

Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-2224

► See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
SCENTRE GROUP TRUST 2 (FORMERLY WESTFIELD RETAIL TRUST 1)		98-1014477	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
SCENTRE GROUP INVESTOR RELATIONS	+61 2 9358 7877	INVESTOR@SCENTREGROUP.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and Zip code of contact	
85 CASTLEREAGH STREET		SYDNEY, NSW, 2000. AUSTRALIA	
8 Date of action		9 Classification and description	
JUNE 30, 2014		FULLY PAID ORDINARY UNITS	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
		SCG	

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► See attachment

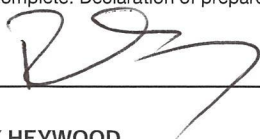
15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► See attachment

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► See attachment

Part II Organizational Action (continued)**17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► See attachment**18** Can any resulting loss be recognized? ► See attachment**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ► See attachment**Sign
Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ►



Date ►

August, 13 2014Print your name ► **DUDLEY HEYWOOD**Title ► **PUBLIC OFFICER****Paid
Preparer
Use Only**

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if
self-employed

PTIN

Firm's name ►

Firm's EIN ►

Firm's address ►

Phone no.

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

SCENTRE GROUP

SCENTRE GROUP TRUST 2 (FORMERLY WESTFIELD RETAIL TRUST 1)

EIN: 98-1014477

ATTACHMENT TO FORM 8937, REPORT OF ORGANIZATIONAL ACTIONS AFFECTING BASIS IN SECURITIES

August 13, 2014

Part I, Question 9

See description in Part II, Question 14, below.

Part II, Question 14

Scentre Group Limited (formerly Westfield Holdings Limited) ("WHL") is a publicly traded Australian company classified as a corporation for U.S. federal income tax purposes. Westfield America Trust ("WAT") is a publicly traded Australian unit trust classified as a corporation for U.S. federal income tax purposes. Scentre Group Trust 1 (formerly Westfield Trust) ("WT") is a publicly traded Australian unit trust classified as a corporation for U.S. federal income tax purposes. Prior to the Transactions (defined below), the stock of WHL was stapled to the equity interests in WAT and WT. Equity interests in WHL, WAT and WT were thus held and traded in unison on the Australian Securities Exchange ("ASX").

Scentre Group Trust 2 (formerly Westfield Retail Trust 1) ("WRT1") is a publicly traded Australian unit trust classified as a corporation for U.S. federal income tax purposes. Scentre Group Trust 3 (formerly Westfield Retail Trust 2) ("WRT2") is a publicly traded Australian unit trust classified as a corporation for U.S. federal income tax purposes. Prior to the Transactions, the equity interests in WRT1 and WRT2 were stapled together and traded in unison on the ASX.

Equity interests in WAT, WT, WRT1, WRT2 and New Trust are referred to as "units".

Prior to June 30, 2014 the following transactions occurred:

- WT formed a new trust named WFD Trust ("New Trust") with nominal assets.
- WHL transferred certain of its assets and subsidiaries to a newly formed Australian corporation classified as a corporation for U.S. federal income tax purposes named Westfield Corporation Limited ("Demerger Co").

On June 30, 2014, the following transactions (collectively, the "Transactions") occurred:

- WRT1 paid a capital distribution of A\$ 0.2853 per unit to its unit holders (the "WRT1 Distribution").
- WHL distributed 100 percent of the stock of Demerger Co to WHL's shareholders (the "Demerger Co Distribution").

Owner and Operator of  in Australia and New Zealand

SCENTRE GROUP LIMITED ABN 66 001 671 496

SCENTRE MANAGEMENT LIMITED ABN 41 001 670 579 AFS Licence No: 230329 as responsible entity of Scentre Group Trust 1 ABN 55 191 750 378 ARSN 090 849 746

RE1 LIMITED ABN 80 145 743 682 AFS Licence No: 380202 as responsible entity of Scentre Group Trust 2 ABN 66 744 282 872 ARSN 146 934 536

RE2 LIMITED ABN 41 145 744 065 AFS Licence No: 380203 as responsible entity of Scentre Group Trust 3 ABN 11 517 229 138 ARSN 146 934 652

