

Carindale

Property Trust

Annual Report 2013

2013



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 136,000 square metres.

As at 30 June 2013 the Carindale Property Trust share of Westfield Carindale was valued at \$678.2 million.



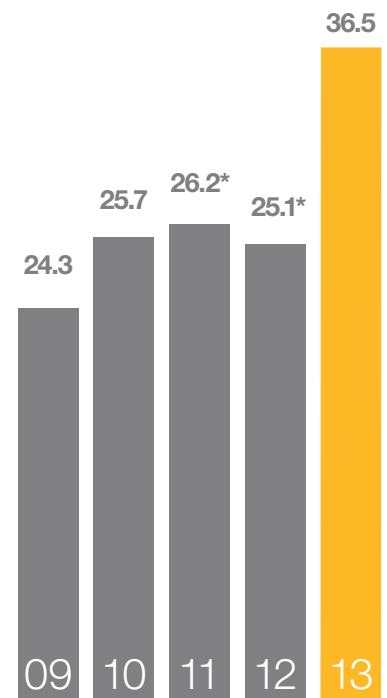
Contents

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

Financial Report Contents

- 11 Statement of Comprehensive Income
- 11 Statement of Distribution
- 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
- 39 Investor Relations
- 40 Members' Information
- IBC Corporate Directory

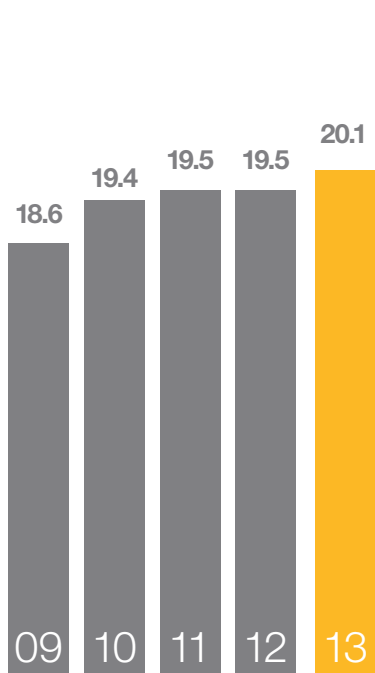
\$ million



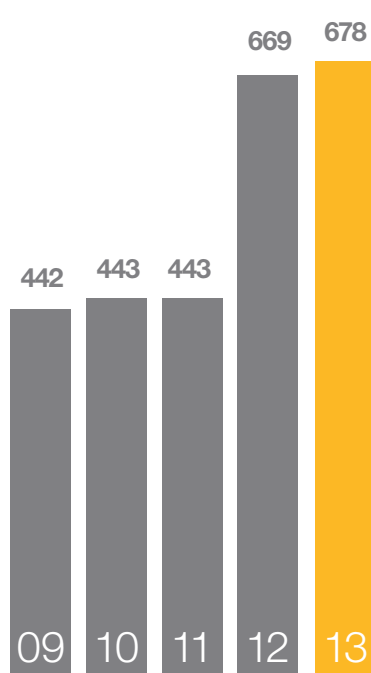
Net Property Income

* centre under redevelopment

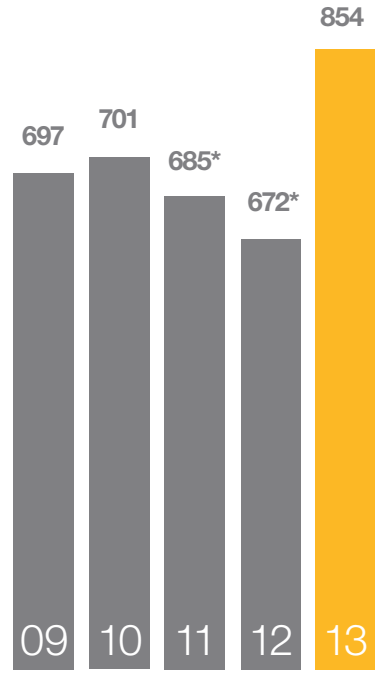
WESTFIELD MANAGEMENT LIMITED ABN 41 001 670 579
AFS LICENCE 230329 AS RESPONSIBLE ENTITY OF
CARINDALE PROPERTY TRUST ARSN 093 261 744



Distribution to Members



Shopping Centre Investment



Total Retail Sales

Year in Review

Financial Results

Carindale Property Trust has reported a net profit of \$25.1 million for the year ended 30 June 2013.

The \$310 million redevelopment (Carindale Property Trust share \$155 million) of the Trust's main asset, Westfield Carindale shopping centre in Brisbane, was successfully opened on 9 August 2012.

The Trust's net property income for the period was \$36.5 million representing a 45% increase on the previous year, reflecting the completion of the redevelopment.

Carindale Property Trust's interest in Westfield Carindale has been independently valued as at 30 June 2013. The value of Carindale Property Trust's 50% interest in Westfield Carindale is \$678.2 million, representing a revaluation gain of \$5.1 million.

Total assets of Carindale Property Trust increased 1.6% to \$684.2 million as at 30 June 2013.

At year end, borrowings were \$202.5 million with gearing of 29.9% of the latest property value. Total unit holders' funds attributable to members was \$451.6 million representing an increase of 1.1% on the previous year.

The net tangible asset backing as at 30 June 2013 was \$6.45 per unit, representing an increase of 1.1% on the previous year.

Trust distribution

The total amount distributed to members for the financial year ended 30 June 2013 is \$20.1 million representing a full year distribution of 28.70 cents per unit.

An interim distribution of 13.90 cents per unit was paid on 28 February 2013 and the final distribution of 14.80 cents per unit is payable to members on 30 August 2013.

The full year distribution is approximately 60% tax deferred which is due to depreciation and other capital allowances.

Centre performance

As at 30 June 2013 the centre was in excess of 99.5% leased. Total retail sales for the 12 months to 30 June 2013 were \$854.3 million, up 27% on sales for the previous corresponding period.

Directors' Outlook

The Directors are pleased with the performance of the centre which has been enhanced by the redevelopment and consider that the centre is well-positioned to achieve growth in both sales and income over the medium and long-term.



5 year Financial Summary

Year	2009	2010	2011	2012	2013	% Change 2012 to 2013
Net Property Income (\$ million)	24.3	25.7	26.2	25.1	36.5	45.4
Distribution to members (\$ million)	18.6	19.4	19.5	19.5	20.1	3.1
Distribution per unit (cents)	26.55	27.78	27.80	27.80	28.70	3.2
Tax deferred component (%)	24	21	26	58	60	
Shopping centre investment (\$ million)	442.0	442.5	442.9	668.5	678.2	1.5
Total members' funds (\$ million)	388.5	388.0	388.0	446.6	451.6	1.1
Number of units on issue (million)	70	70	70	70	70	
Net asset backing per unit	\$5.55	\$5.54	\$5.54	\$6.38	\$6.45	1.1

The Trust's net property income for the period was \$36.5 million, representing a 45% increase on the previous year due to the redevelopment.

Westfield Carindale generates sales of \$854.3 million, up 27% on the previous corresponding period.



Motorline



**The centre now has 2 department stores,
2 discount department stores, 4 supermarkets,
an 8-screen cinema complex and more than
400 specialty retailers.**



WESTFIELD CARINDALE A Brisbane icon

One year after the redevelopment, Westfield Carindale is stronger than ever.

Westfield Carindale has performed solidly in the 12 months since the completion of the redevelopment and has generated retail sales of \$854.3 million, up 27% on the previous corresponding period.

The centre now has 2 department stores, 2 discount department stores, 4 supermarkets, an 8-screen cinema complex and more than 400 specialty retailers, and is one of Australia's top 10 shopping centres based on retail sales.

Westfield Carindale's fashion precinct has also consolidated the centre's position as a major retail destination in Brisbane, with unique brands like the Mecca Maxima concept store and Chanel Beauté offering a point of difference. Other drawcard retailers include Dutch label Scotch & Soda's first Queensland outlet in what is only the brand's third innovatively designed 'tent' store in the world; and BMW's Motorline store with a range of BMW products including cars, motorbikes and accessories. The Motorline store is the first of its kind in Australia.

The Glasshouse alfresco dining precinct, developed as a key focal point for the centre, has performed well with the high-quality food offering and integration of indoor and outdoor space contributing to its role as a centre hub.

The kids' precinct offer has been completed by the arrival of We Play – a new child-minding and play centre adjacent to the gym, contributing to that precinct's solid trading performance to date.

The new valet service is well-patronised and the July 2012 implementation of the managed car-parking system has become embedded in the centre's daily operations.

Westfield Carindale achieved 4-star Green Star rating from the Green Building Council of Australia, and in applying for and receiving the Federal Government's green building grant, has been able to contribute additional funds required to implement the centre's sustainable design.

Westfield Carindale Community and Environment

Community

During the year Westfield Carindale continued its program of community engagement through a number of ongoing activities, affirming the centre's position as a community hub for local residents.

The lead activity has been the partnership with local organisation Spina Bifida Hydrocephalus. Westfield Carindale's involvement with the group is part of the centre's participation in Westfield's national community program to support the families and carers of children with disabilities.

The number of related activities in the centre contributed to the fund-raising efforts in which the local community participated. Two Giveability Days were held in centre, manned by Westfield staff as well as volunteers from Spina Bifida Hydrocephalus, raising more than \$3,000. Retailer participation also played an important role in Westfield Carindale's ability to raise funds thanks to product giveaways; and during Christmas a range of season-specific kids' activities which invited gold coin donation further contributed to the total funds raised.

