited held on 7 May 2015, Mr Laurence Brindle and Ms Sandra McPhee retired from the Board. At that meeting, Ms Aliza Knox was appointed by members as a Director.

Details of the qualifications, experience and special responsibilities of each of the Company's Directors as at the date of this report are set out on pages 8 and 9 of this report.

4.2 Secretaries

As at the date of this report, the Responsible Entity had the following Secretaries:

Ms Maureen McGrath

Ms Maureen McGrath was appointed General Counsel, Compliance and Secretariat of Scentre Group in June 2014. Prior to the establishment of Scentre Group, Ms McGrath was General Counsel, Corporate and Compliance, Westfield Group. She holds a Bachelor of Laws and Bachelor of Jurisprudence from the University of New South Wales. Ms McGrath is a Fellow of the Governance Institute of Australia and a Member of the Australian Institute of Company Directors.

Mr Paul Giugni

Mr Paul Giugni was appointed General Counsel of Scentre Group in June 2014. Prior to the establishment of Scentre Group, Mr Giugni was General Counsel, Australia and New Zealand, Westfield Group. He joined Westfield Group in September 1998 and holds a Bachelor of Economics and a Bachelor of Laws (Honours) from the University of Sydney. Prior to joining Westfield Group, Mr Giugni was a solicitor at Freehill Hollingdale Page (now Herbert Smith Freehills).

4.3 Directors' Relevant Interests

None of the Directors hold relevant interest in units in the Trust.

5. Options

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 Company as responsible entity of the Trust.

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 are party to or are 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 Company, as responsible entity of the Trust, 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 the responsible entity of the Trust.

The Company's constitution provides that a person who is or has been a Director or Secretary of the Company is entitled to be indemnified by the Company against any liabilities incurred by the person in that capacity and for all legal costs incurred in defending or resisting (or otherwise in connection with) proceedings in which the person becomes involved because of that capacity. The indemnity does not apply to the extent that the Company is forbidden by statute to indemnify the person or the indemnity would, if given, be made void by statute.

A related corporation of the Company has paid premiums for directors' and officers' liability insurance in respect of Directors, Secretaries and executive officers of the Company as permitted by the Corporations Act 2001. The terms of the insurance policy prohibit disclosure of details of the nature of the liabilities covered by, and the amounts of the premiums payable under, that policy.

To the extent permitted by law, the Company, as responsible entity of the Trust, has agreed to indemnify its auditors, Ernst & Young, as part of the standard terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to Ernst & Young during or since the end of the Financial Year.

Directors' Report (continued)

7. Information for Registered Schemes

\$7,408,292 in fees and \$4,991,894 in construction progress billings were paid or payable to the Company, as responsible entity of the Trust and its associates out of the assets of the Trust during the Financial Year.

Scentre Management Limited as responsible entity of Scentre Group Trust 1 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 valuation are set out in Note 7 to the financial statements.

Details of the number of interests in the Trust as at the end of the Financial Year are set out in Note 11 to the financial statements.

At the date of the report, the Responsible Entity of the Trust has an Audit and Risk Committee.

8. Auditor's Independence Declaration to the Directors of Scentre Management Limited



In relation to our audit of the financial report of Carindale Property Trust for the financial year ended 30 June 2015, 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.

Ernst & Young

Sydney
25 August 2015

Graham Ezzy
Partner

Liability Limited by a scheme approved
under Professional Standards Legislation

9. ASIC Disclosures

9.1 Rounding

Pursuant to ASIC Class Order 98/100, 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 Scentre Group Trust 1 and Scentre Group Limited. By orders dated 21 November 2001 and 27 June 2005 respectively made by the Australian Securities and Investment Commission, the directors of the Company, as responsible entity of Scentre Group Trust 1 and Scentre Group Limited have been relieved of compliance with the requirement to ensure that the financial year of the Trust coincides with the financial year of Scentre Group Trust 1 and Scentre Group Limited.

This report is made in accordance with a resolution of the Board of Directors of the Company as responsible entity of the Trust and is signed for and on behalf of the Directors.

Frank Lowy AC
Chairman

25 August 2015

Michael Ihlein
Director

Corporate Governance Statement

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

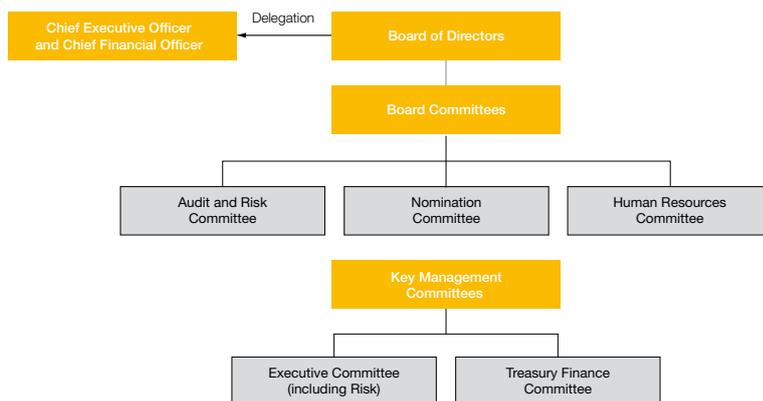
This statement outlines the Responsible Entity's main corporate governance practices during the financial year and the extent of compliance with those practices as at the end of the financial year by reference to the third edition of the Corporate Governance Principles and Recommendations published by the ASX Corporate Governance Council (as amended in 2014) and the Corporations Act 2001.

