

WESTFIELD GROUP SECURITYHOLDERS

HOW TO DETERMINE YOUR COST BASE IN SCENTRE GROUP STAPLED SECURITIES AND WESTFIELD CORPORATION STAPLED SECURITIES



THIS FACT SHEET HAS BEEN PREPARED AS GENERAL GUIDANCE TO ASSIST FORMER WESTFIELD GROUP (**WDC**) SECURITYHOLDERS DETERMINE THEIR CAPITAL GAINS TAX (**CGT**) COST BASE IN SCENTRE GROUP STAPLED SECURITIES (**SCG SECURITIES**) AND WESTFIELD CORPORATION STAPLED SECURITIES (**WFD SECURITIES**) FOLLOWING THE RESTRUCTURE OF WESTFIELD GROUP AND THE MERGER OF WESTFIELD GROUP'S AUSTRALIAN AND NEW ZEALAND BUSINESS WITH WESTFIELD RETAIL TRUST TO FORM WESTFIELD CORPORATION AND SCENTRE GROUP (**RESTRUCTURE AND MERGER**). THE RESTRUCTURE AND MERGER WAS IMPLEMENTED ON 30 JUNE 2014.

The information provided in this fact sheet is not financial product advice or taxation advice. It is general information only and has been prepared without taking into account your financial circumstances, investment objectives or particular needs. To obtain advice, you should consult your taxation or other financial adviser.

This fact sheet does not apply for WDC securityholders who:

- Acquired, or are taken to have acquired, their WHL Shares or WT Units prior to 20 September 1985 (pre-CGT assets); and/or
- Do not choose demerger roll-over relief.

If these circumstances apply to you, you should consult your taxation or other financial adviser.

Each former WDC securityholder who participated in the Restructure and Merger received 1,246 SCG Securities and 1,000 WFD Securities for each 1,000 WDC stapled securities they previously held.

A SCG Security comprises four separate assets for CGT purposes – one unit in Scentre Group Trust 1 (formerly Westfield Trust) (**WT**), one unit in Scentre Group Trust 2 (formerly Westfield Retail Trust 1) (**WRT1**), one unit in Scentre Group Trust 3 (formerly Westfield Retail Trust 2) (**WRT2**), and one share in Scentre Group Limited (formerly Westfield Holdings Limited) (**WHL**). For ease of reference in this fact sheet the former names of the entities have been used.

For CGT purposes each of the four separate assets has its own cost base.

A WFD Security comprises three separate assets for CGT purposes – one unit in Westfield America Trust (**WAT**), one unit in WFD Trust (**WFDT**) and one share in Westfield Corporation Limited (**WCL**).

For CGT purposes each of the three separate assets has its own cost base.

WHERE TO FIND FURTHER INFORMATION

Details of the Australian tax implications for WDC securityholders who participated in the Restructure and Merger are available from the following sources:

1. The Australian Taxation Office (**ATO**) will issue a Class Ruling in respect of the Restructure and Merger. The Class Ruling will be available on the ATO website www.ato.gov.au, the Scentre Group website www.scentregroup.com and the Westfield Corporation website www.westfieldcorp.com once issued.
2. Section 12 – “Australian Taxation Letter” of the Securityholder Booklet dated 14 April 2014 in relation to the Restructure and Merger.

SUMMARY OF THE RESTRUCTURE AND MERGER STEPS

A summary of the Restructure and Merger steps and their Australian tax impact is set out below:

Step	Australian tax outcomes
WHL distributed the shares in WCL to WDC Securityholders on the basis of one WCL Share for each Original WHL Share held (WCL Demerger).	<p>The WCL Demerger qualifies for demerger roll-over relief under Division 125 of the Tax Act.</p> <p>Your cost base in Original WHL Shares immediately before the WCL Demerger is split between Original WHL Shares and WCL shares with:</p> <ul style="list-style-type: none"> – The cost base of an Original WHL Share after the WCL Demerger being 26.3% of the cost base of that Original WHL Share before the WCL Demerger; and – The cost base of a WCL Share being 73.7% of the cost base of the corresponding Original WHL Share before the WCL Demerger.
WT distributed the units in WFDT to WDC Securityholders on the basis of one WFDT unit for each Original WT unit held (WFDT Distribution).	This step does not have any practical tax consequences.
The WCL Shares and WFDT Units were stapled to the Original WHL Shares, Original WT Units and WAT Units.	This step does not have any tax consequences.
WT transferred assets to WFDT (WFDT Asset Transfer).	<p>The WFDT Asset Transfer qualifies for roll-over relief under Subdivision 126-G of the Tax Act.</p> <p>Your cost base in Original WT Units immediately before the WFDT Asset Transfer is split between Original WT Units and WFDT Units with:</p> <ul style="list-style-type: none"> – The cost base of an Original WT Unit after the WFDT Asset Transfer being 46.7% of the cost base of that Original WT Unit immediately before the WFDT Asset Transfer; and – The cost base of a WFDT Unit being 53.3% of the cost base of the corresponding Original WT Unit immediately before the WFDT Asset Transfer.
<p>The WHL Shares and WT Units were destapled from the WCL Shares, WFDT Units and WAT Units.</p> <p>This resulted in the formation of Westfield Corporation.</p>	This step does not have any tax consequences.
Each Original WHL Share was converted into 1.246 Converted WHL Shares in line with the Merger Ratio (Capital Conversion).	This is not a taxable event, but you are required to spread the cost base you have in your Original WHL Shares (after the adjustment for the WCL Demerger as outlined above) across the larger number of Converted WHL Shares that you hold after the Capital Conversion.
Each Original WT Unit was converted into 1.246 Converted WT Units in line with the Merger Ratio (also Capital Conversion).	This is not a taxable event, but you are required to spread the cost base you have in your Original WT Units (after the adjustment for the WFDT Asset Transfer as outlined above) across the larger number of Converted WT Units that you hold after the Capital Conversion.
<p>WT made a capital distribution of \$0.0011 per Converted WT Unit which was applied to acquire:</p> <ul style="list-style-type: none"> – one WRT1 Unit for \$0.001; and, – one WRT2 Unit for \$0.0001, <p>for each Converted WT Unit held</p> <p>(WT Stapling Distribution).</p>	<p>The WT Stapling Distribution reduces your cost base per Converted WT Unit (as determined after the Capital Conversion).</p> <p>If the cost base in your Converted WT Units is nil or is less than the WT Stapling Distribution, you will make a capital gain that may be eligible for the CGT discount.</p> <p>The cost base of each WRT1 Unit is \$0.001.</p> <p>The cost base of each WRT2 Unit is \$0.0001.</p>
Converted WT Units and Converted WHL Shares were stapled to the WRT1 Units and WRT2 Units to form the Scentre Group.	This step does not have any tax consequences.

THE CGT COST BASE POSITION

The method to determine the cost base for each of the components of the SCG Securities and WFD Securities that you hold as a consequence of implementation of the Restructure and Merger is set out below:

Scentre Group Securities	
WHL Shares	<p>The cost base of a Converted WHL Share is determined as follows (note, the cost base may be nil):</p> <ul style="list-style-type: none"> – Determine the cost base of each Original WHL Share immediately before the Restructure and Merger. – The cost base of each Original WHL Share immediately after the WCL Demerger is 26.3% of the cost base of the Original WHL Share immediately before the WCL Demerger. – The Cost of the Original WHL Share after the adjustment for the WCL Demerger (as outlined above) is spread over the Converted WHL Shares to determine the cost base of the Converted WHL Shares that the Original WHL Shares were converted into pursuant to the Capital Conversion. <p>The date of acquisition of the Converted WHL Shares is the same as the date of acquisition of the corresponding Original WHL Shares.</p>
WT Units	<p>The cost base for a Converted WT Unit is determined as follows (note, the cost base may be nil):</p> <ul style="list-style-type: none"> – Determine the cost base of each Original WT Unit taking into account tax deferred distributions received before the time of the Restructure and Merger. – The cost base of each Original WT Unit immediately after the WFDT Asset Transfer is 46.7% of the cost base of the Original WT Unit immediately before the WFDT Asset Transfer. <p>If the cost base of an Original WT Unit is nil then the cost base of the Converted WT Unit will be nil.</p> <ul style="list-style-type: none"> – The cost base of the Original WT Units after the adjustment for the WFDT Asset Transfer (as outlined above) is spread over the Converted WT Units to determine the cost base of the Converted WT Units that the Original WT Units were converted into pursuant to the Capital Conversion. – The cost base of the Converted WT Units is reduced by \$0.0011 per Converted WT Unit in respect of the WT Stapling Distribution. <p>The date of acquisition of the Converted WT units is the same as the date of acquisition of the corresponding Original WT units.</p>
WRT1 Units	<p>The cost base of each WRT1 Unit is \$0.001.</p> <p>The date of acquisition of the WRT1 Units is 30 June 2014.</p>
WRT2 Units	<p>The cost base of each WRT2 Unit is \$0.0001.</p> <p>The date of acquisition of the WRT2 Units is 30 June 2014.</p>
Westfield Corporation Securities	
WAT Units	<p>There is no change to the cost base of WAT Units as part of the Restructure and Merger.</p> <p>There is no change to the date of acquisition of WAT Units.</p>
WCL Shares	<p>The cost base of a WCL Share immediately after the WCL Demerger is 73.7% of the cost base of the corresponding Original WHL Share immediately before the WCL Demerger.</p> <p>The date of acquisition of a WCL Share is the same as the date of acquisition of the corresponding Original WHL Share.</p>
WFDT Units	<p>The cost base of a WFDT Unit immediately after the WFDT Asset Transfer is 53.3% of the cost base of the corresponding Original WT Unit immediately before the WFDT Asset Transfer.</p> <p>The date of acquisition of a WFDT Unit is the same as the date of acquisition of the corresponding Original WT Unit.</p>