The Westfield Carindale Walking Group, now in operation for more than 10 years, maintained its 120-plus membership levels with regular in-centre meets. The Walkers are one of the centre's longest-standing and most popular community activities.

The Justice of the Peace program, now relocated to the new library, also continued to provide the local community with much-needed and convenient JP services on a weekly basis.

Coinciding with the completion of the redevelopment Westfield Carindale also operated an Artist-in-Residence program showcasing local amateur and professional artists' work in the centre. Following a call for submissions, a competition was held after which the winning artist was able to display their work.

Other groups supported by Westfield Carindale included the Mater Hospital and local schools.



Environment

The redevelopment of Westfield Carindale was highlighted by a number of sustainable design elements that were incorporated into the completed centre. These elements were formally recognised in the achievement of 4-star Green Star Retail V1 as ranked by the Green Building Council of Australia, representing 'Best Practice' in environmentally sustainable building practices.

The centre also received a grant from the Federal Government's Green Building Fund, which aims to reduce the impact of Australia's built environment on greenhouse gas emissions through a reduction in energy consumption. Westfield Carindale was required to meet a range of criteria to qualify for this funding following its submission outlining the proposed initiatives.

Key works which saw the centre qualify for the grant included the replacement of the cinema cooling tower and associated pipework, motor and variable speed drive; replacement of a chiller and associated pipework in the central chiller plantroom; the supply and installation of a new common cooling tower; and an upgrade of the building management system's software to real-time reading capability for water and electricity trending, facilitating better management of the centre's key metrics.

A subsequent independent audit was conducted by Ernst & Young to confirm that works were completed to the required government standard for Westfield Carindale's grant application.

New chillers installed in the central chiller plantroom replaced the existing infrastructure with a more updated and efficient 'screw' chiller system, allowing for operation in 'low load' conditions. A more efficient cooling tower was also installed in the cinemas and central plant.

Westfield Carindale implemented a range of other sustainable initiatives over the year. Waste management was a key focus for the centre's management, and a dock minimisation process was introduced, reducing the number of waste locations around the centre allowing for better disposal management. The centre's new waste policy – which was introduced last year to reduce waste to landfill – was embedded in the centre's operations this year with an ongoing focus on retailer education, new waste infrastructure to manage the introduction of green organic waste collection, and greater collaboration with the Carindale's waste contractor.

During the year the lighting program also continued with the upgrade of sodium lighting fixtures with more energy efficient fluorescent fittings in certain parts of the carpark.



Board of Directors



Mr Frank P Lowy AC
Chairman



Mr Brian M Schwartz AM
Deputy Chairman



Mr Peter K Allen



Ms Ilana R Atlas



Mr Roy L Furman



Right Hon. Lord
Goldsmith QC PC



Mr Mark G Johnson

Mr Frank P Lowy AC

Chairman

Frank Lowy is the Chairman and co-founder of the Westfield Group. Having served as Westfield's Chief Executive Officer for over 20 years, Mr Lowy assumed a non-executive role in May 2011. He is the founder and Chairman of the Lowy Institute for International Policy and Chairman of Football Federation Australia Limited. Mr Lowy is Chairman of the Westfield Group Nomination Committee.

Mr Brian M Schwartz AM

Deputy Chairman

Brian Schwartz was appointed as a non-executive Director of Westfield Holdings Limited in May 2009 and as Deputy Chairman in May 2011. 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 assumed the role of CEO of Investec Bank (Australia) Limited. He is Chairman of Insurance Australia Group Limited, Deputy Chairman of Football Federation Australia Limited, a Director of Brambles Limited and is a fellow of the Australian Institute of Company Directors and the Institute of Chartered Accountants. Mr Schwartz is Chairman of the Westfield Group Audit and Risk Committee and a member of the Nomination Committee and is the lead independent Director.

Mr Peter K Allen

Peter Allen was appointed as an executive Director of Westfield Holdings Limited in May 2011 and is the Westfield Group's Chief Financial Officer. 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 a Director of Westfield Retail Trust and is on the Board of the Kolling Foundation. He is also an Associate Member of the Australian Property Institute (AAPI).

Ms Ilana R Atlas

Ilana Atlas was appointed as a non-executive Director of Westfield Holdings Limited in May 2011. Ms Atlas was previously a partner in Mallesons Stephen Jaques and held a number of managerial roles in the firm, including Managing Partner and Executive Partner, People & Information. In 2000 she joined Westpac as Group Secretary and General Counsel before being appointed to the role of Group Executive, People in 2003. In that role, she was responsible for human resources strategy and management as well as Westpac's approach to corporate responsibility and sustainability. Ms Atlas is a Director of Suncorp Group Limited and Coca-Cola Amatil Limited, Chairman of Bell Shakespeare Company, Pro-Chancellor of the Australian National University and a Director of the Human Rights Law Centre. Ms Atlas is a member of the Westfield Group Remuneration Committee.

Mr Roy L Furman

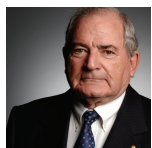
Roy Furman was appointed as a non-executive Director of Westfield Holdings Limited in July 2004, having served as a non-executive Director of Westfield America Management Limited since 2002. He holds a degree in law from Harvard Law School. Mr Furman is based in the US and is Vice-Chairman of Jefferies and Company and Chairman of Jefferies Capital Partners, a group of private equity funds. In 1973 he co-founded Furman Selz - an international investment banking, institutional brokerage and money management firm and was its CEO until 1997. Mr Furman is a member of the Westfield Group Remuneration Committee.

The Right Honourable Lord Goldsmith QC PC

Lord (Peter) Goldsmith was appointed as a non-executive Director of Westfield Holdings Limited in August 2008. He holds a degree in law from Cambridge University and a Master of Laws from University College London. Lord Goldsmith has been admitted to practice in New South Wales. He is a partner in the international law firm Debevoise & Plimpton LLP. In 1987, Lord Goldsmith was appointed Queens' Counsel and a Crown Court Recorder and he has been a Deputy High Court Judge since 1994. For six years until June 2007, Lord Goldsmith served as the United Kingdom's Attorney General. He was created a Life Peer in 1999 and a Privy Counsellor in 2002 and he remains a member of the House of Lords. Lord Goldsmith's other past positions include Chairman of the Bar of England and Wales, Chairman of the Financial Reporting Review Panel, and founder of the Bar Pro Bono Unit.

Mr Mark G Johnson

Mark Johnson was appointed as a non-executive Director of Westfield Holdings Limited in May 2013. He holds a Bachelor of Commerce from the University of NSW. Mr Johnson was Chief Executive Officer and Senior Partner of PricewaterhouseCoopers (PwC), one of Australia's leading professional services firms, from July 2008 to June 2012. In his more than 30 year career with PwC, Mr Johnson served a number of that firm's major clients in audit, accounting, due diligence, fundraising and risk and governance services. Mr Johnson was a senior member of the PwC International Strategy Council and Deputy Chairman of PwC Asia Pacific. He is a Director of HSBC Bank Australia Limited and The Smith Family and sits on the Executive Council of the Australian School of Business Advisory Board. Mr Johnson's former roles include Chairman of the PwC Foundation, member of the Auditing and Assurance Board and Deputy Chair of the Finance and Reporting Committee at the Australian Institute of Company Directors. He is a Fellow of the Institute of Chartered Accountants and the Australian Institute of Company Directors. Mr Johnson is a member of the Westfield Group Audit and Risk Committee.



Mr Mark R Johnson AO



Mr Peter S Lowy



Mr Steven M Lowy AM



Mr John McFarlane



Prof. Judith Sloan

Mr Mark R Johnson AO

Mark Johnson was appointed as a non-executive Director of Westfield Holdings Limited in May 2010. He holds a degree in law from the University of Melbourne and a Masters of Business Administration from Harvard University. Mr Johnson is a senior advisor for Gresham Partners in Sydney and Chairman of Conto Resources Limited, Alinta Energy and the Australian Government's Australian Financial Centre Task Force. He is one of the Prime Minister's three Australian representatives on the APEC Business Advisory Council (ABAC) and was Chairman of ABAC and the APEC Business Summit in Sydney in 2007. Mr Johnson is also a member of the Board of Governors of the Institute for International Trade at the University of Adelaide and a Life Governor of the Victor Chang Cardiac Research Institute. He has previously held senior roles in Macquarie Bank before retiring as Deputy Chairman in July 2007 and his former directorships include Pioneer International and the Sydney Futures Exchange. Mr Johnson is Chairman of the Westfield Group Remuneration Committee and a member of the Nomination Committee.

Mr Peter S Lowy

Peter Lowy was appointed Managing Director of Westfield Holdings Limited in 1997 and currently serves as Co-Chief Executive Officer of the Westfield Group. He holds a Bachelor of Commerce from the University of NSW. Prior to joining Westfield in 1983, Mr Lowy worked in investment banking both in London and New York. Mr. Lowy serves as Chairman of the Homeland Security Advisory Council for Los Angeles county; he also serves on the RAND Corporation Executive Committee and Board of Trustees, the Executive Committee of the Washington Institute for Near East Policy, the Board of Governors for National Association of Real Estate Investment Trusts and is a Director of the Lowy Institute for International Policy.

Mr Steven M Lowy AM

Steven Lowy was appointed Managing Director of Westfield Holdings Limited in 1997 and currently serves as Co-Chief Executive Officer of the Westfield 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 President of the Board of Trustees of the Art Gallery of New South Wales, Chairman of the Victor Chang Cardiac Research Institute, a Director of Westfield Retail Trust and the Lowy Institute for International Policy and a member of the Prime Minister's Business-Government Advisory Group on National Security.