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

- The Trust is a single centre property trust which owns a 50% interest in Westfield Carindale, located in suburban Brisbane, Queensland.
- The Trust is an externally managed entity. Accordingly, a number of recommendations do not apply to the Trust. However, as the Responsible Entity is a member of Scentre Group, it has adopted, and is bound by, the terms of the various charters and policies implemented by Scentre Group.
- Neither the Trust nor the Responsible Entity has any employees. As an externally managed entity, the operations of the Trust are carried out by Scentre Group executives and employees (see 2.3 below). The management of the centre is also conducted by subsidiaries of Scentre Group Limited.

Scentre Group's corporate governance documentation, including charters and relevant corporate policies and codes, can be found in the corporate governance section on the Trust's website – <http://www.carindalepropertytrust.com.au/>.

Scentre Group's governance framework



1. The Board of the Responsible Entity

Scentre Group is a stapled entity comprising a company and three managed investment schemes. The Boards of Scentre Group Limited, Scentre Management Limited (as responsible entity of Scentre Group Trust 1 and Carindale Property Trust), RE1 Limited (as responsible entity of Scentre Group Trust 2) and RE2 Limited (as responsible entity of Scentre Group Trust 3) have common membership. Each Board has adopted a common Board Charter which sets out the objectives and responsibilities of the Scentre Group Board.

The Board of the Responsible Entity is responsible for overseeing the effective management, governance and operation of the Trust. The Board represents members of the Trust, and seeks to ensure that the business objectives of the Trust are aligned with the expectations of members, and that the operations of the Trust are being effectively managed in a manner that is focussed on those business objectives, as well as conforming to regulatory and governance requirements.

As noted, the Board of the Responsible Entity, Scentre Management Limited, is identical to the Boards of Scentre Group Limited, RE1 Limited and RE2 Limited. Directors (other than the Chief Executive Officer, as Managing Director) are subject to election or re-election by securityholders of Scentre Group at the Annual General Meeting (AGM) of Scentre Group Limited. If a Director ceases to be a Director of Scentre Group Limited for any reason, they must also resign as a Director of the Responsible Entity, RE1 Limited and RE2 Limited.

Notwithstanding that recommendations 1.1 to 1.7, 2.1, 2.2, 2.4 to 2.6 and 8.1 to 8.3 are not applicable to the Trust as an externally managed entity; the following describes the corporate governance practices of the Responsible Entity as part of Scentre Group.

1.1 Board Charter and Board Responsibility

The Board Charter is a statement of the practices and processes the Board has adopted in order to discharge its responsibilities to members. This includes the processes implemented by Board in relation to undertaking its own tasks and activities, matters that are specifically reserved for the consideration by the Board and the delegation of authority to the Chief Executive Officer (CEO) and Chief Financial Officer (CFO), including the limits on the exercise of that authority by the CEO and CFO.

Specifically, the Board reserves its decision making authority over the following matters (with a power of delegation to a committee of the Board, the CEO or another nominated member of the senior management team).

Corporate Governance Statement (continued)

Strategy and direction

- Setting policies regarding the Group's overall strategic direction and plans for each of the Group's major business units (including the Trust), key business and financial objectives.
- Approving the Trust's distribution policy, the amounts and timing of any distribution payments.
- Approving any significant acquisitions or disposals of assets and significant expenditure.

Financial controls, compliance and risk management

- Approving annual operating and capital expenditure budgets for the Trust.
- Approving treasury policies.
- Approving financial statements and published reports, including the Directors' Report and the corporate governance statement.
- Approving any significant changes in accounting policies or procedures.
- Monitoring and reviewing the effectiveness of the internal control systems and risk management processes and compliance with statutory and regulatory obligations.
- Approving any matters impacting on compliance with statutory and regulatory obligations which, if not complied with, would have a material effect on the Group's business.

Capital and debt structure

- Approving any changes to the capital structure of the Trust.
- Approving changes to the Trust's debt structure including entry into new facilities and the refinancing of existing debt.

Appointments

- Appointing Directors to the Board, following a review by the Nomination Committee.
- Appointing and reviewing the performance of the CEO and CFO.
- Appointing the external auditors, on the recommendation of the Audit and Risk Committee and approving the fees payable to the external auditor.
- Appointing the Company Secretary.

Delegation of authority

- Approving any changes to the membership or charter of any Committee of the Board.
- Determining the scope of authority delegated to the CEO, the CFO and any other significant matters.

Policies

- Approving significant policies including the Code of Conduct, security trading policies, health and safety policies, risk management policies and continuous disclosure and communications policies.

Corporate governance matters

- Determining the independence of non-executive Directors.
- Taking into account the recommendations of the Human Resources Committee in determining the remuneration of non-executive Directors and the senior executive team.
- Determining the resolutions and documentation to be put to members in general meeting.
- Reviewing and approving announcements and media releases concerning matters decided by the Board, including announcements relating to the operating performance of the Trust.

At any time, the Board may amend the matters reserved for its consideration and decision, subject to the limitations imposed by the constitutional documents and the law. The Scentre Group Board Charter is available in the corporate governance section of the Trust's website.

1.2 Delegation to Management

The Board delegates a number of responsibilities to its Committees. The roles and responsibilities of these Committees are outlined later in this statement. The Board receives copies of the minutes of all Committee meetings. This ensures that all Directors have oversight and the opportunity for full discussion of the matters being considered by the Committees.

