SCENTRE GROUP

24 February 2015

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

Dear Sir/Madam

SCENTRE GROUP (ASX:SCG / ADR:SCTRY)
FULL YEAR RESULTS FOR YEAR ENDED 31 DECEMBER 2014

Attached are the Appendix 4E and 2014 Annual Financial Report for Scentre Group.

Scentre Group's results for the 12 months to 31 December 2014 include the results of the former Westfield Group for the six months to 30 June 2014 and the results of Scentre Group for the six months to 31 December 2014. Accordingly, the comparative and current period disclosure of the Group's results is not representative of the operations of the Group.

A media release and presentation have also been released by the Group which focus on the financial and operational results of Scentre Group for the six months to 31 December 2014.

Yours faithfully
SCENTRE GROUP

Maureen McGrath
Company Secretary

Encl.

Scentre Group [1] : Appendix 4E

For the year ended 31 December 2014 [2]

(previous corresponding period being the year ended 31 December 2013)

Results for Announcement to the Market:

Results of Scentre Group (formerly Westfield Group) for the 12 months ended 31 December 2014 comprising the results of the former Westfield Group for the first half and Scentre Group results for the second half

			2014	2013
Revenue ($million)	up	69.0%	2,164.5	1,281.0
AIFRS profit after tax before charges and credits in respect of the Restructure and Merger attributable to continuing operations ($million)	up	91.5%	1,797.8	938.8
AIFRS profit after tax attributable to members of the Group	up	311.0%	6,586.3	1,602.7

Distributions for the Group

				Cents per stapled security
Dividend/distributions for the year ended 31 December 2014	down	-28.5%	to	**36.45**
Final dividend/distributions in respect of Scentre Group earnings to be paid on 27 February 2015(i) comprising:				**10.20**
- dividend in respect of a Scentre Group Limited share				2.85
- distribution in respect of a Scentre Group Trust 1 unit				2.85
- distribution in respect of a Scentre Group Trust 2 unit				4.50
- distribution in respect of a Scentre Group Trust 3 unit				Nil
Interim dividend/distributions in respect of Westfield Group earnings paid on 29 August 2014(ii) comprising:				**26.25**
- distribution in respect of a former Westfield Trust unit (now Scentre Group Trust 1)				5.25
- distribution in respect of a Westfield America Trust unit				21.00

(i) The number of securities entitled to distributions on the record date, 13 February 2015 was 5,324,296,678.

(ii) The number of securities entitled to distributions on the record date, 27 June 2014 was 2,078,089,686.

On 30 June 2014, Westfield Holdings Limited and Westfield Trust were destapled from Westfield America Trust (WAT). In addition to the above distribution, Scentre Group Trust 2 (which together with Scentre Group Trust 3) was stapled to Scentre Group Limited and Scentre Group Trust 1 on 30 June 2014, also paid a distribution as follows:

Distributions for Westfield Retail Trust

	Cents per stapled security
Distribution in respect of a former Westfield Retail Trust 1 unit (now Scentre Group Trust 2)(iii)	10.20

(iii) The number of securities entitled to distributions on the record date, 27 June 2014 was 2,979,214,029.

The record date for determining entitlements to the final distribution was 5pm, 13 February 2015 and the distribution will be paid on 27 February 2015. The Group does not operate a distribution reinvestment plan.
The full year dividend in respect of Scentre Group Limited will be fully franked.
The full year distribution in respect of Scentre Group Trust 1 is estimated to be 10% tax deferred.
The full year distribution in respect of Scentre Group Trust 2 is estimated to be 25% tax deferred.
The interim distribution in respect of Westfield America Trust units is estimated to be 0% tax deferred.

Additional information

The annual general meeting will be held on 7 May 2015. Commentary on the results is contained in the attached Annual Financial Report and the results presentation released to the Australian Securities Exchange (ASX). The remainder of the information requiring disclosure to comply with listing rule 4.3A is contained in the attached Annual Financial Report which includes the audited consolidated financial report.

[1] Scentre Group comprises Scentre Group Limited ABN 66 001 671 496 (SGL) (formerly Westfield Holdings Limited); Scentre Group Trust 1 ARSN 090 849 746 (SGT1) (formerly Westfield Trust); Scentre Group Trust 2 ARSN 146 934 536 (SGT2) (formerly Westfield Retail Trust 1) and Scentre Group Trust 3 ARSN 146 934 652 (SGT3) (formerly Westfield Retail Trust 2).

[2] It is recommended that the Annual Financial Report be considered together with any public announcements made by Westfield Group, Scentre Group and Westfield Retail Trust during the financial period, in particular the securityholder booklets in connection with the Restructure and Merger.

SCENTRE GROUP

Owner and Operator of Westfield in Australia and New Zealand

Annual Financial Report
31 December 2014

Scentre Group Limited ABN 66 001 671 496

Annual Financial Report

SCENTRE GROUP [(1)]

For the Financial Year ended 31 December 2014

Contents

(1) Scentre Group comprises Scentre Group Limited and its controlled entities as defined in Note 2.

The Directors of Scentre Group Limited (Company) submit the following report for the period 1 January 2014 to 31 December 2014 (Financial Year).

1. OPERATIONS AND ACTIVITIES

1.1 Background to results

On 30 June 2014, Scentre Group (Group) was formed by the restructure of the Westfield Group and the merger of Westfield Group's Australian and New Zealand business operations with those of Westfield Retail Trust (Restructure and Merger).

In reviewing the results of the Group it is important to understand that the Restructure and Merger has a significant impact on the disclosure of the results. Consequently, the comparative and current period disclosure of the Group's results is not representative of the operations of the Group in the future.

The Group's results for the Financial Year include:

– earnings from continuing operations (Australia and New Zealand operations of Westfield Group) for the Financial Year;

– income from Scentre Group Trust 2 (formerly Westfield Retail Trust 1) and Scentre Group Trust 3 (formerly Westfield Retail Trust 2) for the 6 months to 31 December 2014; and

– earnings from the discontinued operations (United States and United Kingdom operations of Westfield Group) for the 6 months to 30 June 2014.

The comparative period represents the full year results of the former Westfield Group.

Financing costs and tax expense reported in continuing and discontinued operations are based on costs included in the legal entities that remained in the respective operations. Accordingly, the reported expense is not the same as if the financing restructure occurred at the beginning of the Financial Year and it is not indicative of the future financing and tax costs of the restructured Group.

The focus of this report is on the financial results of the Group for the 6 month period to 31 December 2014. Operational results focus on the performance of the portfolio for the year ended 31 December 2014.

1.2 Financial results

We are pleased to report on the performance of the Group for the period from 1 July 2014 to 31 December 2014.

Profit after tax, funds from operations and distribution for the period [(1)]

1 July 2014 to 31 December 2014	$million
Net property income	901.3
Net project and management income	51.7
Overheads	(49.0)
Currency loss	(0.5)
Financing costs	(252.4)
Interest on other financial liabilities	(42.7)
Mark to market of derivatives and property-linked notes	96.7
Property revaluations	648.9
Tax expense	(59.2)
Profit after tax [(2)]	**1,294.8**
Adjusted for:	
Property revaluations	(648.9)
Amortisation of tenant allowances	15.8
Net fair value loss of currency derivatives that do not qualify for hedge accounting	2.9
Net fair value gain on interest rate hedges that do not qualify for hedge accounting	(116.9)
Net fair value loss on other financial liabilities	17.3
Deferred tax expense	18.9
Funds from operations attributable to external non controlling interests	(6.0)
Funds from operations (FFO) [(3)]	**577.9**
Less: amount retained	(36.1)
Dividend/distributions	**541.8**
FFO per security	10.88
Dividend/distribution per security	10.20

(1) The Group's income and expenses have been prepared on a proportionate basis. The proportionate basis presents the net income from equity accounted properties on a gross basis.

(2) The Group's profit after tax and non-controlling interests is detailed in Note 4(a)(i) of the financial statements.

(3) A key measure of the financial performance of the Group is FFO. FFO is a widely recognised measure of the performance of real estate investments groups by the property industry and is a useful measure of operating performance.

The Group reported AIFRS profit of $1.3 billion for the 6 months ended 31 December 2014. This profit includes FFO earnings of $577.9 million (or 10.88 cents per security, on an annualised basis, in line with pro forma forecast), $648.9 million of property revaluations, $(15.8) million of tenant allowances amortisation, $96.7 million relating to the mark to market of derivatives and property-linked notes, $(18.9) million charge for deferred tax and $(6.0) million of FFO from external non-controlling interests.

The distribution for the 6 months ended 31 December 2014 is 10.20 cents per security which will be paid on 27 February 2015.

Net property income was $901.3 million for the 6 months ended 31 December 2014. The Group's portfolio achieved comparable net operating income (NOI) growth of 2.2% in Australia and New Zealand for the year ended 31 December 2014.

The analysis of the results has been completed on a proportionate basis as only 3 shopping centre investments are equity accounted. FFO earnings includes net property income (before the amortisation of tenant allowances), management and project income, corporate overheads, underlying net interest (excluding derivative mark to markets), currency gains (excluding mark to markets) and underlying taxation of the business (excluding deferred tax).

Property revaluations of $648.9 million for the 6 months ended 31 December 2014 have arisen from the revaluation of the portfolio during the period. This revaluation gain results from increases in net operating income, revaluation gains on completed centres and a small compression in capitalisation rates.

1.3 Operating environment

At 31 December 2014, the portfolio was more than 99.5% leased, with average specialty retail sales in Australia increasing to $10,200 per square metre. For the 12 months ended 31 December 2014, comparable NOI across the Australian and New Zealand portfolio increased by 2.2%.[1]

The high quality shopping centres in the Group's portfolio have delivered excellent sales productivity, almost full occupancy and continued growth in average rents and comparable net property income reflecting the continued reinvestment into the portfolio and introduction of new retailers. There was sustained improvement in retail sales growth, with comparable specialty store sales in Australia up 3.6% both for the quarter and for the 12 months to 31 December 2014.

The introduction of new international retailers, together with the integration of food, fashion and entertainment experiences, combined with the greater use of digital technology as key trends which will underpin the strength and relevance of our existing centres and future redevelopments.

1.4 Development activities

Scentre Group has a vertically integrated development, design and construction platform representing one of the top 5 construction businesses in Australia. The Group's development activities are expected to deliver earnings accretion and create significant long term value.

In 2014, the Group completed the $410 million development at Westfield Garden City in Queensland and the major stage opening of the $475 million (Scentre Group share: $238 million) development at Westfield Miranda in New South Wales.

Scentre Group's development activity also included two design and construction projects that are being undertaken for AMP Capital. The $440 million development at Macquarie Centre, Sydney was opened in the second half of 2014, and the Group continues to make good progress on the $670 million development at Pacific Fair, Queensland that is expected to be completed in 2016.

The Group has an identified future development pipeline in excess of $3.0 billion, and in 2015 has already commenced new developments at Chatswood in Sydney and North Lakes in Queensland with a combined value of $190 million (Group share: $150 million).

1.5 Financing activities

Immediately following the establishment of the Group on 30 June 2014, a successful A$3.1 billion 4-tranche debut bond offering was executed in the euromarkets, with strong investor support for the credit. The Group subsequently raised A$400 million from a domestic bond issue and A$1.5 billion from two USD bond issues. The net proceeds from these new issues have all but refinanced the A$5 billion bridge facility established as part of the Restructure and Merger.

1.6 Comparative results

As noted, the comparative period represents the results of the former Westfield Group. Consequently, the comparative and current period disclosure of the Group's results is not representative of the operations of the Group in the future.

Property results from continuing operations (excluding Restructure and Merger costs) include a 52% increase in property revenue (on a proportionate basis) to $1.8 billion primarily as a result of the inclusion of the Scentre Group Trust 2 and Scentre Group Trust 3 earnings in the second half of the year and comparable NOI growth of 2.2%. NOI increased by 53% for the same period to $1.4 billion.

Profit after tax for continuing operations (excluding Restructure and Merger costs and on a proportionate basis) increased 92% from $938.8 million to $1.8 billion primarily as a result of a $471.2 million increase in NOI described above, higher revaluation gains of $653.7 million, no capital transaction costs in the current year $(66.4) million in the prior year. This was offset by a negative turnaround impact of $(219.2) of currency gain/(loss) and higher interest costs of $(33.7) million.

Results from discontinuing operations are not comparable as the current year only includes the results for the first half year and the comparative period includes the results for the 12 month period. The results have increased from $682.5 million to $5.1 billion primarily as a result of the market value adjustment on distribution of net assets to Westfield Corporation of $6.6 billion gain[2] which was partly offset by Merger and Restructure costs of $1.1 billion (including approximately $1.0 billion of refinancing costs) and $838.9 million of accumulated exchange differences transferred from the foreign currency translation reserve to the income statement on distribution of the net investment to Westfield Corporation.

1.7 Principal activities

The principal activities of Scentre Group for the period 1 July 2014 to 31 December 2014 were the ownership, development, design, construction, asset management, leasing and marketing activities with respect to its Australian and New Zealand portfolio of retail properties. There were no significant changes in the nature of those activities during that period.

Prior to the Restructure and Merger on 30 June 2014, the Company formed part of Westfield Group. The principal activities of Westfield Group were the ownership, development, design, construction, asset management, leasing and marketing activities with respect to Westfield Group's global portfolio of retail properties.

1.8 Strategy, Key Drivers and Outlook

1.8.1 Strategy and Key Drivers

Scentre Group's strategy is to create and own leading retail destinations across Australia and New Zealand by integrating food, fashion, leisure and entertainment and using digital technology to better connect retailers with consumers.

Scentre Group's strategic priorities include:

- intensive management of its existing portfolio to maximise the sales productivity of retailers and to provide superior experiences to consumers;
- improving the quality of its portfolio to adapt to the next generation of retail;
- generating new income opportunities by leveraging the scale of the Group's portfolio;
- executing its current and future development pipeline to enhance the value, scale and quality of the portfolio;
- active management of its capital positions to enhance long terms earnings growth potential and return on equity; and
- using digital technology to better connect retailers and consumers.

[1] Pro forma post New Zealand joint venture with GIC, which is expected to settle Q1 2015.

[2] Represented by the difference between the market value and the book value of net assets distributed to Westfield Corporation. Refer Note 10 in the Notes to the Financial Statements for further details.

Intensive management

Scentre Group concentrates on intensively managing its shopping centres, with particular emphasis on delivering an optimal mix of retailers, maximising the sales productivity of retailers at each shopping centre and providing superior experiences to consumers.

The Group seeks to develop strong relationships with retailers and providing a high standard of service to customers while seeking to strictly control operating costs.

The Group works closely with retailers to provide a superior shopping experience and developing strong relationships with consumers through various marketing initiatives, including supporting the local community surrounding each shopping centre. These experiences range from parking, shopping centre ambience and retailer mix to food, leisure and entertainment precincts and digital connectivity.

Operating strategy

The Group's strategy is to create and own leading retail destinations across Australia and New Zealand.

Scentre Group continues to focus on generating new income opportunities across its portfolio. This includes a focus on expanding media and advertising revenues, digital, storage, car parking and infrastructure services as well as the provision of customer services such as valet parking and other concierge services.

Scentre Group recognises the emergence of digital technology as an important element in better connecting the retailer with the consumer and improving the shopping experience for both groups.

Development activities

Scentre Group's development capabilities include all elements of development, design, construction and project leasing for shopping centres in Australia and New Zealand. The nature of shopping centre ownership provides for a consistent pipeline of redevelopment and expansion opportunities for existing shopping centres in the portfolio.

Capital management

Scentre Group's capital management strategy is to invest capital in the ownership and development of high quality shopping centres across Australia and New Zealand and position Scentre Group to enhance long term earnings growth and return on equity.

A key component of this strategy involves efficient sourcing of capital. This allows the Group to reduce invested capital in assets that no longer meet the Group's investment criteria.

The Group's strategy is to own the highest quality assets.

Capital will be invested in the $3 billion development pipeline to ensure that the Group's centres remain at the forefront of retail in Australia and New Zealand such that the portfolio will generate strong long term growth and risk adjusted returns.

In November 2014, the Group announced a NZ$2.1 billion joint venture with GIC for 5 shopping centres in New Zealand, 3 of which have developments planned. More recently, the Group announced a sale process for the remaining 4 shopping centres in New Zealand.

1.8.2 Outlook

After taking into account the impact of the joint venture with GIC and the expected sale of 4 centres in New Zealand, Scentre Group forecasts FFO of 22.5 cents per security with a distribution of 20.9 cents per security for the 12 months to 31 December 2015.

1.9 Subsequent events

Since the end of the Financial Year, there are no subsequent events to report.

2. SUSTAINABILITY

Environmental laws and regulations in force in the various jurisdictions in which Scentre Group operates are applicable to areas of the Group's operations and in particular to its development, construction and shopping centre management activities. The Group has in place 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. Westfield Group's Sustainability Reports from prior years that includes Scentre Group assets can be found at http://www.scentregroup.com/about/sustainability/. Scentre Group's Sustainability Report will be published in the first half of 2015 and will be available on its website.

3. DIVIDENDS

As noted above, Scentre Group was formed on 30 June 2014 by the restructure of the Westfield Group and the merger of Australian and New Zealand business operations with Westfield Retail Trust. The distributions shown below for the 6 month periods to 31 December 2013 and 30 June 2014 relate to distributions paid by the Westfield Group.

Westfield Group

For the 6 months ended 31 December 2013, a dividend of 7.92 cents per ordinary share formed part of the distribution of 25.50 cents per ordinary Westfield Group stapled security, paid on 28 February 2014. This distribution was an aggregate distribution from each of Westfield Holdings Limited (now Scentre Group Limited), Westfield Trust (now Scentre Group Trust 1) and Westfield America Trust.

The Company did not determine to pay a dividend for the 6 months ended 30 June 2014. A distribution of 26.25 cents per Westfield Group stapled security was paid on 29 August 2014. This distribution was the aggregate distribution from each of Westfield Trust (now Scentre Group Trust 1) and Westfield America Trust.

Scentre Group

A dividend of 2.85 cents per ordinary share was determined by the Company for the 6 months ended 31 December 2014. A distribution of 10.20 cents per Scentre Group stapled security will be paid on 27 February 2015. This distribution is an aggregate distribution from each of Scentre Group Limited, Scentre Group Trust 1 and Scentre Group Trust 2. No distribution is payable in respect of Scentre Group Trust 3.

4. DIRECTORS AND SECRETARIES

4.1 Board Membership and Qualifications

The current Board of Directors of the Company is set out below.

Frank Lowy AC	Chairman/ Non-Executive Director
Brian Schwartz AM	Deputy Chairman/ Non-Executive Director
Peter Allen	Chief Executive Officer/ Executive Director
Laurence Brindle	Non-Executive Director (appointed 30 June 2014)
Richard Egerton-Warburton AO LVO	Non-Executive Director (appointed 30 June 2014)
Andrew Harmos	Non-Executive Director (appointed 30 June 2014)
Michael Ihlein	Non-Executive Director (appointed 30 June 2014)
Steven Lowy AM	Non-Executive Director
Sandra McPhee AM	Non-Executive Director (appointed 30 June 2014)

The following Directors retired from the Board of the Company on 30 June 2014 in connection with the Restructure and Merger.

Ilana Atlas	Non-Executive Director
Roy Furman	Non-Executive Director
Peter Goldsmith QC PC	Non-Executive Director
Mark G. Johnson AO	Non-Executive Director
Mark R. Johnson	Non-Executive Director
Peter Lowy	Non-Executive Director
John McFarlane	Non-Executive Director
Judith Sloan	Non-Executive Director

Scentre Group is a stapled entity which operates as a single economic entity. The entities comprising the Group are the Company, Scentre Group Trust 1, Scentre Group Trust 2 and Scentre Group Trust 3, the securities of which are stapled and trade as one security on the ASX. The responsible entity of Scentre Group Trust 1 is Scentre Management Limited; the responsible entity of Scentre Group Trust 2 is RE1 Limited and the responsible entity of Scentre Group Trust 3 is RE2 Limited[1].

Details of the qualifications, experience and special responsibilities of each of the Directors as at the date of this report are set out below.

Frank Lowy AC

Term of office:

- Scentre Group Limited: 16 January 1979
- Scentre Management Limited: 16 January 1979
- RE1 Limited: 30 June 2014
- RE2 Limited: 30 June 2014

Board Committee membership:

- Chairman of the Board

Independent:

No

Skills and Experience:

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

Brian Schwartz AM

Term of office:

- Scentre Group Limited: 6 May 2009
- Scentre Management Limited: 6 May 2009
- RE1 Limited: 30 June 2014
- RE2 Limited: 30 June 2014
- Deputy Chairman and Lead Independent Director: 25 May 2011

Board Committee membership:

- Human Resources Committee (Chair)
- Nomination Committee

Independent:

Yes

Skills and Experience:

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

Peter Allen

Term of office:

- Scentre Group Limited: 25 May 2011
- Scentre Management Limited: 25 May 2011
- RE1 Limited: 12 August 2010
- RE2 Limited: 12 August 2010

Independent:

No

Skills and Experience:

Mr Peter Allen serves as the Chief Executive Officer of Scentre Group. He has more than 20 years of global experience in senior financial, property and commercial roles. Prior to the establishment of Scentre Group, Mr Allen was a non-executive Director of Westfield Retail Trust and an executive Director of the Company and 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. He is on the Board of the Kolling Foundation and is a member of the President's Council of the Art Gallery of NSW. Mr Allen is an Associate Member of the Australian Property Institute (AAPI).

Laurence Brindle

Term of office:

- Scentre Group Limited: 30 June 2014
- Scentre Management Limited: 30 June 2014
- RE1 Limited: 21 December 2010
- RE2 Limited: 21 December 2010

Board Committee membership:

- Audit and Risk Committee

Independent:

Yes

Skills and Experience:

Mr Laurence Brindle has extensive experience in property investment. From 1988 to 2009, Mr Brindle served as an executive with Queensland Investment Corporation (QIC) where he held various positions including Head of Global Real Estate as well as serving as a long term member of QIC's Investment Strategy Committee. Mr Brindle holds a Bachelor of Engineering (Honours) and a Bachelor of Commerce from The University of Queensland and an MBA from Cass Business School, London. Prior to the establishment of Scentre Group, Mr Brindle was a non-executive Director of Westfield Retail Trust from December 2010 until June 2014. He is Chairman of the National Storage REIT and the former Chairman of the Shopping Centre Council of Australia and Chief Executive Officer of Trinity Limited.

Richard Egerton-Warburton AO, LVO

Term of office:

- Scentre Group Limited: 30 June 2014
- Scentre Management Limited: 30 June 2014
- RE1 Limited: 21 December 2010
- RE2 Limited: 21 December 2010

Board Committee membership:

- Nomination Committee (Chair)
- Audit and Risk Committee

Independent:

Yes

Skills and Experience:

Before becoming a professional director, Mr Richard Warburton was the Chairman and Chief Executive Officer of DuPont Australia and New Zealand where he was responsible for DuPont's petro-chemical business operations in Australia and New Zealand. Prior to the establishment of Scentre Group, Mr Warburton was a non-executive

1 A Director's length of tenure is calculated from the year of first appointment to the Company (or any of its predecessor entities), Scentre Management Limited, RE1 Limited or RE2 Limited.

Director and Chairman of Westfield Retail Trust from December 2010 until June 2014. He is currently Chairman of Magellan Flagship Fund Limited and Citigroup Pty Limited and previously Chairman of David Jones Limited, AurionGold Limited, Caltex Australia Limited and the Board of Taxation, and a Director of Tabcorp Holdings Limited, Southcorp Limited, Nufarm Limited and the Reserve Bank of Australia. Mr Warburton is a Fellow (and former National President) of the Australian Institute of Company Directors.

Andrew Harmos

Term of office:

- Scentre Group Limited: 30 June 2014
- Scentre Management Limited: 30 June 2014
- RE1 Limited: 21 December 2010
- RE2 Limited: 21 December 2010

Board Committee membership:

- Human Resources Committee
- Nomination Committee

Independent:

Yes

Skills and Experience:

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

Michael Ihlein

Term of office:

- Scentre Group Limited: 30 June 2014
- Scentre Management Limited: 30 June 2014
- RE1 Limited: 21 December 2010
- RE2 Limited: 21 December 2010

Board Committee membership:

- Audit and Risk Committee (Chair)

Independent:

Yes

Skills and Experience:

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

Steven Lowy AM

Term of office:

- Scentre Group Limited: 28 June 1989
- Scentre Management Limited: 28 June 1989
- RE1 Limited: 12 August 2010
- RE2 Limited: 12 August 2010

Independent:

No

Skills and Experience:

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

Sandra McPhee AM

Term of office:

- Scentre Group Limited: 30 June 2014
- Scentre Management Limited: 30 June 2014
- RE1 Limited: 21 December 2010
- RE2 Limited: 21 December 2010

Board Committee membership:

- Human Resources Committee

Independent:

Yes

Skills and Experience:

Ms Sandra McPhee has extensive international experience as a non-executive director and senior executive in consumer facing industries including retail, funds management and transport and logistics, most recently with Qantas Airways Limited. Ms McPhee serves on the boards of AGL Energy Limited, Fairfax Media Limited, Tourism Australia and Kathmandu Limited. She is Chairman of St Vincent's and Mater Health Sydney Advisory Council and was previously the Deputy President of the Art Gallery of NSW. Prior to the establishment of Scentre Group, Ms McPhee was a non-executive Director of Westfield Retail Trust from December 2010 until June 2014. Her other previous directorships include Coles Group Limited, Australia Post, Perpetual Limited, Primelife Corporation, CARE Australia, and Deputy Chairman of South Australia Water. She is a Fellow of the Australian Institute of Company Directors.

4.2 Directors' Relevant Interests

The names of the Directors in office and the relevant interests of each Director in Scentre Group stapled securities as at the date of this report are shown below.

Director	Number of Stapled Securities
Frank Lowy Steven Lowy	216,467,389
Brian Schwartz	38,781
Peter Allen	981,631
Laurence Brindle	Nil
Richard Egerton-Warburton	73,445
Andrew Harmos	32,079
Michael Ihlein	33,048
Sandra McPhee	33,382

None of the Directors hold options over any issued or unissued Scentre Group stapled securities. No options over any issued or unissued units in any of the Scentre Group Trusts or stapled securities in Scentre Group have been issued to the Directors. None of the Directors hold debentures of Scentre Group.

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

4.3 Directors' attendance at meetings

The number of Directors' meetings, including meetings of Committees of the Board of Directors, held during the Financial Year and the number of meetings attended by each of the Directors of the Company are shown below:

Number of Meetings held:	WDC[1]	SCG[2]	Total
Board of Directors	3	2	5
Audit and Risk Committee	3	2	5
Remuneration/Human Resources Committee[3]	1	3	4
Nomination Committee	1	1	2

Notes:

1. WDC is Westfield Group for the 6 month period to 30 June 2014.
2. SCG is Scentre Group for the 6 month period to 31 December 2014.
3. Following the implementation of the Restructure and Merger, the Remuneration Committee was renamed the Human Resources Committee.

	Board		Audit and Risk		Human Resources		Nomination	
Directors	A	B	A	B	A	B	A	B
Frank Lowy	5	5	–	–	–	–	1	1
Brian Schwartz	5	4	3	3	3	3	2	2
Peter Allen	5	5	–	–	–	–	–	–
Laurence Brindle*	2	2	2	2	–	–	–	–
Richard Egerton-Warburton*	2	2	2	2	–	–	1	1
Andrew Harmos*	2	2	–	–	3	3	1	1
Michael Ihlein*	2	2	2	2	–	–	–	–
Steven Lowy	5	5	–	–	–	–	–	–
Sandra McPhee*	2	2	–	–	3	3	–	–

Key: A = Number of meetings eligible to attend
B = Number of meetings attended
* Appointed to the Scentre Group Board on 30 June 2014.

4.4 Directors' directorships of other listed companies

The following table sets out the directorships of other Australian listed companies held by the Company's Directors during the 3 years preceding the end of the Financial Year and up to the date of this report, and the time for which each directorship has been held:

Director	Company	Date appointed	Date resigned
Frank Lowy	Scentre Management Limited*	16 January 1979	Continuing
	RE1 Limited**	30 June 2014	Continuing
	RE2 Limited***	30 June 2014	Continuing
	Westfield America Management Limited^	20 February 1996	Continuing
	Westfield Corporation Limited^^	8 April 2014	Continuing
Brian Schwartz	Scentre Management Limited*	6 May 2009	Continuing
	RE1 Limited**	30 June 2014	Continuing
	RE2 Limited***	30 June 2014	Continuing
	Insurance Australia Group	1 January 2005	Continuing
	Brambles Limited	13 March 2009	30 June 2014
	Westfield America Management Limited^	6 May 2009	Continuing
	Westfield Corporation Limited^^	8 April 2014	Continuing
Peter Allen	Scentre Management Limited*	25 May 2011	Continuing
	RE1 Limited**	12 August 2010	Continuing
	RE2 Limited***	12 August 2010	Continuing
	Westfield America Management Limited^	25 May 2011	30 June 2014
Laurence Brindle	Scentre Management Limited*	30 June 2014	Continuing
	RE1 Limited**	21 December 2010	Continuing
	RE2 Limited***	21 December 2010	Continuing
	National Storage Holdings Limited	1 November 2013	Continuing
Richard Egerton-Warburton	Scentre Management Limited*	30 June 2014	Continuing
	RE1 Limited**	21 December 2010	Continuing
	RE2 Limited***	21 December 2010	Continuing
	Magellan Flagship Fund Limited	19 October 2006	Continuing
Andrew Harmos	Scentre Management Limited*	30 June 2014	Continuing
	RE1 Limited**	21 December 2010	Continuing
	RE2 Limited***	21 December 2010	Continuing
Michael Ihlein	Scentre Management Limited*	30 June 2014	Continuing
	RE1 Limited**	21 December 2010	Continuing
	RE2 Limited***	21 December 2010	Continuing
	CSR Limited	7 July 2011	Continuing
Steven Lowy	Scentre Management Limited*	28 June 1989	Continuing
	RE1 Limited**	12 August 2010	Continuing
	RE2 Limited***	12 August 2010	Continuing
	Westfield America Management Limited^	20 February 1996	Continuing
	Westfield Corporation Limited^^	28 November 2013	Continuing
Sandra McPhee	Scentre Management Limited*	30 June 2014	Continuing
	RE1 Limited**	21 December 2010	Continuing
	RE2 Limited***	21 December 2010	Continuing
	AGL Energy Limited	9 October 2006	Continuing
	Kathmandu Holdings Limited	16 October 2009	Continuing
	Fairfax Media Limited	26 February 2010	Continuing

Notes:

* Scentre Management Limited as responsible entity for (a) Scentre Group Trust 1, a managed investment scheme, the units of which are stapled to units in Scentre Group Trust 2 and Scentre Group Trust 3 and shares in the Company, and which trade on the ASX as Scentre Group; and (b) Carindale Property Trust, a listed managed investment scheme.

** RE1 Limited, as responsible entity for Scentre Group Trust 2, a managed investment scheme, the units of which are stapled to units in Scentre Group Trust 1 and Scentre Group Trust 3 and shares in the Company, and which trade on the ASX as Scentre Group.

*** RE2 Limited, as responsible entity for Scentre Group Trust 3, a managed investment scheme, the units of which are stapled to units in Scentre Group Trust 1 and Scentre Group Trust 2 and shares in the Company, and which trade on the ASX as Scentre Group.

^ Westfield America Management Limited, as responsible entity for Westfield America Trust and WFD Trust, both managed investment schemes, the units of which are stapled to shares in Westfield Corporation Limited, and which trade on the ASX as Westfield Corporation.

^^ Westfield Corporation Limited, the shares of which are stapled to units in Westfield America Trust and WFD Trust, and which trade on the ASX as Westfield Corporation.

4.5 Secretaries

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

Ms Maureen McGrath

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

Mr Paul Giugni

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

5. OPTIONS

No options were issued by the Company during or since the end of the Financial Year and no Director or member of the senior executive team holds options over issued or unissued Scentre Group stapled securities.

6. INDEMNITIES AND INSURANCE PREMIUMS

Subject to the following, no indemnity was given or insurance premium paid during or since the end of the Financial Year for a person who is or has been an officer or auditor of the Group.

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

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

In addition, each Director has entered into a Deed of Indemnity and Access which provides for indemnity against liability as a Director, except to the extent of indemnity under an insurance policy or where prohibited by statute. The Deed also entitles the Director to access Company documents and records, subject to undertakings as to confidentiality.