Mr John McFarlane

John McFarlane was appointed as a non-executive Director of Westfield Holdings Limited in February 2008. He holds an MA from the University of Edinburgh, an MBA and an honorary DSc from Cranfield University. Mr McFarlane is Chairman of Aviva plc and a Director of Old Oak Holdings Ltd in the UK. He was formerly Chief Executive Officer of Australia & New Zealand Banking Group Ltd, Group Executive Director of Standard Chartered plc, and Head of Citibank NA in the UK and Ireland. Mr McFarlane was a non-executive director of The Royal Bank of Scotland Group plc, Capital Radio plc, the London Stock Exchange, Chairman of the Australian Bankers Association and President of the International Monetary Conference.

Professor Judith Sloan

Judith Sloan was appointed as a non-executive Director of Westfield Holdings Limited in February 2008. She is Honorary Professorial Fellow at the Melbourne Institute of Applied Economic and Social Research at the University of Melbourne. Professor Sloan holds a first class Honours degree in Economics and a Master of Arts in Economics specialising in Industrial Relations, from the University of Melbourne and a Master of Science in Economics from the London School of Economics. She has previously held an academic appointment at Flinders University and is currently a Director of the Lowy Institute for International Policy. Professor Sloan is also the current contributing Economics Editor at The Australian newspaper. Her previous appointments include Chairman of Primelife Limited, Chairman of National Seniors Australia, Deputy Chair of the Australian Broadcasting Corporation, Director of Santos Limited and Mayne Nickless Limited and Commissioner of the Productivity Commission. Professor Sloan is a member of the Westfield Group Audit and Risk Committee.

Financial Report

Contents

11	Statement of Comprehensive Income
11	Statement of Distribution
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
39	Investor Relations
40	Members' Information
IBC	Corporate Directory

Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2013

	Note	30 Jun 13 \$'000	30 Jun 12 \$'000
Revenue			
Property revenue	3a	50,280	36,353
Expenses			
Property expenses and outgoings		(13,824)	(11,291)
Net Property Income		36,456	25,062
Other expenses			
Manager's service charge		(3,938)	(2,739)
Other costs		(387)	(196)
		(4,325)	(2,935)
Interest income		105	102
Net fair value gain/(loss) on interest rate derivatives		1,219	(9,413)
Financing costs	3b	(13,481)	(4,417)
Property revaluation		5,104	69,690
Net profit attributable to members of the Trust	13(ii)	25,078	78,089
Total comprehensive income attributable to members of the Trust		25,078	78,089
		cents	cents
Basic earnings per unit	6	35.83	111.56
Diluted earnings per unit	6	35.83	111.56

Statement of Distribution

FOR THE YEAR ENDED 30 JUNE 2013

	30 Jun 13 \$'000	30 Jun 12 \$'000
Net profit attributable to members of the Trust	25,078	78,089
Adjustments:		
— Property revaluation	(5,104)	(69,690)
— Tenant allowances amortised	1,273	344
— Net fair value (gain)/loss on interest rate derivatives	(1,219)	9,413
Distributable Income	20,028	18,156
Retained earnings utilised ⁽ⁱ⁾	62	1,304
Distribution for the period	20,090	19,460
	cents	cents
Distribution for the period	28.70	27.80

(i) Amounts distributed includes utilisation of amounts previously held in reserves and retained profits.

Balance Sheet

AS AT 30 JUNE 2013

	Note	30 Jun 13 \$'000	30 Jun 12 \$'000
Current assets			
Cash and cash equivalents	13(i)	3,074	1,249
Trade and other receivables	4	2,076	2,537
Prepayments and deferred costs	5	376	376
Total current assets		5,526	4,162
Non current assets			
Investment properties	7	678,228	668,500
Prepayments and deferred costs	5	376	777
Other investments		45	45
Total non current assets		678,649	669,322
Total assets		684,175	673,484
Current liabilities			
Trade and other payables	8	20,031	35,690
Derivative liabilities	10	661	26
Total current liabilities		20,692	35,716
Non current liabilities			
Interest bearing liabilities	9	202,664	180,083
Derivative liabilities	10	9,232	11,086
Total non current liabilities		211,896	191,169
Total liabilities		232,588	226,885
Net assets		451,587	446,599
Equity attributable to members of the Trust			
Contributed equity		187,934	187,934
Reserves		—	—
Retained profits	12	263,653	258,665
Total equity attributable to members of the Trust		451,587	446,599

Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2013

	30 Jun 13 \$'000	30 Jun 12 \$'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	—	512
— Amount transferred to retained profits	—	(512)
Closing balance of reserves	—	—
Opening balance of retained profits	258,665	199,524
— Profit attributable to members of the Trust	25,078	78,089
— Distribution payable to members of the Trust	(20,090)	(19,460)
— Amount transferred from other reserves	—	512
Closing balance of retained profits	263,653	258,665
Closing balance of equity attributable to members of the Trust	451,587	446,599

Cash Flow Statement

FOR THE YEAR ENDED 30 JUNE 2013

	Note	30 Jun 13 \$'000	30 Jun 12 \$'000
Cash flows from operating activities			
Receipts in the course of operations (including GST)		57,298	40,133
Payments in the course of operations (including GST)		(18,653)	(14,328)
Goods and services taxes paid to government bodies		(3,372)	(2,756)
Net cash flows from operating activities	13(ii)	35,273	23,049
Cash flows from investing activities			
Payments of capital expenditure for property investments		(23,100)	(97,473)
Financing costs capitalised		(427)	(5,432)
Net cash flows used in investing activities		(23,527)	(102,905)
Cash flows from financing activities			
Proceeds from interest bearing liabilities		22,569	102,686
Financing costs		(13,135)	(4,325)
Interest received		105	102
Distribution paid to members		(19,460)	(19,460)
Net cash flows (used in)/from financing activities		(9,921)	79,003
Net increase/(decrease) in cash and cash equivalents held		1,825	(853)
Opening cash and cash equivalents brought forward		1,249	2,102
Cash and cash equivalents at the end of the year	13(i)	3,074	1,249

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013

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 2013 was approved in accordance with a resolution of the Board of Directors of Westfield Management Limited, as responsible entity of the Trust (Responsible Entity) on 29 August 2013.

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.

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 2013. The Directors have assessed the impact of new standards (to the extent relevant to the Trust) as follows:

— AASB 9 Financial Instruments (effective from 1 July 2013): This Standard simplifies the classifications of financial assets into those to be carried at amortised cost and those to be carried at fair value. The Trust does not expect this standard to have a significant impact.

— AASB 11 Joint Arrangements (effective from 1 July 2013): This standard uses the principle of control in AASB 10 to define joint control and removes the option to account for the jointly controlled entities using the proportionate consolidation method. Joint ventures that give the joint venture parties a right to the net assets is accounted for using the equity method. Joint operations that give the joint venture parties a right to the underlying assets and obligations is accounted for by recognising the share of those assets and obligations. The Trust does not expect this standard to have a significant impact.

— AASB 13 Fair Value Measurement (effective from 1 July 2013): This standard establishes a single source of guidance for determining the fair value of assets and liabilities. The Trust does not expect this standard to have a significant impact.

(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 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 except when the shopping centre is under development. The Directors' assessment of fair value takes into account annual independent valuations, that were

prepared and 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 ready for its intended use or sale. In these circumstances, the financing costs are capitalised to the cost of the asset. Where funds are borrowed by the Trust for the acquisition or construction of a qualifying asset, the associated financing costs are capitalised.

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

(g) Contributed equity

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

(h) Derivative and other financial assets and liabilities

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

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

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

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013

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.

(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 13 \$'000	30 Jun 12 \$'000
NOTE 3a PROPERTY REVENUE		
Shopping centre base rent and other property income	51,553	36,697
Amortisation of tenant allowances	(1,273)	(344)
	50,280	36,353
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)	(13,908)	(9,849)
Financing costs capitalised to construction projects	427	5,432
	(13,481)	(4,417)
NOTE 4 TRADE AND OTHER RECEIVABLES		
Trade receivables	432	442
Other debtors	1,644	2,095
	2,076	2,537

	30 Jun 13 \$'000	30 Jun 12 \$'000
NOTE 5 PREPAYMENTS AND DEFERRED COSTS		
Current	376	376
Non current	376	777

	30 Jun 13 cents	30 Jun 12 cents
NOTE 6 EARNINGS PER UNIT AND NET TANGIBLE ASSET BACKING PER UNIT		
(i) Earnings per share		
Basic earnings per unit	35.83	111.56
Diluted earnings per unit	35.83	111.56

Basic and diluted earnings per unit is calculated by dividing the earnings of \$25,078,000 (2012: \$78,089,000) 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 (2012: 70,000,000).

	cents	cents
(ii) Net asset backing per unit		
Net asset backing per unit	645	638

	30 Jun 13 \$'000	30 Jun 12 \$'000
NOTE 7 INVESTMENT PROPERTIES		
Shopping centre investment	678,228	668,500
	678,228	668,500
Movement in investment properties		
Balance at the beginning of the year	668,500	482,915
Additions including redevelopment costs	4,624	115,895
Net revaluation increment	5,104	69,690
Balance at the end of the year	678,228	668,500

Carindale Property Trust's interest in Westfield Carindale has been independently valued as at 30 June 2013. The valuation of the Trust's 50% interest in Westfield Carindale was \$678.2 million (2012: \$668.5 million) with an estimated yield of 5.75% (2012: 5.75%). This valuation was conducted by Colliers International C&V Pty Limited in accordance with the guidelines set by the International Valuation Standards Committee.

The centre was completed and fully opened on 9 August 2012.