Day to day management of the business and operations of the Group (including the Trust) is delegated by the Board to management through the CEO and CFO 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 business and operations, and making recommendations to the Board on such strategies.
- Day to day 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: establishing and 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 performance and developing and maintaining succession plans for senior management.

The CEO continues to be accountable to the Board on the delegated matters, and for the overall performance of the Group, including the Trust. The Board monitors the decisions taken by the CEO, as well as tracking the performance of the Group, which includes assessing its risk profile, via the Audit and Risk Committee.

At each Board meeting, the CEO and the CFO report on the operations and activities of the Group, which includes reports on each business area, a finance and treasury report as well as reports addressing matters of strategy, governance, compliance and risk management. Open and honest dialogue between individual members of the Board and the CEO and members of the senior management team is encouraged to enable Directors to gain a better understanding of the workings of the Group (including the Trust).

Corporate Governance Statement (continued)

The Board has access to members of the senior management team, who may also be invited to attend Board meetings to present on their areas of responsibility, and engage in discussions with Directors about the business and operations of the Group. Directors may also access a wider group of executives, including visits to development sites and shopping centres.

1.3 Board Composition

The membership of the Board is continually reviewed by the full Board having regard to the needs of Scentre Group, including the Trust. It is the policy of the Board that its composition should reflect a wide range of general commercial skills, expertise and experience.

The objective is that the Board should be of size and composition that is conducive to effective decision making, balanced with a variety of perspectives and skills.

Board renewal and succession planning is an important part of the Group's overall governance program. The Board plans for succession, with the assistance of the Nomination Committee. The Board is committed to a diverse membership that draws on a combination of executive and non-executive members with exceptional track records and reputations at the highest levels of business and commerce generally.

Under the Scentre Group Board Charter, the appointment of a new member to the Board is only made after consultation with the Nomination Committee. New Directors appointed by the Board must submit themselves for election by Scentre Group securityholders at the Annual General Meeting (AGM) of securityholders of Scentre Group Limited following their appointment.

Alternatively, the Board may recommend a candidate for election at the AGM to the role of Director. The notice of meeting for the AGM will contain a statement by the Board as to whether the Board endorses the proposed candidate(s). The notice of meeting will also provide Scentre Group Limited securityholders with all material information Scentre Group Limited has in relation to the candidate(s) and any Director seeking re-election, that may be considered relevant to a decision on whether or not to elect or re-elect a Director. Each Director (other than the CEO) is subject to re-election every 3 years.

When considering new appointments, the Nomination Committee oversees the process, including the appointment of independent consulting firms to identify or assess potential candidates. The Board considers a range of candidates having regard to a number of factors including specific skills, knowledge and experience, gender and geographic location.

During the financial year, Mr Laurence Brindle and Ms Sandra McPhee retired from the Board at the conclusion of the AGM on 7 May 2015. As part of the ongoing renewal of the Board, Ms Aliza Knox was appointed to the Board by Scentre Group Limited securityholders at that AGM. As a consequence, Mr Brindle and Ms McPhee also retired from the Board of the Responsible Entity and Ms Knox was appointed to that Board.

Following the retirement of Mr Brindle and Ms McPhee, the following changes to the composition of the Board Committees were made:

- (a) Mr Brian Schwartz was appointed to the Audit and Risk Committee.
- (b) Mr Michael Ihlein was appointed to the Human Resources Committee.

Both changes took effect from 7 May 2015.

The current composition of the Board is set out below.

Name	Position Held	Independent (Y/N)	Year appointed to Responsible Entity*
Frank Lowy	Non-Executive Chairman	N	1979
Brian Schwartz	Non-Executive Director	Y	2009
Peter Allen	Chief Executive Officer / Executive Director	N	2011
Richard Egerton-Warburton	Non-Executive Director	Y	2014
Andrew Harnos	Non-Executive Director	Y	2014
Michael Ihlein	Non-Executive Director	Y	2014
Aliza Knox	Non-Executive Director	Y	2015
Steven Lowy	Non-Executive Director	N	1989

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

1.4 Code of Conduct

The Directors' Code of Conduct outlines the responsibilities of Directors in maintaining Scentre Group's commitment to high standards of ethical conduct.

As part of the Code of Conduct, Directors are required to undertake, amongst other things, to:

- always act fairly, honestly and with integrity in all matters relating to the Group;
- perform their duties to the best of their ability;
- never act in a manner which is likely to harm the reputation of the Group; and
- always abide by applicable laws.

Directors must separate all personal and business dealings from the performance of their duties as a Director of the Group, and any matter which may give rise to an actual or perceived conflict of interest must be fully disclosed to the Board at all times.

A Director cannot use his or her position as a Director or the name of the Group to further that Director's personal or business interests.

All commercial dealings by Directors with the Group (including the Trust) in a personal capacity must be at arm's length and on normal commercial terms or otherwise approved by securityholders.

Directors must ensure that all confidential information, whether relating to the business operations or assets of the Group or its retailers or customers, received by them in the course of performing their duties, will not be disclosed to third parties except in circumstances where disclosure has been authorised by the Group or is otherwise required by law.

Corporate Governance Statement (continued)

1.5 Directors' Independence

The Board considers that it should include significant representation by Directors who are capable and willing to make decisions which are in the best interests of members, free from interests and influences which conflict with that duty and are also independent of management.