GLOSSARY

ATO – Australian Taxation Office

Capital Conversion – the conversion of each Original WT Unit and each Original WHL Share into 1.246 Converted WT Units and 1.246 Converted WHL Shares

CGT – capital gains tax

Converted WHL Share – a share held in WHL after the Capital Conversion

Converted WT Unit – a unit held in WT after the Capital Conversion

Original WHL Share – a share held in WHL before the Restructure and Merger

Original WT Unit – a unit held in WT before the Restructure and Merger

Restructure and Merger – the restructure of Westfield Group and the merger of Westfield Group's Australian and New Zealand business with WRT to form Westfield Corporation and Scentre Group

SCG – Scentre Group

SCG Securities – Scentre Group stapled securities

Tax Act – Income Tax Assessment Act 1997

WAT – Westfield America Trust

WCL – Westfield Corporation Limited

WCL Demerger – the distribution of the shares in WCL to WDC Securityholders on the basis of one share in WCL for each Original WHL Share held

WDC – Westfield Group

WFD – Westfield Corporation

WFD Securities – Westfield Corporation stapled securities

WFDT – WFD Trust

WFDT Asset Transfer – the transfer of assets from WT to WFDT following the WFDT Distribution and the stapling of WFDT and WCL to WHL, WT and WAT

WFDT Distribution – the distribution of the units in WFDT to WDC Securityholders on the basis of one unit in WFDT for each Original WT Unit held

WHL – Westfield Holdings Limited (now Scentre Group Limited)

WHL Share – a share in Westfield Holdings Limited

WRT – Westfield Retail Trust

WRT1 – Westfield Retail Trust 1 (now Scentre Group Trust 2)

WRT1 Unit – a unit in Westfield Retail Trust 1

WRT2 – Westfield Retail Trust 2 (now Scentre Group Trust 3)

WRT2 Unit – a unit in Westfield Retail Trust 2

WT – Westfield Trust (now Scentre Group Trust 1)

WT Stapling Distribution – Distribution of \$0.0011 per Converted WT Unit that was applied to acquire one WRT1 Unit and one WRT2 Unit per Converted WT Unit

WT Unit – a unit in Westfield Trust

WESTFIELD GROUP – INFORMATION FOR THE PURPOSES OF SECTION 126-260 OF THE INCOME TAX ASSESSMENT ACT 1997

Pursuant to section 126-260, the responsible entity of WT is required to provide the information below to Westfield Group securityholders who participated in the Restructure and Merger.

- (a) The transfer time was 30 June 2014.
- (b) WDC securityholders received one unit in WFDT Trust for each unit they held in SGT1.
- (c) A reasonable approximation of the market value of a WT Unit just before the transfer time is \$5.40.
- (d) A reasonable approximation of the market value of a WFDT Unit just after the transfer time is \$2.88.
- (e) A reasonable approximation of the market value of a WT Unit just after the transfer time is \$2.52.