During the year, \$0.427 million (2012: \$5.432 million) of financing costs were capitalised to development projects.

NOTE 8 TRADE AND OTHER PAYABLES

Current		
Trade creditors	1,135	1,159
Other creditors and accruals	8,536	24,801
Distribution payable	10,360	9,730
	20,031	35,690

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013

	30 Jun 13 \$'000	30 Jun 12 \$'000
NOTE 9 INTEREST BEARING LIABILITIES		
Non current — Finance lease	127	115
Non current — Loans payable — secured ⁽ⁱ⁾	202,537	179,968
	202,664	180,083

(i) The Trust maintains a \$230 million interest only 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 2015.

The maturity profile as at 30 June 2013 in respect of the above liabilities:

Due within one year	1	1
Due between one and five years	202,542	179,972
Due after five years	121	110
	202,664	180,083

NOTE 10 DERIVATIVE LIABILITIES

Current — Payables on interest rate derivatives	661	26
Non current — Payables on interest rate derivatives	9,232	11,086

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 enforceable master netting arrangements within the secured financing facilities. As at 30 June 2013, these netting arrangements have no impact to the derivative liabilities disclosed above (30 June 2012: nil).

	30 Jun 13 units	30 Jun 12 units
NOTE 11 TRUST UNITS		
Number of units on issue		
Balance at the beginning and end of the period	70,000,000	70,000,000

	30 Jun 13 \$'000	30 Jun 12 \$'000
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NOTE 12 RETAINED PROFITS

Balance at the beginning of the year	258,665	199,524
Net profit attributable to members of the Trust	25,078	78,089
Distribution paid/payable to members of the Trust	(20,090)	(19,460)
Transfer from other reserves	—	512
Balance at the end of the year	263,653	258,665

NOTE 13 CASH AND CASH EQUIVALENTS

(i) Components of cash and cash equivalents

Cash	3,074	1,249
Total cash and cash equivalents	3,074	1,249

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

Net cash flows from operating activities	35,273	23,049
Property revaluation	5,104	69,690
Financing costs	(13,481)	(4,417)
Net fair value gain/(loss) on interest rate derivatives	1,219	(9,413)
Interest received	105	102
Decrease in other net assets attributable to operating activities	(3,142)	(922)
Net profit attributable to members of the Trust	25,078	78,089

	30 Jun 13 \$'000	30 Jun 12 \$'000
(iii) Financing facilities		
Committed financing facilities available to the Trust:		
Total financing facilities	230,000	230,000
Amounts utilised	(202,537)	(179,968)
Available financing facilities	27,463	50,032
Cash	3,074	1,249
Total available financing facilities and available cash	30,537	51,281

The maturity profile as at 30 June 2013 in respect of the above borrowings:

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: 14.80 cents per unit, 60% estimated tax deferred	10,360	—
Distribution payable to members		
— Ordinary units: 13.90 cents per unit, 58% tax deferred	—	9,730
	10,360	9,730

(b) Distribution paid to members

Distribution in respect of the 6 months to 31 December 2012		
— Ordinary units: 13.90 cents per unit, 60% estimated tax deferred	9,730	—
Distribution in respect of the 6 months to 31 December 2011		
— Ordinary units: 13.90 cents per unit, 58% tax deferred	—	9,730
	9,730	9,730

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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013

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 Westfield 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.

The Westfield 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. The Westfield Group through its training and procedures, has developed a disciplined and constructive control environment in which relevant treasury and finance personnel understand their roles and obligations in respect of the Trust's treasury management objectives.

The Westfield 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.

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 13 \$'000	30 Jun 12 \$'000
Principal amounts of all interest bearing liabilities:			
Non current — Loans payable — secured	9	202,537	179,968
		202,537	179,968
Principal amounts of fixed interest rate instruments:			
Fixed rate derivatives			
— A\$	18(ii)	156,000	141,000
		156,000	141,000

At 30 June 2013, the Trust has hedged 77% (2012: 78%) of its interest payable exposure by way of interest rate swaps of varying durations with floating exposure of \$46,537,175 payable (2012: \$38,968,173) at an average rate of 4.52%, including margin (2012: 5.19%). 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 13 \$'000	30 Jun 12 \$'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%	931	779
	-1.0%	465	390
	-0.5%	233	195
	0.5%	(233)	(195)
	1.0%	(465)	(390)
	2.0%	(931)	(779)

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

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

Swaps contracted as at the reporting date and outstanding at	30 Jun 13 Notional Principal amount \$'000	30 Jun 13 Average rate	30 Jun 12 Notional Principal amount \$'000	30 Jun 12 Average rate
A\$ payable				
30 June 2012	—	—	A\$(141,000)	5.56%
30 June 2013	A\$(156,000)	5.53%	A\$(156,000)	5.53%
30 June 2014	A\$(156,000)	5.46%	A\$(156,000)	5.46%
30 June 2015	A\$(109,000)	5.42%	A\$(109,000)	5.42%
30 June 2016	A\$(89,000)	5.39%	A\$(89,000)	5.39%
30 June 2017	A\$(57,000)	5.25%	A\$(57,000)	5.25%

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 2013, the aggregate fair value is a payable of \$9,892,949 (2012: \$11,111,604). The change in fair value for the year ended 30 June 2013 was \$1,218,655 gain (2012: \$9,412,643 loss).

Fair value sensitivity		30 Jun 13 \$'000	30 Jun 12 \$'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%	(9,134)	(11,834)
	—1.0%	(4,483)	(5,781)
	—0.5%	(2,221)	(2,858)
	0.5%	2,181	2,794
	1.0%	4,320	5,523
	2.0%	8,492	10,801

NOTE 19 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES**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 13 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Liabilities measured at fair value				
Derivative liabilities				
— Interest rate derivatives	9,893	—	9,893	—
	30 Jun 12 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000

Liabilities measured at fair value

Derivative liabilities

— Interest rate derivatives	11,112	—	11,112	—
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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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013

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 the risk of loss is mitigated. Counterparty current 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.

At 30 June 2013, the aggregate current credit exposure in respect of cash and cash equivalents is \$3,074,299 (2012: \$1,249,053).

At 30 June 2013, the aggregate current credit exposure in respect of derivative financial instruments is nil (2012: 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:

- 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
- Loan to Value Ratio (LVR) (debt to latest property value);
 - not exceed 50%

At and during the years ended 30 June 2013 and 30 June 2012, the Trust was in compliance with all the above financial covenants.

	30 Jun 13 \$'000	30 Jun 12 \$'000
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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 Note 9) together with the aggregate future estimated interest thereon is set out below:

Due within one year	9,155	6,272
Due between one and five years	213,397	193,680
Due after five years	—	—
	222,552	199,952

Derivatives

Estimated cashflows in respect of interest rate swaps set out below:

Due within one year	4,595	3,649
Due between one and five years	5,921	7,590
Due after five years	—	—
	10,516	11,239

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 2013.

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

Future minimum rental revenues under non—cancellable operating leases at 30 June 2013 are as follows:

Due within one year	40,455	31,518
Due between one and five years	132,128	105,851
Due greater than five years	52,350	57,481
	224,933	194,850

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 13
\$'000

30 Jun 12
\$'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	80	72
Accounting and other services including compliance plan audit	2	3
	82	75

NOTE 25 RELATED PARTY TRANSACTIONS

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

The constitution of the Trust allows for an annual manager's service fee payable to the Responsible Entity up to a maximum of 2% of the total tangible assets of the Trust, which amounts to \$13,683,500 for the year to 30 June 2013 (2012: \$13,469,680), 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 2013 was \$3,938,311 (2012: \$2,739,038) representing 0.6% (2012: 0.4%) of the total tangible assets of the Trust as of 30 June 2013.

During the year, amounts paid or payable (excluding GST) to associates of the Responsible Entity for capital costs amounted to \$20,755,241 (2012: \$114,667,465). As at 30 June 2013, remaining capital costs of \$269,910 (2012: \$17,989,714) were payable to associates of the Responsible Entity.

Real estate management fees expensed for the remaining year ended 30 June 2013 due to associates of the Responsible Entity are based on normal commercial terms and were \$2,561,500 (2012: \$1,874,000). As at 30 June 2013, real estate management fees of \$214,286 (2012: \$188,295) were payable to associates of the Responsible Entity.

Reimbursement of expenses for the year ended 30 June 2013 paid and payable to associates of the Responsible Entity are based on normal commercial terms and were \$2,364,000 (2012: \$1,641,000).

As at 30 June 2013, Westfield Management Limited, as Responsible Entity of the Trust, held 35 million units in the Trust (2012: 35 million units).

Details of Key Management Personnel

(i) Directors

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

Frank Lowy	Chairman/Non—Executive Director	Stephen Johns	Non—Executive Director (retired 29 May 2013)
Brian Schwartz	Deputy Chairman/Non—Executive Director	Mark R. Johnson	Non—Executive Director
Peter Allen	Group Chief Financial Officer/Executive Director	Mark G. Johnson	Non—Executive Director (appointed 29 May 2013)
Ilana Atlas	Non—Executive Director	Peter Lowy	Co—Chief Executive Officer/Executive Director
Roy Furman	Non—Executive Director	Steven Lowy	Co—Chief Executive Officer/Executive Director
Peter Goldsmith	Non—Executive Director	John McFarlane	Non—Executive Director
Fred Hillmer	Non—Executive Director (retired 29 May 2013)	Judith Sloan	Non—Executive Director

On 29 May 2013, at the conclusion of the Annual General Meeting of Westfield Holdings Limited (the parent entity of the Westfield Group of which the Responsible Entity, Westfield Management Limited is part) Mr Stephen Johns and Professor Fred Hillmer retired. At that meeting, Mr Mark G Johnson 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.