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

7. AUDIT

7.1 Audit and Risk Committee

As at the date of this report, the Company had an Audit and Risk Committee of the Board of Directors.

7.2 Non-Audit Services and Audit Independence

Details of the amount paid to the auditor, which includes amounts paid for non-audit services, are set out in Note 45 to the Financial Statements. The Board is satisfied that the provision of non-audit services by the auditor during the Financial Year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. Furthermore, the provision of non-audit services by the auditor during the Financial Year did not compromise the independence requirements under the Corporations Act 2001 because:

(a) the Group's Non-Audit Services Protocol sets out the categories of non-audit services that the auditor may or may not undertake. Those categories of permitted services remain subject to the overriding principle that a non-audit service may not be provided in circumstances where it would be detrimental to the actual or perceived independence of the statutory auditor;

(b) the Non-Audit Services Protocol provides a mechanism by which approval for non-audit services proposed to be performed by the auditor is required to be given prior to the provision of such non-audit services, providing an appropriate review point for independence issues prior to engagement;

(c) under the Non-Audit Services Protocol, the auditor is required to report at least twice each year as to its compliance with the terms of the Charter and, in all instances, confirm the position that the independence of Ernst & Young as statutory auditor has been maintained; and

(d) the auditor has provided an Auditor's Independence Declaration to the Board declaring that there has been no contravention of the auditor independence requirements of the Corporations Act 2001 or of any applicable code of professional conduct and that the Non-Audit Services Protocol has been complied with.

7.3 Auditor's Independence Declaration to the Directors of Scentre Group Limited

EY

Building a better working world

Auditor's Independence Declaration to the Directors of Scentre Group Limited

In relation to our audit of the financial report of Scentre Group Limited for the year ended 31 December 2014, 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

Graham Ezzy
Partner

Sydney, 24 February 2015

Liability limited by a scheme approved under Professional Standards Legislation.

8. REMUNERATION REPORT

Message from the Chairman of the Human Resources Committee

Dear Securityholders

On behalf of the Board, I am pleased to present Scentre Group's first Remuneration Report. The report will be put to members at our Annual General Meeting on 7 May 2015.

The Financial Year was dominated by the implementation of the Restructure and Merger and the transition of Scentre Group and Westfield Corporation into two stand-alone independent entities which, from a human resources perspective, was demanding on the executive team.

The transition of the two groups has been successfully managed with business focus, staff commitment and morale remaining high during and post implementation of the transaction. Since its establishment, the senior management team of Scentre Group, led by Chief Executive Officer, Peter Allen, has successfully implemented a number of key strategic transactions which are detailed in section 1 of the Directors' Report.

A strategic focus of the Group is to make long term decisions for the management of its assets with the aim to improve earnings, its long term growth profile and return on equity.

The Human Resources Committee has taken the opportunity, in conjunction with management, to review Scentre Group's remuneration philosophy and outcomes. In framing how Scentre Group remunerates its executives, including the senior leadership team, we are guided by our strategy, purpose and values.

Our approach to remuneration is to align executive remuneration with the Group's business strategy and the interests of securityholders. We seek to do this by providing competitive rewards to attract, motivate and retain executives and to deliver rewards to our executives differentiated by business and individual performance.

The remuneration framework comprises fixed remuneration and at risk remuneration. Fixed remuneration comprises base salary and superannuation. At risk remuneration comprises short term incentives and, for the most senior management team, long term incentives.

Scentre Group's remuneration framework has been revised to strengthen further the alignment between remuneration and executive and business performance. Key elements of the revised framework are:

- The complexity of bonus and retention arrangements has been reduced. Project bonuses will not be paid but built into an executive's Key Performance Indicators (KPIs). Retention awards have been discontinued. Where appropriate, such awards will be included as a long term incentive for an executive under the Group's long term incentive plan (LTI Plan).
- There has been an increased move to "pay at risk" for all executives. A broader based short term incentive plan (STI Plan) has been introduced with a deferred element of compensation for all participating executives. Under the STI Plan, a minimum 30% of the value of the short term incentives paid to Key Management Personnel (KMP) and other senior executives is in deferred equity-linked awards with a 3 year vesting period. The minimum STI deferral drops to 25% for executives outside the most senior group.
- The hurdles under the LTI Plan will continue to focus on a combination of Funds from Operation (FFO) (an earnings measure assessed over 1 year) and return on contributed equity (ROCE) (assessed by reference to ROCE achieved in year 3 of the LTI Plan). Each hurdle been allocated a 50% weighting. Vesting will occur at 50% at the end of year 3 and 50% at the end of year 4. Details of both hurdles are contained in Section 8.5 of the Remuneration Report.
- To strengthen alignment of the interests of the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) with value creation for securityholders, the CEO and CFO are required to maintain a minimum holding of Scentre Group securities that is at least a one-time multiple of their base salary.

In 2015, the Committee will continue, in conjunction with management, to oversee the remuneration policies to ensure that they continue to meet the requirements. In particular, focus will remain on ensuring that the LTI Plan (and the hurdles under that plan) reflect the specific long term strategies of the Group, aligned with the interests of securityholders.

I trust you will find the report helpful in understanding the remuneration policies and practices of the Group.

Brian Schwartz AM
Chairman, Human Resources Committee

8. REMUNERATION REPORT FOR 2014

This Remuneration Report, prepared in accordance with the requirements of the Corporations Act and the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, provides an overview of Scentre Group's remuneration policies and practices. The report has been audited by the Group's statutory auditors, Ernst & Young.

Although Scentre Group was established on 30 June 2014, the reporting entity, Scentre Group Limited (formerly Westfield Holdings Limited) is required to report for the full financial year. This report, accordingly, is in two parts: Part 1 – Scentre Group's remuneration policies and practices including for the period from its creation on 30 June 2014 to 31 December 2014 and; Part 2 – the additional information required for Scentre Group Limited to comply with its disclosure obligations under the Corporations Act and Accounting Standards in relation to the 6 months to 30 June 2014 (being pre the establishment of Scentre Group).

The structure of the report is as follows:

Part 1: Post the establishment of Scentre Group

Part 2: Pre the establishment of Scentre Group

8.1 Human Resources Committee

The Board is responsible for setting remuneration policy and overseeing the implementation of that policy in a manner which reflects the objectives set out in section 8.3. The objectives of the Human Resources Committee (Committee) are to assist the Board in fulfilling its responsibilities by overseeing human resources policies and practices including remuneration practices which fairly and responsibly reward executives having regard to the performance of Scentre Group, the performance of the executive and the external compensation environment. The Committee also has oversight of policies that promote and support equal opportunity and diversity within Scentre Group.

The Committee's activities are governed by its Charter, a copy of which is available at the Corporate Governance section of the Scentre Group's website: www.scentregroup.com. The Group's Diversity Policy is also available in this section of its website.

In addition to making recommendations on broad remuneration policies and practices affecting Scentre Group, the Committee considers the specific remuneration packages for the Senior Executive Team including the Chief Executive Officer (CEO) and other executive Key Management Personnel. The Committee also assists the Board in determining fees for Non-Executive Directors.

The Committee's responsibilities also include oversight of:

- the Group's Equity-Linked Plans including the total level of rights issued under the plans, applicable performance hurdles and the general administration (including the exercise of any discretionary power) of the plans;
- succession planning policies in relation to the Senior Executive Team; and
- termination entitlements of the Senior Executive Team.

The Committee comprises 3 independent Non-Executive Directors: Mr Brian Schwartz (Chairman), Mr Andrew Harmos and Ms Sandra McPhee. The Committee met 3 times during the period from 1 July 2014 to 31 December 2014. The full Committee was in attendance at all meetings. The CEO and Director, Human Resources also attend Committee meetings to assist the Committee in its deliberations. These executives absent themselves from any discussions relating to their performance and remuneration.

In setting remuneration levels and formulating remuneration and human resources policies, the Committee and the Board utilise the services of specialist human resources and remuneration consultants. Protocols have also been established for the engagement of remuneration consultants and the provision of declarations of no-influence.

During the 6 month period to 31 December 2014, the Committee appointed Mark Bieler Associates to provide remuneration advisory services. Mark Bieler Associates was paid a total of $35,288 for remuneration recommendations made to the Committee and $160,753 for other advisory services including succession planning, counselling and mentoring of members of the Senior Executive Team and learning and organisation development. A further $6,495 was paid as re-imbursement for expenses incurred in the provision of those services.

When providing remuneration recommendations to the Committee and/or the Board, Mark Bieler Associates is required to provide a written declaration that each recommendation was made free of influence from the Key Management Personnel to whom the recommendation relates. The Board is satisfied that the service provided by Mark Bieler Associates and other consultants were provided without influence from Key Management Personnel.

The Group also seeks benchmarking and commentary on remuneration matters from consultants including Towers Watson. These benchmarking reviews provide analysis of overall market trends, benchmarking between specific job types and with different industries and changing or emerging remuneration strategies. The Group also subscribes to independent salary and remuneration surveys. No remuneration recommendations were made by these consultants.

8.2 Scentre Group Key Management Personnel

In line with statutory requirements, the Remuneration Report focuses on our approach to remuneration of our Key Management Personnel (KMP). KMP are those individuals having the authority and responsibility for planning, directing and controlling the activities of Scentre Group, either directly or indirectly. They include Non-Executive Directors, the Chief Executive Officer and those senior executives considered Executive KMP.

Remuneration disclosure for Non-Executive Directors is set out in section 8.9. Remuneration disclosure for the Executive KMP (including the CEO) is set out in section 8.7.

8.3 Remuneration Objectives

The Board and the Human Resources Committee seek to adopt policies which:

(a) Fairly reward executives having regard to their individual performance against agreed objectives, the overall performance of the Group and the external compensation environment

Scentre Group has established several key principles in relation to its remuneration practices:

- Executive remuneration must be aligned with the Group's business strategy and the interests of securityholders.
- Fixed remuneration should be fair and competitive with rewards to attract, motivate and retain executives.
- Remuneration practices should be regularly benchmarked.
- As an executive gains seniority, there is an increased move to "at risk" reward.
- Rewards to executives should be differentiated by business and individual performance.
- Short term incentives (STIs) are assessed by reference to individual and team performance as well as against the Group's values.
- Long term incentives (LTIs) are structured to encourage and reward superior performance aligned by the senior leadership team to long term value creation for securityholders.

Scentre Group's remuneration policies are focussed on individual and team performance against measurable financial and non-financial objectives set with the purpose of motivating executives to achieve stretch performance objectives which will contribute to the short and longer term success of the Group.

Measures include important metrics such as earnings, portfolio leasing statistics, achievement of development objectives in terms of development approvals, starts and compliance with development budgets and timetables, treasury and capital management objectives and other specific objectives relevant to the Group's business at a point in time. The Group also maintains a strong focus on improving the return on capital invested in the Group by securityholders.

Non-financial objectives include matters such as occupational health and safety, compliance, maintenance and enhancement of the Group's reputation, sustainability issues, human resources and succession planning, diversity and a range of other matters relevant to the Group's business.

(b) Enable the Group to attract and retain key executives capable of contributing to the Group's business who will create sustainable value for securityholders and other stakeholders

Scentre Group's Senior Executive Team comprises experienced and respected members of the Australian and New Zealand based executive team from the former Westfield Group. In the context of long term strategies of the Group, the Human Resources Committee regards the ability of the Group to achieve continuity within this team as an on-going objective.

A focus of the Group is to make long term decisions for the management of its assets with the aim to improve earnings, its long term growth profile and return on equity.

The Group is also focussed on improving the quality of its shopping centre portfolio through expansion and redevelopment. Maintaining a high degree of stability in the project team through an extended period has significant implications for the overall success of that project and the continuing success of the Group. As noted in section 1 of the Directors' Report, Scentre Group has $1,335 million of current development projects.

The Equity-Linked Plans operated by the Group are regarded by the Board as an essential retention tool for the Senior Executive Team. The design of the LTI Plan with qualifying periods (during which performance is measured and qualification against a targeted number of awards is determined) coupled with a 3 to 4 year vesting period is intended to encourage and reward high performance over an extended period.

(c) Appropriately align the interests of executives with securityholders

As noted above, our approach is to appropriately align executive remuneration with business strategy and the interests of securityholders. Broadly, we have adopted policies and structures which encourage intensive focus on the operating business, the creation of sustainable growth in earnings and achievement of competitive returns on contributed equity over time.

That alignment is achieved in a number of ways including:

- through the application of appropriate performance criteria in the STI Plan;
- through measurement of team performance against the hurdles set in respect of awards made under the LTI Plan;
- through the participation by the executive team in the Group's equity-linked plans where the value derived by executives on maturity reflects movements in the security price over time; and
- through a culture which rewards performance and decision making aimed at creating long term value for securityholders.

Broadly, as executives gain seniority in the Group, the balance of the remuneration mix moves to a higher proportion of short and long term incentives (and lesser proportion in fixed remuneration. That is, base salary). These short and long term incentives are performance related and are considered to be "at risk". A summary of the Group's STI Plan and the LTI Plan can be found in section 8.5 and Appendix A.

Enhancing the alignment of interests between securityholders and the Senior Executive Team is a matter of continued focus for the Human Resources Committee and the Board.

As noted, to strengthen alignment of the interests of the CEO and Chief Financial Officer (CFO) with value creation for securityholders, the CEO and CFO are required to maintain a minimum holding of Scentre Group securities that is at least a one-time multiple of their Base Salary. At the date of this report, each of the CEO and CFO hold in excess of the required minimum holding.

8.4 Corporate Performance

The Corporations Act requires that the discussion on an entity's performance includes a discussion of the entity's earnings and the consequences of performance on shareholder wealth for the financial year to which the report relates and the previous 4 financial years. As previously noted, the reporting entity is Scentre Group Limited (formerly Westfield Holdings Limited) which previously formed part of Westfield Group. Although not comparative, set out in Appendix C to this report is information relating to the historical performance of Westfield Group. The following is a discussion on Scentre Group's performance since 30 June 2014.

Full details of the Group's various financial and operating achievements are contained in section 1 of the Directors' Report.

As noted, the Financial Year was dominated by the Restructure and Merger which was a complex and demanding transaction. From a human resources perspective the execution and implementation of the transaction and the transition of Scentre Group and Westfield Corporation into two stand-alone, independent entities proceeded smoothly. Notably throughout this period, the underlying business continued to function to expectation and all relevant forecasts (as set out in the Securityholder Booklets in relation to the Restructure and Merger were met).

Within 6 months of its establishment, Scentre Group executed a series of major strategic and capital market transactions whilst maintaining its operational focus.

Development Activity

Scentre Group completed the $410 million development at Westfield Garden City and the major stage opening of the $475 million (Scentre Group share: $238 million) development at Westfield Miranda.

Scentre Group's development activity also included two design and construction projects undertaken for AMP Capital. The $440 million development at Macquarie Centre was opened and the Group continues to make good progress on the $670 million development at Pacific Fair which is expected to be completed in 2016.

Financing

Immediately following the establishment of the Group, a successful A$3.1 billion 4-tranche debut bond offering was executed in the euromarkets, with strong investor support. The Group subsequently raised A$400 million from a domestic bond issue and A$1.5 billion from two US$ bond issues. The refinancing was achieved within a relatively short period of time (July – November 2014). The net proceeds from these new issues have all but refinanced the A$5.0 billion bridge facility established as part of the Restructure and Merger.

Strategy

In November 2014, Scentre Group announced a NZ$2.1 billion joint venture with GIC for 5 shopping centres in New Zealand, 3 of which have developments planned. The transaction remains subject to GIC obtaining approval from the Overseas Investments Office, New Zealand.

Financial highlights

Financial highlights during the period 1 July 2014 to 31 December 2014 include:

- Net profit of $1.3 billion.
- Funds from Operation (FFO) was $577.9 million, representing 10.88 cents per security, in line with the forecast in the Securityholder Booklets issued in connection with the Restructure and Merger.
- Distributions for the 6 months were 10.20 cents per security, in line with the forecast in the Securityholder Booklets.
- Return on contributed equity (ROCE) was 11.0% for the period.

The market has accepted both Scentre Group and Westfield Corporation. Scentre Group, together with Westfield Corporation, is now one of the top two best performing major real estate investment trusts this half year.

The following is an analysis of Scentre Group's performance during the period 1 July 2014 to 31 December 2014 using a number of key metrics:

(a) Earnings performance

The Group reports FFO as a key performance measure. FFO is an internationally recognised and accepted measure of profitability used by the real estate industry.

The Group's FFO for the period 1 July 2014 to 31 December 2014 was 10.88 cents per security which is in line with forecasts in the Securityholder Booklets.

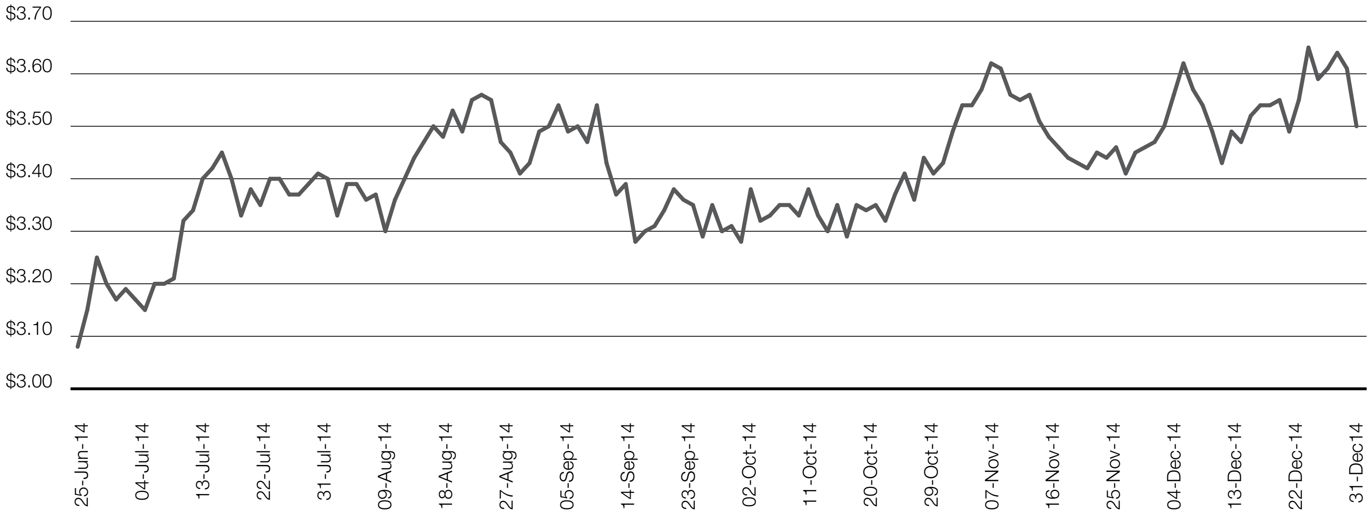
The Group also continues to measure and publish earnings per security (EPS). The Group's EPS for that period was 24.1 cents.

Distributions

Total distributions to be paid by the Group for the period 1 July 2014 to 31 December 2014 is $541.8 million representing 10.20 cents per Scentre Group stapled security.

(b) Scentre Group security price

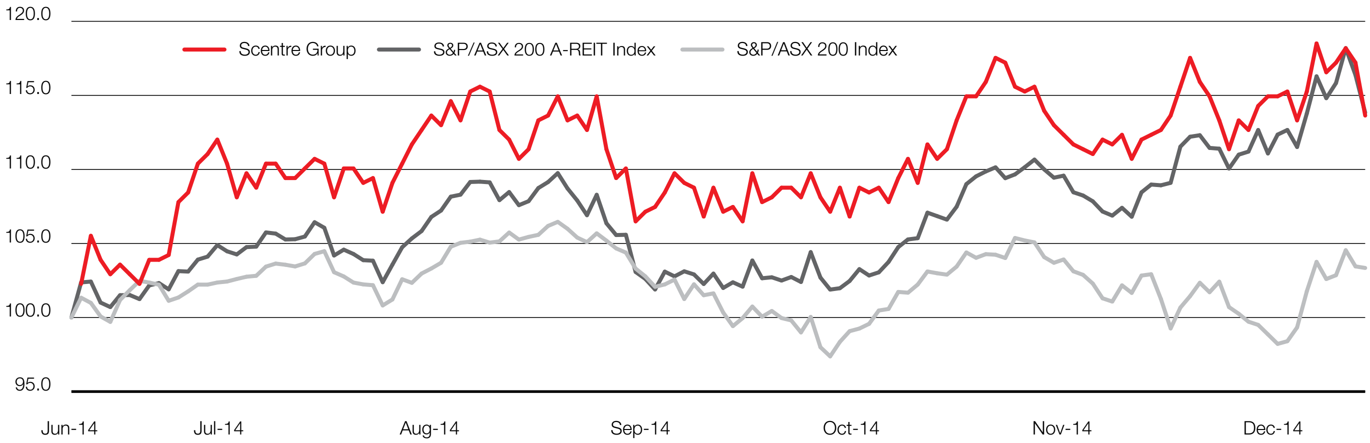
The Group's security price for the period 25 June 2014 (being the date the securities commenced trading on a deferred settlement basis) to 31 December 2014 is shown in the chart below:



Source: Bloomberg

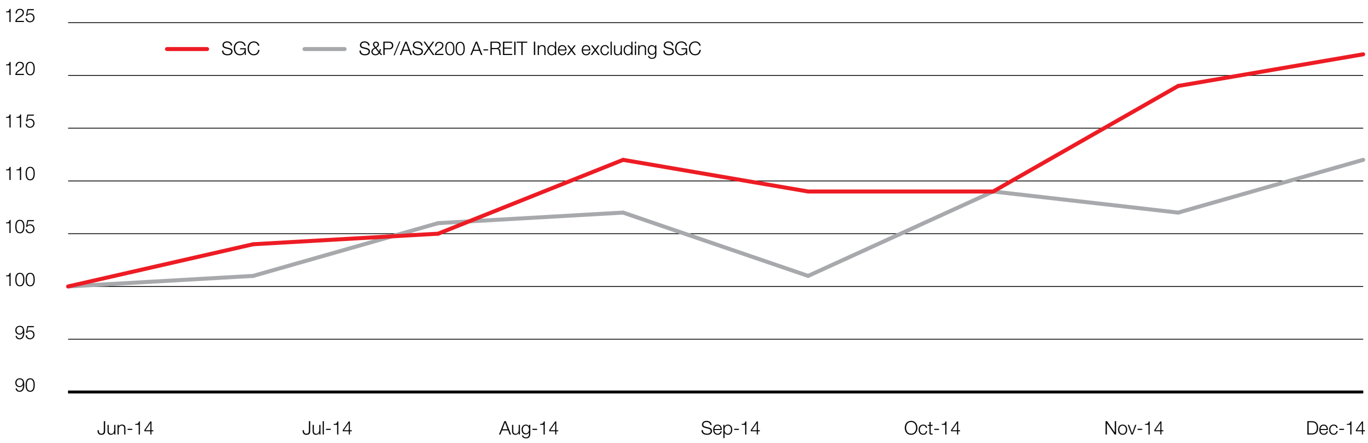
Scentre Group is included in the S&P/ASX A-REIT Index and the S&P/ASX 200 Index. Since the Group commenced trading in late June 2014, it has been one of the top performing A-REITs, and the stock has delivered a total return of 29.3%, outperforming both the S&P/ASX 200 A-REIT (+28.8%) and the S&P/ASX 200 Index (+10.3%).

The chart below shows the Group's relative performance on a daily basis against both the S&P/ASX 200 Index and the S&P/ASX 200 A-REIT Index for the period from 25 June 2014 to 31 December 2014.



Source: Bloomberg

As at 31 December 2014, Scentre Group's weighting in the S&P/ASX A-REIT Index was approximately 20% of that index. Given the significant weighting of the Group in that index, it is informative to show the comparison of Scentre Group's total returns against the performance of other index participants (excluding Scentre Group) during that period.



Source: Standard & Poor's: UBS

8.5 Scentre Group's Revised Remuneration Structure

The broad remuneration structure is the same for each member of the Senior Executive Team. Total remuneration for the CEO, CFO and Senior Executive Team comprises a mix of fixed remuneration and maximum potential at risk remuneration, through the Group's STI and LTI Plans.

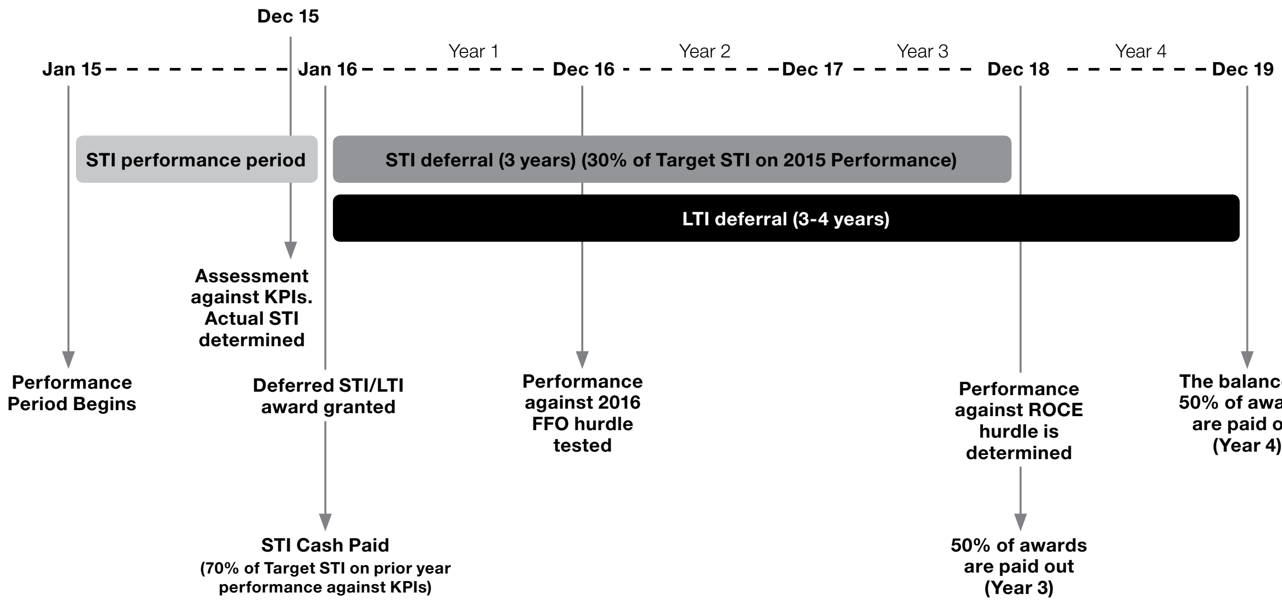
The Group's remuneration practices are benchmarked against its competitors. This extends beyond base salary and short-term performance bonuses to the Group's STI Plan and LTI Plan which are an important part of the package of initiatives used by the Group to attract, incentivise and retain executives.

The maximum potential remuneration that can be achieved by Executive KMP is the executive's Base Salary, STI and LTI assuming the maximum level of performance by the executive against their Key Performance Indicators (KPIs) and full vesting of the deferred performance rights granted under the STI and LTI Plans. The components of the remuneration mix are outlined below.

Remuneration Framework

FIXED REMUNERATION	◄ AT RISK ►		
	SHORT TERM INCENTIVE Amount determined by reference to performance against KPIS		LONG TERM INCENTIVE
Comprises – Base salary – Superannuation	– Cash performance bonus 70% of total STI	– Deferred STI 30% of total STI Comprises performance rights which vest over a 3 year period.	– Calculated as a percentage of Base Salary. Comprises performance rights which vest over a 3-4 year period if performance hurdles are achieved. (50% vesting at the end of year 3; 50% vesting at the end of year 4)

The review and vesting profiles of the STI and LTI Plans are illustrated below.



(a) Base Salary

Base Salary or fixed remuneration is reviewed annually. Base Salary is set having regard to the complexity of the role and the skills and competencies required for the role. Base Salary levels are benchmarked regularly against competitors.

(b) Short Term Incentives

The purpose of short term incentives or STIs is to reward executives against the achievement of KPIs. The KPIs are set with the purpose of motivating executives to achieve stretch performance objectives which will contribute to the short and longer term success of the Group.

KPIs are established each year under a performance review and development system. KPIs are designed to measure both financial and non-financial performance. The objectives vary according to the role of the particular executive and will typically relate to development, construction, retail management or corporate or strategic targets. Non-financial objectives include matters such as occupational health and safety, compliance, maintenance and enhancement of the Group's reputation, sustainability issues, human resources and succession planning, diversity and a range of other matters relevant to the Group's business. Scentre Group's objectives comprise individual objectives, team objectives as well as measurement against the Group's values or "DNA".

As noted, as part of its revised remuneration framework, Scentre Group has revised its STI Plan with an increased move to "pay at risk" for all participating executives. A broader based STI Plan has been introduced which includes a deferred element of compensation. Eligibility to participate in the Plan by an executive is subject to performance against KPIs in the prior financial year. The vesting period is 3 years. There are no additional performance hurdles during the vesting period.

As part of its move to reduce complexity in its remuneration framework and to emphasise the importance of individual and team performance against reward, Scentre Group has also simplified the basis on which it communicates the STI framework to its executives.

From 2015, under its revised remuneration framework, executives participating in the STI will be informed of the maximum potential STI that the executive may earn being a percentage of their annual fixed remuneration (that is, Base Salary). The potential maximum value of the STI for the CEO and CFO is 150% of their fixed remuneration, and for members of the Senior Executive Team, 125% of their fixed remuneration.

A short term incentive will only be awarded to an executive after an agreed level of performance is achieved by that executive determined by the performance of that executive against their KPIs. If the executive fails to meet the threshold criteria to qualify, no STI will be granted. Potential maximum STIs will only be achieved in exceptional circumstances such as where the executive has significantly exceeded their KPIs or made an individual contribution that has resulted in the creation of significant value for the Group.

STIs are directly linked to Group, divisional and individual performance with weightings being determined based on the role and responsibilities of the executive.

Performance weightings for the CEO, CFO and other members of the Senior Executive Team are as follows:

	Financial measures		Non-financial measures
Role	Group targets	Divisional targets	
CEO	50%	N/A	50%
CFO	30%	20%	50%
Senior Executive Team	20%	30%	50%

The actual STI awarded to the executive is determined by the Board (taking into account recommendations made by the Human Resources Committee) by reference to the performance of the executive against the agreed KPIs, the corporate performance of the Group and any other aspect of the executive's performance which is considered relevant in the context of the review, including participation in a major corporate or operational project undertaken by the Group in that year.

Once determined, the value of the STI is delivered to the executive through a combination of a cash performance bonus and equity-linked rewards under the 3 year Executive Performance Rights (EPR) Plan.

For the Senior Executive Team, the cash performance bonus will comprise 70% of the STI with the balance (30%) paid to the executive under the EPR Plan. Essentially, the EPR Plan is a 3 year equity-linked incentive where the value of awards received by the executive fluctuates up or down with movements in the price of the Group's securities. The mechanics of the EPR Plan are explained in more detail in Appendix A.

(c) Long Term Incentives

Only the Senior Executive Team of Scentre Group participates in the LTI Plan utilised by the Group. At the date of this report, that team comprised 12 executives.

The LTI Plan is designed to encourage and reward superior performance by the senior leadership team of Scentre Group emphasising the strategic leadership role of that team. Through the LTI Plan, participants will be provided with a benefit which is fully aligned with the interests of securityholders.

The mechanics of the LTI Plan (also referred to as the Performance Incentive Rights Plan or PIR Plan) are described in Appendix A.

The performance hurdles applicable under the LTI Plan are determined annually by the Board. For 2015, the LTI has 2 performance hurdles being FFO measured over 1 year and ROCE assessed by reference to ROCE achieved in year 3. Each hurdle will have a 50% weighting. Vesting in relation to a particular hurdle will occur if the measures in relation to that hurdle are achieved.

Actual performance against the hurdles which apply during the qualifying period will determine the final number of awards which the executive will receive at the end of that period. If full qualification for awards is not achieved, there is no provision in the Plan for retesting in subsequent years.

The Board reserves the right to adjust the performance hurdles described above to reflect the impact on a hurdle of any capital transaction occurring during the qualifying period.