The Board assesses the independence of each Director in accordance with 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. This assessment is carried out upon appointment, annually and on an ongoing basis where circumstances in relation to a Director may warrant reconsideration.

In making this determination the Board sought to assess whether Directors were:

- 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.

As noted in the Corporate Governance Principles and Recommendations, the determination of independence as it relates to the Trust as an externally managed entity, is made in relation to the Responsible Entity in its corporate capacity rather than the Trust.

A non-executive Director is not regarded as an independent director if that Director:

- is a substantial securityholder of Scentre Group or an officer of, or otherwise associated directly with, a substantial securityholder of Scentre Group;
- within the last 3 years had been employed in an executive capacity by any member of Scentre Group, or has been a Director after ceasing to hold any such employment;
- within the last 3 years had 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;
- within the last 3 years had 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;
- 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;
- has a material contractual relationship with any member of the Group other than as a Director of the Board; and
- 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.

The Board currently comprises 8 members. Of these, applying the above criteria, 5 are independent non-executive Directors. They are: Mr Brian Schwartz, Mr Richard Egerton-Warburton, Mr Andrew Harmos, Mr Michael Ihlein and Ms Aliza Knox.

These Directors are considered by the Board to be independent of management and free from any business or other relationship or any other circumstance that could materially interfere with the exercise of objective, unfettered or independent judgement. Before commencing on the Board, each non-executive Director signs a letter of appointment which, amongst other things, requires each independent Director to promptly and fully disclose to the Board any matter or circumstance which may have impacted on their status as an independent Director, or the likely perception of their status, as an independent member of the Board. In addition, Directors also consult with the Chairman before accepting any additional commitments which may impact or conflict with the time Directors can devote to Scentre Group. If a Director loses their status as an independent Director, that determination will be reported to the market.

The Nomination Committee's Charter sets out the 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.

1.6 Chairperson and Independence

The Responsible Entity notes the ASX Corporate Governance Council's recommendation 2.5 that listed entities should have an independent director as Chairman. Recommendation 2.5 does not apply to externally managed entities.

However, the Responsible Entity has, in previous reports, outlined reasons why the Board considered Mr Frank Lowy as the most appropriate person to act as the Chairman of then Westfield Group boards, and now Scentre Group boards.

Mr Lowy is the co-founder of Westfield and has overseen the success of Westfield since 1960. With almost 55 years direct experience in the design, construction and management of shopping centres and associated fund and asset management, Mr Lowy's depth of knowledge, range of experience and reputation is unrivalled in the industry. Mr Lowy's exposure to and understanding of the industry is considered to be of significant value to the Board.

In Australia and internationally, Mr Lowy is regarded as an exceptional and unique individual who has overseen the growth of a global retail business which is widely regarded as a leader in its field.

For these reasons, the Board takes the view that it is in the best interests of members that Mr Lowy, with his extensive background and experience, be the Chairman of Scentre Group and the Trust.

In arriving at this view, the Board notes that there is presently a majority of independent Directors on the Scentre Group Board. This was also the case during the financial year.

1.7 The Company Secretary

The Company Secretary is appointed and removed by the Board. The Company Secretary operates 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 Company Secretary may also retain the services of independent advisory bodies, if requested by the Board or Board Committees. The Company Secretary is responsible for ensuring proper processes and procedures are in place for the Board and Board Committees and that these are complied with. The Company Secretary also advises the Board and Board Committees on governance matters.

The office of the Company Secretary is responsible for developing and managing the systems and processes that enable the Board to perform its role and provides secretariat services for each of the Board Committees. Committee agendas, papers and minutes are available to all members of the Board.

The Company Secretary is accountable to the Board, through the Chairman, on all governance matters.

Corporate Governance Statement (continued)

1.8 Board Self-Assessment and Performance

The Scentre Group Board considers ongoing self-assessment on various aspects of the Board's performance including skill sets as an important tool in reviewing the performance of the Board and the Directors.

Board surveys will be conducted, at least annually, to establish the views of all Directors on issues including Board performance and composition. Given that Scentre Group was established on 30 June 2014, the Board considered that the first review should be in the second half of calendar year 2015.

1.9 Process for Evaluating the Performance of Senior Executives, including Executive Directors

Scentre Group has an established process of objective setting and performance review of all staff, which is conducted annually. Senior executives with a discretionary element to their total remuneration packages have clearly defined objectives which are agreed at the commencement of each financial year. Performance against these objectives is assessed annually in a meeting with the manager to whom they report, in addition to regular feedback during the performance period. In that meeting, the potential future development of that executive is discussed along with any training or development required to enhance the prospects of the development objectives being achieved and career progression within the Group.

In the case of the senior executive team (including the CEO) an assessment of their performance is undertaken by Scentre Group's Human Resources Committee and the Board. Details of Scentre Group's remuneration policies and practices are set out in the Remuneration Report which forms part of the Directors' Report in the 2014 Scentre Group Annual Report.

2. Board committees

The Board delegates certain responsibilities to standing Committees which operate in accordance with charters approved by the Board. During the financial year, there were 3 standing Board Committees for Scentre Group, namely the Audit and Risk Committee, the Human Resources Committee and the Nomination Committee.

As the composition of the Board of each of Scentre Group Limited, Scentre Management Limited, RE1 Limited and RE2 Limited are identical each Committee also has the same membership and, for all purposes, operates as one "Scentre Group" Committee.