Robert Jordan Managing Director, Australia, United States and New Zealand

There has been no change to Key Management Personnel between the end of the reporting period and the date the financial report was authorised for issue.

Compensation of Key Management Personnel

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

Directors' Declaration

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

- (a) in the Directors' opinion, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable; and
- (b) in the Directors' opinion, the financial statements and notes thereto are in accordance with the Corporations Act 2001, including sections 296 and 297, 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 29 August 2013 in accordance with a resolution of the Board of Directors.



Frank Lowy AC
Chairman



Brian Schwartz AM
Director

Independent Audit Report

TO MEMBERS OF CARINDALE PROPERTY TRUST



Report on the Annual Financial Report

We have audited the accompanying financial report of Carindale Property Trust ("the Trust"), which comprises the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the financial report

The directors of Westfield 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.

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 2013 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
29 August 2013

Liability Limited by a scheme approved
under Professional Standards Legislation

Directors' Report

The Directors of Westfield Management Limited, the responsible entity of Carindale Property Trust (Trust), submit the following report for the period from 1 July 2012 to 30 June 2013 (Financial Year).

1. Review of Operations and Results of Operations

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.

On 9 August 2012, the \$310 million (the Trust's share \$155 million) redevelopment of Westfield Carindale opened. The centre is one of Australia's top 10 shopping centres based on retail sales featuring 2 department stores, 4 supermarkets, an 8-screen cinema complex and more than 400 specialty retailers. As at 30 June 2013, the centre was in excess of 99.5% leased with retail sales of \$854.3 million.

As at 30 June 2013, the centre has been independently valued at \$1,356.4 million (the Trust's share \$678.2 million), representing a revaluation gain of \$5.1 million since 30 June 2012.

Financial results

The Trust's net property income for the Financial Year was \$36.5 million representing a 45% increase on the previous year, reflecting the completion of the redevelopment.

Distributable income for the Financial Year was \$20.0 million compared to \$18.2 million in the previous financial year, representing a 9.9% increase.

As at 30 June 2013, total assets of the Trust increased 1.6% to \$684.2 million and total unit holder funds attributable to members were \$451.6 million.

The net tangible asset backing as at 30 June 2013 was \$6.45 per unit, representing a 1.1% increase on last year primarily as a result of property revaluation.

The Trust has a secured loan facility. As at 30 June 2013, borrowings were \$202.5 million with a gearing of 29.9% of the latest property value.

Distributions

The total amount to be distributed to members for the Financial Year is \$20.1 million representing a full year distribution of 28.70 cents per unit. Details of interim distributions are set out in section 3 of this report.

Future prospects

Statements as to future prospects must be assessed in light of the Trust's activities, which is the ownership of its shopping centre asset, Westfield Carindale in Brisbane. As noted above, a major redevelopment of the centre was completed in August 2012. The Directors are pleased with the performance of the centre which has been enhanced by the redevelopment and consider that the centre is positioned to achieve growth in both sales and income over the medium and long term.

Risks

The Trust's sole 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. The performance of the Trust may be affected by the local economic and retail conditions in south-east Queensland specifically and Australia 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.

2. Sustainability

Environmental laws and regulations in force in the various jurisdictions in which the 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 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 procedures are regularly reviewed and audited and their application closely monitored. The Group's 2012 Sustainability Report, can be found at www.westfield.com/corporate.

3. Distributions

The total amount to be distributed to members for the Financial Year is \$20.1 million representing a full year distribution of 28.70 cents per unit which includes the distribution paid on 31 August 2012 and the distribution to be paid on 30 August 2013.

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

	\$'000
13.90 cents per unit for the 6 months ended 30 June 2012, paid 31 August 2012	\$9,730
13.90 cents per unit for the 6 months ended 31 December 2012, paid 29 February 2013	\$9,730

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

	\$'000
14.80 cents per unit for the 6 months ended 30 June 2013, payable on 30 August 2013	\$10,360

Directors' Report (continued)

4. Directors

4.1 Board Membership and Qualifications

The following Directors served on the Board during the Financial Year: Mr Frank Lowy, Mr Brian Schwartz, Mr Peter Allen, Ms Ilana Atlas, Professor Fred Hilmer, Mr Roy Furman, Lord Peter Goldsmith, Mr Stephen Johns, Mr Mark R. Johnson, Mr Mark G. Johnson, Mr Peter Lowy, Mr Steven Lowy, Mr John McFarlane and Professor Judith Sloan.

The composition of the Board changed with the retirement of Mr Stephen Johns and Professor Fred Hilmer on 29 May 2013 and the appointment of Mr Mark G. Johnson on 29 May 2013.

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 to 9 of this report.

4.2 Directors' Relevant Interests

None of the Directors hold a 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 Responsible Entity.

There are no unissued interests in the Trust under option.

No interests in the Trust were issued during or since the end of the financial year as a result of the exercise of an option over unissued interests in the Trust.

None of the Directors of the Responsible Entity are party to or entitled to a benefit under a contract which confers a right to call for, or be delivered, interests in the Trust.

6. Indemnities and Insurance Premiums

No insurance premiums were paid during or since the end of the financial year out of the assets of the Trust in regards to insurance cover provided to either officers of the Responsible Entity or the auditors of the Trust. As long as the Responsible Entity acts in accordance with the constitution of the Trust and the Corporations Act 2001, it remains fully indemnified out of the assets of the Trust against any losses incurred while acting as the Responsible Entity of the Trust.

The Responsible Entity's Constitution provides that a person who is or has been a Director or Secretary of the Responsible Entity is entitled to be indemnified out of the property of the Responsible Entity against any liability 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 Responsible Entity is forbidden by statute to indemnify the person or the indemnity would, if given, be made void by statute.

The auditors of the Trust are not indemnified out of the assets of the Trust in respect of any matter prohibited by the Corporations Act 2001.

7. Information for Registered Schemes

\$6,499,811 in fees and \$20,755,241 in construction progress billings were paid or payable to the Responsible Entity and its associates out of the assets of the Trust during the Financial Year.

Westfield Management Limited as responsible entity of Westfield Trust held 35,000,000 units in the Trust as at the end of the financial year.

No interests were issued in the Trust during the Financial Year. No withdrawals were made from the Trust during the Financial Year.

Details of the value of the Trust's assets as at the end of the financial year and the basis for 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.

Directors' Report (continued)

8. Auditor's Independence Declaration

In relation to our audit of the financial report of Carindale Property Trust for the financial year ended 30 June 2013, 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
29 August 2013

Graham Ezzy
Partner

Liability Limited by a scheme approved
under Professional Standards Legislation

9. ASIC Disclosures

9.1 Rounding

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

9.2 Synchronisation of Financial Year

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

This report is made in accordance with a resolution of the Board of Directors of the Responsible Entity and is signed for an on behalf of the Directors.

Frank Lowy AC
Chairman

29 August 2013

Brian Schwartz AM
Director

Corporate Governance Statement

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

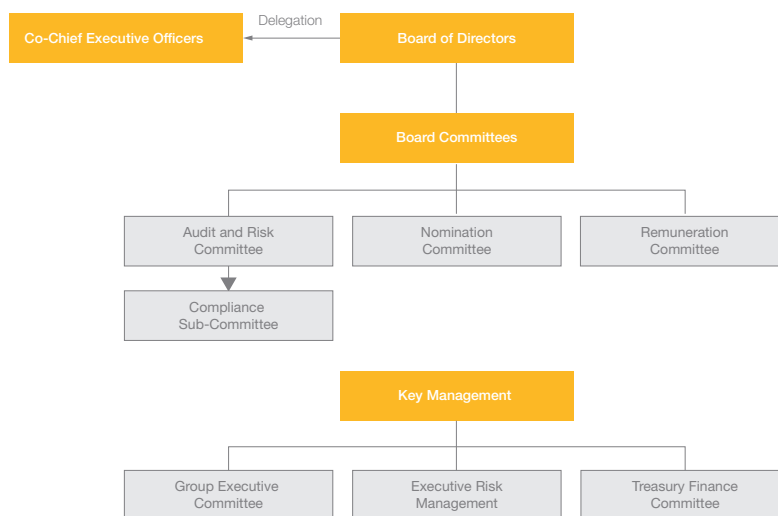
The corporate governance practices of the Responsible Entity should be reviewed having regard to the following circumstances:

- the Trust is a single centre property trust which owns a 50% interest in Westfield Carindale in suburban Brisbane;
- the Responsible Entity of the Trust during the financial year was Westfield Management Limited (WML), a wholly owned subsidiary of WHL. As a member of the Westfield Group, the Responsible Entity has adopted, and is bound by, the terms of the various charters and policies implemented by the Group; and
- neither the Trust nor the Responsible Entity has any employees. The operations of the Trust are performed by Westfield Group executives and employees (see 2.3 below). The management of the centre is also conducted by subsidiaries of WHL.

This statement outlines the Responsible Entity's main corporate governance practices during the financial year and the extent of the Responsible Entity's compliance with them as at the end of the financial year by reference to the second edition of the Corporate Governance Principles and Recommendations published by the ASX Corporate Governance Council (as amended in 2010) and to the Corporations Act 2001. A checklist of the Group's compliance with the Principles and Recommendations can be found in the Group's 2012 Annual Report which can be found at www.westfield.com/corporate, in the corporate governance section.

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

WESTFIELD GROUP GOVERNANCE FRAMEWORK



1. THE BOARD OF THE RESPONSIBLE ENTITY

The Board of the Responsible Entity has adopted the Westfield Group's Board Charter which sets out the objectives, responsibilities and framework for the operation of the Board. The Charter also formalises the matters that are reserved for the Board.