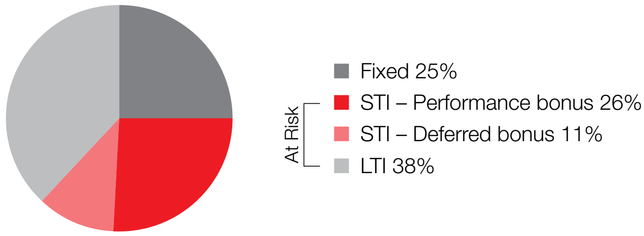
The awards issued under the LTI Plan are confirmed at the end of the qualifying period and vest on 2 dates: 50% at the end of year 3 and 50% at the end of year 4.

By adopting this combination of the application of performance hurdles in the qualifying period and the employee being required to stay for a 3 to 4 year vesting period, Scentre Group aims, through the issue of awards under the LTI Plan, to incentivise achievement of targeted objectives and assist in the retention of the senior leadership team for an extended period.

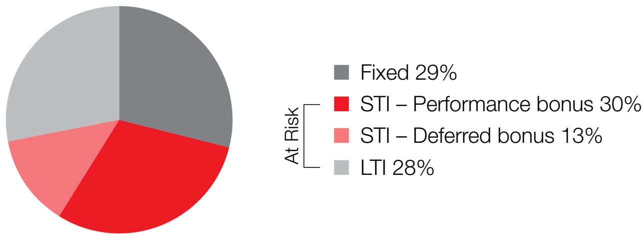
The potential maximum value of the LTI granted to the CEO is 150% of his fixed remuneration, and for the CFO and other members of the Senior Executive Team 95% of their fixed remuneration. Potential maximum LTIs will only be achieved in exceptional circumstances such as where the Group has significantly exceeded its targeted performance hurdles under the LTI Plan.

Potential maximum mix of remuneration for the CEO and CFO for 2015 is shown in the graphs below.

Chief Executive Officer



Chief Financial Officer



The FFO Hurdle

The FFO hurdle is an important measure of the health of the operating business of the Group. FFO is an internationally recognised and accepted measure of profitability used by the real estate industry. The basis for calculation of the Group's FFO is described in section 1 of the Directors' Report. Essentially, FFO is defined as net income, calculated in accordance with generally accepted accounting standards, but adjusted to exclude capital gains (or losses) from the sale of property and property revaluations, gains or losses on certain interest rate hedges and other adjustments as identified in section 1 of the Directors' Report. FFO is the primary published earnings measure used by the Group and is reported to the market semi-annually.

Performance against this hurdle is measured in a single qualifying year. Awards are granted based on performance in the qualifying year, with a requirement that the executive remains with the Group for a further 3 years in order to achieve full vesting. The Human Resources Committee considers that the structure of this hurdle, with performance measured in a single qualifying year and vesting over an extended period, provides an appropriate balance between providing a performance incentive and promoting retention.

The ROCE Hurdle

The ROCE measure enables the Board to reward the performance of management having regard to the level of returns generated on shareholder equity through a combination of improving earnings and capital management. The Board considers that this measure is closely aligned with securityholder interests and also reflects the focus which management has on these key business strategies. That level of vesting is over a 3 year period reinforcing the importance which the Board places on decision making which enhances long term value creation.

The Group's ROCE is calculated by applying FFO for the financial year as a percentage of the Group's contributed equity as set out in the financial statements.

The ROCE hurdle used in the LTI Plan operates on a graduated scale which is approved by the Board prior to awards being granted under the Plan. Performance against the ROCE hurdle will be measured by reference to ROCE achieved in year 3 of the qualifying period under the LTI Plan. Full details of performance against the ROCE hurdle applicable to awards granted in 2015 will be published at the end of the 3 year qualifying period.

The Board reserves the right to adjust the performance hurdles described above to reflect the impact on a hurdle of any capital transaction occurring during the qualifying period (e.g. a significant equity issue or the sale or joint venture of a material part of the portfolio).

Other hurdles considered by the Board

The Human Resources Committee has considered, and taken advice regarding, the implementation of a hurdle based on measurement of Total Return to Shareholders (TRS), either on a comparative basis or in absolute terms. The Committee ultimately rejected the use of a TRS based hurdle primarily due to unwillingness on the part of the Board and the Committee to determine executive rewards by reference to movements in the price of Scentre Group securities.

The Board's view is that the target level of vesting of long term incentives (which are an increasingly significant component of executive remuneration) should not fluctuate in favour of, or against, the executive, based principally on movements in the price of Scentre Group securities. Rather, performance hurdles should focus on the fundamentals of the Group's business and on the performance of the executive team in meeting the targets which the Group sets for itself. The Committee is of the view that if the management team maintains intensive focus on these fundamentals, securityholders will be rewarded, over time, by superior market performance.

The interests of the executive and securityholders are also aligned in respect of the price of the Group's securities as the value of awards at the time of vesting is calculated by reference to the market price of the Group's securities. The higher the price at the time of vesting, the greater the benefit received by the executive and vice versa.

The Human Resources Committee and the Board are satisfied that the hurdles used in respect of awards to be issued in 2015, and the remuneration structure in general, are appropriate having regard to the general objectives referred to above.

(d) Accounting for awards

As noted in Appendix A, the former Westfield Group operated cash settled equity-linked incentive plans. The final awards under these plans will vest in 2015. In addition (and as described in Appendix A), following the Restructure and Merger, existing awards under Westfield Group's plans relating to Australian and New Zealand employees were modified such that the awards relate, at the option of the holder, to:

- securities in Scentre Group only (adjusted in accordance with the formula detailed in the Securityholder Booklet); or
- securities in both Scentre Group and Westfield Corporation in the same proportion and on the same terms through the application of the merger ratio to securityholders in Westfield Group. Participants electing this option were, to this extent, effectively put in the same position as Westfield Group securityholders in respect of their awards granted prior to 31 December 2013.

The KMP elected to have their existing awards relate to both Scentre Group securities and Westfield Corporation securities. On vesting of these awards, in respect of the proportion of the awards that relate to Scentre Group securities, Scentre Group securities are delivered to the executive. In respect of the proportion of the awards that relate to Westfield Corporation securities, a cash payment is made to the executive based on a volume weighted average price of Westfield Group securities in a period prior to the vesting date.

Accordingly, the disclosures in the Group's financial statements and this report relate to both cash and equity settled incentives.

The financial statements and the remuneration disclosures in this report disclose the full cost to members of the grant of awards under the cash settled equity-linked plans, and not simply the amortisation of the face value of the grant when originally made. This is in contrast to awards issued under the Group's equity settled plans (the EPR and PIR Plans) which are accounted for by amortising a fixed initial face value (determined by reference to a broadly adopted valuation model such as Black Scholes) over the life of the award.

At the end of each accounting period the cash settled awards are "fair value adjusted" on the basis of the then current security price and the assumptions made in previous years are reconsidered having regard to any change in circumstances.

As a result of the election made by the KMP (as outlined above), the required change in accounting has resulted in an increase in the amount of the cash settled award expense disclosed for each Executive KMP. While the Scentre Group component of the award continues to be amortised at fair value at grant date, the cash settled component of the awards is now marked to market for accounting purposes. The awards were previously accounted for at fair value at grant date with no further mark to market adjustments.

Notwithstanding this change, there has been no change in the overall fair value of the awards or the number of awards (as adjusted as a result of the Restructure and Merger). The fair value of the awards at grant date has been maintained since the value of the awards on issue immediately before the commencement of deferred trading of the securities of Scentre Group and Westfield Corporation was the same as immediately after that date.

This process will result in a variation of the estimate of the future liability of the Group with respect to that award and an increase or decrease in the amortisation. For example, where the security price increases significantly, the implied increase in value of the awards at the date of maturity will result in an increase in the amount of amortisation over the remaining life of the award. Conversely, where the security price decreases in any year, the expected lower value of the awards at the date of maturity will result in a decrease in the amount of amortisation. The full amount of that amortisation is then included in the accounts and disclosed as part of the remuneration of each Executive KMP.

Compliance with this accounting standard can give rise to significant year on year fluctuations in the disclosed remuneration, dictated principally by movements up or down in the price of the Group's securities as well as assumptions made about the future value of securities. These fluctuations in disclosed remuneration occur despite the fact that the face value of awards received by an executive remains constant as between the years being compared.

8.6 FY2014 KPIs and Performance Hurdles

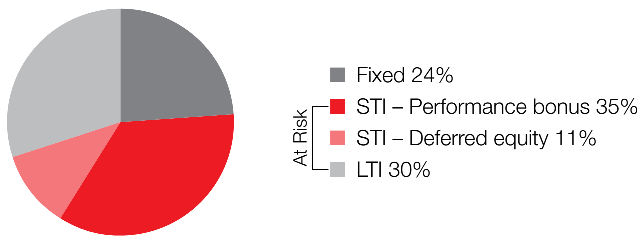
For the purposes of this report, Executive KMP are:

- Peter Allen – Executive Director/CEO;
- Mark Bloom – CFO; and
- John Widdup, Chief Operating Officer, Development, Design and Construction (COO). Mr Widdup retired from the Group on 31 January 2015.

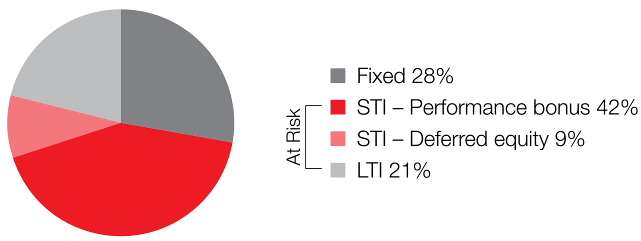
Having regard to Scentre Group's recent establishment and Mr Widdup's retirement, the Group will identify additional Executive KMP during 2015.

Set out in the following charts, is the breakdown of the fixed and at risk remuneration of the Executive KMP for 2014. At risk remuneration includes STIs and LTIs, the components of which are discussed below. Mr Bloom and Mr Widdup became Executive KMP on 30 June 2014.

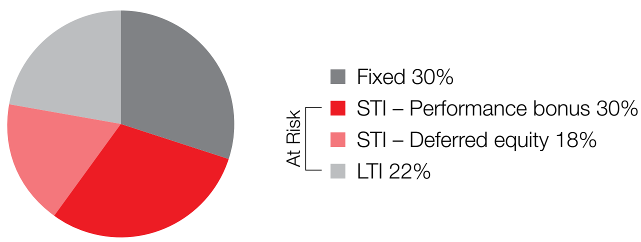
Chief Executive Officer



Chief Financial Officer



Chief Operating Officer



(a) STI awards

As noted in the Securityholder Booklets in connection with the Restructure and Merger, awards granted under the Westfield Group equity-linked plans prior to 31 December 2013 remain on foot following the Restructure and Merger. No awards were accelerated as a consequence of implementing the transaction.

The structure of Westfield Group's STI plan was based on a Target STI and Maximum STI. Essentially, the Target STI was the amount which Westfield Group would expect to pay or award an executive for performance as reflected in the KPIs for that executive. The executive was also informed of a Maximum STI which reflected the maximum amount Westfield Group would pay to that executive for performance against a predetermined set of KPIs. The Maximum STI typically exceeded the Target STI by 25%. In special circumstances, executives could earn an additional bonus in excess of the Maximum STI in recognition of the contribution made by that executive to a major transaction or corporate project. A detailed explanation of Westfield Group's remuneration framework can be found in its 2013 annual report.

The KPIs adopted for each Executive KMP in respect of the Financial Year, the weighting given to that KPI in relation to the Executive KMP and assessed performance against that KPI are set out in the table below. Although Mark Bloom and John Widdup became Executive KMP on 30 June 2014, the summary of the KPIs (and related commentary) relates to the full Financial Year. Performance was achieved at or above Target level.

The above target STI paid to the CEO and CFO for the Financial Year was as a result of the exceptional circumstances in relation to the Restructure and Merger. In particular, the STI was in recognition of their performance in implementing the Restructure and Merger, refinancing Scentre Groups' debt and leadership in the transition of Scentre Group to a stand-alone entity. As noted, in the 6 months following the Restructure and Merger, Scentre Group executed a number of strategic and capital market transactions whilst maintaining its operational focus. Mr Widdup's STI was paid at target level.

Key Performance Indicator	Weighting (%)			Performance Assessment	Commentary
	CEO	CFO	COO		
1. Capital Restructure Having conducted a full review of alternative capital structures in 2013, in December 2013, the Westfield Group announced a restructure proposal resulting in the demerger of the Group's Australian and New Zealand assets and the merger of that business with Westfield Retail Trust (to create Scentre Group and Westfield Corporation as separate listed entities). Subject to Court and securityholder approval, the specific KMP objective was to oversee the successful implementation of the Restructure and Merger.	20	20	–	Above Target	The Restructure and Merger was a large scale, complex corporate transaction involving a number of key milestones including a Court approved scheme of arrangement, preparation of the securityholder booklets, meetings of securityholders and regulatory and other approvals. Following implementation of the Restructure and Merger, the KMPs have overseen the transition of the two groups into separate ASX listed entities which involved the division of operating and corporate functions of each business under new management teams. In its first 6 months of operation, Scentre Group achieved its forecast FFO of 10.88 cents per security and its forecast distribution of 10.20 cents per security. As noted in section 8.4, since the Group commenced trading in late June 2014, it has been one of the top performing A-REITs.
2. Treasury and Financial Management Includes specific objectives relating to management of the Group's debt and derivatives and its equity base. Objectives also relate to the Group's communication with securityholders and other market participants. Importantly, in the Financial Year, those specific objectives included putting in place the bridging finance required to undertake the capital restructuring and, following implementation of the Restructure and Merger, effecting a refinancing of that bridging finance.	15	20	–	Above Target	The Restructure and Merger was facilitated by $22 billion of financing facilities, which were required to establish Scentre Group and Westfield Corporation. These facilities included Scentre Group's A$5.0 billion bridge facility and Westfield Corporation's US$5.5 billion bridge facility. Following the Restructure and Merger, Scentre Group has effectively paid down its $5.0 billion bridge facility by issuing notes in the Euro, Australian and US debt markets. This was achieved within a relatively short period of time (July – November 2014) on favourable terms for Scentre Group both as to pricing and in achieving a suitable spread of debt maturity. As a consequence, the Group has been established with a strong balance sheet and liquidity position from the outset. The Group's gearing is 34.9%, (pro forma position inclusive of the GIC transaction) consistent with the target range disclosed in the Securityholder Booklet.
3. Portfolio Management Targets relate to rental growth, specialty occupancy levels, sales growth, bad debts, management of tenant incentives, management of commercial relationships as JV partner and property manager.	10	10	25	At Target	Consistent high levels of occupancy were again achieved across the portfolio coupled with growth in average rents and comparable specialty sales. As at 31 December 2014: – the portfolio was leased was >99.5%; – comparable NOI growth for the Financial Year was 2.4%; and – specialty retail sale growth for the Financial Year was 3.6%.

Key Performance Indicator	Weighting (%)			Performance Assessment	Commentary
4. Strategic sales/Joint Ventures	**CEO**	**CFO**	**COO**	At Target	Scentre Group's strategic focus includes the introduction of joint venture partners into some of its wholly owned assets with capital being redeployed into the development program and/or the repayment of debt. In line with this strategy, in November 2014, the Group entered into a joint venture with GIC in respect of 5 New Zealand centres with a combined gross value of NZ$2.1 billion. Work is continuing on the task of the sale of non-core assets.
Continued implementation of targeted sales of less productive assets and completion of strategic joint ventures on identified assets with the objective of redirecting capital into higher performing assets, and increasing third party income derived from management, development, design and construction activity.	15	10	20		
5. Development Projects	**CEO**	**CFO**	**COO**	At Target	Highlights include: – the opening of the $410 million development at Westfield Garden City; – the major stage opening of the $475 million development at Westfield Miranda; and – completion of the $440 million Macquarie Centre design and construction project for AMP Capital. Construction also continues at the $670 million design and construction project for AMP Capital at Pacific Fair. Scentre Group has $1,335 million of current development projects in progress (SCG share: $388 million). Pre development work continues in respect of 14 development opportunities with a value in excess of $3 billion.
Achievement of targets relating to identification and progression of new developments, development starts and completion of developments on time and on budget as well as refreshing the development pipeline.	10	10	25		
6. Digital Strategy	**CEO**	**CFO**	**COO**	At Target	Scentre Group continues to utilise the services of Westfield Labs in looking at technology. A pilot app – Eat on Time – was launched in Sydney. Westfield Miranda features a new car park and valet service and an innovative ticketless parking system. The Executive KMPs have overseen a program designed to enhance integration of these initiatives into the business.
Developing the Group's plan in relation to the opportunities presented by online and digital media including identifying new business opportunities.	5	5	–		
7. Life Safety	**CEO**	**CFO**	**COO**	At Target	Scentre Group met or exceeded all important life safety metrics. There were no fatalities on Westfield Group/Scentre Group construction sites in 2014. Work continued a range of specific initiatives designed to reduce self-harm incidents at the Group's centres.
Objectives relate to all aspects of life safety issues including a review against key statistical measures, an assessment of compliance with legislation and industry standards and operation and improvements to the Scentre Group system dealing with life safety issues.	5	5	10		
8. Human Resources	**CEO**	**CFO**	**COO**	Above Target	The transition of the 2 groups has been successfully managed with business focus, staff commitment and morale remaining high during and post implementation of the transaction. Within 6 months of its establishment, Scentre Group executed a series of major strategic and capital market transactions whilst maintaining its operational focus.
Objectives relate to transition to two stand-alone businesses including the transfer of senior management teams and the provision of corporate transitional services.	20	20	20		

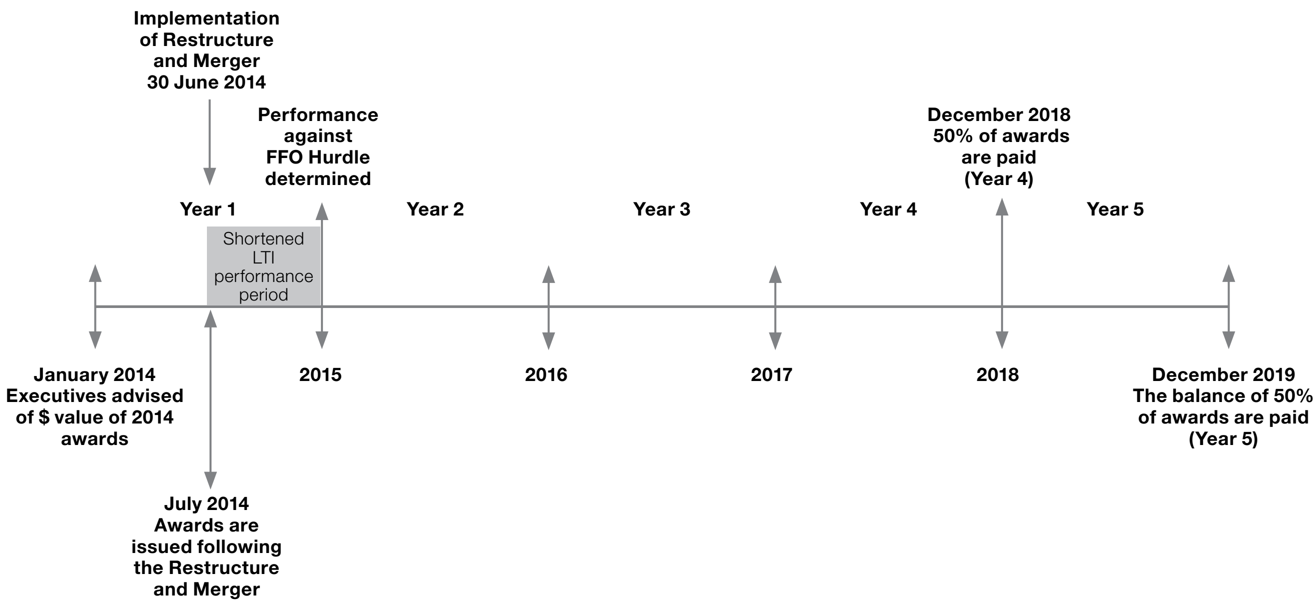
(b) 2014 Long Term Incentives

With the prospect of the Restructure and Merger, the annual grant of LTI awards to Westfield Group executives in 2014 was deferred pending the outcome of the transaction. Specifically, the Westfield Group Remuneration Committee was of the view that awards which were subject to a Westfield Group related performance hurdle(s) should not be issued as, in the event of implementation of the Restructure and Merger, that hurdle would have to be waived. The preference was, if the Restructure and Merger was successfully implemented, that awards should be issued by the 2 new groups with reference to performance hurdles appropriate to those groups. As a consequence, the issue of 2014 awards was deferred until after the Restructure and Merger occurred in June 2014. The Senior Executive Team had, in the usual course, been informed of the value of their 2014 awards under the LTI Plan and that the issue of awards would be deferred pending the outcome of the Restructure and Merger.

As noted, the Restructure and Merger dominated the Financial Year and, from a human resources perspective, was very demanding on the executive team. Entitlements under pre-existing equity-linked plans did not vest as a result of the Restructure and Merger. Notably, from a remuneration perspective, the preservation of existing entitlements was achieved with the co-operation of affected executives.

Following implementation of the Restructure and Merger, the Board determined, having regard to the deferral of the issue of awards and the efforts and co-operation of Senior Executive Team in effecting the Restructure and Merger, that it was appropriate to adopt a single performance hurdle for the 2014 LTI Plan awards. That hurdle related to achieving Scentre Group's FFO forecast for 2014 (being 10.88 cents per security as set out in the Securityholder Booklet) and as described in more detail below. The vesting period for the 2014 LTIs is 50% in year 4 and 50% in year 5.

It is recognised that the grant of LTIs with reference to a single short term hurdle is exceptional and not reflective of the Group's future intentions. The decision was based on a range of unusual circumstance existing in 2014 as a result of the Restructure and Merger.



The FFO per security hurdle adopted by the Board for the 2014 qualifying period incorporated a graduated scale of FFO earnings per security as follows:

FFO Target	Percentage Vesting
11.88 or above	150%
11.68 – 11.87	140%
11.58 – 11.67	130%
11.48 – 11.57	125%
11.38 – 11.47	120%
11.28 – 11.37	115%
11.18 – 11.27	110%
11.08 – 11.17	105%
10.98 – 11.07	100%
10.88 – 10.97	100%
10.78 – 10.87	90%
10.68 – 10.77	80%
10.58 – 10.67	50%
10.57 or Below	0%

In the 2014 qualifying period, Scentre Group achieved FFO per security of 10.88 cents per security which was is in line with the Group's forecast FFO as notified to the market and incorporated in the Securityholder Booklets. Adjustments to the ROCE hurdle for awards granted by Westfield Group under its LTI Plan in 2012 and 2013 are discussed in Appendix A.

8.7 Remuneration of Key Management Personnel

The remuneration of all KMP is determined by the Board, acting on recommendations made by the Human Resources Committee.

The Group's remuneration practices are regularly benchmarked against its competitors. In making recommendations to the Board, the Human Resources Committee takes into account advice from independent consultants and advisers on domestic and international trends in remuneration for KMP (see section 8.1 for further details). In arriving at recommendations, the advisers consider a wide range of factors including Scentre Group's financial profile, the size of its business and the size and scope of the responsibilities assumed by KMP.

Specific discussion in relation to the STIs and LTIs paid to Executive KMP is included in section 8.6.

8.7.1 Chief Executive Officer

The employment arrangements of the CEO are as follows.

Mr Peter Allen

- First joined Westfield Group in 1996. He was appointed an Executive Director in 2011 and held the position of Group Chief Financial Officer since 2004. Mr Allen was appointed CEO of Scentre Group on its creation on 30 June 2014.
- Mr Allen is a member of the Executive Committee.
- All aspects of Mr Allen's remuneration are reviewed annually by the Human Resources Committee and the Board. On his appointment as CEO of Scentre Group, Mr Allen's base salary was set at $2,000,000. This amount remains unchanged for 2015.
- Details of the Executive KMP's Service Agreements with the Group, including termination entitlements are set out in section 8.8.

The summary below outlines Mr Allen's fixed and at risk remuneration. As Mr Allen was also KMP for Westfield Group, his remuneration is shown for the Financial Year.

Mr Peter Allen: Fixed and at risk remuneration for the Financial Year

Component of remuneration	2014 $	2013 $
Short term employee benefits		
– Base salary [1]		
Fixed	1,750,000 [2]	1,400,000
– Cash bonus [3]		
At risk	2,500,000	1,400,000
– Other short term employee benefits [4]		
Fixed	425,396	(8,974)
– Non-monetary benefits		
Fixed	–	–
Total short term employee benefits	4,675,396	2,791,026
Post employment		
– Pension and superannuation benefits	–	–
Other long term benefits	–	–
Amortisation of all awards on issue [5]		
– Cash settled awards (at risk)	4,252,342	1,000,216
– Equity settled awards (at risk)	1,263,631	2,180,925
Total remuneration (including fair value adjustment for cash settled awards)	**10,191,369**	**5,972,167**
Fair value decrement/(increment) on cash settled awards	(2,526,985) [6]	(269,040)
Total remuneration based on the amortised fair value of all awards at grant date	**7,664,384** [7]	**5,703,127**

(1) Mr Allen's base salary is inclusive of statutory superannuation contributions.

(2) Mr Allen's base salary is an aggregate of 50% ($750,000) of his Westfield Group base salary for the period 1 January 2014 to 30 June 2014 and 50% ($1,000,000) of his base salary for Scentre Group for the period 1 July 2014 to 31 December 2014.

(3) No part of Mr Allen's bonus is payable in respect of any future financial year.

(4) Comprising annual leave and long service leave entitlements as adjusted for changes to Mr Allen's remuneration as part of the Restructure and Merger.

(5) Refer to the tables in the Appendix A for details of awards held by Mr Allen under the Equity-Linked Plans.

(6) This amount includes the impact of the election by the KMP to have their awards issued prior to 31 December 2013 relate to both Scentre Group securities and Westfield Corporation securities, with the Westfield Corporation component being settled in cash. Refer to Accounting for Awards.

(7) The increase in Mr Allen's remuneration from 2014 is predominately as a result of his appointment as CEO of Scentre Group and payment of the 2014 performance bonus as part of his STI.

8.7.2 Chief Financial Officer

The employment arrangements of the CFO are as follows.

Mr Mark Bloom

- First joined Westfield Group in 2003 as Deputy Group Chief Financial Officer. Mr Bloom was appointed CFO of Scentre Group on its creation on 30 June 2014.
- Mr Bloom is a member of the Executive Committee.
- All aspects of Mr Bloom's remuneration are reviewed annually by the Human Resources Committee and the Board. On his appointment as CFO of Scentre Group, Mr Bloom's base salary was set at $1,100,000. This amount remains unchanged for 2015.
- Details of the Executive KMP's Service Agreements with the Group, including termination entitlements are set out in section 8.8.

The summary below outlines Mr Bloom's fixed and at risk remuneration for the period 1 July 2014 to 31 December 2014 being the period during which Mr Bloom was an Executive KMP.

Mr Mark Bloom: Fixed and at risk remuneration for the period 1 July 2014 to 31 December 2014

Component of remuneration	**2014 $**
Short term employee benefits	
– Base salary [1]	
Fixed	550,000
– Cash bonus [2]	
At risk	850,000
Other short term employee benefits [3]	
Fixed	47,296
– Non-monetary benefits	
Fixed	–
Total short term employee benefits	**1,447,296**
Post employment	
– Pension and superannuation benefits	–
Other long term benefits	–
Amortisation of all awards on issue [4]	
– Cash settled awards (at risk)	862,217
– Equity settled awards (at risk)	259,126
Total remuneration (including fair value adjustment for cash settled awards)	**2,568,639**
Fair value decrement/(increment) on cash settled awards [5]	(516,233)
Total remuneration based on the amortised fair value of all awards at grant date	**2,052,406**

[1] Mr Bloom's base salary is inclusive of statutory superannuation contributions.

[2] No part of Mr Bloom's bonus is payable in respect of any future financial year.

[3] Comprising annual leave and long service leave entitlements.

[4] Refer to the tables in the Appendix A for details of awards held by Mr Bloom under the Equity-Linked Plans.

[5] This amount includes the impact of the election by the KMP to have their awards issued prior to 31 December 2013 relate to both Scentre Group securities and Westfield Corporation securities, with the Westfield Corporation component being settled in cash. Refer to Accounting for Awards.

8.7.3 Chief Operating Officer, Development, Design & Construction

The employment arrangements of the COO are as follows.

Mr John Widdup

- First joined Westfield in 1994 and held a number of senior positions. In 2007 Mr Widdup was appointed Chief Operating Officer, US. In 2011, he was appointed as COO, Australia. Mr Widdup retired from Scentre Group on 31 January 2015.
- Mr Widdup was a member of the Executive Committee.
- All aspects of Mr Widdup's remuneration were reviewed annually by the Human Resources Committee and the Board.
- Details of the Executive KMP's Service Agreements with the Group, including termination entitlements are set out in section 8.8.

The summary below outlines Mr Widdup's fixed and at risk remuneration for the period 1 July 2014 to 31 December 2014 being the period during which Mr Widdup was an Executive KMP.

Mr John Widdup: Fixed and at risk remuneration for the period 1 July 2014 to 31 December 2014

Component of remuneration	**2014 $**
Short term employee benefits	
– Base salary [1]	
Fixed	487,500
– Cash bonus [2]	
At risk	487,500
Other short term employee benefits [3]	
Fixed	(9,213)
– Non-monetary benefits	
Fixed	–
Total short term employee benefits	**965,787**
Post employment	
– Pension and superannuation benefits	–
Other long term benefits	–
Amortisation of all awards on issue [4]	
– Cash settled awards (at risk)	637,831
– Equity settled awards (at risk)	400,756
Total remuneration (including fair value adjustment for cash settled awards)	**2,004,374**
Fair value decrement/(increment) on cash settled awards [5]	(371,053)
Total remuneration based on the amortised fair value of all awards at grant date	**1,633,321**

(1) Mr Widdup's base salary is inclusive of statutory superannuation contributions.

(2) No part of Mr Widdup's bonus is payable in respect of any future financial year.

(3) Comprising annual leave and long service leave entitlements.

(4) Refer to the tables in the Appendix A for details of awards held by Mr Widdup under the Equity-Linked Plans.

(5) This amount includes the impact of the election by the KMP to have their awards issued prior to 31 December 2013 relate to both Scentre Group securities and Westfield Corporation securities, with the Westfield Corporation component being settled in cash. Refer to Accounting for Awards.

8.8 Executive Service Agreements and Termination Arrangements

The Service Agreements for the Executive KMP are, in each case, a continuing arrangement inherited from Westfield Group. These Service Agreements have been in place since 2009.

The Service Agreements outline the elements of remuneration which may be conferred on the executive during their period of employment by the Group (including base salary, performance bonus and participation in the Group's equity-linked incentive plans). The agreement is silent on the details of that remuneration. Those details are determined annually by the Board and advised to the executive by letter.

The Service Agreements do not have a fixed term. They may be terminated by the Group employer at any time by giving the relevant executive one month's notice. The executive may terminate the contract at any time by giving the Group three months' notice.

Payments to the executive on termination are also common to each Service Agreement. The principles applicable to termination payments by the Group, as applied by the Group prior to execution of the Service Agreements and now reflected in those Service Agreements are set out below. The provisions of these Service Agreements must be read subject to the requirements of the Corporations Act. In certain circumstances, payment of the entitlements referred to below may require the prior approval of members.

(a) Resignation (excluding retirement) and termination by the Group for cause

An executive who resigns from the Group to pursue other opportunities or who is dismissed by the Group for cause (broadly defined to include serious misconduct, fraud or dishonest conduct or a refusal to comply with lawful directions) is entitled to minimal benefits on termination.

The executive is entitled only to accrued base salary and statutory entitlements to the date of departure. Payment of a pro-rata bonus for the relevant year may be considered in exceptional circumstances. All unvested entitlements under the Group's equity-linked incentive plans are forfeited, without payment, on termination.

(b) Redundancy or termination by the Group (other than for cause)

An executive made redundant by the Group or who is terminated without cause is entitled to receive:

- accrued statutory entitlements;
- a pro-rata performance bonus to the date of termination;
- a redundancy payment of between 12 and 24 months base salary depending on the length of service of the executive plus one month's base salary in lieu of notice; and
- pro-rata vesting of outstanding awards under the Group's equity-linked incentive plans (excluding any awards which lapsed as a consequence of a failure to satisfy a performance hurdle).