EXAMPLE

- Assume you acquired 1,000 WDC stapled securities for \$10.00 each (including any incidental costs) on 1 March 2014.
- Based on the relative net tangible assets as at 31 December 2013, the cost base of each component of each WDC stapled security is set out below:
 - WHL share \$ 1.07 (10.7%)
 - WT unit \$7.19 (71.88%)
 - WAT unit \$1.74 (17.42%)
- As part of the WCL Demerger you received 1,000 WCL Shares.
- As part of the WFDT Distribution you received 1,000 WFDT Units.
- Your 1,000 Original WHL Shares were converted into 1,246 Converted WHL Shares.
- Your 1,000 Original WT Units were converted into 1,246 Converted WT Units.
- You were entitled to the WT Stapling Distribution of \$1.37 (1,246 x \$0.0011) and accordingly you received 1,246 WRT1 Units and 1,246 WRT2 Units on 30 June 2014.

COST BASE IN SCG STAPLED SECURITIES

The cost base of your **Converted WHL Shares** is:

	In total	Per share
Cost base – Original WHL Shares	\$1,070.00	\$1.07 (\$1,070.00 / 1,000 shares)
Cost base split as part of WCL Demerger – 26.3%	\$281.41	\$0.281 (\$281.41 / 1,000 shares)
Cost base – Converted WHL Shares	\$281.41	\$0.226 (\$281.41 / 1,246 shares)

CGT date of acquisition of Converted WHL Shares is 1 March 2014.

The cost base of your **Converted WT Units** is:

	In total	Per unit
Cost base – Original WT Units	\$7,188.00	\$7.188 (\$7,188.00 / 1,000 units)
Cost base split as part of WFDT Asset Transfer – 46.7%	\$3,356.80	\$3.357 (\$3,356.80 / 1,000 units)
Cost base – Converted WT Units	\$3,356.80	\$2.694 (\$3,356.80 / 1,246 units)
Less: WT Stapling distribution	(\$1.37)	(\$0.0011)
Cost base – Converted WT Units	\$3,355.43	\$2.693 (\$3,355.43 / 1,246 units)

CGT date of acquisition of Converted WT Units is 1 March 2014.

The cost base of your **WRT1 Units** is:

	In total	Per unit
Cost base – WRT1 Units	\$1.25	\$0.001
		(\$0.001 x 1,246 units)

CGT date of acquisition of WRT1 Units is 30 June 2014.

The cost base of your **WRT2 Units** is:

	In total	Per unit
Cost base – WRT2 Units	\$0.13	\$0.0001
		(\$0.0001 x 1,246 units)

CGT date of acquisition of WRT2 Units is 30 June 2014.

The total cost base of your SCG Securities is:

	In total	Per security
Cost base – SCG Securities	\$3,638.21	\$2.920
		(3,638.21 / 1,246 securities)

COST BASE IN WFD STAPLED SECURITIES

The cost base of your **WAT Units** is (no change in cost base):

	In total	Per unit
Cost base – WAT Units	\$1,742.00	\$1.742
		(\$1,742.00 / 1,000 units)

CGT date of acquisition of WAT Units is 1 March 2014.

The cost base of your **WCL Shares** is:

	In total	Per share
Cost base – Original WHL Shares	\$1,070.00	\$1.07
		(\$1,070.00 / 1,000 shares)
Cost base split as part of WCL Demerger – 73.7%	\$788.59	\$0.789
		(\$788.59 / 1,000 shares)

CGT date of acquisition of WCL Shares is 1 March 2014.

The cost base of your **WFDT Units** is:

	In total	Per unit
Cost base – Original WT Units	\$7,188.00	\$7.188
		(\$7,188.00 / 1,000 units)
Cost base split as part of WFDT Asset Transfer – 53.3%	\$3,831.20	\$3.831
		(\$3,831.20 / 1,000 units)

CGT date of acquisition of WFDT Units is 1 March 2014.

The total cost base of your WFD Securities is:

	In total	Per security
Cost base – WFD Securities	\$6,361.79	\$6.362
		(\$6,361.79 / 1,000 securities)

WESTFIELD GROUP 2014 TAX GUIDE AND TAX STATEMENT

Details of the amount of your WT Stapling Distribution were included in the Westfield Group 2014 Tax Summary and Tax Statement that was sent to you at the end of July 2014.

ENQUIRIES

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