The Board is responsible for overseeing the effective management and operation of Carindale Property Trust. The Board is accountable to members 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 ethical requirements.

1.1 Board Charter and Board Responsibility

The Board Charter sets out the primary objectives of the Board and includes the practices and processes the Board has adopted to discharge its responsibilities including matters that are reserved for the Board and the delegation of authority to the Co-Chief Executive Officers, including the limits on the way in which the Co-Chief Executive Officers can execute that authority.

Corporate Governance Statement (continued)

Specifically, the Board has reserved its authority over the following matters (with a power of delegation to a committee of the Board, a Chief Executive Officer or another nominated member of the senior management team):

Strategy and direction

- Setting policies regarding the strategic direction and plans for the Trust.
- Approving the distribution policy, 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.
- 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.

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.

Appointments

- Appointing Directors to the Board, following a review by the Nomination Committee.
- Appointing and reviewing the performance of the Co-Chief Executive Officers and the Group Chief Financial Officer.
- 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 Co-Chief Executive Officers, the Group Chief Financial Officer 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.
- 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.

The Board may amend the matters reserved for its consideration and decision subject to the limitations imposed by the constitutional documents and the law.

1.2 Delegation to Management

The Board has delegated a number of responsibilities to its Committees. The roles and responsibilities of these Committees are explained later in this statement. Directors may attend any Committee meeting. The Board receives copies of the minutes of all Committee meetings.

Day to day management of the business and operations of the Trust is delegated by the Board to management through the Co-Chief Executive Officers 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.
- 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.

Corporate Governance Statement (continued)

1.3 Board Composition

The membership of the Board is reviewed by the full Board, from time to time, having regard to the ongoing needs of the Group, including the Trust. It is the policy of the Board that its membership should reflect an appropriate balance between executives possessing extensive direct experience and expertise in the core business activities of the Westfield Group, and non-executive members who bring to the Board a broad range of general commercial expertise and experience.

The Group's objective is that the Board should be of a size and composition that is conducive to effective decision making with the benefit of a variety of perspectives and skills and in the interests of the Westfield Group and the Trust.

The appointment of a new member to the Board is only made after consultation between the Nomination Committee and the Board. New Directors are initially appointed by the full Board and must then submit themselves to election by members of WHL (the parent entity of the Responsible Entity) at the Annual General Meeting (AGM) following their appointment and, except in the case of the Chief Executive Officer (or one of them when there is more than one Chief Executive Officer), are subject to re-election by members of WHL every three years. The notice of meeting for the AGM contains a statement by the Board as to whether it supports the proposed candidates.

Board renewal and succession planning continues to form a key part of the Group's overall governance program. The Board is committed to a membership that includes a combination of executive and non-executive members with exceptional track records and reputations at the highest levels of business and commerce generally.

As noted at 1.8 below, the Board undertakes ongoing self-assessment and external review including in relation to the skill sets of directors. Board surveys are conducted on a regular basis in order to establish the views of all Directors on issues including Board performance and composition.

When considering new appointments, the Board considers a range of candidates having regard to a number of factors including specific skills, knowledge and experience, gender and geographic location. The views of professional intermediaries may be sought in identifying or assessing new candidates.

During the Financial Year, Mr Stephen Johns and Professor Fred Hilmer retired from the Board and Mr Mark G. Johnson was appointed to the Board. Following the retirement of Mr Johns and Professor Hilmer, the following changes to the composition of the Board Committees were made:

- (a) The Audit and Compliance Committee and the Board Risk Management Committee merged to form the Audit and Risk Committee.
- (b) Mr Brian Schwartz was appointed as Chairman of the Audit and Risk Committee and Professor Judith Sloan and Mr Mark G. Johnson were appointed as members of the Audit and Risk Committee.
- (c) Mr Mark R. Johnson (who was appointed to the Board in May 2010) was appointed as Chairman of the Remuneration Committee and Ms Ilana Atlas was appointed as a member of that Committee.
- (d) Mr Mark R. Johnson was appointed as a member to the Nomination Committee, with Professor Judith Sloan stepping down from that Committee.

All changes took effect from 30 May 2013.

The current composition of the Board is set out in the table 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	Group Chief Financial Officer/ Executive Director	N	2011
Ilana Atlas	Non-Executive Director	Y	2011
Roy Furman	Non-Executive Director	Y	2004
Peter Goldsmith	Non-Executive Director	Y	2008
Mark G. Johnson	Non-Executive Director	Y	2013
Mark R. Johnson	Non-Executive Director	Y	2010
Peter Lowy	Co-Chief Executive Officer / Executive Director	N	1987
Steven Lowy	Co-Chief Executive Officer / Executive Director	N	1989
John McFarlane	Non-Executive Director	Y	2008
Judith Sloan	Non-Executive Director	Y	2008

* WML became the Responsible Entity of the Trust in 2000.

Details of the qualifications, experience and special responsibilities of each of the Company's Directors as at the date of this statement are set out in the Directors' Report.

1.4 Code of Conduct

The Directors' Code of Conduct summarises the responsibilities of the Westfield Group Directors in maintaining the Group's commitment to high standards of ethical conduct. A copy of the Code of Conduct appears in the corporate governance section of the westfield.com/corporate website.

As part of the Code of Conduct, Directors of the Westfield Group undertake to, amongst other things:

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

Directors are required to separate 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.

Corporate Governance Statement (continued)

A Director must not 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 in a personal capacity must be at arm's length and on normal commercial terms or otherwise approved by members.

Directors are required to 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.

1.5 Directors' Independence

The Board currently has 12 members. Of these, 8 are independent Non-Executive Directors. These Directors are considered by the Board to be independent of management and free of any business or other relationship or any other circumstance that could materially interfere with the exercise of objective, unfettered or independent judgement.

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 regularly 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.

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

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

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

- (a) is a substantial securityholder of the Westfield Group (or, in the case of the Responsible Entity, the Trust) or an officer of, or otherwise associated directly with, a substantial securityholder of the Westfield Group (or, in the case of the Responsible Entity, the Trust);
- (b) within the last 3 years has been employed in an executive capacity by any member of the Group, or has been a Director after ceasing to hold any such employment;
- (c) within the last 3 years has been a partner or a senior management executive with audit responsibilities of a firm which has acted in the capacity of statutory auditor of any member of the Group;
- (d) within the last 3 years has been a principal, employee or consultant of a material professional adviser to any member of the Group – for this purpose a material professional adviser is an adviser whose billings to the Group exceed 1% of the adviser's total revenues;

- (e) is a principal, employee or associate of a material supplier to, or material customer of, any member of the Group – for this purpose a material supplier to the Group means a supplier whose revenues from the Group exceed 5% of the supplier's total revenues. A material customer is a customer whose payments to the Group exceed 1% of the customer's operating costs;
- (f) has a material contractual relationship with any member of the Group other than as a Director of the Board of the Responsible Entity; and
- (g) has any interest or business or other relationship which could materially interfere with the Director's ability to act in the best interests of the Group (including the Trust) and independently of management.

Each Non-Executive Director has signed a letter of appointment which, amongst other things, places an onus on each independent Director to promptly and fully disclose to the Board any matter or circumstance which may impact on their status as an independent Director, or the likely perception of their status, as an independent member of the Board. Where the Board concludes that a Director has lost their status as an independent Director, that determination will be advised to the market.

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

1.6 Chairperson and Independence

The Responsible Entity notes the ASX Corporate Governance Council's recommendation that listed companies should have an independent director as chairman, and that the roles of chairman and Chief Executive Officer should not be held by the same person.

As noted in the 2012 Annual Report, Mr Frank Lowy assumed the role of non-executive Chairman in May 2011, with Mr Peter Lowy and Mr Steven Lowy appointed as Co-Chief Executive Officers. For the reasons set out below, the Board considers that Mr Frank Lowy is the most appropriate person to act as Chairman of the Westfield Group Boards, notwithstanding that he is not an independent Director.

Mr Lowy is the co-founder of the Westfield Group and has overseen the success of the Group since 1960. With over 50 years direct experience in the design, construction and management of shopping centres and associated fund and asset management, Mr Lowy's extensive knowledge, experience and reputation is unrivalled in the industry.

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 a leader in its industry. Mr Lowy's knowledge of Westfield, its corporate history, its growth and of the broader industry in which the Group operates, both locally and globally, is widely acknowledged.

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 the Responsible Entity.

Corporate Governance Statement (continued)

In arriving at this view, the Board made the following observations:

- the appointment of Mr Brian Schwartz as Deputy Chairman and lead independent Director. Where necessary, Mr Schwartz will act as an intermediary for independent Directors and confer with the Chairman and with independent Directors on Board matters;
- there is a majority of independent Directors serving on the Board (8 out of the 12 Directors on the Board); and
- the delegation of certain responsibilities to Board committees (of which the Chairman is not a member), the Chairman being a member of the Nomination Committee only.

The lead independent Director may, in discharging his role, convene a meeting of the independent Non—Executive Directors for the purpose of discussing any issue of interest to the independent Non—Executive Directors. If required, the Company Secretary will provide such assistance as may be required in order to convene that meeting and attend and take minutes of proceedings.

1.7 The Company Secretary

The Company Secretary is appointed and removed by the Board. The Company Secretary works with the Chairman, the Board and the Board Committees on all governance related issues. All Directors have access to the Company Secretary for the purpose of obtaining information or advice. The Company Secretary may also retain the services of independent advisory bodies if requested by the Board or Board Committees. The office of the Company Secretary is responsible for the systems and processes that enable the Board to perform its role and provides secretariat services for each of the Board Committees. The 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.