(c) Death or permanent disability

If an executive dies or suffers a permanent disability during the term of employment the entitlements payable to that executive (or the estate of that executive) are as follows:

- accrued statutory entitlements;
- a pro-rata performance bonus to the date of termination; and
- full vesting of outstanding awards under the Group's equity-linked incentive plans (excluding any awards which lapsed as a consequence of a failure to satisfy a performance hurdle) other than "retention awards" which vest pro-rata to the date of termination.

(d) Retirement

The Group recognises that if an executive satisfies the retirement conditions (see below), the termination of the employment should be treated in a different manner to a resignation in the ordinary course.

Provided an executive has reached the age of 55 years with at least 5 years continuous service or the aggregate of the age of the participant and the number of years of service with the Group is equal to or greater than 70, the executive will be entitled to the following benefits:

- accrued statutory entitlements;
- a pro-rata performance bonus to the date of retirement; and
- the right to continue in the Group's equity-linked incentive plans until the date of vesting of outstanding awards granted at least 6 months prior to the date of retirement (excluding any awards which lapsed as a consequence of a failure to satisfy a performance hurdle) or, in circumstances where continued participation in the Plans is not permitted under the terms of the Plans, the executive is entitled to a cash payment from the Group equal to the amount that would have been received had the executive been permitted to continue in the Plans.

Where permitted by law, the Group imposes a further requirement that, following retirement, the executive complies with certain continuing non-compete obligations which, if not satisfied, will result in forfeiture of all awards then outstanding.

The Human Resources Committee and the Board believe that these policies provide appropriate incentives (and disincentives) on termination which balances the interests of the Group and its securityholders with the policy objective of providing commercially reasonable payments to executives which reflect the circumstances of their departure. As has been noted above, the retention of senior executives is a key objective of the Group. It is also an objective of the Board to keep long serving executives participating in the equity-linked incentive plans right up to the point of their retirement. The Board believes that the policies described in this report assist in achieving those objectives.

8.9 Remuneration of Non-Executive Directors

Non-Executive Directors are paid fees for service on the Board and its Committees as detailed in this report and are reimbursed for out of pocket expenses. No other bonuses or benefits are paid either during the tenure of a Non-Executive Director or on retirement. Non-Executive Directors do not participate in any of the Group's incentive plans. None of the Non-Executive Directors were paid an amount before they took office as consideration for agreeing to hold office.

Non-Executive Director remuneration comprises a base fee (which is inclusive of superannuation guarantee contributions) and where relevant, a Committee fee and an additional fee for the role of deputy chair of the Board and for Committee chair.

The aggregate pool available for payment of fees to Non-Executive Directors is currently a maximum of $3.5 million. That amount was approved by securityholders at the Annual General Meeting (AGM) of Scentre Group Limited (formerly Westfield Holdings Limited) held on 25 May 2011.

The fees paid to the Non-Executive Directors in the period 1 July 2014 to 31 December 2014 are set out in the table below.

The remuneration of the Non-Executive Directors is determined by the Board (within the limits set by Scentre Group securityholders), acting on recommendations made by the Human Resources Committee. The objective of the Committee in making its recommendations is to attract, retain and properly motivate high calibre Non-Executive Directors to serve on the Scentre Group Board.

In making recommendations to the Board, the Human Resources Committee takes into account advice from independent consultants and advisers on domestic and international trends in non-executive director remuneration.

Other than the Chair who receives a single fee, Non-Executive Directors receive a base fee plus additional fees for membership of Board Committees. The table below outlines the Board fee structure on an annual basis.

Board/Committee	Chair	Deputy Chair	Membership
Directors fees	$500,000	$30,000	$185,000 [1]
Audit and Risk Committee	$ 50,000		$ 30,000
Human Resources Committee	$ 30,000		$ 20,000
Nomination Committee	$ 15,000		$ 10,000

(1) Base fees are inclusive of statutory superannuation contributions.

The table below sets out the remuneration for the Non-Executive Directors for the period 1 July 2014 to 31 December 2014.

Name	Base fee $	Deputy Chair fee $	Audit & Risk Committee $	Nomination Committee $	Human Resources Committee $	Total $
Frank Lowy – Chairman	250,000	–	–	–	–	**250,000**
Brian Schwartz – Deputy Chairman	92,500	15,000	–	5,000	15,000	**127,500**
Laurence Brindle	92,500	–	15,000	–	–	**107,500**
Richard Egerton-Warburton	92,500	–	15,000	7,500	–	**115,000**
Andrew Harmos	92,500	–	–	5,000	10,000	**107,500**
Michael Ihlein	92,500	–	25,000	–	–	**117,500**
Steven Lowy	92,500	–	–	–	–	**92,500**
Sandra McPhee	92,500	–	–	–	10,000	**102,500**
						1,020,000

8.10 Definitions

An understanding of the following definitions will assist the reader in reviewing this Report:

Base Salary	means the fixed remuneration paid to an executive at regular intervals (typically monthly).
Equity-Linked Plans	or Plans means the Executive Performance Rights Plan (EPR Plan) and the Performance Incentive Rights Plan (PIR Plan), both of which are established under the Scentre Group Performance Rights Plan. Under the EPR Plan, the Group grants 3 year equity-linked awards to executives (including the Senior Executive Team) as part of the annual STI. Under the PIR Plan, the Group grants 4 year equity-linked awards to approximately 12 of the Group's most senior executives. Unlike the EPR Plan, in order to achieve vesting of awards granted under the PIR Plan, the certain performance hurdles set by the Board at the commencement of each year must be satisfied. A full description of both Plans can be found in section 8.5 and in Appendix A.
Executive Director	means each member of the Board who is employed as an executive of the Group – being Peter Allen (Chief Executive Officer).
Executive KMP	means the Chief Executive Officer and any other executive responsible for planning, directing and controlling Scentre Group's activities. Apart from the CEO, the Executive KMP in this report are: Mr Mark Bloom (Chief Financial Officer) and Mr John Widdup (Chief Operating Officer, Development, Design & Construction). The remuneration of all KMP, including Non-Executive Directors, is reported in this Report.
Key Performance Indicators	or KPIs are the performance objectives or measures used to assess the entitlement of executives to Short Term Incentives in any year. Typically these measures are both financial and non-financial.
Long Term Incentive Plan	or LTI Plan means the Performance Incentive Rights Plan (PIR Plan) established under the Scentre Group Performance Rights Plan. A full description of the LTI Plan can be found in section 8.5 and in Appendix A.
Non-Executive Director	means a member of the Board who does not form part of the Executive Management Team.
Performance Bonus	means that part of the STI which is paid in cash.
Performance Hurdles	means the hurdles established by the Board in connection with awards granted under the LTI Plan with a view to measuring performance of the executive team against key business metrics. For 2014, given the exceptional circumstances in connection with the Restructure and Merger, the Board has adopted a one off shortened hurdle, being FFO for the period 1 July 2014 to 31 December 2014. The rationale for choosing this hurdle and is set out in section 8.6. For the 2015 financial year, the Group has adopted 2 hurdles – the first relating to Funds From Operations (FFO), measured over 1 year and the second relating to Return on Contributed Equity (ROCE), assessed by reference to ROCE achieved in year 3 of the LTI Plan. Each hurdle has a 50% weighting. Vesting in relation to a particular hurdle will occur if the measures in relation to that hurdle are achieved.
Securityholder Booklets	means the documents dated 14 April 2014 and 9 May 2014 issued to Westfield Group and Westfield Retail Trust securityholders in relation to the Restructure and Merger.
Senior Executive Team	means Scentre Group's senior management team comprising approximately 12 executives performing senior operational and corporate roles.
Short Term Incentive	or STI means the annual incentive paid to an executive based on performance against KPIs which reflect the expected performance of that executive in relation to financial and non-financial matters. A further description of the process for awarding STIs is set out in sections 8.5 and 8.6. For the Senior Executive Team, each STI has two components: (a) a cash performance bonus paid shortly after the end of the relevant financial year; and (a) a grant of awards under the EPR Plan (see below) under which part of the STI is deferred for 3 years. The value of the deferred awards received by the executive at that vesting is calculated by reference to the market price of Scentre Group's securities at that time.

APPENDIX A – 1. Scentre Group Equity-Linked Plans

1.1 Equity-linked incentive plans

Scentre Group operates 2 equity-linked incentive plans: the Executive Performance Rights Plan (EPR Plan) and the Performance Incentive Rights Plan (PIR Plan). These plans are used in conjunction with the STI Plan and LTI Plan. The mechanics of the Plans are outlined below.

Westfield Group also operated an Executive Deferred Award Plan (EDA Plan) and Partnership Incentive Plan (PIP Plan). The EDA Plan and PIP Plan operated in the same manner as the EPR Plan and PIR Plan except that entitlements are satisfied by a cash payment to the holder as opposed to the delivery of securities. Awards have not been issued under the EDA Plan and PIP Plan since 2011. There are no outstanding awards under the EDA Plan. The final awards under the PIP Plan will vest in December 2015.

1.2 Adjustments as a result of the Restructure and Merger

As noted in the Securityholder Booklets (pages 83 and 146), awards granted under the Westfield Group equity-linked plans prior to 31 December 2013 remain on foot following the Restructure and Merger. No awards were accelerated as a consequence of implementing the transaction.

Modification of plans

Immediately following implementation, existing awards under Westfield Group's plans relating to Australian and New Zealand employees were modified such that the awards relate, at the option of the holder, to:

- securities in Scentre Group only (adjusted in accordance with the formula detailed in the Securityholder Booklets); or
- securities in both Scentre Group and Westfield Corporation in the same proportion and on the same terms through the application of the merger ratio to securityholders in Westfield Group. Participants electing this option were, to this extent, effectively put in the same position as Westfield Group securityholders in respect of their awards granted prior to 31 December 2013.

The adjustment formula is set out on page 83 of the Securityholder Booklet issued to Westfield Group securityholders. All awards issued after 31 December 2013, including awards issued in 2014, to Scentre Group employees relate solely to Scentre Group securities. The issuer of awards in Australia and New Zealand is Scentre Group Limited (formerly Westfield Holdings Limited).

Awards granted in respect of the US and UK versions of Westfield Group plans were adjusted so as only to relate to Westfield Corporation securities (see page 146 of the Securityholder Booklet). This adjustment also applied to awards held by Australian executives who transferred to Westfield Corporation. All awards issued after 31 December 2013, including awards issued in 2014 to Westfield Corporation employees, relate solely to Westfield Corporation securities.

2012 and 2013 ROCE hurdle

As detailed in the Securityholder Booklet, in 2012 and 2013 Westfield Group issued awards under its PIR Plan on the basis of a ROCE hurdle. A full discussion of the ROCE hurdle is contained in the 2012 and 2013 annual reports for Westfield Group. Essentially, vesting was to be determined by reference to the average annual ROCE of Westfield Group tested over a 4 year period. The actual level of vesting depended on performance against a graduated scale set by the Westfield Group Board.

Given the fundamental restructure of Westfield Group, the Westfield Group Board determined that these ROCE hurdles should be waived and an appropriate level of vesting determined having regard to actual performance to implementation of the Restructure and Merger. Consequently, the Board determined that the ROCE hurdle was deemed to have been satisfied at the following levels:

- 2012: 110%; and
- 2013: 125%.

This level of vesting did not apply to those PIR awards which were tested against the FFO hurdle which was used in each of those years – being 75% of total PIR awards in 2012 and 50% of total awards in 2013. Those hurdles were met at 100% of Target.

1.3. Mechanics of the Plans

Under the EPR Plan and the PIR Plan, on maturity, the executive is entitled to receive, at the election of Scentre Group and for no further consideration, either:

(a) one Scentre Group security for each award; or

(b) a cash payment to the same value.

The relevant common features of both Plans are as follows:

- based on principles and remuneration bands agreed with the Human Resources Committee, participating executives earn the opportunity to participate in a Plan and are informed of a dollar amount in relation to their participation;
- immediately prior to the commencement of participation in the Plan, that dollar amount is converted into an award which is based on the then current market price of Scentre Group stapled securities. For example, assuming a market price of $3.50 per stapled security, a participant entitled to a grant of $350,000 would receive an award equal to the economic benefit of 100,000 Scentre Group stapled securities;
- assuming the executive remains employed by the Group through the vesting period and any applicable performance hurdles are satisfied, the executive will receive either a physical Scentre Group security or a cash pay-out equal to the capital value of the securities represented by the award; and
- participants in the Plans only receive distributions on securities which accrue after the vesting date.

The right to receive the benefit of an award under a Plan is dependent on the executive remaining employed by Scentre Group throughout the vesting period. In special circumstances (e.g. death, redundancy or retirement), the Board will allow vesting of all or part of the awards granted under the Plans (see section 8.8), or allow the executive to remain as a participant in the Plan through to the vesting date.

1.4 Short Term Incentives – The EPR Plan

The EPR Plan is a broader based plan incentive plan used in conjunction with the STI Plan. Eligibility to participate in the Plan is measured against an executive's performance against KPIs in the financial year prior to awards being granted under the Plan. The EPR Plan uses the deferral of vesting of a portion of the Short Term Incentive as part of a broader strategy for retaining the services of those executives participating in the Plan. If it is determined that an executive is entitled to a STI which exceeds a specific dollar amount, part of that incentive, typically 25-30% depending on the seniority of the executive, will be deferred into the EPR Plan.

Executives qualify to receive a pay-out of that deferred compensation by satisfying the requirement that they remain in the employment of Scentre Group through the vesting period. That vesting period is typically 3 years. There are no additional performance hurdles applicable during the vesting period.

Participants will qualify to receive the benefit of each award on the vesting date or, in limited circumstances described below, the date that they cease to be an employee of Scentre Group. Depending on age, length of service and the date of retirement, executives may be eligible to continue to participate in the Plans up to the vesting date if they retire prior to that date.

The circumstances in which a participant's award will be forfeited include the following:

- voluntary resignation by the executive (other than where the retirement conditions are met);
- a "Summary Termination Event" occurring in respect of a participant (this includes the participant engaging in serious misconduct or, in certain cases, being convicted of a criminal offence); and
- the participant failing to comply with a "Competition and Confidentiality Condition" (which will include standard confidentiality, non-compete and non-solicitation conditions).

In the case of death or total and permanent disablement, the awards will fully vest (with the exception of retention awards in respect of which a pro-rata payment will be made).

If a participant is made redundant or Scentre Group terminates their employment other than for cause, a pro-rata payment will be made to that participant.

(a) Participation in EPR Plan

The following chart details awards under the EPR Plan held by Executive KMP.

Executive	Date of grant	Number of rights held	Total rights held post adjustment[1] WFD	SCG	Vesting date	Fair value at grant[2] $	Market value at 31 Dec 2014[3] $
Peter Allen	1 Jan 2011	771,923	771,923	961,817	15 Dec 2015	5,889,772	10,329,105
	1 Jan 2012	110,196	110,196	137,305	15 Dec 2014	744,925	–
	1 Jan 2013	82,013	82,013	102,189	15 Dec 2015	747,138	1,097,419
	1 Jul 2014[4]	308,362	–	308,362[5]	16 Dec 2016	796,262	1,079,267
Mark Bloom	1 Jan 2011	128,654	128,654	160,303	15 Dec 2015	981,630	1,721,520
	1 Jan 2012	51,425	51,425	64,076	15 Dec 2014	347,633	–
	1 Jan 2012	162,167	162,167	202,061	16 Dec 2016	969,759	2,169,960
	1 Jan 2013	38,273	38,273	47,689	15 Dec 2015	348,667	512,134
	1 Jul 2014[4]	134,911	–	134,911[5]	16 Dec 2016	348,371	472,189
John Widdup	1 Jan 2012	88,157	88,157	109,844	15 Dec 2014	595,941	–
	1 Jan 2013	65,610	65,610	81,751	15 Dec 2015	597,707	877,931
	1 Jul 2014[4]	105,496	–	105,496[5]	15 Dec 2014	300,596	–
	1 Jul 2014[4]	231,271	–	231,271[5]	16 Dec 2016	597,197	809,449

(1) As noted at 1.2 above, executives were given the option to elect for rights issued prior to December 2013 to relate to Scentre Group securities and Westfield Corporation securities in the same proportion and on the same terms through the application of the merger ratio to securityholders in Westfield Group. The number of rights represents that adjustment.

(2) The fair value of the rights issued under the EPR Plan is calculated using the Black Scholes option pricing methodology. The fair value of the awards issued under the EPR Plan is calculated on the assumption that the employee remains employed with the Group for the full period of vesting under the EPR Plan. The fair value of the awards at grant date has been maintained since the value of the awards on issue immediately before the commencement of deferred trading of the securities of Scentre Group and Westfield Corporation was the same as immediately after that date.

(3) The market value as at 31 December 2014 is based on the closing price of Westfield Corporation stapled securities and Scentre Group stapled securities of $9.02 and $3.50 respectively.

(4) With an effective commencement date of 1 January 2014.

(5) The issue of 2014 rights were deferred until after the Restructure and Merger. 2014 rights relate solely to Scentre Group stapled securities. Accordingly, no adjustments were made.

1.5 Long term incentives – PIR Plan

Only the senior leadership team participates in the PIR Plan under which LTIs are awarded.

The PIR Plan is designed to encourage and reward superior performance aligned to long term value creation for securityholders emphasising the strategic leadership role of the senior leadership team. Through the PIR Plan, the participants in that plan will be provided with a benefit that is fully aligned with the interests of securityholders as discussed in section 8.3(c).

The operation of the PIR Plan is described above.

The performance hurdles applicable under the PIR Plan are determined annually by the Human Resources Committee when determining which executives will be invited to participate in the PIR Plan. Executives are informed of those hurdles at the same time as they are advised of the potential number of awards for which they will qualify if the performance hurdles are achieved. More than one hurdle may be set in any year.

Actual performance against the hurdles which apply during a qualifying period will determine the final number of awards which the executive will receive at the end of that period. If performance against a hurdle is such that full qualification for awards is not achieved, there is no provision in the PIR Plan for re-testing in subsequent years. The Board will revise hurdles during a qualifying period only where required as a consequence of a capital transaction undertaken by the Group (e.g. a major capital raising) or a strategic decision by the Group which prevents achievement of the hurdle.

The awards issued under the PIR Plan are confirmed at the end of the qualifying period and vest on two dates: 50% at the end of year 3 and 50% at the end of year 4. No other performance hurdles are imposed during the vesting period.

By adopting this combination of performance hurdles and the employees being required to stay for a 3 to 4 year vesting period, Scentre Group aims, through the issue of awards under the PIR Plan to incentivise achievement of targeted objectives and assist in the retention of the senior leadership team for an extended period of time. Executives participating in the PIR Plan will be required to remain with the Group for a period of 4 years in order to get the full benefit of each award.

(b) Participation in PIR plan

The following chart details awards under the PIR Plan held by Executive KMP.

Executive	Date of grant	Number of rights held/vesting dates	Total rights held post adjustment[(1)] WFD	SCG	Fair value at grant[(2)] $	Market value at 31 Dec 2014[(3)] $
Peter Allen	1 Jan 2012[(4)]	72,729:15/12/15	72,729	90,621	463,284	973,189
		81,911:15/12/16[(5)]	81,911	102,062	489,828	1,096,054
	1 Jan 2013	56,997:15/12/16	56,997	71,019	494,734	762,679
		74,149:15/12/17[(6)]	74,149	92,390	613,954	992,189
	1 Jul 2014[(7)]	201,177:15/12/17	–	201,177[(8)]	494,640	704,120
		209,627:14/12/18	–	209,627[(8)]	490,728	733,695
Mark Bloom	1 Jan 2012[(4)]	32,728:15/12/15	32,728	40,780	208,477	437,937
		36,860:15/12/16[(5)]	36,860	45,928	220,423	493,225
	1 Jan 2013	25,649:15/12/16	25,649	31,959	222,633	343,210
		33,367:15/12/17[(6)]	33,367	41,576	276,279	446,486
	1 Jul 2014[(7)]	90,533:15/12/17	–	90,533[(8)]	222,594	316,866
		94,331:14/12/18	–	94,331[(8)]	220,824	330,159
John Widdup	1 Jan 2012[(4)]	29,092:15/12/15	29,092	36,249	185,316	389,281
		32,765:15/12/16[(5)]	32,765	40,826	195,935	438,431
	1 Jan 2013	22,799:15/12/16	22,799	28,408	197,895	305,075
		29,659:15/12/17[(6)]	29,659	36,956	245,577	396,870
	1 Jul 2014[(7)]	80,471:15/12/17	–	80,471[(8)]	197,856	281,649
		83,852:14/12/18	–	83,852[(8)]	196,293	293,482

(1) As noted at 1.2 above, executives were given the option to elect for rights issued prior to 31 December 2013 to relate to Scentre Group securities and Westfield Corporation securities in the same proportion and on the same terms through the application of the merger ratio to securityholders in Westfield Group. The number of rights represents that adjustment.

(2) The fair value of the rights issued under the PIR Plan is calculated using the Black Scholes option pricing methodology. The fair value of the awards issued under the PIR Plan is calculated on the assumption that the employee remains employed with the Group for the full period of vesting under the PIR Plan. The fair value of the awards at grant date has been maintained since the value of the awards on issue immediately before the commencement of deferred trading of the securities of Scentre Group and Westfield Corporation was the same as immediately after that date.

(3) The market value as at 31 December 2014 is based on the closing price of Westfield Corporation stapled securities and Scentre Group stapled securities of $9.02 and $3.50 respectively.

(4) In 2010 and 2011, Mr Allen, Mr Bloom and Mr Widdup did not participate in the PIR Plan. In respect of those years, they participated in the PIP Plan. Refer to the table below.

(5) Refer to 1.2 above for a discussion for the adjustment to the ROCE hurdle for awards granted under the PIR Plan in 2012 and 2013. As noted, it was determined that, based on performance against that hurdle to the time of Restructure and Merger, that tranche of PIR Plan awards to which the ROCE hurdle related, should be adjusted on an assumed vesting level of 110% of Target.

(6) Refer to 1.2 above for a discussion for the adjustment to the ROCE hurdle for awards granted under the PIR Plan in 2012 and 2013. As noted, it was determined that, based on performance against that hurdle to the time of Restructure and Merger, that tranche of PIR Plan awards to which the ROCE hurdle related, should be adjusted on an assumed vesting level of 125% of Target.

(7) With an effective commencement date of 1 January 2014.

(8) The issue of 2014 rights were deferred until after the Restructure and Merger. 2014 rights relate solely to Scentre Group stapled securities. Accordingly, no adjustments were made.

(c) Participation in the PIP Plan

The following chart details awards under the PIP Plan held by Executive KMP.

Executive	Date of grant	Number of awards at grant/vesting dates	Total awards held post adjustment[(1)] WFD	SCG	Fair value at grant[(2)] $	Market value at 31 Dec 2014[(3)] $
Peter Allen[(4)]	1 Jan 2010	80,494:15/12/14[(5)]	80,494	100,296	598,046	–
	1 Jan 2011	59,194:15/12/14[(6)]	59,194	73,756	474,144	–
		61,760:15/12/15	61,760	76,953	471,229	826,411
Mark Bloom[(4)]	1 Jan 2010	36,223:15/12/14[(5)]	36,223	45,134	269,123	–
	1 Jan 2011	26,637:15/12/14[(6)]	26,637	33,190	213,362	–
		27,792:15/12/15	27,792	34,629	212,053	371,885
John Widdup[(4)]	1 Jan 2010	32,198:15/12/14[(5)]	32,198	40,119	239,224	–
	1 Jan 2011	28,746:15/12/14[(6)]	28,746	35,818	230,255	–
		29,992:15/12/15	29,992	37,371	228,839	401,326

(1) As noted at 1.2 above, executives were given the option to elect for awards issued prior to 31 December 2013 to relate to Scentre Group securities and Westfield Corporation securities in the same proportion and on the same terms through the application of the merger ratio to securityholders in Westfield Group. The number of awards represents that adjustment.

(2) The fair value of awards granted under the PIP plan is calculated using the Black Scholes pricing methodology and calculated on the assumption that the employee remains employed with the Group for the full period of vesting under the PIP Plan. The fair value of the awards at grant date has been maintained since the value of the awards on issue immediately before the commencement of deferred trading of the securities of Scentre Group and Westfield Corporation was the same as immediately after that date.

(3) The market value as at 31 December 2014 is based on the closing price of Westfield Corporation stapled securities and Scentre Group stapled securities of $9.02 and $3.50 respectively.

(4) From 2012 to 2014, Mr Allen, Mr Bloom and Mr Widdup participated in the PIR Plan. Refer to the table above.

(5) This number represents 50% of the original number of the awards, as awards under the PIP Plan vest in two tranches. Tranche 2 vested on 15 December 2014. The pay-out amount to Mr Allen was $1,021,960; Mr Bloom was $459,890 and Mr Widdup $408,789.

(6) This number represents 50% of the original number of the awards, as awards under the PIP Plan vest in two tranches. These awards are tranche 1 of the awards first granted in 2011. Tranche 1 vested on 15 December 2014. The pay-out amount to Mr Allen was $751,533; Mr Bloom was $338,186 and Mr Widdup $364,964.

1.6 Legacy plans

Westfield Group, in addition to the EPR Plan and PIR Plan operated an Executive Deferred Award Plan (EDA Plan) and Partnership Incentive Plan (PIP Plan). The EDA Plan and PIP Plan operated in the same manner as the EPR Plan and PIR Plan except that entitlements are satisfied by a cash payment to the holder as opposed to the delivery of securities.

Awards have not been issued under the EDA Plan and PIP Plan since 2011. There are no outstanding awards under the EDA Plan. The final awards under the PIP Plan will vest in December 2015.

Westfield Group utilised the EDA Plan to make non-recurring awards (known as retention awards) to the Group's most senior executives (excluding the Co-Chief Executive Officers). These awards were distinguished from the typical EDA Plan awards described above and were granted with the specific aim of retaining the services of key executives over a 2 – 5 year period. The objective of these awards was to retain the services of key executives for an extended period.

As part of its revised remuneration framework, Scentre Group has discontinued the issue of retention awards. Rather, where appropriate, specific retention objectives will be built into the LTI Plan.

1.7 Hedging Policy for Plan Participants

In addition to the restrictions placed on entering into hedging arrangements by operation of the Group's Security Trading Policy, participants in the Plans are prohibited from entering into hedging arrangements in respect of unvested awards or rights (or rights the subject of a holding lock) in any of the Plans.

The primary purpose of this prohibition is to ensure that, at all times until awards granted to executives under the Plans have vested, there is complete alignment between the interests of the executive and the interests of the Group and its securityholders.

In the Board's view, that alignment potentially ceases if an executive's economic interest in the benefit of an award or right is hedged – with the effect that the executive is not affected (or is affected to a lesser extent), by positive or negative movements in the market value of Scentre Group securities.

Part 2 – WESTFIELD GROUP REMUNERATION

8.11 Westfield Group Remuneration Committee

The objectives and functions of the Remuneration Committee of the Westfield Group Board were effectively the same as those of the Human Resources Committee of Scentre Group insofar as they relate to remuneration. During the period 1 January 2014 to 30 June 2014, the membership of the Remuneration Committee comprised three independent Non-Executive Directors: Mark R Johnson (Chairman), Ilana Atlas and Roy Furman. The Committee met once during the period with the full Committee in attendance. Remuneration matters were also considered directly at the Board level particularly with regard to the Securityholder Booklets.

During the period, the Committee appointed Mark Bieler Associates to provide remuneration advisory services. Mark Bieler Associates was paid a total of $124,024 for remuneration recommendations made to the Committee and $702,801 for other advisory services including succession planning, counselling and mentoring of members of the senior executive team and learning and organisation development. A further $115,820 was paid as re-imbursement for expenses incurred in the provision of those services.

When providing remuneration recommendations to the Remuneration Committee and/or the Board, Mark Bieler Associates was required to provide a written declaration that each recommendation was made free of influence from the members of the KMP to whom the recommendation relates. The former Westfield Group Board was satisfied that the service provided by Mark Bieler Associates and other consultants were provided without influence from KMP.

The Group also sought benchmarking and commentary on remuneration matters from consultants including Towers Watson. These benchmarking reviews provided an analysis of overall market trends, benchmarking between specific job types and with different industries and changing or emerging remuneration strategies.

8.12 Westfield Group Key Management Personnel

As noted, the reporting entity is Scentre Group Limited (formerly Westfield Holdings Limited). As a result of the Restructure and Merger of the Westfield Group, a number of directors and executives classified as KMP for Westfield Group, retired or resigned as KMP on the establishment of Scentre Group. As the requirement is to report on KMP remuneration for the financial year, disclosure of these KMP's arrangements is set out below.

The following individuals were determined to be KMP for Westfield Group, classified between Non-Executive Directors, Executive Directors and Executive KMP.

Non–Executive Directors

Non-Executive Directors	Title	KMP 2013	KMP 2014
Frank Lowy	Chairman	✓	✓
Brian Schwartz	Deputy Chairman	✓	✓
Ilana Atlas	Director	✓	Part year
Roy Furman	Director	✓	Part year
Peter Goldsmith	Director	✓	Part year
Mark G Johnson	Director	✓	Part year
Mark R Johnson	Director	✓	Part year
John McFarlane	Director	✓	Part year
Judith Sloan	Director	✓	Part year

All Non-Executive Directors, other than Mr Frank Lowy and Mr Brian Schwartz who are the Chairman and Deputy Chairman of Scentre Group, retired as Directors of Scentre Group Limited on 30 June 2014. The remuneration of Westfield Group Non-Executive Directors for the period 1 January 2014 to 30 June 2014 is set out in the table at 8.12.3.

Executive Directors

Executive Directors	Title	KMP 2013	KMP 2014
Peter Lowy	Co-Chief Executive Officer	✓	Part year
Steven Lowy	Co-Chief Executive Officer	✓	✓
Peter Allen	Group Chief Financial Officer	✓	✓

Mr Peter Lowy and Mr Steven Lowy were the Co-Chief Executive Officers of Westfield Group. Mr Peter Lowy retired as Director of Scentre Group Limited on 30 June 2014 and Mr Steven Lowy assumed the position of Non-Executive Director on that date. The remuneration of Peter Lowy and Steven Lowy for the period 1 January 2014 to 30 June 2014 is set out in the table at 8.12.1.

Mr Peter Allen was appointed CEO of Scentre Group on 30 June 2014. Mr Allen's remuneration for the Financial Year is set out in the table at 8.7.1.

Executive KMP

Executive KMP	Title	KMP 2013	KMP 2014
Robert Jordan	Managing Director, Australia, New Zealand and United States	✓	Part year
Michael Gutman	Managing Director, UK, Europe and New Markets	✓	Part year

The remuneration shown for Mr Michael Gutman is for the 6 months ended 30 June 2014. Mr Michael Gutman ceased to be Executive KMP of Scentre Group Limited as, on implementation of the Restructure and Merger, he joined the senior executive team of Westfield Corporation. The remuneration of Mr Michael Gutman and Mr Robert Jordan is set out in the tables at 8.12.2.

Mr Robert Jordan stepped down as Executive KMP on implementation of the Restructure and Merger.

8.12.1 Remuneration of Westfield Group Co-Chief Executive Officers

		Short term					**Post employment**	**Termination benefits**	**Other long term**	**Share based payments Amortisation of cash and equity settled incentives**	**Total**
Executive		Base salary Fixed	STI – Cash performance bonus	Other short term employee benefits	Non-monetary benefits	Total short term	Pension and superannuation benefits	Termination Benefit	Other long term benefits		Total
Peter Lowy Co-CEO	**2014 (US$)**	**1,250,000**	**1,720,000**	**29,426**	**–**	**2,999,426**	**–**	**–**	**–**	**1,681,419**	**4,680,845**
	2013 (US$)	2,500,000	2,800,000	(47,106)	–	5,252,894	–	–	–	3,518,636	8,771,530
Steven Lowy Co-CEO	**2014 (A$)**	**1,250,000**	**1,975,000**	**–**	**–**	**3,225,000**	**–**	**–**	**–**	**1,876,828**	**5,101,828**
	2013 (A$)	2,500,000	3,200,000	(35,262)	–	5,664,738	–	–	–	3,635,706	9,300,444

The remuneration shown for Mr Peter Lowy and Mr Steven Lowy is for the 6 months ended 30 June 2014 as on that date they ceased to be Executive KMP of Scentre Group Limited. As Mr Peter Lowy is based in the US, his remuneration is shown in US dollars.

Mr Steven Lowy is a Non-Executive Director of Scentre Group. His remuneration for 6 months ended 31 December 2014 in that role is disclosed in the table at section 8.9.