Each Committee is authorised to investigate any activity or function of the Group in accordance with its charter, which is reviewed at least annually. The Committees are authorised to make recommendations to the Board regarding appropriate action resulting from such investigations. Each Board Committee has unrestricted access to executive management, all employees and all records, tax and other financial advisers, legal advisers, and internal and external auditors, as required.

Each Board Committee or any member of the Committee is authorised (at the cost of the Group) to obtain outside legal or other independent professional advice, and to secure the attendance of such advisers if it was considered necessary for the proper performance of the Committee's functions under its charter.

The Chair of each Board Committee (or a person nominated by the Chair of the Committee for that purpose) must report to the Board at the Board's next meeting on any matters relevant to the Committee's duties and responsibilities. As noted earlier, the Board receives copies of the minutes of all Committee meetings.

The office of the Company Secretary provides secretariat services for each of the Board Committees.

The Board receives copies of the minutes of all Committee meetings and have full access to Committee papers. This provides all Directors with oversight and the opportunity to discuss the issues being considered by the Committees.

2.1 Audit and Risk Committee

Composition

The Charter of the Audit and Risk Committee is available in the corporate governance section of the Trust's website.

The primary function of the Audit and Risk Committee is to oversee and monitor the integrity of consolidated financial reports and statements of the listed entities within the Group, and the Group's systems of risk management, internal controls and legal compliance. The Committee also oversees the appointment, remuneration, qualifications, independence and performance of the external auditor, and the integrity of the annual audit plan and process, as a whole.

The Committee is aided in its role and responsibilities by the Executive Committee, details of which are outlined below. The Committee is also assisted by the independent assurance function provided by the Group's Business Review and Audit department (internal auditors) and the external auditors. The internal audit function is overseen by the Audit and Risk Committee. The head of internal audit attends all meetings of the Audit and Risk Committee and reports on a regular basis as to the adequacy and effectiveness of the internal audit function.

During the financial year, the Audit and Risk Committee comprised the following members:

Name	Position Held	Status
Michael Ihlein	Chairman	Independent Director
Richard Egerton-Warburton	Member	Independent Director
Laurence Brindle*	Member	Independent Director
Brian Schwartz**	Member	Independent Director

* Mr Laurence Brindle retired from the Board of the Responsible Entity, effective 7 May 2015.

** Mr Brian Schwartz was appointed to the Committee, effective 7 May 2015.

The Audit and Risk Committee met 5 times during the financial year. The full Committee was in attendance at all meetings.

All members of the Committee are independent non-executive Directors, financially literate with significant relevant financial and/or accounting experience. Members of the Committee have a sound understanding of the Group's business, structure, internal controls and typical transactions which enabled them to assess the risks faced by the Group. The biographies of the Committee members are set out in the Directors' Report.

Corporate Governance Statement (continued)

Role and responsibilities of the Audit and Risk Committee

The objective of the Committee is to assist the Board in fulfilling its corporate governance responsibilities by:

- (a) monitoring and reviewing:
 - the accuracy, integrity and reliability of financial reports and statements of listed entities of the Group including the Trust;
 - the effectiveness of the Group's internal control environment including the systems of internal controls, risk management and legal compliance;
 - the objectivity and effectiveness of the internal audit function; and
 - the independence, objectivity and effectiveness of the external audit function;
- (b) overseeing the processes for:
 - identifying and managing significant risks faced by the Group;
 - monitoring and reviewing the appropriateness of the Group's risk management framework (a review of which was undertaken in the financial year);
 - the Group's compliance with applicable laws and regulations;
 - implementing appropriate and adequate control, monitoring and reporting systems; and
 - making recommendations to the Board in relation to the appointment of the external auditors and approving the remuneration and terms of their engagement.

The Audit and Risk Committee also has oversight of the Group's processes for identifying material exposure to economic, environmental and social sustainability risks. The Group undertakes periodical reviews of such risks. The Trust's investment is a 50% interest in Westfield Carindale and, as such, it is exposed to the risks inherent in the ownership of a single asset. Reference should also be had to section 1.4 of the Directors' Report.

Compliance officers have been appointed in Australia and New Zealand. These officers are responsible for reviewing and monitoring the efficacy of compliance systems within the Group on an ongoing basis in order to ensure appropriate measures are in place to educate staff on their compliance responsibilities and to report to the Audit and Risk Committee on those matters.

The Audit and Risk 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 external audit. Both internal and external auditors have a direct line of communication at any time to, either the Chairman of the Committee, or the Chairman of the Board. The Audit and Risk Committee reports to the Board after each Committee meeting and the minutes of each Audit and Risk Committee meeting are provided to the Board. At least annually, the Audit and Risk Committee meets with the internal auditor and external auditors, without management being present.

Non-Audit Services Protocol

Scentre Group's Non-Audit Services Protocol is designed to ensure that the external auditor carries out the statutory audit function in a manner which is, at all times, demonstrably independent of Scentre Group, including the Trust.

The Protocol sets out the parameters under which the Group can engage the external auditor to provide certain non-audit services in order to safeguard the auditor's objectivity or independence.

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

Under the terms of the Protocol, the lead audit partner (having primary responsibility for the audit) and the audit partner responsible for reviewing the audit must rotate every 5 years. A succession plan is required to be presented by the external auditor to the Committee for its approval, at least one year before the rotation is due to occur.

The Non-Audit Services Protocol also sets out key requirements in the relationship between the external auditor and Scentre Group, and defines the scope and value of the non-audit services which could be provided by the external auditor to Scentre Group, without impacting on the actual or perceived independence of the external auditor.