1.8 Board Self—Assessment and Performance

The Board undertakes ongoing self-assessment and external review of its performance and of the performance of the Board Committees. Board surveys are conducted on a regular basis in order to establish the views of all Directors on these issues as well as views on the composition of the Board and the range of skills of Board members.

A survey was conducted by Mr Brian Schwartz, Deputy Chairman and Lead Independent Director, during the Financial Year. Following the survey the Board remains satisfied that the composition of the Board continues to reflect the required mix of skills, experience and perspectives.

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

The Group has an established process of objective setting and performance review of all staff, which is conducted on an annual basis. Senior executives, who have a discretionary element to their total remuneration package, have defined objectives which are agreed at the commencement of each financial year. Their 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 Executive Directors) an assessment of their performance is undertaken by the Group's Remuneration Committee and the Board. Details of the Group's remuneration policies and practices are set out in the Remuneration Report which appears in the Group's 2012 Annual Report.

During the Financial Year, each member of the senior executive team, including the Executive Directors, was subject to a performance review as described above. Details of the performance criteria against which the Executive Directors were assessed are set out in section 8.4 of the Remuneration Report in the Westfield Group 2012 Annual Report.

2. BOARD COMMITTEES

The Board has delegated certain responsibilities to standing committees which operate in accordance with charters approved by the Board. Currently, there are 3 standing Board Committees, namely the Audit and Risk Committee, the Remuneration Committee and the Nomination Committee.

The composition of the Board Committees of each of WHL, the Responsible Entity and Westfield America Management is identical so that each Committee has the same membership and, for all purposes, act as one "Westfield Group" Committee.

Each Committee is authorised to investigate any activity or function of the Group (including the Trust) in accordance with its charter. The Committee is 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 Group 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 is 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. The minutes of each Board Committee meeting are provided to the Board.

Corporate Governance Statement (continued)

2.1 Audit and Risk Committee

As set out earlier in this statement, following changes to the Board of the Responsible Entity in late May 2013, the Audit and Compliance Committee and Board Risk Management Committee merged to form the Audit and Risk Committee. Details of all three Committees which operated during the Financial Year are set out below.

Composition

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 is assisted in its role and responsibilities by the Executive Risk Management 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.

During the Financial Year, the Audit and Risk Committee comprised the following members:

Name	Position Held	Status
Brian Schwartz	Chairman	Independent Director
Mark G. Johnson	Member	Independent Director
Judith Sloan	Member	Independent Director

All members of the Committee are independent Directors as determined by the Board. All members of the Committee are financially literate with significant relevant financial and/or accounting experience and significant understanding of the Group's business, including the Trust. Members of the Committee also have a sound understanding of the Group's (and Trust's) structure, controls and typical transactions which enables them to assess the risks faced by the Group and Trust.

Since its formation in May 2013, the Committee has met twice. The full Committee was in attendance at that meeting.

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 integrity and reliability of financial reports and statements of listed entities of the Group, including the Trust;
 - the effectiveness of the systems of internal controls, risk management and legal compliance;
 - the objectivity and effectiveness of the internal audit function;
 - the independence, objectivity and effectiveness of the external audit function,

(b) overseeing the processes for:

- identifying significant risks faced by the Group, including the Trust;
- the Group's and the Trust's compliance with applicable laws and regulations; and
- implementing appropriate and adequate control, monitoring and reporting systems,

(c) making recommendations to the Board in relation to the appointment of the external auditors and approving the remuneration and terms of their engagement.

Compliance officers have been appointed for the Australian, United States, United Kingdom and New Zealand operations of the Group, including the Trust. Those officers are responsible for reviewing and monitoring the efficacy of compliance systems within the Group on an ongoing basis to ensure appropriate measures are in place to educate staff as to their compliance responsibilities and to report to the Audit and 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 audit. Both the 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 provided to the Board.

At least annually, the Audit and Risk Committee will meet with the internal auditor and external auditors without management being present.

Audit and Compliance Committee

During the Financial Year, the Audit and Compliance Committee comprised the following members:

Name	Position Held	Status
Fred Hilmer*	Chairman	Independent Director
Stephen Johns*	Member	Non-Executive Director
Brian Schwartz	Member	Independent Director

* Retired from the Board of the Responsible Entity, effective 29 May 2013.

The membership of the Committee comprised Non-Executive Directors, a majority of whom were independent Directors (as determined by the Board). All members of the Committee were financially literate with significant relevant financial and/or accounting experience and understanding of the Group's business.

The Committee met twice during the Financial Year. The full Committee was in attendance at all meetings.

Non-Audit Services Protocol

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

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

Corporate Governance Statement (continued)

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. It forms an integral part of the process of providing members with clear, comprehensive and reliable financial information. The 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 some key requirements in the relationship between the external auditor and the Group, and defines the scope and value of the non-audit services which may be provided by the external auditor to the Westfield Group, without impacting the actual or perceived independence of the external auditor. The Protocol also 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 reviewed in the context of ongoing changes in the legal, accounting and governance requirements applicable to the Group so that it remains relevant and consistent with the high standards of independence as well as market and member expectations.

2.2 Board Risk Management Committee

As outlined earlier in this statement, following changes to the Board of the Responsible Entity in late May 2013, the Audit and Compliance Committee and the Board Risk Management Committee were merged to form the Audit and Risk Committee. Accordingly, the role and responsibilities of the Board Risk Management Committee have been assumed by the Audit and Risk Committee.

During the Financial Year, the composition of the Board Risk Management Committee was as follows:

Name	Position Held	Status
Stephen Johns*	Chairman	Non-Executive Director
Ilana Atlas	Member	Independent Director
Judith Sloan	Member	Independent Director

* Retired from the Board of the Responsible Entity, effective 29 May 2013.

The Committee met 4 times during the Financial Year. The full Committee attended all meetings held during the year.

Executive Risk Management Committee

In addition to the Audit and Risk Committee, the Board has delegated specific risk related responsibilities to the Executive Risk Management Committee which comprises the Group Chief Financial Officer, the Chief Risk Officer, the Group General Counsel, the Managing Directors, the Chief Operating Officer, United States and the Deputy Group Chief Financial Officer.

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 business processes of 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 the various jurisdictions; 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 Co-Chief Executive Officers and the Chief Financial Officer are able to give the certifications required to be given in order to comply with the Corporations Act, applicable accounting standards and the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

The Executive Risk Management Committee reports to the Audit and Risk Management Committee on the effectiveness of the Group's management of its material risks.

As part of Principle 7, the Co-Chief Executive Officers and the Group Chief Financial Officer are required to confirm in writing to the Board, at the time the financial statements of the Trust are being considered for approval by the Board, that in all material respects:

- (a) the financial statements present a true and fair view; and
- (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, in so far as they relate to the Trust, 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 Remuneration Committee

Neither the Trust nor the Responsible Entity has any employees. The operations of the Trust are performed by Westfield Group executives and staff. Information regarding the remuneration policies of key management personnel can be found in Note 25 of the financial statements in this Annual Report. Reference should also be made to the Group's Remuneration Report in the 2012 Annual Report for details of remuneration policies of the Group. This report is available at www.westfield.com/corporate.

As a consequence, as noted below, any recommendations on remuneration issues affecting the Trust or the Responsible Entity are made by the Remuneration Committee of WHL.

As the Boards of the Responsible Entity and WHL are identical, no additional fees are 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, Director's fees are paid by WHL and the Remuneration Committee of that Board takes into account the levels of effort required by the Directors in fulfilling their duties on the

Corporate Governance Statement (continued)

Board of the Responsible Entity when the level of those fees are being reviewed and set. As the Responsible Entity is also the responsible entity of Westfield Trust, this is also taken into account in determining any fees to be paid to Non-Executive Directors of the Board.

Non-Executive Directors receive their fees in cash. The Non-Executive Directors do not participate in equity-based incentive schemes designed for the remuneration of executives, nor do 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 Group's 2012 Annual Report for full disclosure of the fees paid to the Directors of the Responsible Entity by WHL. This report is available on www.westfield.com/corporate.

2.4 Nomination Committee

As the Responsible Entity is a wholly owned subsidiary of WHL, recommendations relating to the composition of the Board of the Responsible Entity are made by the Nomination Committee of WHL. 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 calibre Directors who are able to meet the needs of the Group presently and in the future, and the ongoing evaluation and review of the performance of the Board and the Directors.

During the Financial Year, the Nomination Committee comprised the following members:

Name	Position Held	Status
Frank Lowy*	Chairman	Non-Executive Director
Mark R. Johnson**	Member	Independent Director
Brian Schwartz	Member	Independent Director
Judith Sloan***	Member	Independent Director

* The Board recognises the ASX's recommendation that the Nomination Committee should be chaired by an independent director and notes that while Mr Lowy is a non-executive Director, he is not independent.

** Mr Mark R. Johnson was appointed to the Committee, effective 29 May 2013.

*** Professor Judith Sloan retired from the Committee, effective 29 May 2013.

The Committee met 3 times during the Financial Year. The full Committee was in attendance at all meetings.

Broadly, the responsibilities of the Nomination Committee include:

- having regard to the strategic direction of the Trust, 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.

Specifically, the Nomination Committee monitors and reviews and, where appropriate, makes recommendations to the Board on:

- the Group's Diversity Policy;
- the measurable objective adopted by the Group and the initiatives to support those objectives;
- the progress made towards achieving the measurable objectives; and
- the representation of women and men at all levels and divisions within the Group.

Diversity within the Group is discussed later in this Statement.