8.12.2 Remuneration of Westfield Group Executive KMP
Mr Robert Jordan

		Short term					**Post employment**	**Termination benefits**	**Other long term**	**Share based payments Amortisation of cash and equity settled incentives**	**Total**
Executive		Base salary Fixed	STI – Cash performance bonus	Other short term employee benefits	Non-monetary benefits	Total short term	Pension and superannuation benefits	Termination Benefit	Other long term benefits		Total
Robert Jordan Managing Director, Australia, New Zealand and United States	**2014 (A$)**	**700,000**	**1,575,000**	**6,282**	**–**	**2,281,282**	**–**	**2,800,000**	**–**	**5,448,351***	**10,529,633**
	2013(A$)	1,400,000	1,400,000	(19,741)	–	2,780,259	–	–	–	3,214,303	5,994,562

Mr Robert Jordan held the position of Managing Director, Australia, New Zealand and United States for Westfield Group. Mr Jordan joined Westfield Group in 1987.

The remuneration shown for Mr Jordan is for the 6 months ended 30 June 2014. On that date Mr Jordan stepped down as Executive KMP of Scentre Group Limited. Mr Jordan remains employed by Scentre Group. Mr Jordan will retire on 31 December 2015. Following his retirement on 31 December 2015, it is intended that Mr Jordan be offered a 2 year consultancy agreement to provide advice on development, design and construction matters at a fee of $750,000 per annum. The consultancy agreement will include a requirement that Mr Jordan does not provide similar services to competitors of the Group.

Mr Jordan's employment arrangements are governed by his Service Agreement the terms of which are disclosed in section 8.8. Under that agreement, on termination of his employment Mr Jordan is entitled to a payment of 2 years base salary (shown in the table above as Termination benefits). In accordance with the terms of the equity-linked plans and his employment arrangements, Mr Jordan will remain in those plans in respect of his awards which will vest over the ordinary course of those plans. Refer to the tables in Appendix B.

* During the Financial Year, Mr Jordan confirmed his intention to retire and stepped down as an Executive KMP as at 30 June 2014. As this occurred during the Financial Year, the future amortisation of Mr Jordan's awards has been bought forward.

Mr Michael Gutman

		Short term					Post employment	Termination benefits	Other long term	Share based payments Amortisation of cash and equity settled incentives	Total
Executive		Base salary Fixed	STI – Cash performance bonus	Other short term employee benefits	Non-monetary benefits	Total short term	Pension and superannuation benefits	Termination Benefit	Other long term benefits		Total
Michael Gutman, Managing Director, UK, Europe and New Markets	**2014 (A$)**	**700,000**	**912,500**	**29,444**	**65,581**	**1,707,525**	**33,935**	**–**	**–**	**1,593,696**	**3,335,156**
	2013 (A$)	1,400,000	1,400,000	23,356	93,900	2,917,256	44,598	–	–	3,076,472	6,038,326

The remuneration shown for Mr Michael Gutman is for the 6 months ended 30 June 2014. Mr Michael Gutman ceased to be Executive KMP of Scentre Group Limited as, on implementation of the Restructure and Merger, he joined the senior executive team of Westfield Corporation.

8.12.3 Remuneration of Westfield Group Non-Executive Directors

Non-Executive Director remuneration comprised a base fee (which is inclusive of superannuation guarantee contributions) and where relevant, a Committee fee and an additional fee for the role of deputy chair of the Board and for Committee chair.

Other than the Chairman who received a single fee, Westfield Group Non-Executive Directors received a base fee plus additional fees for membership of Board Committees. The table below outlines the Westfield Group Board fee structure on an annual basis.

Board/Committee	Chair	Deputy Chair	Membership
Directors fees	$750,000	$32,000	$185,000
Audit and Risk Committee	$ 50,000		$ 30,000
Remuneration Committee	$ 30,000		$ 20,000
Nomination Committee	$ 15,000		$ 10,000

Base fees were inclusive of statutory superannuation contributions for Australian based Non-Executive Directors.

The table below sets out the remuneration for the Non-Executive Directors for the period 1 January 2014 to 30 June 2014.

Name	Year	Base fee[(1)] $	Deputy Chair fee $	Audit & Compliance Committee $	Audit & Risk Committee[(2)] $	Risk Management Committee $	Nomination Committee $	Remuneration Committee $	Due Diligence Committee $	Total $
Frank Lowy Chairman	**2014**	**375,000**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**375,000**
	2013	750,000	–	–	–	–	–	–	–	750,000
Brian Schwartz Deputy Chairman	2014	**92,500**	**16,000**	**–**	**25,000**	**–**	**3,200**	**–**	**25,000**	**161,700**
	2013	185,000	32,000	11,000	25,880	–	6,400	–	–	260,280
Ilana Atlas	2014	**92,500**	**–**	**–**	**–**	**–**	**–**	**6,500**	**–**	**99,000**
	2013	185,000	–	–	–	8,241	–	7642	–	200,883
Roy Furman	2014	**92,500**	**–**	**–**	**–**	**–**	**–**	**6,500**	**–**	**99,000**
	2013	185,000	–	–	–	–	–	13,000	–	198,000
Peter Goldsmith	2014	**92,500**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**92,500**
	2013	185,000	–	–	–	–	–	–	–	185,000
Mark G Johnson[(1)]	2014	**92,500**	**–**	**–**	**15,000**	**–**	**–**	**–**	**25,000**	**132,500**
	2013	109,272	–	1,994	15,000	–	–	–	–	126,266
Mark R Johnson	2014	**92,500**	**–**	**–**	**–**	**–**	**3,200**	**10,000**	**–**	**105,700**
	2013	185,000	–	–	–	–	2,162	17,115	–	204,277
John McFarlane	2014	**92,500**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**92,500**
	2013	185,000	–	–	–	–	–	–	–	185,000
Judith Sloan	2014	**92,500**	**–**	**–**	**15,000**	**–**	**–**	**–**	**–**	**107,500**
	2013	185,000	–	–	15,000	10,000	6,400	–	–	216,400

(1) Mr Mark G Johnson was appointed to the Board in May 2013. His fees are shown on a pro-rated basis.

(2) In May 2013, the Audit and Risk Committee was established to replace both the Audit and Compliance and Board Risk Management Committees. The membership of the Committees also changed. Accordingly, fees are shown on a pro-rated basis.

Appendix B – Former Westfield Group KMP: Equity-Linked Incentives

The following tables details rights held by Mr Robert Jordan under Westfield Group's Equity-Linked Plans.

(a) Participation in EPR plan

Executive	Date of grant	Number of rights held	Total rights held post adjustment[1] WFD	SCG	Vesting date	Fair value at grant[2] $	Market value at 31 Dec 2014[3] $
Robert Jordan	1 Jan 2011	771,923	771,923	961,817	15 Dec 2015	5,889,772	10,329,105
	1 Jan 2012	110,196	110,196	137,305	15 Dec 2014	744,925	–
	1 Jan 2013	82,013	82,013	102,189	15 Dec 2015	747,138	1,097,419

(1) As noted at 1.2 Appendix A, executives were given the option to elect for rights issued prior to December 2013 to relate to Scentre Group securities and Westfield Corporation securities in the same proportion and on the same terms through the application of the merger ratio to securityholders in Westfield Group. The number of rights represents that adjustment.

(2) The fair value of the rights issued under the EPR Plan is calculated using the Black Scholes option pricing methodology. The fair value of the awards issued under the EPR Plan is calculated on the assumption that the employee remains employed with the Group for the full term of the EPR Plan. The fair value of the awards at grant date has been maintained since the value of the awards on issue immediately before the commencement of deferred trading of the securities of Scentre Group and Westfield Corporation was the same as immediately after that date.

(3) The market value as at 31 December 2014 is based on the closing price of Westfield Corporation stapled securities and Scentre Group stapled securities of $9.02 and $3.50 respectively.

(b) Participation in PIR plan

Executive	Date of grant	Number of rights at grant/vesting dates	Total rights held post adjustment[1] WFD	SCG	Fair value at grant[2] $	Market value at 31 Dec 2014[3] $
Robert Jordan[6]	1 Jan 2012	72,729:15/12/15	72,729	90,621	463,284	973,189
		81,911:15/12/16[4]	81,911	102,062	489,828	1,096,054
	1 Jan 2013	56,997:15/12/16	56,997	71,019	494,734	762,679
		74,149:15/12/17[5]	74,149	92,390	613,954	992,189

(1) As noted at 1.2 Appendix A, executives were given the option to elect for awards rights prior to December 2103 to relate to Scentre Group securities and Westfield Corporation securities in the same proportion and on the same terms through the application of the merger ratio to securityholders in Westfield Group. The number of rights represents that adjustment.

(2) The fair value of the rights issued under the PIR Plan is calculated using the Black Scholes option pricing methodology. The fair value of the awards issued under the PIR Plan is calculated on the assumption that the employee remains employed with the Group for the period of vesting under the PIR Plan. The fair value of the awards at grant date has been maintained since the value of the awards on issue immediately before the commencement of deferred trading of the securities of Scentre Group and Westfield Corporation was the same as immediately after that date.

(3) The market value at 31 December 2014 is based on the closing price of Westfield Corporation stapled securities and Scentre Group stapled securities of $9.02 and $3.50 respectively.

(4) Refer to 1.2 Appendix A above for a discussion for the adjustment to the ROCE hurdle for awards granted under the PIR Plan in 2012 and 2013. As noted, it was determined that, based on performance against that hurdle to the time of Restructure and Merger, that tranche of PIR Plan awards to which the ROCE hurdle related, should be adjusted on an assumed vesting level of 110% of Target.

(5) Refer to 1.2 Appendix A above for a discussion for the adjustment to the ROCE hurdle for awards granted under the PIR Plan in 2012 and 2013. As noted, it was determined that, based on performance against that hurdle to the time of Restructure and Merger, that tranche of PIR Plan awards to which the ROCE hurdle related, should be adjusted on an assumed vesting level of 125% of Target.

(6) In 2010 and 2011, Mr Jordan did not participate in the PIR Plan. He participated in the PIP Plan. Refer to the table below.

(c) Participation in the PIP Plan

Executive	Date of grant	Number of awards at grant/vesting dates	Total awards held post adjustment[1] WFD	SCG	Fair value at grant[2] $	Market value at 31 Dec 2014[3] $
Robert Jordan[4]	1 Jan 2010	80,494:15/12/14[5]	80,494	100,296	598,046	–
	1 Jan 2011	59,194:15/12/14[6]	59,194	73,756	474,144	–
		61,760:15/12/15	61,760	76,953	471,229	826,411

(1) As noted at 1.2 Appendix A, executives were given the option to elect for awards issued prior to December 2013 to relate to Scentre Group securities and Westfield Corporation securities in the same proportion and on the same terms through the application of the merger ratio to securityholders in Westfield Group. The number of awards represents that adjustment.

(2) The fair value of awards granted under the PIP plan is calculated using the Black Scholes pricing methodology and calculated on the assumption that the employee remains employed with the Group for the full period of vesting under the PIP Plan. The fair value of the awards at grant date has been maintained since the value of the awards on issue immediately before the commencement of deferred trading of the securities of Scentre Group and Westfield Corporation was the same as immediately after that date.

(3) The market value as at 31 December 2014 is based on the closing price of Westfield Corporation stapled securities and Scentre Group stapled securities of $9.02 and $3.50 respectively.

(4) From 2012 to 2014, Mr Jordan participated in the PIR Plan. Refer to the table above.

(5) This number represents 50% of the original number of the awards, as awards under the PIP Plan vest in two tranches. Tranche 2 vested on 15 December 2014. The pay-out amount to Mr Jordan was $1,021,960.

(7) This number represents 50% of the original number of the awards, as awards under the PIP Plan vest in two tranches. These awards are tranche 1 of the awards first granted in 2011. Tranche 1 vested on 15 December 2014. The pay-out amount to Mr Jordan was $751,533.

Former Westfield Group and current Westfield Corporation executives

The following tables details rights held by Mr Peter Lowy, Mr Steven Lowy and Mr Michael Gutman.

(a) Participation in EPR plan

Executive	Date of grant	Number of rights held	Total rights held post adjustment [1]	Vesting date	Fair value at grant [2] $A
Peter Lowy	1 Jan 2012	146,928	228,823	15 Dec 2014	993,233
	1 Jan 2013	109,351	170,301	15 Dec 2015	996,188
Steven Lowy	1 Jan 2012	146,928	228,823	15 Dec 2014	993,233
	1 Jan 2013	109,351	170,301	15 Dec 2015	996,188
Michael Gutman	1 Jan 2011	771,923	1,202,175	15 Dec 2015	5,889,772
	1 Jan 2012	110,196	171,617	15 Dec 2014	744,925
	1 Jan 2013	82,013	127,726	15 Dec 2015	747,138

(1) The number of rights held reflects the adjustment made as a consequence of the Restructure and Merger. All rights issued by Westfield Group prior to the Restructure and Merger (which rights related to Westfield Group securities) were converted to Westfield Corporation rights in the manner, and based on the formula, set out on page 146 of the Securityholder Booklet.

(2) The fair value of the rights issued under the EPR Plan is calculated using the Black Scholes option pricing methodology. The fair value of the awards issued under the EPR Plan is calculated on the assumption that the employee remains employed for the full term of the EPR Plan.

(b) Participation in PIR plan

Executive	Date of grant	Number of rights held/vesting dates	Total rights held post adjustment [1]	Fair value at grant [2] $A
Peter Lowy [3]	1 Jan 2012	145,459:15/12/15	226,535	926,574
		163,820:15/12/16[4]	255,131	979,644
	1 Jan 2013	113,994:15/12/16	177,532	989,468
		148,297:15/12/17[5]	230,955	1,227,899
Steven Lowy [3]	1 Jan 2012	145,459:15/12/15	226,535	926,574
		163,820:15/12/16[4]	255,131	979,644
	1 Jan 2013	113,994:15/12/16	177,532	989,468
		148,297:15/12/17[5]	230,955	1,227,899
Michael Gutman	1 Jan 2012	72,729:15/12/15	113,267	463,284
		81,911:15/12/16[4]	127,567	489,828
	1 Jan 2013	56,997:15/12/16	88,766	494,734
		74,149:15/12/17[5]	115,478	613,954

(1) The number of rights held reflects the adjustment made as a consequence of the Restructure and Merger. All rights issued by Westfield Group prior to the Restructure and Merger (which rights related to Westfield Group securities) were converted to Westfield Corporation rights in the manner, and based on the formula, set out on page 146 of the Securityholder Booklet.

(2) The fair value of the rights issued under the PIR Plan is calculated using the Black Scholes option pricing methodology. The fair value of the awards issued under the PIR Plan is calculated on the assumption that the employee remains employed with the Group for the full term of the PIR Plan.

(3) From 2010 to 2011, the Co-Chief Executive Officers did not participate in the PIR Plan. In respect of those years, the Co-Chief Executive Officers participated in the PIP Plan. Refer to the table below.

(4) Refer to 1.2 Appendix A above for a discussion for the adjustment to the ROCE hurdle for awards granted under the PIR Plan in 2012 and 2013. As noted, it was determined that, based on performance against that hurdle to the time of Restructure and Merger, that tranche of PIR Plan awards to which the ROCE hurdle related, should be adjusted on an assumed vesting level of 110% of Target.

(5) Refer to 1.2 Appendix A above for a discussion for the adjustment to the ROCE hurdle for awards granted under the PIR Plan in 2012 and 2013. As noted, it was determined that, based on performance against that hurdle to the time of Restructure and Merger, that tranche of PIR Plan awards to which the ROCE hurdle related, should be adjusted on an assumed vesting level of 125% of Target.

(c) Participation in the PIP Plan

Executive	Date of grant	Number of awards held/vesting date	Total awards held post adjustment [1]	Fair value at grant [2] $A
Peter Lowy	1 Jan 2010	160,988:15/12/14	250,719[3]	1,196,101
	1 Jan 2011	118,387:15/12/14	184,374[4]	948,280
		123,520:15/12/15	192,368	942,458
Steven Lowy	1 Jan 2010	160,988:15/12/14	250,719[3]	1,196,101
	1 Jan 2011	118,387:15/12/14	184,374[4]	948,280
		123,520:15/12/15	192,368	942,458
Michael Gutman	1 Jan 2010	80,494:15/12/14	125,360[5]	598,046
	1 Jan 2011	59,194:15/12/14	92,188[6]	474,144
		61,760:15/12/15	96,184	471,229

(1) The number of awards held reflects the adjustment made as a consequence of the Restructure and Merger. All awards issued by Westfield Group prior to the Restructure and Merger (which awards related to Westfield Group securities) were converted to Westfield Corporation rights in the manner, and based on the formula, set out on page 146 of the Securityholder Booklet.

(2) The fair value of awards granted under the PIP plan is calculated using the Black Scholes pricing methodology and calculated on the assumption that the employee remains employed with the Group for the full term of the PIP Plan.

(3) This number represents 50% of the original number of the awards, as awards under the PIP Plan vest in two tranches. These tranche 2 awards vested (and were paid) in December 2014. The pay-out amount was $2,096,011 for each Co-Chief Executive Officer.

(4) This number represents 50% of the original number of the awards, as awards under the PIP Plan vest in two tranches. These awards are tranche 1 of the awards first granted in 2011. Tranche 1 vested on 15 December 2014. The pay-out amount was $1,541,367 for each Co-Chief Executive Officer.

(5) This number represents 50% of the original number of the awards, as awards under the PIP Plan vest in two tranches. These tranche 2 awards vested (and were paid) in December 2014. The pay-out amount to Mr Gutman was $1,048,010.

(6) This number represents 50% of the original number of the awards, as awards under the PIP Plan vest in two tranches. These awards are tranche 1 of the awards first granted in 2011. Tranche 1 vested on 15 December 2014. The pay-out amount to Mr Gutman was $770,692.

APPENDIX C – FORMER WESTFIELD GROUP HISTORICAL PERFORMANCE

(a) Earnings Performance

The Westfield Group reported on financial metrics being Funds from Operation (FFO) and Earnings per Security (EPS).

Detailed commentary on these metrics is contained in Westfield Group's prior annual reports. The following tables set out Westfield Group's FFO and EPS for the 4 financial years from and including 2010 to 2013. Westfield Group did not report FFO for the period 1 January 2014 to 30 June 2014.

Funds from Operation

Financial year to 31 December	FFO ($m)	FFO (cents per security)
2013	$1,438	66.51
2012	$1,474	65.01
2011	$1,492	64.80
2010*	$1,833	79.61

* Financial years prior to the Westfield Retail Trust (WRT) restructure in December 2010.

Westfield Group's EPS

Financial year to 31 December	EPS (cents)	EPS growth (annual %)
2014*	37.53	N/A
2013	74.13	(2.2)
2012	75.79	20.1
2011**	63.08	N/A
2011	66.55	37.5
2010	48.39	337.1

* Relates to EPS before Restructure and Merger charges for the period from 1 January 2014 to 30 June 2014 from continuing and discontinuing operations.

** On 1 January 2012, AASB 2010-8 Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets came into effect. The application of the amendment required Westfield Group to determine deferred tax on the basis that the investment property is disposed of at book value rather than realised through the continued use of the asset. As a result the 2011 EPS has been restated.

(b) Distributions

Distributions paid by Westfield Group for the financial years from and including 2010 to 2013 and the 6 month period from 1 January 2014 to 30 June 2014 are as follows:

Financial year to 31 December	Annual distribution per stapled security (cents)	Annual distribution (total $)
2014*	26.25	545,500,000
2013	51.00	1,079,800,000
2012	49.50	1,108,000,000
2011	48.40	1,114,800,000
2010**	63.56	1,463,500,000

* Period from 1 January 2014 to 30 June 2014

** Financial years prior to WRT restructure in December 2010.

Return on Contributed Equity

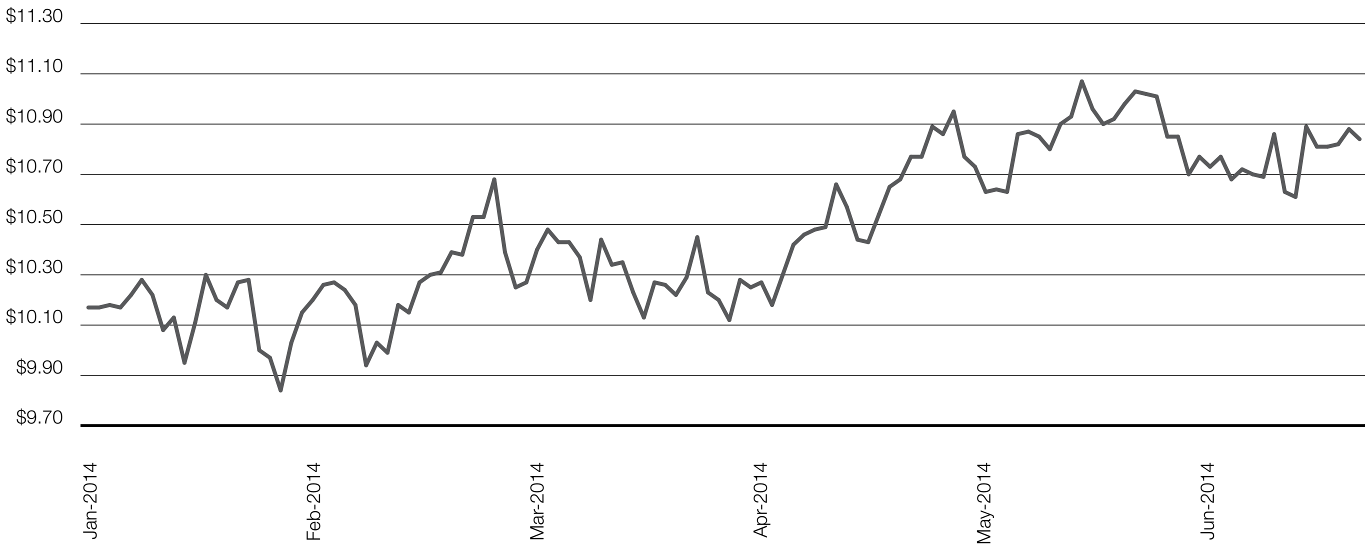
Westfield Group first reported on ROCE in 2011. ROCE for the financial years from and including 2010 to 2013 is detailed below. Westfield Group did not report ROCE for the period 1 January 2014 to 30 June 2014.

Financial year to 31 December	ROCE (%)
2013	11.8
2012	11.4
2011	11.4
2010	9.1

(c) WDC security price

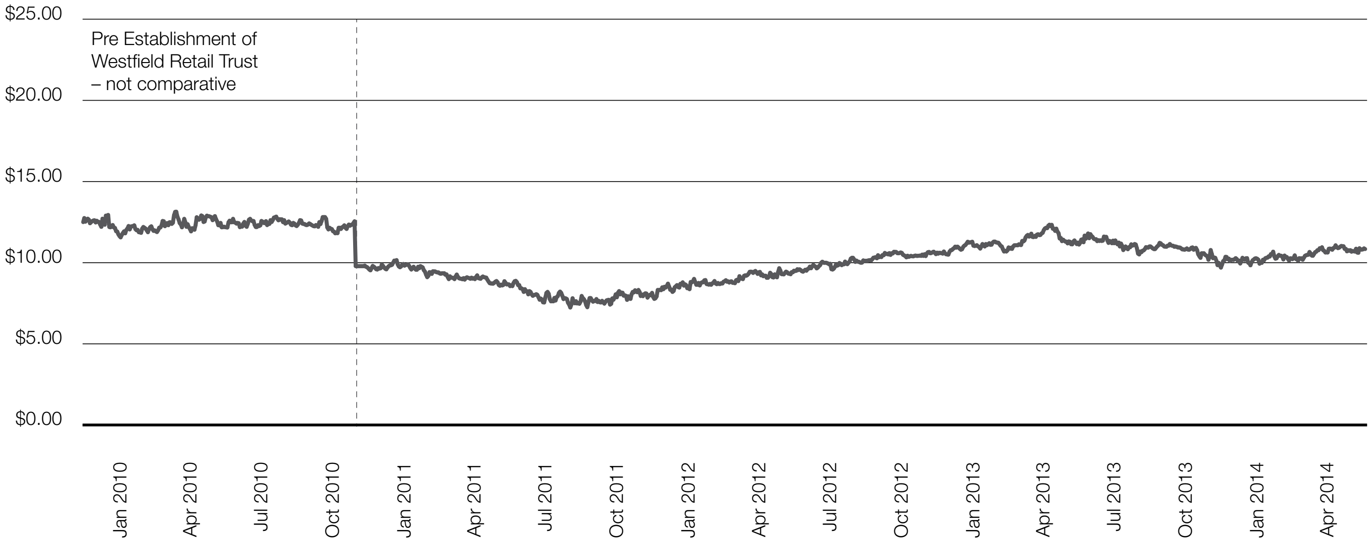
Westfield Group's security price for the period 1 January 2014 to 24 June 2014 is shown in the graphs below:

WDC Security Prices – 6 months to 24 June 2014



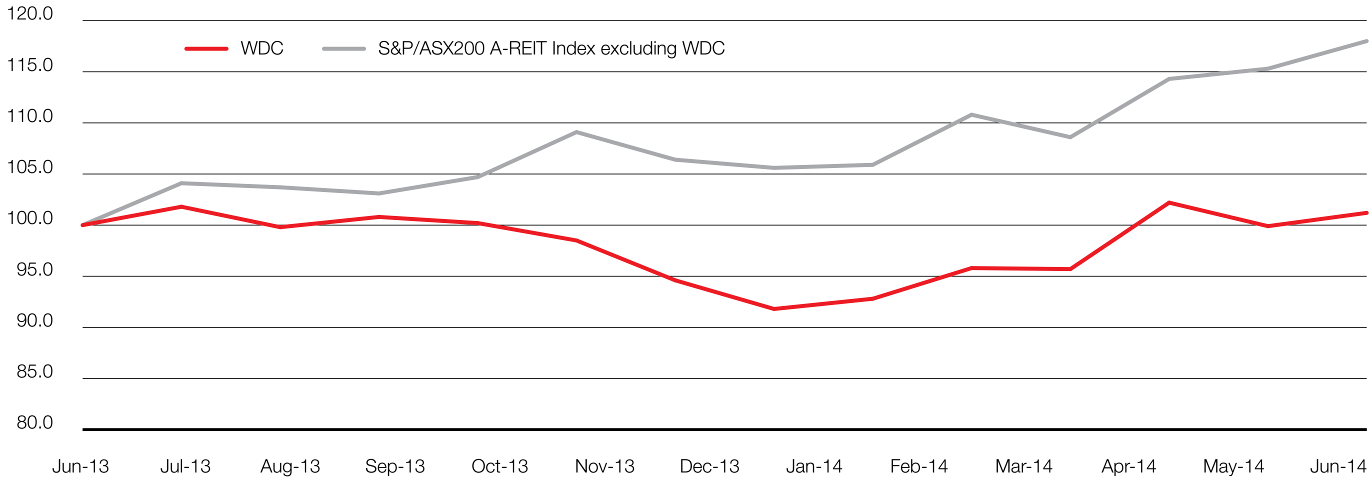
Source: Bloomberg

Westfield Group's security price from 1 January 2010 to 24 June 2014 (as adjusted for the WRT transaction) is shown in the chart below.



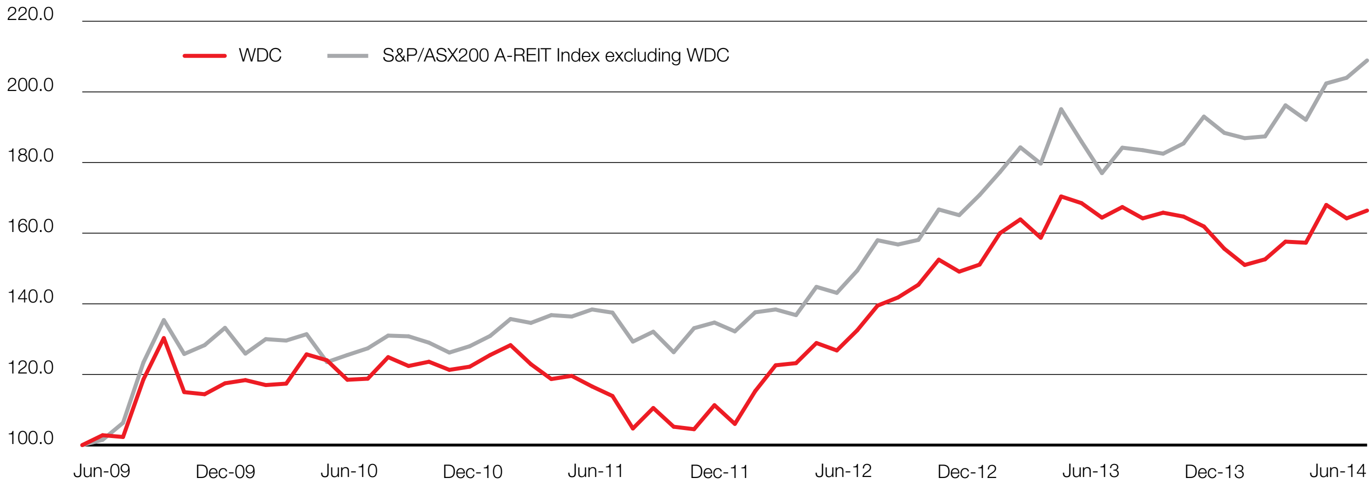
Source: Bloomberg

S&P/ASX A-REIT Index (excluding Westfield Group) – 12 months to 24 June 2014



Source: Standard & Poor's: UBS

S&P/ASX A-REIT Index (excluding Westfield Group) – June 2009 to 24 June 2014



Source: Standard & Poor's: UBS

9. ASIC DISCLOSURES

9.1 Rounding

The Company is of a kind referred to in the Australian Securities and Investments Commission Class Order 98/0100 dated 10 July 1998. Accordingly, amounts in the Directors' Report, the Financial Statements and the Notes thereto have been rounded to the nearest tenth of a million dollars. Amounts shown as 0.0 represent amounts less than $50,000 that have been rounded down.

9.2 Synchronisation of financial year

Carindale Property Trust is a consolidated entity of the Company, and has a financial year ending on 30 June. By an order dated 27 June 2005 made by the Australian Securities and Investments Commission, the Directors of the Company have been relieved from compliance with the requirement to ensure that the financial year of Carindale Property Trust coincides with the financial year of the Company.

10. ASX LISTING

ASX reserves the right (but without limiting its absolute discretion) to remove Scentre Group Limited, Scentre Group Trust 1, Scentre Group Trust 2 and Scentre Group Trust 3 from the official list of ASX if any of the shares or units comprising those stapled securities cease to be stapled together, or any equity securities are issued by a Scentre Group entity which are not stapled to the equivalent securities in the other entities.

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

Frank Lowy AC	**Michael Ihlein**
Chairman	Director

24 February 2015

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Independent auditor's report to the members of Scentre Group Limited

Report on the financial report

We have audited the accompanying financial report of Scentre Group Limited, which comprises the consolidated balance sheet as at 31 December 2014, the consolidated income statement and consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

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

Auditor's responsibility

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

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

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

Independence

In conducting our audit we have 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.

Opinion

In our opinion:

a. the financial report of Scentre Group Limited is in accordance with the *Corporations Act 2001*, including:
   i giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 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 Note 1.

Report on the remuneration report

We have audited the Remuneration Report included in pages 9 to 36 of the directors' report for the year ended 31 December 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Scentre Group Limited for the year ended 31 December 2014, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Graham Ezzy

Ernst & Young

Graham Ezzy
Partner

Sydney, 24 February 2015

Income Statement

FOR THE YEAR ENDED 31 DECEMBER 2014

The full year results comprises the earnings of the former Westfield Group (now the restructured Scentre Group) for the six months ended 30 June 2014 (which is not representative of Scentre Group operations following the Restructure implemented on 30 June 2014) and the earnings of Scentre Group for the six months ended 31 December 2014. The results for the comparative year ended 31 December 2013 comprises the earnings of the former Westfield Group.