The Protocol requires an annual confirmation by the external auditor regarding compliance with the terms of the Protocol and a number of other matters which impact the actual and perceived independence of the external auditor. The Protocol is monitored and reviewed in the context of ongoing changes in the legal, accounting and governance requirements applicable to the Group to ensure that it remains relevant and consistent with the high standards of independence as well as market and member expectations.

2.2 Executive Committee

In addition to the Audit and Risk Committee, the Board has delegated specific risk related responsibilities to the Executive Committee which includes the CEO, CFO, Chief Risk Officer and General Counsel as its members.

This Committee is responsible for:

- (a) assisting in the formulation of all aspects of the risk management process to be adopted by the Group including the Trust;
- (b) overseeing the implementation by management of the Group's policies and procedures by ensuring that all phases of the process of identification, assessment, control, review and reporting are reflected appropriately in the policies, processes, performance requirements and controls in the Group and the Trust;
- (c) 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 Australia and New Zealand; and
- (d) implementing appropriate systems to monitor compliance with all relevant laws and other regulatory obligations and for ensuring that the risk management processes of the Group are such that the CEO and the CFO are able to give the certifications required in order to comply with the Corporations Act, applicable accounting standards and the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

The Chief Risk Officer reports to the Audit and Risk Committee on the effectiveness of Scentre Group's management of its material risks.

Corporate Governance Statement (continued)

The CEO and the CFO are required to confirm in writing to the Board, at the time the financial statements of the Group are being considered for approval by the Board, that in all material respects:

- (a) the financial statements present a true and fair view;
- (b) 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
- (c) that the Group'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 and the Audit and Risk 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 Risk Committee.

2.3 Human Resources Committee/Remuneration arrangements

Neither the Trust nor the Responsible Entity has any employees. During the financial year, the operations of the Trust were performed by Scentre Group executives and staff. Reference should also be made to the Scentre Group Remuneration Report in the 2014 Annual Report for details of the remuneration policies of the Group. This report is available at www.scentregroup.com.

As the Board of the Responsible Entity and Scentre Group Limited are identical, no additional fees were paid to the non-executive Directors of the Responsible Entity by the Responsible Entity or the Trust in respect of their work in relation to the Trust. Rather, the Director's fees were paid by Scentre Group Limited and the Human Resources Committee took 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 are being reviewed and set.

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

Reference should be made to the Scentre Group 2014 Annual Report for full disclosure of the fees paid to the Directors of Scentre Group. This report is available on www.scentregroup.com.

Details of the fees payable by the Trust to the Responsible Entity are contained in Note 25 of the financial statements and section 7 of the Directors' Report.

2.4 Nomination Committee

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

The objective of the Nomination Committee is to support and advise the Board on the selection and appointment of high quality individuals who are best able to discharge responsibilities as a Director of Scentre Group, presently and in the future, and facilitate the ongoing evaluation and review of the performance and effectiveness of the Board and the Directors.

During the financial year, the Nomination Committee comprised the following members:

Name	Position Held	Status
Richard Egerton-Warburton	Chairman	Independent Director
Andrew Harnos	Member	Independent Director
Brian Schwartz	Member	Independent Director

The Nomination Committee met 3 times during the financial year, with the full Committee in attendance at all meetings.

Broadly, the responsibilities of the Nomination Committee include:

- having regard to the strategic direction of the Group, assessing periodically the skills of current Board members against the collective skill set required by the Board to competently discharge the Board's duties;
- regularly reviewing and making recommendations to the Board regarding the structure, size, diversity and composition (including the balance of skills, knowledge and experience) of the Board and reviewing the effectiveness of the Board;
- identifying suitable candidates (executive and non-executive) to fill Board vacancies as and when they arise and nominating candidates for approval of the Board;
- annually reviewing the performance of the Board; and
- ensuring the existence of proper succession planning processes and plans for the Board.

Recommendations regarding future appointment of additional Directors are made by the Nomination Committee and considered by the Board having regard to:

- the assessment made on the skill set required to discharge the responsibilities of the Board compared with the skills currently represented on the Board;
- the current strategic direction of Scentre Group and the consequent need to consider skills which may be required in the future; and
- the suitability of available candidates identified in the context of a detailed description of the role and capabilities required for a particular appointment.

Recommendations made by the Nomination Committee are considered by the Board, which retains an unfettered discretion on the appointment of a Director to fill a casual vacancy or act as an additional Director, prior to the formal election of that Director by the securityholders of Scentre Group Limited at a general meeting.

In relation to non-executive Directors, the Nomination Committee retains the services of external recruitment specialists to help identify potential candidates for appointment to the Board. The external firm operates independently of the Group and does not have any other connection with the Group.

Upon appointment, a new Director undertakes an induction program specifically designed to their needs to help familiarise them with issues relating to the current business before the Board.

Corporate Governance Statement (continued)

New Board members are provided with the opportunity to experience first-hand the business and operations of the Group, and to meet and discuss all aspects of the Group's operations with key members of the senior executive team. As part of the induction program, Directors are provided with access to information in areas such as operations, finance, treasury and risk management to assist the new Board member as required. This typically includes briefings with every member of the senior executive team to provide the new Director with a deeper understanding of the main issues and strategic direction of each key business unit within the Group.