No member of the Committee participates in a review of their own performance or remuneration for re-election.

The Nomination Committee Charter, as approved by the Board, including the Responsible Entity appears in the corporate governance section of the Trust's website www.carindalepropertytrust.com.au.

Recommendations made by the Nomination Committee will be considered by the Board of WHL (the parent company of the Responsible Entity) which will make a recommendation to the Board of the Responsible Entity on the appointment of a director to fill a casual vacancy.

Recommendations made by the Nomination Committee are considered by the Board of WHL, 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 members of the Company at a general meeting.

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.

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, the Company Secretary provides access to information in areas such as operations, finance, treasury and risk management to assist the new Board member as required. 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 terms and conditions on which each Director is appointed. This letter provides that if a Director ceases to be a Director of the Company for any reason, they must also resign as a Director of Westfield Management and Westfield America Management. The letter of appointment conforms to the recommendations of the ASX Corporate Governance Council.

Corporate Governance Statement (continued)

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.

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, management conducts regular briefing sessions to the Board and Board Committees on operational, financial, treasury, legal and tax issues.

3. CORPORATE RESPONSIBILITY

3.1 Westfield Values

The conduct of all Westfield Group employees is governed by a set of fundamental principles to which employees are expected to adhere to when dealing with other staff members, customers and retailers, members and the community. A copy of the code appears in the corporate governance section of the Trust's website. Neither the Trust nor the Responsible Entity has any employees. The operations of the Trust are performed by Westfield Group executives and employees.

These values require Westfield staff, at all times, to:

- welcome a diversity of people;
- create a healthy and safe work environment;
- create an environment that motivates and allows staff to contribute and develop;
- display honest, just and fair management in all dealings with staff;
- meet the commitments of the Trust;
- examine ways to continually improve processes in a manner which adds value;
- provide members with superior returns on a sustainable basis;
- constantly seek new opportunities and pursue sound growth and earning opportunities;
- conduct our activities in a safe and environmentally responsible manner;
- contribute expertise and resources to promote positive interaction between all members of the community; and
- act at all times as a leading corporate citizen in adhering to applicable laws and meeting the community's expectations regarding corporate behaviour.

3.2 Employee Handbook

Westfield's core principles are supplemented by the Employee Handbook which is provided to all employees at the time of joining the Group and which 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 Trust outside their normal employment relationship;
- the duty of employees to maintain confidentiality with respect to the Trust's information and information provided by our retailers and customers;
- the duty of employees to avoid discrimination against any person; and
- the 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

The Westfield Group has developed compliance manuals to provide guidance to employees of the Group, including those who provide services to the Trust, 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 to help employees understand the legal requirements with which the Trust must comply.

By way of example, the Australian compliance manual deals with issues such as:

- work health and safety;
- trade practices;
- employment;
- retail tenancy legislation;
- environmental compliance;
- Corporations Act and ASX Listing Rules requirements; and
- complaints handling procedures.

The Employee Handbook, which is provided to, and acknowledged by, all employees who join Westfield, and the compliance manuals are each reviewed on a regular basis to ensure they remain current and relevant. In addition, compliance seminars to update staff on changes to legal requirements and procedures are conducted on a regular basis and all staff in the relevant divisions are required to attend.

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

Corporate Governance Statement (continued)

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

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

3.4 Whistleblower Policy

The whistleblower policy has been adopted to ensure that concerns regarding unethical, unlawful or improper conduct may be raised without fear of reprisal.

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

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

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

Every 6 months a report is provided to the Westfield Audit and Risk Committee summarising the whistleblower activities for the period.

3.5 Diversity Policy

As noted in the Westfield Group 2012 Annual Report, the ASX Corporate Governance Principles and Recommendations require listed entities to formally comment on diversity measures.

Neither the Trust nor the Responsible Entity has any employees. The operations of the Trust are undertaken by Westfield Group executives and employees. The Westfield Group Diversity Policy can be found at www.westfield.com/corporate. The Group's diversity measures are outlined in the Group's corporate governance statement in its 2012 Annual Report which can be accessed at www.westfield.com/corporate.

4. DISCLOSURE AND COMMUNICATION

4.1 Continuous Disclosure and Communications Policy

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

The Group's Continuous Disclosure and Communications Policy underlines our commitment to ensuring that the Trust's members and the market are provided with high quality, relevant and accurate information regarding its activities in a timely manner and that investors are able to trade in units in the Trust in a market which is efficient, competitive and informed as well as ensuring that market participants have an equal opportunity to review and assess information disclosed by the Group. The Group is also committed to complying with continuous disclosure obligations contained in the applicable ASX Listing Rules and the Corporations Act.

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

4.2 Communications with Members

The Trust utilises a broad range of communication approaches including direct communications with members, publication of all relevant company information in the Investor Services section of the westfield.com/corporate website, access to market briefings via webcasting and teleconferencing facilities.

The Trust website forms a key part of the Group's communication to members and the broader investment community. A section of this website is dedicated to members. Media releases, investor presentations and interim and full year financial reports are available for review on the website. These announcements, presentations and reports are posted on the Group's corporate website immediately after they have been released to the market. Current and past Trust financial reports are also retained on the website.

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

On an ongoing basis, the Trust works closely with its share registry to monitor and review the opportunities available to the Trust to increase the use of electronic means of communicating with its investors.

Investor Relations

Carindale Property Trust Distribution Details

The final distribution of 14.80 cents per unit is payable to members on 30 August 2013. An interim distribution of 13.90 cents per unit was paid on 28 February 2013. The full year distribution of 28.70 cents is approximately 60% 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).

Carindale Property Trust – Calendar 2013/2014

Date	Event
23 December 2013	Units trade ex—distribution
31 December 2013	Record date for Carindale Property Trust, 6 months to 31 December 2013
February 2014	Half—year results released, 6 months to 31 December 2013
28 February 2014	Payment date for Carindale Property Trust distribution, 6 months to 31 December 2013
24 June 2014	Units trade ex—distribution
30 June 2014	Record date for Carindale Property Trust, 6 months to 30 June 2014
August 2014	Full year results released
29 August 2014	Payment date for Carindale Property Trust distribution, 6 months to 30 June 2014. Annual Tax Statement issued.
September 2014	Annual Report released

Tax File Number (TFN)

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

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

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

Annual Tax Statement 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: westfield@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@au.westfield.com
Website: www.carindalepropertytrust.com.au

Listing

ASX Code: CDP

Members' Information

For the year ended 30 June 2013

Twenty largest ordinary members as at 16 August 2013

	No. of ordinary units	% of issued ordinary units
Westfield Management Limited	35,000,000	50.00
National Nominees Limited	6,541,216	9.34
RBC Investor Services Australia Nominees Pty Limited <APN A/C>	3,201,018	4.57
J P Morgan Nominees Australia Limited	2,478,491	3.54
HSBC Custody Nominees (Australia) Limited	2,034,040	2.91
AMP Life Limited	1,997,074	2.85
Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	1,491,029	2.13
BNP Paribas Noms Pty Ltd <DRP>	1,423,299	2.03
Citicorp Nominees Pty Limited	942,161	1.35
Sonice Pty Limited <The Springfield A/C>	358,726	0.51
Mr Gordon Joseph Payne	259,000	0.37
Mirrabooka Investments Limited	255,000	0.36
Maleela Holdings Proprietary Limited	233,000	0.33
RBC Investor Services Australia Nominees Pty Limited <Piselect>	198,073	0.28
Mr Ian Somers + Mrs Jan Somers <Somerset Fin Servs S/F A/C>	191,705	0.27
Invia Custodian Pty Limited <Torryburn Sf-Fixed In A/C>	180,276	0.26
Worldwide Finances Holding Pty Limited	173,040	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
Barland Investments Pty Ltd	150,000	0.21
	57,433,253	82.02

Spread of Ordinary Members as at 16 August 2013

Holding	No. of Members	No. of units
1 – 1,000	287	156,753
1,001 – 5,000	877	2,530,012
5,001 – 10,000	340	2,784,725
10,001 – 100,000	285	6,479,524
100,001 and over	25	58,048,986
Total	1,814	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 16 August 2013, there were 33 members with less than a marketable parcel of quoted securities.

Substantial Holders

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

Name of Substantial Holder	No. of units
Westfield Group	35,000,000
Commonwealth Bank of Australia	3,990,695
The Myer Family Company Holdings Pty Ltd	3,500,568

Corporate Directory

Carindale Property Trust

ABN 29 192 934 520
ARSN 093 261 744

Responsible Entity

Westfield Management Limited
ABN 41 001 670 579
AFS Licence 230329

Registered Office

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

Secretaries

Simon J Tuxen
Maureen T McGrath

Auditors

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

Investor Information

Carindale Property Trust
Level 30
85 Castlereagh Street
Sydney NSW 2000
Telephone: +61 2 9358 7877
Free Call: 1800 222 242 (Australia only)
Facsimile: + 61 2 9358 7881
E-mail: investor@au.westfield.com
Website: www.carindalepropertytrust.com.au 

Unit Registry

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

Listings

ASX Code: CDP



As part of the Trust's focus on environmental factors affecting its business, this Annual Report is printed on papers produced by UPM Kymmene, the No1 forest products company on the Dow Jones sustainability index 2007. The paper has been manufactured using 'Certified Fibre' from sustainable, well managed forests and processed Chlorine free (ECF). Novatech is produced by UPM Kymmene Nordland Papier, which is registered under the EU Eco-management & Audit Scheme EMAS (Reg No D-162-00007)

www.carindalepropertytrust.com.au 

Westfield

GAFFINDALE PROPERTY MANUAL REPORT 2013