	Note	**31 Dec 14 $million**	31 Dec 13 $million
Continuing operations			
Revenue			
Property revenue	5	**1,415.2**	576.7
Property development and project management revenue		**659.9**	579.8
Property management income		**89.4**	124.5
		2,164.5	1,281.0
Share of after tax profits of equity accounted entities			
Property revenue		**348.1**	583.9
Property revaluations	11	**69.5**	55.4
Property expenses, outgoings and other costs		**(77.6)**	(135.2)
Gain in respect of asset dispositions		**–**	19.6
Net interest income		**0.2**	0.2
Tax expense		**(10.5)**	(20.9)
	18(a)	**329.7**	503.0
Expenses			
Property expenses, outgoings and other costs		**(325.5)**	(136.4)
Property development and project management costs		**(541.3)**	(454.3)
Property management costs		**(15.0)**	(17.6)
Overheads		**(81.4)**	(59.1)
		(963.2)	(667.4)
Interest income		**9.3**	10.9
Currency gain/(loss)	6	**(27.0)**	192.2
Financing costs	7	**(382.9)**	(349.2)
Gain/(loss) in respect of capital transactions	8	**–**	(66.4)
Property revaluations	11	**765.5**	125.9
Profit before tax and charges and credits in respect of the Restructure and Merger for the period from continuing operations		**1,895.9**	1,030.0
Tax expense	9	**(98.1)**	(91.2)
Profit after tax before charges and credits in respect of the Restructure and Merger for the period from continuing operations		**1,797.8**	938.8
Charges and credits in respect of the Restructure and Merger	10	**(313.7)**	–
Profit after tax for the period from continuing operations		**1,484.1**	938.8
Profit after tax before charges and credits in respect of the Restructure and Merger for the period from discontinued operations	3(b)	**465.9**	682.5
Charges and credits in respect of the Restructure and Merger	10	**4,676.5**	–
Profit after tax for the period from discontinued operations		**5,142.4**	682.5
Profit after tax for the period		**6,626.5**	1,621.3
Profit after tax for the period attributable to:			
– Members of Scentre Group		**6,586.3**	1,602.7
– External non controlling interests		**40.2**	18.6
Profit after tax for the period		**6,626.5**	1,621.3

Net profit attributable to members of Scentre Group analysed by amounts attributable to:			
Scentre Group Limited (SGL) members		**6,093.5**	490.7
Scentre Group Trust 1 (SGT1), Scentre Group Trust 2 (SGT2), Scentre Group Trust 3 (SGT3) and Westfield America Trust (WAT) members		**492.8**	1,112.0
Net profit attributable to members of Scentre Group		**6,586.3**	1,602.7
		cents	cents
Basic earnings per SGL share		**5.19**	7.01
Diluted earnings per SGL share		**5.17**	6.97
Basic earnings per stapled security	29(a)	**166.40**	59.98
Diluted earnings per stapled security	29(a)	**165.79**	59.62

Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2014

The full year results comprises the earnings of the former Westfield Group (now the restructured Scentre Group) for the six months ended 30 June 2014 (which is not representative of Scentre Group operations following the Restructure implemented on 30 June 2014) and the earnings of Scentre Group for the six months ended 31 December 2014. The results for the comparative year ended 31 December 2013 comprises the earnings of the former Westfield Group.

	31 Dec 14 $million	31 Dec 13 $million
Profit after tax for the period	**6,626.5**	1,621.3
Other comprehensive income		
Movement in foreign currency translation reserve[(i)]		
– Net exchange difference on translation of foreign operations	**(250.6)**	1,170.8
– Realised and unrealised gain/(loss) on currency loans and asset hedging derivatives which qualify for hedge accounting	**39.1**	(259.5)
– Deferred tax effect on unrealised gain/(loss) on currency loans and asset hedging derivatives which qualify for hedge accounting	**(0.4)**	9.5
– Accumulated exchange differences transferred from foreign currency translation reserve on distribution of net investment in foreign operations	**838.9**	–
Movement in employee share plan swaps reserve[(i)]		
– Loss on employee share plan swaps	**(0.8)**	(8.6)
– Amount transferred to the income statement	**–**	5.0
– Deferred tax effect on employee share plan swaps	**–**	1.1
Total comprehensive income for the period	**7,252.7**	2,539.6
Total comprehensive income attributable to:		
– Members of Scentre Group	**7,212.5**	2,521.0
– External non controlling interests	**40.2**	18.6
Total comprehensive income for the period	**7,252.7**	2,539.6

Total comprehensive income attributable to members of Scentre Group analysed by amounts attributable to:		
SGL members	**6,486.8**	903.9
SGT1, SGT2, SGT3 and WAT members[(ii)]	**725.7**	1,617.1
Total comprehensive income attributable to members of Scentre Group	**7,212.5**	2,521.0

(i) These items may be subsequently recycled to the profit and loss. In relation to the foreign currency translation reserve, the portion relating to the foreign operations held by SGT1, SGT2 and SGT3 may be recycled to the profit and loss depending on how the foreign operations are sold.

(ii) Total comprehensive income attributable to members of SGT1, SGT2, SGT3 and WAT consists of profit after tax for the period of $492.8 million (31 December 2013: profit of $1,112.0 million) and the net exchange gain on translation of foreign operations of $232.9 million (31 December 2013: $505.1 million).

Balance Sheet

AS AT 31 DECEMBER 2014

Comprising the Balance Sheet of Scentre Group which is representative of Scentre Group's financial position following the Restructure implemented on 30 June 2014 and the Balance Sheet of Westfield Group as at 31 December 2013.

	Note	31 Dec 14 $million	31 Dec 13 $million
Current assets			
Cash and cash equivalents	12(a)	**189.0**	1,153.0
Trade debtors		**17.3**	30.8
Derivative assets	13	**1.8**	121.0
Receivables	14	**168.2**	554.3
Investment properties	16	**1,004.5**	–
Inventories		**10.3**	83.8
Tax receivable		**–**	0.1
Prepayments and deferred costs	15	**33.1**	52.9
Total current assets		**1,424.2**	1,995.9
Non current assets			
Investment properties	16	**28,002.8**	16,462.0
Equity accounted investments	18(c)	**1,286.9**	15,483.9
Other investments	19	**70.3**	277.1
Derivative assets	13	**446.9**	264.0
Receivables	14	**–**	85.7
Plant and equipment	20	**28.5**	143.8
Deferred tax assets	9(b)	**97.9**	92.7
Prepayments and deferred costs	15	**54.3**	102.9
Total non current assets		**29,987.6**	32,912.1
Total assets		**31,411.8**	34,908.0
Current liabilities			
Trade creditors		**255.0**	141.4
Payables and other creditors	21	**862.4**	1,541.0
Interest bearing liabilities	22	**579.8**	3.8
Other financial liabilities	23	**–**	155.6
Tax payable		**11.8**	156.1
Derivative liabilities	24	**2.2**	16.1
Total current liabilities		**1,711.2**	2,014.0
Non current liabilities			
Payables and other creditors	21	**52.0**	108.0
Interest bearing liabilities	22	**11,371.9**	12,314.8
Other financial liabilities	23	**1,409.1**	1,604.9
Deferred tax liabilities	9(c)	**313.9**	3,358.3
Derivative liabilities	24	**124.9**	167.3
Total non current liabilities		**13,271.8**	17,553.3
Total liabilities		**14,983.0**	19,567.3
Net assets		**16,428.8**	15,340.7
Equity attributable to members of SGL			
Contributed equity	25(b)	**674.4**	1,342.6
Reserves	26	**20.4**	(386.5)
Retained profits	27	**5.7**	663.6
Total equity attributable to members of SGL		**700.5**	1,619.7
Equity attributable to SGT1, SGT2 and SGT3 members (31 December 2013: SGT1 and WAT)			
Contributed equity	25(b)	**9,820.8**	13,396.8
Reserves	26	**259.2**	(20.9)
Retained profits	27	**5,390.4**	115.9
Total equity attributable to SGT1, SGT2 and SGT3 members (31 December 2013: SGT1 and WAT)		**15,470.4**	13,491.8
Equity attributable to external non controlling interests			
Contributed equity		**94.0**	94.0
Retained profits		**163.9**	135.2
Total equity attributable to external non controlling interests		**257.9**	229.2
Total equity		**16,428.8**	15,340.7
Equity attributable to members of Scentre Group analysed by amounts attributable to:			
SGL members		**700.5**	1,619.7
SGT1, SGT2 and SGT3 members (31 December 2013: SGT1 and WAT)		**15,470.4**	13,491.8
Total equity attributable to members of Scentre Group		**16,170.9**	15,111.5

Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	*Comprehensive Income 31 Dec 14 $million*	*Equity and Reserves 31 Dec 14 $million*	**Total 31 Dec 14 $million**	Total 31 Dec 13 $million
Changes in equity attributable to members of Scentre Group					
Opening balance of contributed equity		–	*14,739.4*	**14,739.4**	16,405.2
– Buy-back and cancellation of securities and associated cost		–	–	**–**	(1,665.8)
– Business combination with Westfield Retail Trust	50	–	*8,170.0*	**8,170.0**	–
– Capital distribution to Westfield Corporation (i) (iv)		–	*(12,413.9)*	**(12,413.9)**	–
– Issuance of securities and the Restructure and Merger adjustment		–	*2.5*	**2.5**	–
– Transfer of residual balance of exercised rights from the employee share plan benefits reserve		–	*(2.8)*	**(2.8)**	–
Closing balance of contributed equity		–	*10,495.2*	**10,495.2**	14,739.4
Opening balance of reserves		–	*(407.4)*	**(407.4)**	(1,353.9)
– Movement in foreign currency translation reserve (ii) (iii)		*627.0*	*106.8*	**733.8**	920.8
– Movement in employee share plan benefits reserve (ii)		–	*(0.5)*	**(0.5)**	28.2
– Movement in employee share plan swaps reserve (ii) (iii)		*(0.8)*	–	**(0.8)**	(2.5)
– Transfer of employee share plan benefits reserve to Westfield Corporation (i)		–	*(45.5)*	**(45.5)**	–
Closing balance of reserves		*626.2*	*(346.6)*	**279.6**	(407.4)
Opening balance of retained profits		–	*779.5*	**779.5**	278.2
– Profit after tax for the period (iii)		*6,586.3*	–	**6,586.3**	1,602.7
– Dividend/distribution paid or provided for		–	*(1,073.9)*	**(1,073.9)**	(1,101.4)
– Market value adjustment on distribution of net assets to Westfield Corporation (i)	10	–	*(6,605.9)*	**(6,605.9)**	–
– Retained earnings attributable to Westfield Corporation (i)		–	*4,654.0*	**4,654.0**	–
– Business combination with Westfield Retail Trust	50	–	*1,056.1*	**1,056.1**	–
Closing balance of retained profits		*6,586.3*	*(1,190.2)*	**5,396.1**	779.5
Closing balance of equity attributable to members of Scentre Group		*7,212.5*	*8,958.4*	**16,170.9**	15,111.5
Changes in equity attributable to external non controlling interests					
Opening balance of equity		–	*229.2*	**229.2**	221.2
Profit after tax for the period attributable to external non controlling interests (iii)		*40.2*	–	**40.2**	18.6
Dividend/distribution paid or provided for		–	*(11.5)*	**(11.5)**	(10.6)
Closing balance of equity attributable to external non controlling interests		*40.2*	*217.7*	**257.9**	229.2
Total equity		*7,252.7*	*9,176.1*	**16,428.8**	15,340.7

Closing balance of equity attributable to:				
– SGL members	*6,486.8*	*(5,786.3)*	**700.5**	1,619.7
– SGT1, SGT2 and SGT3 members (31 December 2013: SGT1 and WAT)	*725.7*	*14,744.7*	**15,470.4**	13,491.8
Closing balance of equity attributable to members of Scentre Group	*7,212.5*	*8,958.4*	**16,170.9**	15,111.5

(i) The net assets distributed to Westfield Corporation amount to $7,805.4 million of which $12,413.9 million has been charged to contributed equity, $45.5 million has been charged to employee share plan benefits reserve and $4,654.0 million retained earnings has been credited to retained profits. The market value adjustments on distribution of net assets of $6,605.9 million represents the difference between the market value and the book value of net assets distributed to Westfield Corporation. The market value of $14.4 billion is calculated by reference to the weighted average price of $6.93 on the first day of trading multiplied by 2,078,089,686 number of securities on issue.

(ii) Movement in reserves attributable to members of SGT1, SGT2, SGT3 and WAT consists of the net exchange gain on translation of foreign operations of $232.9 million (31 December 2013: $505.1 million), net debit to the employee share plan benefits reserve of $59.6 million (31 December 2013: credit of $22.8 million) and net credit of accumulated exchange differences arising from the business combination with Westfield Retail Trust of $106.8 million.

(iii) Total comprehensive income for the period amounts to a gain of $7,252.7 million (31 December 2013: $2,539.6 million).

(iv) Includes a capital reduction of $1,037.0 million in relation to the in-specie distribution of the shares in Westfield Corporation Limited by Westfield Holdings Limited.

Cash Flow Statement

FOR THE YEAR ENDED 31 DECEMBER 2014

Comprises the cash flows of the former Westfield Group (now the restructured Scentre Group) for the six months ended 30 June 2014 (which is not representative of Scentre Group operations following the Restructure implemented on 30 June 2014) and the cash flows of Scentre Group for the six months ended 31 December 2014. The cash flows for the comparative year ended 31 December 2013 comprises the cash flows of the former Westfield Group.

	Note	**31 Dec 14 $million**	31 Dec 13 $million
Cash flows from operating activities			
Receipts in the course of operations (including sales tax)		**2,915.5**	2,436.3
Payments in the course of operations (including sales tax)		**(1,149.8)**	(1,182.5)
Settlement of income hedging currency derivatives		**5.9**	31.5
Dividends/distributions received from equity accounted associates		**405.6**	629.8
Income and withholding taxes paid		**(139.2)**	(155.4)
Sales tax paid		**(153.4)**	(108.4)
Net cash flows from operating activities	12(b)	**1,884.6**	1,651.3
Cash flows from investing activities			
Capital expenditure on property investments – consolidated		**(673.5)**	(499.8)
Capital expenditure on property investments – equity accounted		**(158.4)**	(303.8)
Acquisition of property investments – consolidated		**(699.7)**	–
Proceeds from the disposition of property investments – consolidated		**1,370.6**	2,353.4
Tax paid on disposition of property investments		**(57.8)**	(45.8)
Capital distribution from equity accounted associates		**–**	218.0
Proceeds from the disposition of property investments – equity accounted		**–**	133.3
Capital contribution to fund repayment of loan by equity accounted investments		**–**	(5.9)
Purchase of plant & equipment		**(19.6)**	(44.2)
Financing costs capitalised to qualifying development projects and construction in progress		**(57.3)**	(48.0)
Settlement of asset hedging currency derivatives		**(4.5)**	(9.2)
Cash held by entities of Westfield Corporation deconsolidated during the period	3	**(347.1)**	–
Cash held by entities of SGT2 and SGT3 consolidated during the period	50	**31.1**	–
Cash reclassified from equity accounted to consolidated [(i)]		**9.6**	–
Net cash flows (used in)/from investing activities		**(606.6)**	1,748.0
Cash flows used in financing activities			
Buy-back of securities		**–**	(1,663.3)
Net proceeds/(repayment) from interest bearing liabilities and other financial liabilities		**(546.0)**	12.6
Payments of financing costs (excluding interest capitalised)			
– normal course of operations		**(558.5)**	(541.3)
– accelerated upon repayment of bonds and facilities on implementation of Restructure and Merger		**(130.3)**	–
Interest received		**28.3**	36.9
Dividends/distributions paid		**(941.1)**	(1,101.4)
Dividends/distributions paid by controlled entities to non controlling interests		**(11.5)**	(10.5)
Termination costs in relation to the repayment of surplus fixed rate borrowings with the proceeds from the disposition of property investments		**–**	(119.0)
Charges and credits in respect of the Restructure and Merger			
– Drawdown from bridging facilities		**11,448.3**	–
– Repayment of bonds and banking facilities		**(10,145.6)**	–
– Refinancing costs		**(1,185.6)**	–
– Transaction costs		**(89.4)**	–
– Issuance of securities		**3.0**	–
– Stapling distributions		**(2.8)**	–
– Payment to Westfield Corporation		**(69.3)**	–
Net cash flows used in financing activities		**(2,200.5)**	(3,386.0)
Net (decrease)/increase in cash and cash equivalents held		**(922.5)**	13.3
Add opening cash and cash equivalents brought forward		**1,153.0**	1,098.5
Effects of exchange rate changes on opening cash and cash equivalents brought forward		**(41.5)**	41.2
Cash and cash equivalents at the end of the period [(ii) (iii)]	12(a)	**189.0**	1,153.0

(i) Certain equity accounted investments have been classified as consolidated due to Scentre Group having ownership of 50% or greater following the acquisition of SGT2 and SGT3.

(ii) Cash and cash equivalents comprises cash $189 million (31 December 2013: $1,153.0 million) net of bank overdraft of nil (31 December 2013: nil).

(iii) The above cash flow statement includes the following net cash flow from discontinued operations:

	31 Dec 14 $million	31 Dec 13 $million
Operating activities	**382.4**	786.5
Investing activities	**269.0**	2,038.3
Financing activities	**(1,226.0)**	(2,152.0)
Net cash (outflow)/inflow	**(574.6)**	672.8

Details of the net assets distributed to Westfield Corporation on implementation of the Restructure and Merger are set out in Note 3. Details of the net assets acquired upon gaining control of SGT2 and SGT3 upon the implementation of the Restructure and Merger are set out in Note 50.

Index of Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 1 BASIS OF PREPARATION OF THE FINANCIAL REPORT

(a) Corporate information

This financial report of Scentre Group (Group), comprising Scentre Group Limited (Parent Company) (formerly Westfield Holdings Limited) and its controlled entities, for the year ended 31 December 2014 was approved in accordance with a resolution of the Board of Directors of the Parent Company on 24 February 2015. This financial report is the continuation of the Westfield Group financial report.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

(b) Statement of Compliance

This financial report complies with Australian Accounting Standards and International Financial Reporting Standards issued by the International Accounting Standards Board. The accounting policies adopted are consistent with those of the previous financial year except that the Group has adopted the following new or amended standards which became applicable on 1 January 2014.

- AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities;
- AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets;
- AASB 2013-4 Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting; and
- AASB 2013-5 Amendments to Australian Accounting Standards – Investment Entities.

For the financial period, the adoption of these amended standards had no material impact on the financial statements of the Group.

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Group for the year ended 31 December 2014. The impact of these new standards (to the extent relevant to the Group) and interpretations is as follows:

- AASB 9 Financial Instruments (effective from 1 January 2018)

  This standard includes requirements to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139 Financial Instruments: Recognition and Measurement. The Group is currently assessing the impact of this standard.
- IFRS 15 Revenue from Contracts with Customers (effective from 1 January 2017)

  This standard determines the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. The Group is currently assessing the impact of this standard.

In addition to the above, further amendments to accounting standards have been proposed as a result of the revision of related standards and the Annual Improvement Projects (for non-urgent changes). These amendments are set out below:

- AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (effective from 1 January 2018);
- AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual framework, Materiality and Financial Instruments (effective from 1 January 2018); and
- AASB 2014-1 Amendments to Australian Accounting Standards – Part E: Financial Instruments (effective from 1 January 2018).

These recently issued or amended standards are not expected to have a significant impact on the amounts recognised in these financial statements when they are restated on application of these new accounting standards, except where disclosed above.

(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 (Cth)*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis, except for investment properties, investment properties within equity accounted investments, derivative financial instruments, financial assets at fair value through profit and loss and other financial liabilities. The carrying values of recognised assets and liabilities that are hedged with fair value hedges and are otherwise carried at cost are adjusted to record changes in the fair values attributable to the risks that are being hedged.

(d) Detail on the Restructure and Merger

Background

On 30 June 2014, the Westfield Group implemented the restructure of the Group (Restructure and Merger), under which Westfield Group's Australian and New Zealand business including its vertically integrated retail operating platform, held through Westfield Holdings Limited and Westfield Trust, was separated from the Westfield Group's international business and merged with Westfield Retail Trust to create two new listed groups:

(i) Scentre Group – comprising the merged Australian and New Zealand business of Westfield Group and Westfield Retail Trust; and

(ii) Westfield Corporation – comprising Westfield Group's international business.

The Restructure and Merger was approved by Westfield Group securityholders on 29 May 2014, Westfield Retail Trust securityholders on 20 June 2014 and by the Supreme Court of New South Wales on 23 June 2014.

The Restructure and Merger was implemented in three main stages:

- A restructure stage, where Westfield Group's international business was transferred to Westfield Corporation Limited and WFD Trust, and shares in Westfield Corporation Limited and units in WFD Trust were distributed in-specie to Westfield Group securityholders and stapled to Westfield Group;
- A destapling stage, where the shares in Westfield Holdings Limited and the units in Westfield Trust were each destapled from the Westfield Group and from each other resulting in the formation of Westfield Corporation; and
- A merger stage, where the shares in Westfield Holdings Limited and the units in Westfield Trust were stapled to the units in each of Westfield Retail Trust 1 and Westfield Retail Trust 2, resulting in the formation of Scentre Group.

Westfield Holdings Limited, Westfield Trust, Westfield Retail Trust 1 and Westfield Retail Trust 2 were renamed as Scentre Group Limited, Scentre Group Trust 1 (SGT1), Scentre Group Trust 2 (SGT2) and Scentre Group Trust 3 (SGT3) respectively.

Accounting for Scentre Group

As a result of the Merger the Parent Company, for accounting purposes, gained control of SGT2 and SGT3 and has consolidated SGT2 and SGT3 from 30 June 2014. Accordingly, this transaction is accounted for as a business combination by consolidating the fair value of the net assets of SGT2 and SGT3 on 30 June 2014 and the results of SGT2 and SGT3 from 30 June 2014.

Refer to Note 50 for further details regarding the business combinations.

Accounting for the establishment of Westfield Corporation and discontinued operations

As noted above, as part of the Restructure and Merger, Westfield Group's international business was transferred to Westfield Corporation Limited and WFD Trust, and shares in Westfield Corporation Limited and units in WFD Trust were distributed in-specie to Westfield Group securityholders and stapled to Westfield Group. Westfield Group's Australian and New Zealand business operations were then merged with those of Westfield Retail Trust.

NOTE 1 BASIS OF PREPARATION OF THE FINANCIAL REPORT (CONTINUED)

(d) Detail on the Restructure and Merger (continued)

Accordingly, as a result of implementation of the Restructure and Merger on 30 June 2014, the Parent Company has ceased to consolidate the international business.

The results of the international business of Westfield Group for the year ended 31 December 2014 are presented as discontinued operations within this financial report. The comparative Income Statement and relevant notes have been restated to present the results of the international business of Westfield Group as discontinued from the start of the comparative year, being 1 January 2013. As the Restructure and Merger was implemented on 30 June 2014, the assets and liabilities relating to the international business are no longer included in the Balance Sheet as at 31 December 2014.

Refer to Note 3 for further details regarding the discontinued operations.

(e) 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 17: Details of shopping centre investments and Note 42: Fair value of financial assets and liabilities. Actual results may differ from these estimates under different assumptions and conditions and may materially affect the Group's financial results or the financial position in future periods.

(f) Comparative information

Where applicable, certain comparative figures are restated in order to comply with the current period's presentation of the financial statements.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Accounting for the Group

Scentre Group was established through the Restructure and Merger which took place on 30 June 2014. The securities of Scentre Group trade as one security on the Australian Securities Exchange (ASX) under the code SCG. The stapling transaction is referred to as the "Merger".

The Parent Company previously controlled SGT1 as a result of the stapling transaction creating Westfield Group on 2 July 2004. The Parent Company continues to control SGT1 post Merger and accordingly the net assets and results of SGT1 continue to be consolidated by the Parent Company. As a result of the Merger the Parent Company, for accounting purposes, gained control of SGT2 and SGT3 and has consolidated SGT2 and SGT3 from 30 June 2014.

This financial report has been prepared based upon a business combination by the Parent Company of SGT1, SGT2 and SGT3 and in recognition of the fact that the securities issued by the Parent Company, SGT1, SGT2 and SGT3 have been stapled and cannot be traded separately.

(b) Consolidation and classification

The consolidated financial report comprises the financial statements and notes to the financial statements of the Parent Company, and each of its controlled entities which includes SGT1, SGT2 and SGT3 as from the date the Parent Company obtained control until such time control ceased. The Parent Company and Subsidiaries are collectively referred to as the economic entity known as the Group. Where entities adopt accounting policies which differ from those of the Parent Company, adjustments have been made so as to achieve consistency within the Group.

In preparing the consolidated financial statements all inter-entity transactions and balances, including unrealised profits arising from intra Group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

i) Synchronisation of Financial Year

By an order dated 27 June 2005, made by Australian Securities and Investments Commission (ASIC) pursuant to subsection 340(1) of the Act, the Directors of the Parent Company have been relieved from compliance with subsection 323D(3) of the Act insofar as that subsection requires them to ensure the financial year of the controlled entity Carindale Property Trust (CPT), coincides with the financial year of the Parent Company.

Notwithstanding that the financial year of CPT ends on 30 June, the consolidated financial statements have been prepared so as to include the accounts for a period coinciding with the financial year of the Parent Company being 31 December.

ii) Joint arrangements

Joint operations

The Group has significant co-ownership interests in a number of properties through unincorporated joint ventures. These interests are held directly and jointly as tenants in common. The Group has the rights to the individual assets and obligations arising from these interests and recognises their share of the net assets, liabilities, revenues and expenses of the operation.

Joint ventures

The Group has significant co-ownership interests in a number of properties through property partnerships or trusts. These joint ventures are accounted for using the equity method of accounting.

The Group and its joint ventures use consistent accounting policies. Investments in joint ventures are carried in the consolidated balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the joint ventures. The consolidated income statement reflects the Group's share of the results of operations of the joint venture.

iii) Associates

Where the Group exerts significant influence but not control, equity accounting is applied. The Group and its associates use consistent accounting policies. Investments in associates are carried in the consolidated balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates. The consolidated income statement reflects the Group's share of the results of operations of the associate. Where there has been a change recognised directly in the associate's equity, the Group recognises its share of any changes and discloses this, when applicable in the consolidated financial statements.

iv) Controlled entities

Where an entity either began or ceased to be a controlled entity during the reporting period, the results are included only from the date control commenced or up to the date control ceased. Non controlling interests are shown as a separate item in the consolidated financial statements.

(c) Investment properties

The Group's investment properties include shopping centre investments, development projects and construction in progress.

i) Shopping centre investments

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Investment properties (continued)

i) Shopping centre investments (continued)

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

The Directors' assessment of fair value of each shopping centre investment property takes into account latest independent valuations, generally prepared annually, with updates taking into account any changes in capitalisation rate, 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 and make reference to market evidence of transaction prices for similar properties. Refer to Note 17 for the capitalisation rate for each property. It is the Group's policy to appoint a number of qualified independent valuers and that no individual valuer is appointed to appraise any individual property for greater than three consecutive years.

ii) Development projects and construction in progress

The Group's development projects and construction in progress include costs incurred for the current and future redevelopment and expansion of new and existing shopping centre investments, and are classified as inventories when intended for sale to third parties. Development projects and construction in progress include capitalised construction and development costs, payments and advances to contractors and where applicable, borrowing costs incurred on qualifying developments.

Development projects and construction in progress are carried at fair value based on the Directors' assessment of fair value at each reporting date taking into account the expected cost to complete, the stage of completion, expected underlying income and yield of the developments. Any increment or decrement in the fair value of development projects and construction in progress resulting from the Directors' assessment of fair value is included in the income statement in the year in which it arises. From time to time during a development, Directors may commission an independent valuation of the development project and construction in progress. On completion, development projects and construction in progress are reclassified to shopping centre investments and an independent valuation is obtained.

The assessment of fair value and possible impairment in the fair value of shopping centre investments, development projects and construction in progress are significant estimates that can change based on the Group's continuous process of assessing the factors affecting each property.

(d) Other investments

Listed and unlisted investments

Listed and unlisted investments are designated as assets held at fair value through the income statement. Listed investments in entities are stated at fair value based on their market values. Unlisted investments are stated at fair value of the Group's interest in the underlying assets which approximate fair value. Movements in fair value subsequent to initial recognition are reported as revaluation gains or losses in the income statement.

The fair values of investments that are actively traded in organised financial markets are determined by reference to quoted market prices. For investments with no active market, fair values are determined using valuation techniques which keep judgemental inputs to a minimum, including the fair value of underlying properties, recent arm's length transactions and reference to market value of similar investments.

(e) Foreign currencies

i) Translation of foreign currency transactions

The functional and presentation currencies of the Parent Company and its Australian subsidiaries is Australian dollars. The functional currency of the United States entities is United States dollars, of United Kingdom entities is British pounds, of New Zealand entities is New Zealand dollars and of Brazilian entities in Brazilian Reals. The presentation currency of the overseas entities is Australian dollars to enable the consolidated financial statements of the Group to be reported in a common currency.

Foreign currency transactions are converted to Australian dollars at exchange rates ruling at the date of those transactions. Amounts payable and receivable in foreign currency at balance date are translated to Australian dollars at exchange rates ruling at that date. Exchange differences arising from amounts payable and receivable are treated as operating revenue or expense in the period in which they arise, except as noted below.

ii) Translation of accounts of foreign operations

The balance sheets of foreign subsidiaries and equity accounted associates are translated at exchange rates ruling at balance date and the income statement of foreign subsidiaries and equity accounted associates are translated at average exchange rates for the period. Exchange differences arising on translation of the interests in foreign operations and equity accounted associates are taken directly to the foreign currency translation reserve. On consolidation, exchange differences and the related tax effect on foreign currency loans and cross currency swaps denominated in foreign currencies, which hedge net investments in foreign operations and equity accounted associates are taken directly to the foreign currency translation reserve.

(f) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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 a receivable and carried at its recoverable amount. Recoveries from tenants are recognised as income in the year the applicable costs are accrued.

Revenue from property management is recognised on an accruals basis, in accordance with the terms of the relevant management contracts.

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.

Revenue is recognised from the sale of properties when the significant risks and rewards have transferred to the buyer. This will normally take place on unconditional exchange of contracts except where payment or completion is expected to occur significantly after exchange. For conditional exchanges, sales are recognised when these conditions are satisfied.

Revenue for development and construction projects carried out for third parties is recognised on a percentage of completion basis as construction progresses. The percentage of completion is assessed by reference to the stage of completion of the project based on the proportion of contract costs incurred to date and the estimated costs to complete. Where a property is under development and agreement has been reached to sell the property when construction is complete, consideration is given as to whether the contract comprises a development and construction project or a contract for the sale of a completed property. Where the contract is judged to be for the sale of a completed property, revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer. Where the legal terms of the contract are such that the construction represents the continuous transfer of work in progress to the purchaser, revenue is recognised on a percentage of completion basis as construction progresses.

All other revenues are recognised on an accruals basis.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Expenses

Expenses are brought to account on an accruals basis.

(h) Taxation

The Group comprises taxable and non taxable entities. A liability for current and deferred taxation and tax expense is only recognised in respect of taxable entities that are subject to income and potential capital gains tax as detailed below:

i) SGT1, SGT2 and SGT3

Under current Australian income tax legislation SGT1 and SGT2 are not liable to Australian income tax, including capital gains tax, provided that members are presently entitled to the income of each Trust as determined in accordance with its constitution. SGT1 and SGT2's New Zealand entities are subject to New Zealand tax on their earnings. Dividends paid by those entities to SGT1 and SGT2 may be subjected to New Zealand dividend withholding tax.

Under current Australian income tax legislation, holders of the stapled securities of the Group may be entitled to receive a foreign income tax offset for New Zealand withholding tax deducted from dividends paid by SGT1 and SGT2's New Zealand controlled entities to SGT1 and SGT2.

SGT3 is treated as a company for Australian tax purposes.

ii) WAT (first half only)

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

Westfield America, Inc. (WEA), is a Real Estate Investment Trust (REIT) for United States income tax purposes. To maintain its REIT status, WEA is required to distribute at least 90% of its taxable income to shareholders and meet certain asset and income tests as well as certain other requirements. As a REIT, WEA will generally not be liable for federal and state income taxes in the United States, provided it satisfies the necessary requirements and distributes 100% of its taxable income to its shareholders. Dividends paid by WEA to WAT are subject to United States dividend withholding tax.

Under current Australian income tax legislation, holders of the stapled securities of the Group may be entitled to receive a foreign income tax offset for United States withholding tax deducted from dividends paid to WAT by WEA.

iii) Deferred tax

Deferred tax is provided on all temporary differences at the balance sheet date on the differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply when the asset is disposed of at book value, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Income taxes related to items recognised directly in equity are recognised in equity and not in the income statement.

iv) Parent Company – tax consolidation

The Parent Company and its Australian resident wholly owned subsidiaries have formed a Tax Consolidated Group. The Parent Company has entered into tax funding arrangements with its Australian resident wholly owned subsidiaries, so that each subsidiary has agreed to pay or receive a tax equivalent amount to or from the Parent Company based on the net taxable amount or loss of the subsidiary at the current tax rate. The Tax Consolidated Group has applied the modified separate tax payer approach in determining the appropriate amount of current taxes to allocate.