New Directors receive a letter of appointment which sets out the main terms and conditions on which each Director is appointed. This letter provides that if a Director ceases to be a Director of Scentre Group Limited for any reason, they must also resign as a Director of the Responsible Entity, RE1 Limited and RE2 Limited. The letter of appointment conforms to the recommendations of the ASX Corporate Governance Council.

The letter clearly defines the role of Directors, including setting out the Group's expectations in terms of independence, participation, time commitment and ongoing development. The letter of appointment 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. Further, Directors have extensive access to key members of the senior management team, who regularly attend Board meetings to make presentations and respond to questions and comments from the Board.

On an ongoing basis, Directors are provided with regular updates on legal and corporate developments, including updates on the responsibilities of boards and directors generally, changes to the Corporations Act, corporate governance principles, tax and accounting developments and other matters of interest. In addition, structured opportunities are provided to Directors to build knowledge through regular briefing sessions conducted by members of senior management to the Board and Board Committees on operational, financial, treasury, legal and tax issues facing the Group and the Trust. The Board also undertakes site visits of major developments. Scentre Group recognises that developing industry and corporate knowledge is a continuous process.

The Charter of the Nomination Committee appears on the corporate governance section of the Trust's corporate website.

3. Corporate responsibility

3.1 Scentre Group Values

Scentre Group's values expressed as the Group's DNA require staff, at all times, to:

- act with integrity;
- act as an owner;
- work together;
- push the limits;
- never give up; and
- create a positive legacy.

The Group's DNA is the cultural blueprint for the Group's organisational behaviour. These are the fundamental principles that should guide staff the conduct of staff in all dealings with the stakeholders in Scentre Group.

The Group is committed to high standards of ethical conduct and promotes a diverse and inclusive culture where staff members are encouraged to succeed to the best of their ability. These standards are set out in the Employee Code of Conduct which forms part of the Employee Handbook.

In practical terms, this means that staff must:

- treat everyone with whom they deal with fairly, courteously and with respect;
- perform their duties to the best of their ability;
- ensure their personal interests do not conflict with their duty to Scentre Group;
- always work within Scentre Group's policies and rules;
- never unfairly discriminate against, or harass or bully a person;
- never engage in improper and offensive behaviour;
- comply with all laws and regulations applicable to any activity undertaken by members of Scentre Group;
- never act in a manner that will harm the Group's reputation; and
- perform their work in a safe manner.

3.2 Employee Handbook

Scentre Group's core principles are supplemented by the Employee Handbook which is provided to all employees at the time of joining the Group. This Employee Handbook deals, in broad terms, with the following matters:

- 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 the Group 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
- Scentre Group's prohibition on harassment in any form.

Each employee acknowledges that he or she has read, understood and agrees to abide by the standards and duties set out in the Employee Handbook.

3.3 Compliance Manuals

Scentre Group has developed compliance manuals to provide 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. Management seminars are also conducted on an ongoing basis to help employees understand the legal requirements with which the Group must comply.

Corporate Governance Statement (continued)

3.4 Whistleblower Policy

Scentre Group has adopted a Whistleblower Policy to ensure that any concerns regarding unethical, unlawful or improper conduct can be raised without fear of reprisal.

Under the policy, the Group has appointed Whistleblower Protection Officers for Australia and New Zealand. Employees are encouraged to report any genuine matter or behaviour that they honestly believe contravenes the Group's code of conduct, policies or the law. Such matters include any actual or suspected:

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

The Group has in place procedures under which all reported concerns will be appropriately investigated. If applicable, feedback is provided regarding the investigation's outcome. Where no action is undertaken in connection with a report, an explanation would be provided. Where appropriate, a third party may be engaged to assist in the investigation.

Reports are provided on a 6 monthly basis to the Audit and Risk Committee summarising the whistleblower activities for the period.

3.5 Diversity

Neither the Trust nor the Responsible Entity have any employees or had any employees during the financial year. During the financial year, the operations of the Trust were undertaken by Scentre Group executives and employees. While, as an externally managed entity, the Trust is not required to report on diversity, Scentre Group's diversity policy and measures for the 2014 financial year were as outlined in Scentre Group's corporate governance statement in its 2014 Annual Report which can be accessed at www.scentre.com.

4. Disclosure and communication

4.1 Continuous Disclosure and Communications Policy

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

Scentre Group's Continuous Disclosure and Communications Policy underlines the Board's commitment to ensuring that the Trust's members and the market are provided with the same access to high quality, relevant and accurate information regarding its activities in a timely manner and that investors are able to trade in 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 Trust. The Responsible Entity is also committed to complying with continuous disclosure obligations contained in the applicable ASX Listing Rules and the Corporations Act.

The Policy includes a comprehensive vetting and authorisation process to ensure that all disclosures are factual, do not omit material matters and are expressed in a clear and objective manner. The Policy also outlines how the Trust identifies and disseminates information to members and the market generally.

The Continuous Disclosure and Communications Policy is published in the corporate governance section of the Trust's website.

4.2 Communications with Members

The Trust monitors and continues to utilise a range of communication approaches including direct communications with members and publication of all relevant member information on the Trust's website, <http://www.carindalepropertytrust.com.au/>.

The Trust website forms a key part of its communication platform to members and the broader investment community. Current and past media releases and interim and full year financial reports are available for review on the website. These announcements and reports continue to be posted on the Trust's website immediately after they have been released to the market.

Members are encouraged to contact the Trust at any time via the Investor Relations team.