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- WT distributed the units in New Trust to WT's unit holders on a one for one basis (the "New Trust Distribution").
- The shares in Demerger Co and the units in New Trust were stapled to the stock of WHL and the units in WAT and WT.
- Immediately thereafter and pursuant to an integrated plan, WT transferred certain non-U.S. assets to New Trust in exchange for nominal consideration (the "New Trust Asset Transfer").
- The stock of WHL and the units in WT were de-stapled from the stock of Demerger Co and the units in WAT and New Trust.
- The stapling and de-stapling transactions are referred to as the "Stapling Transactions".
- Each share in WHL and each unit in WT was converted to 1.246 shares and 1.246 units respectively with holders receiving 1.246 shares or units for each previously held share or unit.
- Each unit in WRT1 and WRT2 was converted into 0.918 units respectively with holders receiving 0.918 units for each previously held unit.
- WT paid a capital distribution of A\$ 0.0011 per unit to its unit holders, which distribution was utilized by such unit holders to subscribe for newly issued units in WRT1 and WRT2 on the basis of one new unit in WRT1 and one new unit in WRT2 for each unit held in WT.
- WRT1 paid a capital distribution of A\$ 0.0011 per unit to its unit holders, which was utilized by such unit holders to subscribe for newly issued stock in WHL and units in WT on the basis of one new share in WHL and one new unit in WT for each unit held in WRT1.
- The stock of WHL and the units of WT were stapled to the units of WRT1 and WRT2.
- The transactions contemplated in the prior 5 bullet points are collectively referred to as the "Merger".

The record date for investors to participate in the Transactions was June 27, 2014.

The securities of WHL, WT, WRT1 and WRT2 trade together on the ASX under the name of Scentre Group – ASX code SCG.

The securities of Demerger Co, New Trust and WAT trade together on the ASX under the name Westfield Corporation – ASX code WFD.

Part II, Question 15

The portion of the WRT1 Distribution (if any) that is treated as a return of capital (as described in Question 16 below) will reduce a unit holder's basis in their WRT1 equity.

The adjustment to the number of a unit holder's units in WRT1 as part of the Merger (that is, the conversion of units on a 0.918 for 1 basis) is anticipated to result in a unit holder's basis in their WRT1 equity prior to such adjustment being divided among the number of WRT1 units held by such unit holder immediately after such adjustment.

A unit holder's basis in their WRT1 equity will be reduced to the extent that such WRT1 equity is viewed for U.S. federal income tax purposes as exchanged in the Merger (as described in Question 16 below).

Part II, Question 16

WRT1 Distribution

The WRT1 Distribution is anticipated to be treated as a taxable distribution of property from a U.S. federal income tax perspective. The U.S. federal income tax consequences of the WRT1 Distribution to WRT1 unit holders are generally anticipated to be as follows:

- first, a portion of the WRT1 Distribution would be a dividend to the extent of WRT1's earnings and profits (as determined for U.S. tax purposes), whether from the current taxable year or from prior taxable years;
- second, any remaining portion of the WRT1 Distribution would be applied to reduce a WRT1 unit holder's basis in their WRT1 equity; and
- finally, any residual portion of the WRT1 Distribution would be treated as capital gain from the sale or exchange of property.

WRT1 does not compute its earnings and profits for U.S. tax purposes; as such, it is possible that the full amount of the WRT1 Distribution will be characterized as a dividend.

Please note that the foregoing discussion of the U.S. federal income tax consequences does not reflect the potential application of the "passive foreign investment company" rules to the WRT1 Distribution. Please contact your own tax advisor for additional information and clarification.

Please note that some brokerage houses might not use the information provided in this document, and the information contained herein is only provided as an example of one potential approach. There are various ways in which brokerage houses may calculate the amount of the reduction, if any, in a unit holder's tax basis in its WRT1 units as a result of the WRT1 Distribution. Please contact your individual brokerage house to determine which calculation they may use and contact your own tax advisor for additional information and clarification.

Stapling Transactions

The Stapling Transactions are not anticipated to result in U.S. federal income tax consequences to WRT1 unit holders.

The Merger

The Merger is anticipated to be treated for U.S. federal income tax purposes as a taxable exchange by holders of units in WRT1 and WRT2 for equity interests in WHL and WT. This result is due to the fact that such holders will be receiving equity interests in WHL and WT in exchange for a dilution of their units in WRT1 and WRT2. A deemed sale of WRT1 units is anticipated to result in an amount equal to the percentage dilution in WRT1 suffered by such holders.

On the basis that, in total, Westfield Retail Trust securityholders before the Transactions hold a 51.4% interest in Scentre Group after the Transactions, the percentage dilution is 48.6%. To the extent that a unit holder is regarded as exchanging their units in WRT1 for equity interests in WT and WHL, gain or loss would be measured based upon the difference between the unit holder's adjusted tax basis in the

WRT1 units deemed exchanged and the fair market value of the WT and WHL equity interests received by such unit holder as part of the Merger.

Part II, Question 17

The tax treatment of the tax basis of the WRT1 units is based on Sections 301, 316 and 1001 of the Internal Revenue Code of 1986, as amended.

Part II, Question 18

WRT1 unit holders will not be permitted to recognize losses for U.S. federal income tax purposes upon the WRT1 Distribution. WRT1 unit holders are anticipated to be permitted to recognize losses, if any, upon WRT1 units deemed exchanged in the Merger for U.S. federal income tax purposes.

Part II, Question 19

The Transactions took place on June 30, 2014. Therefore, the adjustments to tax basis in the WRT1 units will be reported in calendar year 2014.