(i) Goodwill

Goodwill on acquisition is initially measured at cost being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses and is not amortised.

(j) Sales Tax

Revenues, expenses and assets are recognised net of the amount of sales tax except where the sales tax incurred on purchase of goods and services is not recoverable from the tax authority, in which case the sales tax 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 sales tax included.

The net amount of sales tax 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 sales tax component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

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

(k) Financing costs

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

Refer to Note 2(q) for other items included in financing costs.

(l) Inventories

Property development projects for third parties are carried at the lower of cost or net realisable value. Profit on property development is recognised on a percentage completion basis. They represent the value of work actually completed and are assessed in terms of the contract and provision is made for losses, if any, anticipated.

(m) Depreciation and amortisation

Plant and equipment and deferred costs are carried at acquisition cost less depreciation and amortisation and any impairment in value. Depreciation and amortisation is applied over the estimated economic life using the straight line method from the date of acquisition or from the time the asset is ready for use. The estimated economic life of items in the asset class plant and equipment ranges from three to ten years.

(n) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

(i) Operating leases

The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense on a straight line basis.

Ground rent obligations for leasehold property that meets the definition of an investment property are accounted for as a finance lease.

(ii) Finance leases

Leases which effectively transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Group are capitalised at the present value of the minimum lease payments under the lease and are disclosed as an asset or investment property.

Capitalised lease assets are depreciated over the shorter of the estimated useful life of the assets and the lease term. Minimum lease payments are allocated between interest expense and reduction of the lease liability.

(o) Employee benefits

The liability for employees' benefits to wages, salaries, bonuses and annual leave is accrued to balance date based on the Group's present obligation to pay resulting from the employees' services provided. The liability for employees' benefits to long service leave is provided to balance date based on the present values of the estimated future cash flows to be paid by the Group resulting from the employees' services provided.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Contributed equity

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

(q) Derivative and other financial instruments

The Group utilises derivative financial instruments, including forward exchange contracts, currency and interest rate options, currency and interest rate swaps to manage the risks associated with foreign currency and interest rate fluctuations. Such derivative financial instruments are recognised at fair value.

The Group has set defined policies and implemented a comprehensive hedging program to manage interest and exchange rate risks. Derivative instruments are transacted to achieve the economic outcomes in line with the Group's treasury policy and hedging program. Derivative instruments are not transacted for speculative purposes. Accounting standards however require compliance with documentation, designation and effectiveness parameters before a derivative financial instrument is deemed to qualify for hedge accounting treatment. These documentation, designation and effectiveness requirements cannot be met in all circumstances. As a result, derivative instruments, other than cross currency swaps that hedge net investments in foreign operations, and hedges of share based payments, are deemed not to qualify for hedge accounting and are recorded at fair value. Gains or losses arising from the movement in fair values are recorded in the income statement.

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

Gains or losses arising on the movements in the fair value of cross currency swaps which hedge net investments in foreign operations are recognised in the foreign currency translation reserve. Where a cross currency swap, or portion thereof, is deemed an ineffective hedge for accounting purposes, gains or losses thereon are recognised in the income statement. On disposal of a net investment in foreign operations, the cumulative gains or losses recognised previously in the foreign currency translation reserve are transferred to the income statement.

The accounting policies adopted in relation to material financial instruments are detailed as follows:

i) Financial assets

Cash and cash equivalents

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

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and at bank, short term money market deposits and bank accepted bills of exchange readily converted 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 usually due within 30 days. Collectability of trade and sundry debtors 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 Group 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 Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 60 days.

Interest bearing liabilities

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

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

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

The fair value of the Group's interest bearing borrowings as disclosed in Note 42 are determined as follows:

– Fair value of quoted notes and bonds is based on price quotations at the reporting date.
– The fair value of unquoted instruments, loans from banks, finance leases and other non current financial liabilities is estimated by discounting future cash flows using rates that approximate the Group's borrowing rate at the balance date, for debt with similar maturity, credit risk and terms.

Other financial liabilities

Other financial liabilities include property linked notes, convertible notes, preference and convertible preference securities. Where there is a minimum distribution entitlement and/or the redemption terms include the settlement for cash on redemption, the instrument is classified as a financial liability and is designated as fair value through the income statement.

The fair value of property linked notes is determined by reference to the fair value of the underlying linked property investments. The fair value of convertible notes, preference and convertible preference securities is determined in accordance with generally accepted pricing models using current market prices in accordance with the terms of each instrument as set out in Note 23.

(r) Recoverable amount of assets

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

(s) Earnings per security

Basic earnings per security is calculated as net profit attributable to members divided by the weighted average number of ordinary securities. Diluted earnings per security is calculated as net profit attributable to members adjusted for any profit recognised in the period in relation to dilutive potential ordinary shares divided by the weighted average number of ordinary securities and dilutive potential ordinary securities.

(t) Distribution of non cash assets

Distribution of non-cash assets are recorded at market value in the financial statements. The market value of net assets distributed is charged to contributed equity, reserves and retained profits. The difference between the carrying amount and the market value of the assets at the time of the distribution is recognised in the Income Statement on the date of settlement.

(u) 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 tenth of a million dollars. Amounts shown as 0.0 represent amounts less than $50,000 that have been rounded down.

NOTE 3 DISCONTINUED OPERATIONS

As a result of the Restructure and Merger, Westfield Group's Australian and New Zealand business held through Westfield Holdings Limited and Westfield Trust, has been separated from the Westfield Group's international business and merged with Westfield Retail Trust to create two new listed groups, Scentre Group and Westfield Corporation.

Scentre Group comprises the merged Australian and New Zealand business of Westfield Group and Westfield Retail Trust and Westfield Corporation comprises Westfield Group's international business.

Discontinued operations

The results of the international business of Westfield Group from 1 January 2014 to 30 June 2014 are presented as discontinued operations within this financial report. The comparative Income Statement and relevant notes have been restated to present the results of the international business of Westfield Group as discontinued from the start of the comparative year, being 1 January 2013.

Financing costs included in discontinued operations has been compiled from the financing costs included in the legal entities that formed Westfield Group's US and UK operations. As a result of the Restructure and Merger, this will not be indicative of the future financing costs.

Tax charges including deferred tax in discontinued operations has been compiled from the tax expense included in the legal entities that formed Westfield Group's US and UK operations.

The Restructure and Merger was implemented on 30 June 2014 and the net assets relating to the international business summarised below were distributed to Westfield Corporation. These are no longer included in the Balance Sheet as at 31 December 2014. Charges and credits in respect of the Restructure and Merger are detailed in Note 10.

(a) Net assets distributed to Westfield Corporation

	A$million
Assets	
Cash	347.1
Inventories	136.8
Shopping centre investments	7,773.2
Development projects and construction in progress	1,774.3
Equity accounted investments	7,345.0
Other assets	1,035.3
	18,411.7
Liabilities	
Interest bearing liabilities	5,710.6
Other financial liabilities	208.2
Deferred tax liabilities	3,028.8
Other liabilities	1,658.7
	10,606.3
Net assets	**7,805.4**

(b) Profit after tax for the period from discontinued operations

	1 Jan 14-30 Jun 14 $million	31 Dec 13 $million
Revenue	**503.6**	1,104.1
Share of after tax profit of equity accounted entities	**520.7**	833.4
Expenses	**(420.3)**	(870.2)
Net interest expense	**(157.9)**	(430.6)
Revaluation gains	**36.2**	239.8
Profit before tax and charges and credits in respect of the Restructure and Merger for the period from discontinued operations	**482.3**	876.5
Tax expense	**(16.4)**	(194.0)
Profit after tax before charges and credits in respect of the Restructure and Merger for the period from discontinued operations	**465.9**	682.5
Charges and credits in respect of the Restructure and Merger	**4,676.5**	–
Profit after tax for the period	**5,142.4**	682.5

NOTE 4 SEGMENT REPORTING

Results of Scentre Group following the Restructure implemented on 30 June 2014

The results for the year ended 31 December 2014 comprises the earnings of the former Westfield Group (now the restructured Scentre Group) for the six months ended 30 June 2014 (which is not representative of Scentre Group operations) and the results of Scentre Group from 1 July 2014 to 31 December 2014 following the Restructure implemented on 30 June 2014.

Note 4(a) presents the operating segments of Scentre Group Australia and New Zealand operations from 1 July 2014 to 31 December 2014 following the Restructure implemented on 30 June 2014.

Operating segments

Note 4(b) presents the operating segments of Scentre Group for the year ended 31 December 2014. It comprises the earnings of the former Westfield Group (now the restructured Scentre Group) for the six months ended 30 June 2014 (which is not representative of Scentre Group operations) and the results of Scentre Group from 1 July 2014 to 31 December 2014 following the Restructure implemented on 30 June 2014.

Note 4(c) presents the operating segments of the former Westfield Group (now the restructured Scentre Group) for the comparative year ended 31 December 2013 (which is not representative of Scentre Group operations).

The Group's operational segment comprises the property investment and property and project management segments.

(a) Property investments

Property investments segment includes net property income from existing shopping centres and completed developments, and other operational expenses. A geographic analysis of net property investment income is also provided.

(b) Property and project management

Property and project management includes external fee income from third parties, primarily property management and development fees, and associated business expenses.

Transactions such as the change in fair value of investment properties, change in fair value of financial instruments, impact of currency hedging, interest income, financing costs, taxation, gain/(loss) and financing costs in respect of capital transactions and corporate overheads are not allocated to the above segments and are included in order to facilitate a reconciliation to the Group's net profit attributable to its members.

The Group's operating segments' income and expenses as well as the details of segment assets and liabilities have been prepared on a proportionate format. The proportionate format presents the net income from and net assets in equity accounted properties on a gross format whereby the underlying components of net income and net assets are disclosed separately as revenues and expenses, assets and liabilities.

The proportionate format is used by management in assessing and understanding the performance and results of operations of the Group as it allows management to observe and analyse revenue and expense results and trends on a portfolio-wide basis. Management considers that, given that the assets underlying both the consolidated and the equity accounted components of the statutory income statement are similar (that is, Australian and New Zealand shopping centres) most of the centres are under common management, and therefore the drivers of their results are similar, the proportionate format provides a more useful way to understand the performance of the portfolio as a whole than the statutory format. This is because the proportionate format aggregates both revenue and expense items across the whole portfolio, rather than netting the income and expense items for equity accounted shopping centres and only reflecting their performance as a single item of profit or loss, as the statutory format requires.

(a) Results of Scentre Group following the Restructure implemented on 30 June 2014

The following operating segments comprises the earnings of Scentre Group Australia and New Zealand operations from 1 July 2014 to 31 December 2014 and includes the earnings of Westfield Retail Trust following the Restructure implemented on 30 June 2014.

(i) Income and expenses

	Operational		
1 July 2014 – 31 December 2014	Property investment $million	Property and project management $million	**Total** $million
Revenue			
Property revenue	1,173.3	–	1,173.3
Property development and project management revenue	–	236.1	236.1
Property management income	–	26.3	26.3
	1,173.3	**262.4**	**1,435.7**
Expenses			
Property expenses, outgoings and other costs	(272.0)	–	(272.0)
Property development and project management costs	–	(206.5)	(206.5)
Property management costs	–	(4.2)	(4.2)
	(272.0)	**(210.7)**	**(482.7)**
Segment result	**901.3**	**51.7**	**953.0**
Property revaluations			648.9
Overheads			(49.0)
Currency loss			(3.4)
Interest income			6.8
Financing costs			(202.3)
Tax expense			(59.2)
External non controlling interests			(13.6)
Net profit attributable to members of the Group [(i)]			**1,281.2**

(i) Net profit attributable to members of the Group was $1,281.2 million. Net profit after tax for the period which includes profit attributable to external non controlling interests of $13.6 million was $1,294.8 million.

NOTE 4 SEGMENT REPORTING (CONTINUED)

(a) Results of Scentre Group following the Restructure implemented on 30 June 2014 (continued)

(ii) Geographic information – Total revenue

1 July 2014 – 31 December 2014	Australia $million	New Zealand $million	Total $million
Property revenue	1,035.3	138.0	1,173.3
Property development and project management revenue	236.1	–	236.1
Property management income	26.3	–	26.3
Total revenue	**1,297.7**	**138.0**	**1,435.7**

(iii) Geographic information – Net property income

1 July 2014 – 31 December 2014	Australia $million	New Zealand $million	Total $million
Shopping centre base rent and other property income	1,050.3	138.8	1,189.1
Amortisation of tenant allowances	(15.0)	(0.8)	(15.8)
Property revenue	1,035.3	138.0	1,173.3
Property expenses, outgoings and other costs	(238.0)	(34.0)	(272.0)
Net property income	**797.3**	**104.0**	**901.3**

(iv) Currency loss

1 July 2014 – 31 December 2014	$million
Realised loss on income hedging currency derivatives	(0.5)
Net fair value loss on currency derivatives that do not qualify for hedge accounting	(2.9)
	(3.4)

(v) Financing costs

1 July 2014 – 31 December 2014	$million
Gross financing costs (excluding net fair value gain on interest rate hedges that do not qualify for hedge accounting)	(269.1)
Financing costs capitalised to qualifying development projects, construction in progress and inventories	11.8
Financing costs	(257.3)
Net fair value gain on interest rate hedges that do not qualify for hedge accounting	116.9
Finance leases interest expense	(1.9)
Interest expense on other financial liabilities	(42.7)
Net fair value loss on other financial liabilities	(17.3)
	(202.3)

(vi) Taxation

1 July 2014 – 31 December 2014	$million
Current – underlying operations	(40.3)
Deferred tax	(18.9)
	(59.2)

NOTE 4 SEGMENT REPORTING (CONTINUED)

(b) Operating segments

The operating segments of Scentre Group for the year ended 31 December 2014 comprises the earnings of the former Westfield Group (now the restructured Scentre Group) for the six months ended 30 June 2014 (which is not representative of Scentre Group operations) and the results of Scentre Group from 1 July 2014 to 31 December 2014 following the Restructure implemented on 30 June 2014.

(i) Income and expenses

31 December 2014	Operational Property investment $million	 Property and project management $million	Total $million
Revenue			
Property revenue	2,461.1	–	2,461.1
Property development and project management revenue	–	788.3	788.3
Property management income	–	124.7	124.7
	2,461.1	**913.0**	**3,374.1**
Expenses			
Property expenses, outgoings and other costs	(636.6)	–	(636.6)
Property development and project management costs	–	(626.3)	(626.3)
Property management costs	–	(34.9)	(34.9)
	(636.6)	**(661.2)**	**(1,297.8)**
Segment result	**1,824.5**	**251.8**	**2,076.3**
Property revaluations			1,185.7
Overheads			(147.1)
Currency loss			(155.0)
Gain in respect of capital transactions			
– asset dispositions			0.9
Interest income			12.5
Financing costs			(584.5)
Tax expense			(125.1)
External non controlling interests			(40.2)
Charges and credits in respect of the Restructure and Merger			4,362.8
Net profit attributable to members of the Group (i) (ii)			**6,586.3**

(i) Net profit attributable to members of the Group was $6,586.3 million. Net profit after tax for the period which includes profit attributable to external non controlling interests of $40.2 million was $6,626.5 million.

(ii) Segment profit after tax includes profit after tax before charges and credits in respect of the Restructure and Merger for the period from discontinued operations of $465.9 million, charges and credits in respect of the Restructure and Merger of $4,362.8 million and excludes external non controlling interests of $40.2 million. After adjusting for these items, segmental profit after tax before charges and credits in respect of the Restructure and Merger for continuing operations is $1,797.8 million.

NOTE 4 SEGMENT REPORTING (CONTINUED)

(b) Operating segments (continued)

(ii) Assets and liabilities of Scentre Group

As at 31 December 2014	Operational Property investment $million	Operational Property and project management $million	Total $million
Total operational segment assets	30,631.9	75.9	30,707.8
Total group assets			711.8
Total operational segment liabilities	989.5	25.5	1,015.0
Total group liabilities			13,975.8
Net assets	29,642.4	50.4	16,428.8
Equity accounted associates included in – operational segment assets	1,294.7	–	1,294.7
Equity accounted associates included in – operational segment liabilities	7.8	–	7.8
Additions to segment non current assets during the period	1,508.0	–	1,508.0

(iii) Geographic information – Total revenue

31 December 2014	Australia[i] $million	New Zealand[i] $million	United States/ United Kingdom $million	Total $million
Property revenue	1,556.8	206.5	697.8	2,461.1
Property development and project management revenue	658.1	1.8	128.4	788.3
Property management income	86.2	3.2	35.3	124.7
Total revenue	**2,301.1**	**211.5**	**861.5**	**3,374.1**

(i) Australia and New Zealand revenue of $2,512.6 million compares to revenue of $2,164.5 million on the income statement and property revenue of $348.1 million included in the share of equity accounted profit.

(iv) Geographic information – Net property income

31 December 2014	Australia $million	New Zealand $million	United States/ United Kingdom $million	Total $million
Shopping centre base rent and other property income	1,584.0	208.1	723.2	2,515.3
Amortisation of tenant allowances	(27.2)	(1.6)	(25.4)	(54.2)
Property revenue	1,556.8	206.5	697.8	2,461.1
Property expenses, outgoings and other costs	(352.6)	(50.5)	(233.5)	(636.6)
Net property income	**1,204.2**	**156.0**	**464.3**	**1,824.5**

(v) Geographic information – Property investment assets and non current assets

As at 31 December 2014	Australia $million	New Zealand $million	Total $million
Property investment assets	**27,818.1**	**2,813.8**	**30,631.9**
Non current assets	27,613.7	1,774.9	29,388.6
Group non current assets			599.0
Total non current assets			**29,987.6**

NOTE 4 SEGMENT REPORTING (CONTINUED)

(b) Operating segments (continued)

(vi) Reconciliation of segmental results

The Group's operating segments' income and expenses as well as the details of segment assets and liabilities have been prepared on a proportionate format. The composition of the Group's consolidated and equity accounted details are provided below:

31 December 2014	Consolidated $million	Equity Accounted $million	Total $million
Revenue			
Property revenue	1,755.1	706.0	2,461.1
Property development and project management revenue	788.3	–	788.3
Property management income	124.7	–	124.7
	2,668.1	**706.0**	**3,374.1**
Expenses			
Property expenses, outgoings and other costs	(448.1)	(188.5)	(636.6)
Property development and project management costs	(626.3)	–	(626.3)
Property management costs	(34.9)	–	(34.9)
	(1,109.3)	**(188.5)**	**(1,297.8)**
Segment result	**1,558.8**	**517.5**	**2,076.3**
Property revaluations	801.7	384.0	1,185.7
Overheads	(147.1)	–	(147.1)
Currency loss	(155.0)	–	(155.0)
Gain in respect of capital transactions			
– asset dispositions	0.9	–	0.9
Interest income	12.0	0.5	12.5
Financing costs	(543.5)	(41.0)	(584.5)
Tax expense	(114.5)	(10.6)	(125.1)
External non controlling interests	(40.2)	–	(40.2)
Charges and credits in respect of the Restructure and Merger	4,362.8	–	4,362.8
Net profit attributable to members of the Group	**5,735.9**	**850.4**	**6,586.3**
Cash	189.0	0.9	189.9
Shopping centre investments	28,588.4	1,281.5	29,869.9
Development projects and construction in progress	418.9	9.3	428.2
Inventories	10.3	–	10.3
Other assets	918.3	3.0	921.3
Total assets	**30,124.9**	**1,294.7**	**31,419.6**
Interest bearing liabilities	11,951.7	–	11,951.7
Other financial liabilities	1,409.1	–	1,409.1
Deferred tax liabilities	313.9	–	313.9
Other liabilities	1,308.3	7.8	1,316.1
Total liabilities	**14,983.0**	**7.8**	**14,990.8**
Net assets	**15,141.9**	**1,286.9**	**16,428.8**

NOTE 4 SEGMENT REPORTING (CONTINUED)

(c) Operating segments of the former Westfield Group (now the restructured Scentre Group)

(i) Income and expenses of the former Westfield Group (now the restructured Scentre Group) for continuing operations and discontinued operations

	Operational		
31 December 2013	Property investment $million	Property and project management $million	**Total** $million
Revenue			
Property revenue	2,674.2	–	2,674.2
Property development and project management revenue	–	761.9	761.9
Property management income	–	188.4	188.4
	2,674.2	**950.3**	**3,624.5**
Expenses			
Property expenses, outgoings and other costs	(756.9)	–	(756.9)
Property development and project management costs	–	(558.2)	(558.2)
Property management costs	–	(47.8)	(47.8)
	(756.9)	**(606.0)**	**(1,362.9)**
Segment result	**1,917.3**	**344.3**	**2,261.6**
Property revaluations			863.9
Overheads			(207.7)
Currency loss			(30.8)
Gain/(loss) in respect of capital transactions			
– asset dispositions			14.2
– financing costs in respect of capital transactions			(140.7)
Interest income			30.1
Financing costs			(861.7)
Tax expense			(307.6)
External non controlling interests			(18.6)
Net profit attributable to members of the Group (i) (ii)			**1,602.7**

(i) Net profit attributable to members of the Group was $1,602.7 million. Net profit after tax for the period which includes profit attributable to external non controlling interests of $18.6 million was $1,621.3 million.

(ii) Segment profit after tax includes profit after tax before charges and credits in respect of the Restructure and Merger for the period from discontinued operations of $682.5 million and excludes external non controlling interests of $18.6 million. After adjusting for these items, segmental profit after tax before charges and credits in respect of the Restructure and Merger for continuing operations is $938.8 million.

NOTE 4 SEGMENT REPORTING (CONTINUED)

(c) Operating segments of the former Westfield Group (now the restructured Scentre Group) (continued)

(ii) Assets and liabilities of Westfield Group as at 31 December 2013

	Operational		
As at 31 December 2013	Property investment $million	Property and project management $million	**Total** $million
Total operational segment assets	36,329.9	165.8	36,495.7
Total group assets			751.0
Total operational segment liabilities	1,865.2	14.1	1,879.3
Total group liabilities			20,026.7
Net assets			15,340.7
Equity accounted associates included in – operational segment assets	17,822.6	–	17,822.6
Equity accounted associates included in – operational segment liabilities	307.0	–	307.0
Equity accounted associates included in – group liabilities			2,031.7
Additions to segment non current assets during the period	893.1	–	893.1

(iii) Geographic information – Total revenue of the former Westfield Group (now the restructured Scentre Group) for continuing operations and discontinued operations

31 December 2013	**Australia** [i] $million	**New Zealand** [i] $million	**United States/ United Kingdom** $million	**Total** $million
Property revenue	1,035.7	125.0	1,513.5	2,674.2
Property development and project management revenue	572.8	7.0	182.1	761.9
Property management income	118.6	5.9	63.9	188.4
Total revenue	**1,727.1**	**137.9**	**1,759.5**	**3,624.5**

(i) Australia and New Zealand revenue of $1,865 million compares to revenue of $1,281 million on the income statement and property revenue of $584 million included in the share of equity accounted profit.

(iv) Geographic information – Net property income of the former Westfield Group (now the restructured Scentre Group) for continuing operations and discontinued operations

31 December 2013	**Australia** $million	**New Zealand** $million	**United States/ United Kingdom** $million	**Total** $million
Shopping centre base rent and other property income	1,055.2	126.9	1,574.6	2,756.7
Amortisation of tenant allowances	(19.5)	(1.9)	(61.1)	(82.5)
Property revenue	1,035.7	125.0	1,513.5	2,674.2
Property expenses, outgoings and other costs	(242.1)	(29.5)	(485.3)	(756.9)
Net property income	**793.6**	**95.5**	**1,028.2**	**1,917.3**

(v) Geographic information – Property investment assets and non current assets of Westfield Group as at 31 December 2013

As at 31 December 2013	**Australia** $million	**New Zealand** $million	**United States/ United Kingdom** $million	**Total** $million
Property investment assets	**13,729.7**	**1,325.0**	**21,275.2**	**36,329.9**
Non current assets	13,564.0	1,146.5	17,779.2	32,489.7
Group non current assets				422.4
Total non current assets				**32,912.1**

NOTE 4 SEGMENT REPORTING (CONTINUED)

(c) Operating segments of the former Westfield Group (now the restructured Scentre Group) (continued)

(vi) Reconciliation of segmental results of the former Westfield Group (now the restructured Scentre Group) for continuing operations and discontinued operations

The Group's operating segments' income and expenses as well as the details of segment assets and liabilities have been prepared on a proportionate format. The composition of the Group's consolidated and equity accounted details are provided below:

31 December 2013	Consolidated $million	Equity Accounted $million	Total $million
Revenue			
Property revenue	1,434.8	1,239.4	2,674.2
Property development and project management revenue	761.9	–	761.9
Property management income	188.4	–	188.4
	2,385.1	**1,239.4**	**3,624.5**
Expenses			
Property expenses, outgoings and other costs	(421.2)	(335.7)	(756.9)
Property development and project management costs	(558.2)	–	(558.2)
Property management costs	(47.8)	–	(47.8)
	(1,027.2)	**(335.7)**	**(1,362.9)**
Segment result	**1,357.9**	**903.7**	**2,261.6**
Property revaluations	365.7	498.2	863.9
Overheads	(207.7)	–	(207.7)
Currency loss	(30.8)	–	(30.8)
Gain/(loss) in respect of capital transactions			
– asset dispositions	(5.4)	19.6	14.2
– financing costs in respect of capital transactions	(140.7)	–	(140.7)
Interest income	26.5	3.6	30.1
Financing costs	(795.4)	(66.3)	(861.7)
Tax expense	(285.2)	(22.4)	(307.6)
External non controlling interests	(18.6)	–	(18.6)
Net profit attributable to members of the Group	**266.3**	**1,336.4**	**1,602.7**
Cash	1,153.0	146.4	1,299.4
Shopping centre investments	15,405.7	16,820.6	32,226.3
Development projects and construction in progress	1,056.3	749.7	1,806.0
Inventories	83.8	–	83.8
Other assets	1,725.3	105.9	1,831.2
Total assets	**19,424.1**	**17,822.6**	**37,246.7**
Interest bearing liabilities	12,318.6	1,925.5	14,244.1
Other financial liabilities	1,760.5	–	1,760.5
Deferred tax liabilities	3,358.3	106.2	3,464.5
Other liabilities	2,129.9	307.0	2,436.9
Total liabilities	**19,567.3**	**2,338.7**	**21,906.0**
Net assets	**(143.2)**	**15,483.9**	**15,340.7**

	Note	Continuing operations 31 Dec 14 $million	 31 Dec 13 $million
NOTE 5 PROPERTY REVENUE			
Shopping centre base rent and other property income		**1,436.8**	587.0
Amortisation of tenant allowances and leasing costs		**(21.6)**	(10.3)
		1,415.2	576.7
NOTE 6 CURRENCY GAIN/(LOSS)			
Realised gain/(loss) on income hedging currency derivatives		**(0.5)**	2.0
Net fair value gain/(loss) on currency derivatives that do not qualify for hedge accounting	11	**(26.5)**	190.2
		(27.0)	192.2
NOTE 7 FINANCING COSTS			
Gross financing costs (excluding net fair value gain/(loss) on interest rate hedges that do not qualify for hedge accounting)		**(395.2)**	(209.0)
Financing costs capitalised to qualifying development projects, construction in progress and inventories		**18.0**	7.3
Financing costs		**(377.2)**	(201.7)
Net fair value gain/(loss) on interest rate hedges that do not qualify for hedge accounting	11	**118.2**	(33.7)
Finance leases interest expense		**(2.1)**	(0.4)
Interest expense on other financial liabilities		**(84.1)**	(83.4)
Net fair value loss on other financial liabilities	11	**(37.7)**	(30.0)
		(382.9)	(349.2)
NOTE 8 GAIN/(LOSS) IN RESPECT OF CAPITAL TRANSACTIONS			
Asset dispositions			
– proceeds from asset dispositions		**–**	8.7
– less: carrying value of assets disposed and other capital costs		**–**	(8.6)
Gain/(loss) in respect of asset dispositions	11	**–**	0.1
Termination costs in relation to the repayment of surplus fixed rate borrowings with the proceeds from the disposition of property investments		**–**	(66.5)
Financing costs in respect of capital transactions	11	**–**	(66.5)
NOTE 9 TAXATION			
(a) Tax expense			
Current – underlying operations		**(82.6)**	(67.7)
Deferred tax	11	**(15.5)**	(23.5)
		(98.1)	(91.2)
The prima facie tax on profit before tax is reconciled to the income tax expense provided in the financial statements as follows:			
Profit before income tax		**1,895.9**	1,030.0
Prima facie tax expense at 30%		**(568.8)**	(309.0)
Trust income not taxable for the Group – tax payable by securityholders		**518.1**	268.3
Capital transactions not deductible		**–**	(19.9)
Tax on inter-entity transactions		**(46.3)**	(28.4)
Prior year under provision		**(1.1)**	(2.2)
Tax expense		**(98.1)**	(91.2)
(b) Deferred tax assets			
Provisions and accruals		**97.9**	92.7
		97.9	92.7
(c) Deferred tax liabilities			
Tax effect of book value in excess of the tax cost base of investment properties		**225.6**	3,234.2
Unrealised fair value gain on financial derivatives		**2.2**	11.2
Other timing differences		**86.1**	112.9
		313.9	3,358.3

(d) Deferred tax assets and deferred tax liabilities not charged to tax expense

The closing balance of deferred tax assets and deferred tax liabilities includes amounts charged to the foreign currency translation reserve of $0.4 million (31 December 2013: credit of $9.5 million).

	Note	Continuing and discontinued operations 31 Dec 14 $million	31 Dec 13 $million
NOTE 10 CHARGES AND CREDITS IN RESPECT OF THE RESTRUCTURE AND MERGER			
Market value adjustment on distribution of net assets to Westfield Corporation [i]	11	**6,605.9**	–
Refinancing costs in respect of the Restructure and Merger	11	**(1,259.3)**	–
Transaction costs in respect of the Restructure and Merger	11	**(144.9)**	–
Accumulated exchange differences transferred from foreign currency translation reserve on distribution of net investment in foreign operation	11	**(838.9)**	–
		4,362.8	–
Attributable to:			
Continuing operations		**(313.7)**	–
Discontinued operations		**4,676.5**	–
		4,362.8	–

[i] The net assets distributed to Westfield Corporation amount to $7,805.4 million of which $12,413.9 million has been charged to contributed equity, $45.5 million has been charged to employee share plan benefits reserve and $4,654.0 million retained earnings has been credited to retained profits. The market value adjustments on distribution of net assets of $6,605.9 million represents the difference between the market value and the book value of net assets distributed to Westfield Corporation. The market value of $14.4 billion is calculated by reference to the weighted average price of $6.93 on the first day of trading multiplied by 2,078,089,686 number of securities on issue.