To assist with the Trust's commitment to the environment (as well as being more cost efficient), members are strongly encouraged to access the annual reports online and receive communications electronically. A printed copy of this Annual Financial Report will only be sent to those members who have elected to receive it. Otherwise members will be notified when the Annual Report is available to be accessed online at the Trust's website.

Investor Relations

Carindale Property Trust Distribution Details

The final distribution of 17.98 cents per unit will be paid to members on 31 August 2015. An interim distribution of 16.99 cents per unit was paid on 27 February 2015. The full year distribution of 34.97 cents is approximately 47% tax deferred.

Carindale Property Trust Website

The following information can be obtained from the Trust's website.

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

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 distribution and taxation statements, as well as forms in relation to change of address, direct credit and tax file number. 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

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 49% for Australian resident members may be deducted from distributions paid to you.

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

Annual Tax Statement and Tax Guide

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

Share Registry

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

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: web.queries@computershare.com.au
Website: www.computershare.com

All other queries can be directed to Investor Relations.

Investor Information
Carindale Property Trust
Level 30
85 Castlereagh Street
Sydney NSW 2000 Australia

Telephone: +61 2 9358 7877
Facsimile: +61 2 9358 7881
E-mail: investor@scentregroup.com
Website: www.carindalepropertytrust.com.au

Listing

ASX Code: CDP

Carindale Property Trust – Calendar 2015/2016

Date	Event
29 December 2015	Units trade ex-distribution
31 December 2015	Record date for Carindale Property Trust, 6 months to 31 December 2015
February 2016	Half-year results released, 6 months to 31 December 2015
29 February 2016	Payment date for Carindale Property Trust distribution, 6 months to 31 December 2015
28 June 2016	Units trade ex-distribution
30 June 2016	Record date for Carindale Property Trust, 6 months to 30 June 2016
August 2016	Full year results and Annual Report released
31 August 2016	Payment date for Carindale Property Trust distribution, 6 months to 30 June 2016. Annual Tax Statement issued.

Members' Information

FOR THE YEAR ENDED 30 JUNE 2015

Twenty largest ordinary members as at 14 August 2015

	No. of ordinary units	% of issued ordinary units
Scentre Management Limited	35,000,000	50.00
National Nominees Limited	6,753,223	9.65
JP Morgan Nominees Australia Limited	4,212,032	6.02
RBC Investor Services Australia Nominees Pty Limited <APN A/C>	2,974,650	4.25
HSBC Custody Nominees (Australia) Limited	2,153,935	3.08
Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	1,089,638	1.56
BNP Paribas Noms Pty Ltd <DRP>	987,366	1.41
AMP Life Limited	941,034	1.34
RBC Investor Services Australia Nominees Pty Limited <Piselect>	823,235	1.18
Citicorp Nominees Pty Limited	550,084	0.79
Sonice Pty Limited <The Springfield A/C>	521,363	0.74
Mr Gordon Joseph Payne	259,000	0.37
Mirrabooka Investments Limited	255,000	0.36
Maleela Holdings Pty Ltd	247,999	0.35
Invia Custodian Pty Limited <Torryburn SF-Fixed In A/C>	215,276	0.31
Mr Ian Somers + Mrs Jan Somers <Somerset Fin Servs S/F A/C>	191,705	0.27
Quixley Finance Pty Limited	185,937	0.27
Worldwide Finances Holding Pty Limited	176,740	0.25
John Lamble Superannuation Pty Ltd <John Lamble Super Fund A/C>	169,105	0.24
Tucko International Pty Ltd	157,000	0.22
	57,864,322	82.66

Spread of Ordinary Members as at 14 August 2015

Holding	No. of Members	No. of units
1 – 1,000	305	165,415
1,001 – 5,000	836	2,415,487
5,001 – 10,000	324	2,651,107
10,001 – 100,000	274	6,266,310
100,001 and over	25	58,501,681
Total	1,764	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 14 August 2015, there were 36 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
Scentre Group	35,000,000
The Myer Family Company Holdings Pty Ltd	3,500,568
Commonwealth Bank of Australia	2,330,461

Corporate Directory

CARINDALE PROPERTY TRUST
ABN 29 192 934 520
ARSN 093 261 744

RESPONSIBLE ENTITY
Scentre Management Limited
ABN 41 001 670 579
AFS Licence 230329

REGISTERED OFFICE
Level 30
85 Castlereagh Street
Sydney NSW 2000
Telephone +61 2 9358 7000
Facsimile +61 2 9358 7077

SECRETARIES
Maureen T McGrath
Paul F Giugni

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

INVESTOR INFORMATION
Carindale Property Trust
Level 30
85 Castlereagh Street
Sydney NSW 2000
Telephone +61 2 9358 7877
Free Call 1800 116 661 (Australia only)
Facsimile +61 2 9358 7881
E-mail investor@scentregroup.com
Website www.carindalepropertytrust.com.au

UNIT REGISTRY
Computershare Investor Services Pty Limited
Level 19
307 Queen Street
Brisbane QLD 4000
GPO Box 523
Brisbane QLD 4001
Telephone +61 3 9415 4070
Toll Free 1300 132 211 (Australia only)
Facsimile +61 3 9473 2500
E-mail web.queries@computershare.com.au
Website www.computershare.com

LISTINGS
ASX – CDP

www.carindalepropertytrust.com.au

SCENTRE GROUP

Owner and Operator of *Westfield* in Australia and New Zealand