	Note	31 Dec 14 $million	31 Dec 13 $million
NOTE 11 SIGNIFICANT ITEMS			
The following significant items are relevant in explaining the financial performance of the business:			
Continuing operations			
Property revaluations		**765.5**	125.9
Equity accounted property revaluations		**69.5**	55.4
Net fair value gain/(loss) on currency derivatives that do not qualify for hedge accounting	6	**(26.5)**	190.2
Net fair value gain/(loss) on interest rate hedges that do not qualify for hedge accounting	7	**118.2**	(33.7)
Net fair value loss on other financial liabilities	7	**(37.7)**	(30.0)
Gain in respect of asset dispositions	8	**–**	0.1
Financing costs in respect of capital transactions	8	**–**	(66.5)
Equity accounted gain in respect of asset dispositions		**–**	19.6
Deferred tax	9	**(15.5)**	(23.5)
Equity accounted deferred tax expense		**(1.9)**	(6.3)
Continuing and discontinued operations			
Market value adjustment on distribution of net assets to Westfield Corporation	10	**6,605.9**	–
Refinancing costs in respect of the Restructure and Merger	10	**(1,259.3)**	–
Transaction costs in respect of the Restructure and Merger	10	**(144.9)**	–
Accumulated exchange differences transferred from foreign currency translation reserve on distribution of net investment in foreign operation	10	**(838.9)**	–

	31 Dec 14 $million	31 Dec 13 $million

NOTE 12 CASH AND CASH EQUIVALENTS

(a) Components of cash and cash equivalents

	31 Dec 14 $million	31 Dec 13 $million
Cash	**189.0**	1,153.0
Bank overdrafts	**–**	–
Total cash and cash equivalents	**189.0**	1,153.0

(b) Reconciliation of profit after tax to net cash flows from operating activities

	31 Dec 14 $million	31 Dec 13 $million
Profit after tax	**6,626.5**	1,621.3
Property revaluations	**(801.7)**	(365.7)
Share of equity accounted profit in excess of dividend/distribution	**(444.8)**	(706.6)
Deferred tax	**10.8**	199.1
Net fair value loss of forward exchange contracts	**160.9**	59.8
Borrowing costs	**543.5**	795.4
Interest income	**(12.0)**	(26.5)
(Gain)/loss from capital transactions	**(0.9)**	146.1
Charges and credits in respect of the Restructure and Merger	**(4,362.8)**	–
(Increase)/decrease in working capital attributable to operating activities	**165.1**	(71.6)
Net cash flows from operating activities	**1,884.6**	1,651.3

NOTE 13 DERIVATIVE ASSETS

Current

	31 Dec 14 $million	31 Dec 13 $million
Receivables on currency derivatives	**1.5**	49.8
Receivables on interest rate derivatives	**0.3**	69.2
Receivables on equity share plan swaps	**–**	2.0
	1.8	121.0

Non Current

	31 Dec 14 $million	31 Dec 13 $million
Receivables on currency derivatives	**204.5**	–
Receivables on interest rate derivatives	**242.4**	262.1
Receivables on equity share plan swaps	**–**	1.9
	446.9	264.0

The Group presents the fair value mark to market of its derivative assets and derivative liabilities on a gross basis. However, certain derivative assets and liabilities are subject to legally enforceable master netting arrangements. As at 31 December 2014, when these netting arrangements are applied to the derivative portfolio, the derivative assets of $448.7 million are reduced by $103.7 million to the net amount of $345.0 million (31 December 2013: derivative assets of $385.0 million reduced by $97.6 million to the net amount of $287.4 million).

NOTE 14 RECEIVABLES

Current

	Note	31 Dec 14 $million	31 Dec 13 $million
Amount receivable from Scentre Group Trust 2	47	**–**	7.3
Sundry debtors		**168.2**	547.0
		168.2	554.3

Non Current

	Note	31 Dec 14 $million	31 Dec 13 $million
Sundry debtors		**–**	85.7
		–	85.7

	Note	31 Dec 14 $million	31 Dec 13 $million
NOTE 15 PREPAYMENTS AND DEFERRED COSTS			
Current			
Prepayments and deposits		**17.7**	20.9
Deferred costs – other		**15.4**	32.0
		33.1	52.9
Non Current			
Deferred costs – other		**54.3**	102.9
		54.3	102.9
NOTE 16 INVESTMENT PROPERTIES			
Current			
Shopping centre investments	51	**950.1**	–
Development projects and construction in progress	51	**54.4**	–
		1,004.5	–
Non Current			
Shopping centre investments		**27,638.3**	15,405.7
Development projects and construction in progress		**364.5**	1,056.3
		28,002.8	16,462.0
Total investment properties		**29,007.3**	16,462.0
Total investment properties is comprised of:			
Shopping centre investments		**28,588.4**	15,405.7
Development projects and construction in progress		**418.9**	1,056.3
Total investment properties		**29,007.3**	16,462.0
Movement in total investment properties			
Balance at the beginning of the year		**16,462.0**	17,341.3
Acquisition of properties		**651.0**	71.3
Disposal of properties		**(119.3)**	(2,763.1)
Transfer from/(to) equity accounted investment properties		**6,895.1**	(691.8)
Redevelopment costs		**564.8**	289.8
Net revaluation increment		**786.4**	542.4
Retranslation of foreign operations		**(285.1)**	1,672.1
Business combination with Westfield Retail Trust pursuant to the Restructure and Merger		**13,599.9**	–
Transfer to Westfield Corporation pursuant to the Restructure and Merger		**(9,547.5)**	–
Balance at the end of the year [(i)]		**29,007.3**	16,462.0

(i) The fair value of investment properties at the end of the year of $29,007.3 million (31 December 2013: $16,462.0 million) comprises investment properties at market value of $28,950.2 million (31 December 2013: $16,418.3 million) and ground leases included as finance leases of $57.1 million (31 December 2013: $43.7 million).

NOTE 17 DETAILS OF SHOPPING CENTRE INVESTMENTS

	Note	31 Dec 14 $million	31 Dec 13 $million
Consolidated Australia shopping centres	17(a)	**25,923.7**	7,256.7
Consolidated New Zealand shopping centres	17(b)	**2,664.7**	–
Consolidated United Kingdom shopping centres		**–**	2,371.5
Consolidated United States shopping centres		**–**	5,777.5
Total consolidated shopping centres		**28,588.4**	15,405.7
Equity accounted Australia shopping centres	17(a)	**1,281.5**	5,899.3
Equity accounted New Zealand shopping centres	17(b)	**–**	1,246.5
Equity accounted United Kingdom shopping centres		**–**	2,671.2
Equity accounted United States shopping centres		**–**	7,003.6
Total equity accounted shopping centres	18(c)	**1,281.5**	16,820.6
		29,869.9	32,226.3

Investment properties are carried at the Directors' determination of fair value which takes into account latest independent valuations, with updates at each balance date of independent valuations that were prepared previously. The carrying amount of investment properties comprises the original acquisition cost, subsequent capital expenditure, tenant allowances, deferred costs, ground leases, straight-line rent and revaluation increments and decrements.

Independent valuations are conducted in accordance with guidelines set by the International Valuation Standards Committee for Australian and New Zealand properties, RICS Appraisal and Valuation Standards which is mandatory for Chartered Surveyors for the United Kingdom properties and Uniform Standards of Professional Appraisal Practice for the United States properties. The independent valuation uses the capitalisation of net income method and the discounting of future net cash flows to their present value method. The key assumptions in determining the valuation of the investment properties are the estimated capitalisation rate and net operating income. Significant movement in each of these assumptions in isolation would result in a higher/(lower) fair value of the properties.

The following qualified independent valuers were appointed by the Group to carry out property appraisals for the current financial year:

Australian shopping centres

- CBRE Valuations Pty Limited
- CIVAS (NSW) Pty Limited (Colliers International)
- CIVAS (VIC) Pty Limited (Colliers International)
- Cushman & Wakefield (NSW) Pty Ltd
- Jones Lang LaSalle Advisory Services Pty Ltd
- Knight Frank Australia Pty Ltd
- Savills Valuations Pty Ltd
- Urbis Valuations Pty Ltd

New Zealand shopping centres

- CBRE Limited
- Colliers International New Zealand Limited
- Cushman & Wakefield
- Jones Lang La Salle Limited

NOTE 17(a) DETAILS OF SHOPPING CENTRE INVESTMENTS – AUSTRALIA

Australian shopping centres	Ownership Interest [i] 31 Dec 14 %		Ownership Interest 31 Dec 13 %		Carrying Amount 31 Dec 14 $million	Retail Capitalisation Rates 31 Dec 14 %	Carrying Amount 31 Dec 13 $million	Retail Capitalisation Rates 31 Dec 13 %
AUSTRALIAN CAPITAL TERRITORY								
Belconnen	**100.0**	**C**	50.0	C	**840.0**	**6.00%**	404.0	6.00%
Woden	**50.0**	**C**	25.0	C	**325.0**	**6.25%**	162.5	6.25%
NEW SOUTH WALES								
Bondi Junction	**100.0**	**C**	50.0	E	**2,383.8**	**5.13%**	1,126.9	5.25%
Burwood	**100.0**	**C**	50.0	C	**875.2**	**5.88%**	420.1	6.00%
Chatswood [ii]	**100.0**	**C**	50.0	E	**905.8**	**6.00%**	452.9	6.00%
Figtree	**100.0**	**C**	50.0	C	**163.0**	**7.25%**	77.5	7.50%
Hornsby	**100.0**	**C**	50.0	E	**914.5**	**6.00%**	447.2	6.00%
Hurstville	**50.0**	**C**	25.0	C	**272.5**	**7.00%**	135.0	7.00%
Kotara	**100.0**	**C**	50.0	E	**710.0**	**6.25%**	355.0	6.25%
Liverpool	**50.0**	**C**	25.0	C	**459.1**	**6.25%**	225.0	6.25%
Miranda [v]	**50.0**	**C**	25.0	C	**977.8**	**5.50%**	346.5	5.75%
Mt Druitt	**50.0**	**E**	25.0	E	**242.5**	**7.00%**	118.7	7.00%
North Rocks	**100.0**	**C**	50.0	E	**125.0**	**7.00%**	61.5	7.25%
Parramatta	**50.0**	**C**	25.0	C	**831.5**	**5.63%**	404.5	5.75%
Penrith	**50.0**	**C**	25.0	C	**577.5**	**5.75%**	273.8	6.00%
Sydney [iii]	**100.0**	**C**	50.0	C/E	**3,528.3**	**5.29%**	1,679.1	5.29%
Tuggerah	**100.0**	**C**	50.0	E	**680.0**	**6.13%**	330.0	6.25%
Warrawong	**100.0**	**C**	50.0	C	**192.0**	**8.00%**	93.5	8.00%
Warringah Mall	**50.0**	**C**	25.0	E	**580.0**	**6.00%**	287.5	6.00%
QUEENSLAND								
Carindale [iv]	**50.0**	**C**	50.0	C	**748.6**	**5.50%**	685.1	5.75%
Chermside	**100.0**	**C**	50.0	C	**1,689.0**	**5.50%**	824.3	5.50%
Garden City [v]	**100.0**	**C**	50.0	E	**1,380.0**	**5.75%**	459.4	6.00%
Helensvale	**50.0**	**C**	25.0	C	**205.0**	**6.25%**	97.5	6.50%
North Lakes [ii]	**50.0**	**C**	25.0	C	**237.5**	**6.25%**	116.3	6.25%
Strathpine	**100.0**	**C**	50.0	C	**277.5**	**7.25%**	137.5	7.25%
SOUTH AUSTRALIA								
Marion	**50.0**	**C**	25.0	C	**620.0**	**5.75%**	295.0	5.90%
Tea Tree Plaza	**50.0**	**E**	31.3	E	**346.5**	**6.00%**	213.7	6.00%
West Lakes	**50.0**	**C**	25.0	C	**260.0**	**6.25%**	130.0	6.25%
VICTORIA								
Airport West	**50.0**	**C**	25.0	C	**178.0**	**6.75%**	86.3	7.00%
Doncaster	**50.0**	**C**	25.0	E	**862.5**	**5.50%**	405.0	5.50%
Fountain Gate	**100.0**	**C**	50.0	E	**1,570.1**	**5.50%**	727.5	5.75%
Geelong	**50.0**	**C**	25.0	C	**236.0**	**6.25%**	120.0	6.25%
Knox	**50.0**	**C**	25.0	E	**507.5**	**6.50%**	257.5	6.50%
Plenty Valley	**50.0**	**C**	25.0	C	**161.0**	**6.25%**	78.8	6.50%
Southland	**50.0**	**E**	25.0	E	**692.5**	**5.75%**	339.0	5.85%
WESTERN AUSTRALIA								
Carousel	**100.0**	**C**	50.0	C	**1,045.0**	**5.50%**	495.0	5.50%
Innaloo	**100.0**	**C**	50.0	C	**300.0**	**6.50%**	137.0	7.00%
Whitford City	**50.0**	**C**	25.0	C	**305.0**	**6.50%**	150.0	6.75%
Total Australian portfolio					**27,205.2**	**5.83%** [vi]	13,156.0	5.93% [vi]
Consolidated					**25,923.7**		7,256.7	
Equity accounted					**1,281.5**		5,899.3	
Total Australian portfolio					**27,205.2**		13,156.0	

C **Consolidated** – Centres which are between 20 – 50% held directly and jointly as tenants in common are treated as joint operations. The contractual arrangements establish that the parties share all the liabilities, obligations, costs and expenses in their ownership proportion. The allocation of revenue and expenses is based on the ownership interest in the joint arrangement.

E **Equity Accounted** – Centres held through a separate vehicle with joint control are treated as a joint venture and accounted for under the equity method of accounting.

(i) On 30 June 2014 Scentre Group acquired Westfield Retail Trust's interest in these centres (excluding Carindale) as a result of the Restructure and Merger.

(ii) Properties currently under redevelopment.

(iii) Sydney comprises Sydney Central Plaza, the Sydney City retail complex and office towers. The weighted average capitalisation rate of Sydney is 5.55%, comprising retail 5.29% (Sydney City 5.13% and Sydney Central Plaza 5.75%) and office 6.23%.

(iv) 50% interest in this shopping centre is consolidated and 25% is shown as non controlling interest.

(v) Development completed during the year.

(vi) Weighted average capitalisation rate including non-retail assets.

NOTE 17(b) DETAILS OF SHOPPING CENTRE INVESTMENTS – NEW ZEALAND

New Zealand shopping centres	**Ownership Interest[i] 31 Dec 14 %**		Ownership Interest 31 Dec 13 %		**Carrying Amount 31 Dec 14 NZ$ million**	**Retail Capitalisation Rates 31 Dec 14 %**	Carrying Amount 31 Dec 13 NZ$million	Retail Capitalisation Rates 31 Dec 13 %
Albany [ii]	**100.0**	**C**	50.0	E	**451.0**	**6.38%**	217.0	6.50%
Chartwell	**100.0**	**C**	50.0	E	**177.0**	**8.13%**	87.5	8.25%
Glenfield	**100.0**	**C**	50.0	E	**108.0**	**8.25%**	53.0	8.38%
Manukau [ii]	**100.0**	**C**	50.0	E	**339.5**	**7.50%**	167.8	7.63%
Newmarket [ii]	**100.0**	**C**	50.0	E	**264.0**	**6.88%**	124.5	7.13%
Queensgate	**100.0**	**C**	50.0	E	**305.0**	**7.25%**	156.0	7.25%
Riccarton [ii]	**100.0**	**C**	50.0	E	**505.0**	**7.13%**	235.0	7.50%
St Lukes [ii]	**100.0**	**C**	50.0	E	**471.0**	**6.63%**	223.5	6.88%
WestCity	**100.0**	**C**	50.0	E	**170.0**	**8.25%**	90.5	8.38%
Total New Zealand portfolio					**2,790.5**	**7.15%** [iii]	1,354.8	7.35%[iii]
Exchange rate					**1.0472**		1.0869	
Total New Zealand portfolio in A$					**2,664.7**		1,246.5	
Consolidated					**2,664.7**		–	
Equity accounted					**–**		1,246.5	
Total New Zealand portfolio					**2,664.7**		1,246.5	

C **Consolidated** – Centres which are between 20 – 50% held directly and jointly as tenants in common are treated as joint operations. The contractual arrangements establish that the parties share all the liabilities, obligations, costs and expenses in their ownership proportion. The allocation of revenue and expenses is based on the ownership interest in the joint arrangement.

E **Equity Accounted** – Centres held through a separate vehicle with joint control are treated as a joint venture and accounted for under the equity method of accounting.

(i) On 30 June 2014 Scentre Group acquired Westfield Retail Trust's interest in these centres as a result of the Restructure and Merger.

(ii) In November 2014, the Group announced a joint venture agreement with GIC. Under the agreement, GIC will acquire a 49% interest in these shopping centres. The transaction is subject to GIC obtaining approval from the Overseas Investment Office, New Zealand.

(iii) Weighted average capitalisation rate including non-retail assets.

NOTE 18 DETAILS OF EQUITY ACCOUNTED INVESTMENTS

	Australia and New Zealand	
	31 Dec 14 $million	31 Dec 13 $million
(a) Details of Scentre Group's aggregate share of equity accounted entities net profit		
Property revenue	**348.1**	583.9
Share of after tax profit of equity accounted entities	**329.7**	503.0

During the financial year, the profit from discontinued operations is $520.7 million (31 December 2013: $833.4 million).

(b) Details of Scentre Group's aggregate share of equity accounted entities comprehensive income		
Share of after tax profit of equity accounted entities	**329.7**	503.0
Other comprehensive income [i]	**6.8**	81.4
Share of total comprehensive income	**336.5**	584.4

(i) Relates to the net exchange difference on translation of equity accounted foreign operations.

NOTE 18 DETAILS OF EQUITY ACCOUNTED INVESTMENTS (CONTINUED)

	Australia and New Zealand [(i)]		United Kingdom		United States		Total	
	31 Dec 14 $million	31 Dec 13 $million	**31 Dec 14 $million**	31 Dec 13 $million	**31 Dec 14 $million**	31 Dec 13 $million	**31 Dec 14 $million**	31 Dec 13 $million
(c) Details of Scentre Group's aggregate share of equity accounted entities assets and liabilities								
Cash	**0.9**	21.5	**–**	58.1	**–**	66.8	**0.9**	146.4
Shopping centre investments	**1,281.5**	7,145.8	**–**	2,671.2	**–**	7,003.6	**1,281.5**	16,820.6
Development projects and construction in progress	**9.3**	126.0	**–**	201.5	**–**	422.2	**9.3**	749.7
Other assets	**3.0**	17.5	**–**	39.2	**–**	49.2	**3.0**	105.9
Total assets	**1,294.7**	7,310.8	**–**	2,970.0	**–**	7,541.8	**1,294.7**	17,822.6
Payables	**(7.8)**	(112.0)	**–**	(85.5)	**–**	(109.5)	**(7.8)**	(307.0)
Interest bearing liabilities – current	**–**	(0.1)	**–**	–	**–**	(4.7)	**–**	(4.8)
Interest bearing liabilities – non current	**–**	(22.2)	**–**	(509.2)	**–**	(1,389.3)	**–**	(1,920.7)
Deferred tax liabilities	**–**	(106.2)	**–**	–	**–**	–	**–**	(106.2)
Total liabilities	**(7.8)**	(240.5)	**–**	(594.7)	**–**	(1,503.5)	**(7.8)**	(2,338.7)
Net assets	**1,286.9**	7,070.3	**–**	2,375.3	**–**	6,038.3	**1,286.9**	15,483.9

(i) The Group's investment in its New Zealand equity accounted entities as of 31 December 2014 is represented by contributed equity of nil (31 December 2013: $615.2 million) and long term loans of nil (31 December 2013: $523.7 million).

	31 Dec 14 $million	31 Dec 13 $million
(d) Equity accounted gain in respect of capital transactions		
Asset dispositions		
– proceeds from asset dispositions	**–**	133.4
– less: carrying value of assets disposed and other capital costs	**–**	(113.8)
	–	19.6

Name of investments	Type of equity	Balance date	Economic interest **31 Dec 14**	Economic interest 31 Dec 13
(e) Equity accounted entities economic interest				
Australian investments [(i)]				
Bondi Junction [(ii)]	Trust units	31 Dec	**–**	50.0%
Chatswood [(ii)]	Trust units	31 Dec	**–**	50.0%
Doncaster [(ii)]	Trust units	31 Dec	**–**	25.0%
Fountain Gate [(ii)]	Trust units	31 Dec	**–**	50.0%
Garden City [(ii)]	Trust units	31 Dec	**–**	50.0%
Hornsby [(ii)]	Trust units	31 Dec	**–**	50.0%
Knox [(ii)]	Trust units	31 Dec	**–**	25.0%
Kotara [(ii)]	Trust units	31 Dec	**–**	50.0%
Mount Druitt [(iii)]	Trust units	30 Jun	**50.0%**	25.0%
North Rocks [(ii)]	Trust units	31 Dec	**–**	50.0%
Southland [(iii)]	Trust units	30 Jun	**50.0%**	25.0%
Sydney Central Plaza [(ii)]	Trust units	31 Dec	**–**	50.0%
Tea Tree Plaza [(iii)]	Trust units	30 Jun	**50.0%**	31.3%
Tuggerah [(ii)]	Trust units	31 Dec	**–**	50.0%
Warringah Mall [(ii)]	Trust units	31 Dec	**–**	25.0%
New Zealand investments [(i)]				
Albany [(ii)]	Shares	31 Dec	**–**	50.0%
Chartwell [(ii)]	Shares	31 Dec	**–**	50.0%
Glenfield [(ii)]	Shares	31 Dec	**–**	50.0%
Manukau [(ii)]	Shares	31 Dec	**–**	50.0%
Newmarket [(ii)]	Shares	31 Dec	**–**	50.0%
Queensgate [(ii)]	Shares	31 Dec	**–**	50.0%
Riccarton [(ii)]	Shares	31 Dec	**–**	50.0%
St Lukes [(ii)]	Shares	31 Dec	**–**	50.0%
WestCity [(ii)]	Shares	31 Dec	**–**	50.0%

(i) All equity accounted property partnerships, trusts and companies operate solely as retail property investors.

(ii) These equity accounted investments have been classified as consolidated due to Scentre Group having ownership of 50% or greater following the Restructure and Merger as discussed in Note 1(d).

(iii) Notwithstanding that the financial year of these investments ends on 30 June, the consolidated financial statements have been prepared so as to include the accounts for a period coinciding with the financial year of the Parent Company being 31 December.

NOTE 18 DETAILS OF EQUITY ACCOUNTED INVESTMENTS (CONTINUED)

Name of investments	Type of equity	Balance date	Economic interest 31 Dec 14	31 Dec 13
(e) Equity accounted entities economic interest (continued)				
United Kingdom investments [i]				
Croydon [ii]	Partnership interest	31 Dec	–	50.0%
Derby [iii]	Partnership interest	31 Dec	–	66.7%
Merry Hill [iii]	Partnership interest	31 Dec	–	33.3%
Stratford City [ii]	Partnership interest	31 Dec	–	50.0%
United States investments [i]				
Annapolis [ii]	Partnership units	31 Dec	–	55.0%
Brandon [ii]	Membership units	31 Dec	–	50.0%
Broward [ii]	Membership units	31 Dec	–	50.0%
Citrus Park [ii]	Membership units	31 Dec	–	50.0%
Countryside [ii]	Membership units	31 Dec	–	50.0%
Culver City [ii]	Partnership units	31 Dec	–	55.0%
Fashion Square [ii]	Partnership units	31 Dec	–	50.0%
Garden State Plaza [ii]	Partnership units	31 Dec	–	50.0%
Horton Plaza [ii]	Partnership units	31 Dec	–	55.0%
Mission Valley [ii]	Partnership units	31 Dec	–	41.7%
Montgomery [ii]	Partnership units	31 Dec	–	50.0%
North County [ii]	Partnership units	31 Dec	–	55.0%
Oakridge [ii]	Partnership units	31 Dec	–	55.0%
Plaza Bonita [ii]	Partnership units	31 Dec	–	55.0%
San Francisco Emporium [ii]	Partnership units	31 Dec	–	50.0%
Santa Anita [ii]	Partnership units	31 Dec	–	49.3%
Sarasota [ii]	Membership units	31 Dec	–	50.0%
Southcenter [ii]	Partnership units	31 Dec	–	55.0%
Southgate [ii]	Membership units	31 Dec	–	50.0%
Topanga [ii]	Partnership units	31 Dec	–	55.0%
UTC [ii]	Partnership units	31 Dec	–	50.0%
Valencia Town Center [ii]	Partnership units	31 Dec	–	50.0%
Valley Fair [ii]	Partnership units	31 Dec	–	50.0%
World Trade Center [ii]	Partnership units	31 Dec	–	50.0%

(i) All equity accounted property partnerships, trusts and companies operate solely as retail property investors.

(ii) These investments were distributed to Westfield Corporation as a result of the Restructure and Merger as discussed in Note 1(d).

(iii) During the year, the Group sold its interest in Derby and Merry Hill.

	31 Dec 14 $million	31 Dec 13 $million
NOTE 19 OTHER INVESTMENTS		
Listed investments	**55.3**	149.9
Unlisted investments	**15.0**	127.2
	70.3	277.1
Movement in other investments		
Balance at the beginning of the year	**277.1**	585.6
Additions	**32.9**	62.0
Disposals	**(2.7)**	(439.0)
Net revaluation increment to income statement	**15.3**	27.7
Transfer to Westfield Corporation pursuant to the Restructure and Merger	**(248.0)**	–
Retranslation of foreign operations	**(4.3)**	40.8
Balance at the end of the year	**70.3**	277.1
NOTE 20 PLANT AND EQUIPMENT		
At cost	**84.8**	361.5
Accumulated depreciation	**(56.3)**	(217.7)
Total plant and equipment	**28.5**	143.8
Movement in plant and equipment		
Balance at the beginning of the year	**143.8**	146.9
Additions	**19.6**	44.2
Disposals/transfers	**–**	(17.4)
Depreciation expense	**(40.6)**	(39.6)
Transfer to Westfield Corporation pursuant to the Restructure and Merger	**(91.5)**	–
Retranslation of foreign operations and other differences	**(2.8)**	9.7
Balance at the end of the year	**28.5**	143.8
NOTE 21 PAYABLES AND OTHER CREDITORS		
Current		
Payables and other creditors	**783.4**	1,439.8
Employee benefits	**79.0**	101.2
	862.4	1,541.0
Non current		
Sundry creditors and accruals	**–**	65.8
Employee benefits	**52.0**	42.2
	52.0	108.0

NOTE 22 INTEREST BEARING LIABILITIES

	31 Dec 14 $million	31 Dec 13 $million
Current		
Unsecured		
Commercial paper	**578.9**	–
Finance leases	**0.9**	0.8
Secured		
Bank loans and mortgages		
– US$ denominated	**–**	3.0
	579.8	3.8
Non current		
Unsecured		
Bank loans		
– US$ denominated	**–**	142.2
– £ denominated	**–**	1,144.2
– A$ denominated	**2,938.0**	1,117.0
– NZ$ denominated	**1,055.7**	519.8
– € denominated	**–**	61.7
Notes payable		
– US$ denominated	**1,646.3**	6,157.6
– £ denominated	**761.2**	1,944.1
– A$ denominated	**1,527.6**	–
– € denominated	**3,177.4**	–
Finance leases	**56.2**	42.9
Secured		
Bank loans and mortgages		
– US$ denominated	**–**	978.3
– A$ denominated	**209.5**	207.0
	11,371.9	12,314.8
Total interest bearing liabilities	**11,951.7**	12,318.6

The Group maintains a range of interest bearing liabilities. The sources of funding are spread over various counterparties to minimise credit risk and the terms of the instruments are negotiated to achieve a balance between capital availability and the cost of debt.

NOTE 22 INTEREST BEARING LIABILITIES (CONTINUED)

	31 Dec 14 $million	31 Dec 13 $million
(a) Summary of financing facilities		
Committed financing facilities available to the Group:		
Total financing facilities at the end of the year	**13,356.6**	15,363.1
Total interest bearing liabilities	**(11,951.7)**	(12,318.6)
Total bank guarantees	**(17.5)**	(29.6)
Available financing facilities [(i)]	**1,387.4**	3,014.9
Cash	**189.0**	1,153.0
Financing resources available at the end of the year	**1,576.4**	4,167.9

(i) Total available financing facilities at the end of the financial period of $1,387.4 million (31 December 2013: $3,014.9 million) is in excess of the Group's net current liabilities of $287.0 million (31 December 2013: $18.1 million). Net current liabilities comprise current assets less current liabilities.

These facilities comprise fixed and floating rate secured facilities, fixed and floating rate notes and unsecured interest only floating rate facilities. Certain facilities are also subject to negative pledge arrangements which require the Group to comply with specific minimum financial requirements. These facilities exclude other financial liabilities set out in Note 23. Amounts which are denominated in foreign currencies are translated at exchange rates ruling at balance date.

	Committed financing facilities 31 Dec 14 $million	Total interest bearing liabilities 31 Dec 14 $million	Committed financing facilities 31 Dec 13 $million	Total interest bearing liabilities 31 Dec 13 $million
(b) Summary of maturity and amortisation profile of consolidated financing facilities and interest bearing liabilities				
Year ending December 2014	**–**	**–**	3.8	3.8
Year ending December 2015	**0.9**	**579.8**	2,209.8	1,722.8
Year ending December 2016	**1,044.7**	**1,045.1**	4,030.0	1,985.5
Year ending December 2017	**1,958.1**	**1,759.3**	2,278.0	1,901.9
Year ending December 2018	**2,623.9**	**2,409.0**	2,228.8	2,091.9
Year ending December 2019	**2,868.2**	**1,447.7**	1,404.7	1,404.7
Year ending December 2020	**1,190.2**	**1,040.2**	193.7	193.7
Year ending December 2021	**400.4**	**400.4**	1,120.3	1,120.3
Year ending December 2022	**31.9**	**31.9**	1,858.3	1,858.3
Year ending December 2023	**807.3**	**807.3**	0.8	0.8
Year ending December 2024	**889.6**	**889.6**	0.8	0.8
Due thereafter	**1,541.4**	**1,541.4**	34.1	34.1
	13,356.6	**11,951.7**	15,363.1	12,318.6

NOTE 22 INTEREST BEARING LIABILITIES (CONTINUED)

Type	Maturity date	**Committed financing facilities (local currency) 31 Dec 14 million**	**Total interest bearing liabilities (local currency) 31 Dec 14 million**	Committed financing facilities (local currency) 31 Dec 13 million	Total interest bearing liabilities (local currency) 31 Dec 13 million
(c) Details of consolidated financing facilities and interest bearing liabilities					
Commercial paper [(i)(ii)]	Current	**–**	**A$578.9**	–	–
Unsecured bank loan – bilateral facility [(iii)]	31-Jan-15	**–**	**–**	A$250.0	NZ$59.0
Unsecured bank loan – bilateral facility [(iii)]	26-Jun-15	**–**	**–**	A$100.0	A$52.0
					NZ$52.0
Unsecured bank loan – bilateral facility [(iii)]	29-Jun-15	**–**	**–**	US$140.0	A$75.0
					US$32.0
Unsecured bank loan – bilateral facility [(iii)]	1-Jul-15	**–**	**–**	A$250.0	£135.0
Secured mortgage – San Francisco Centre [(iv)]	6-Jul-15	**–**	**–**	US$120.0	US$120.0
Unsecured bank loan – bilateral facility [(iii)]	6-Jul-15	**–**	**–**	A$50.0	–
Unsecured bank loan – bilateral facility [(iii)]	6-Jul-15	**–**	**–**	A$50.0	NZ$55.0
Unsecured bank loan – bilateral facility [(iii)]	31-Jul-15	**–**	**–**	A$200.0	–
Unsecured bank loan – bilateral facility [(iii)]	31-Jul-15	**–**	**–**	A$175.0	A$8.0
					£89.0
					NZ$7.0
Unsecured notes payable – bonds [(v)]	2-Sep-15	**–**	**–**	US$750.0	US$750.0
Unsecured bank loan – bilateral facility [(iii)]	27-Mar-16	**–**	**–**	A$180.0	A$180.0
Unsecured bank loan – bilateral facility [(iii)]	27-Jun-16	**–**	**–**	US$140.0	A$50.0
					US$83.0
Unsecured bank loan – bilateral facility [(iii)]	1-Jul-16	**A$100.0**	**NZ$79.0**	–	–
			A$25.0		
Unsecured bank loan – bilateral facility [(iii)]	1-Jul-16	**–**	**–**	A$75.0	A$50.0
					£12.0
Unsecured bank loan – bilateral facility [(iii)]	1-Jul-16	**–**	**–**	US$75.0	£45.0
Unsecured bank loan – bilateral facility [(iii)]	4-Jul-16	**–**	**–**	US$110.0	–
Unsecured bank loan – bilateral facility [(iii)]	4-Jul-16	**–**	**–**	US$110.0	–
Unsecured bank loan – bilateral facility [(iii)]	11-Jul-16	**–**	**–**	£30.0	£30.0
Unsecured bank loan – bilateral facility [(iii)]	22-Jul-16	**–**	**–**	US$90.0	–
Unsecured bank loan – bilateral facility [(iii)]	27-Jul-16	**–**	**–**	A$75.0	–
Unsecured bank loan – bilateral facility [(iii)]	27-Jul-16	**–**	**–**	US$250.0	–
Unsecured bank loan – bilateral facility [(iv)]	2-Aug-16	**–**	**–**	€120.0	€40.0
Unsecured notes payable – bonds [(v)]	1-Oct-16	**–**	**–**	US$900.0	US$900.0
Unsecured bank loan – bilateral facility [(iii)]	6-Oct-16	**–**	**–**	A$85.0	–
Unsecured notes payable – bonds [(ii)]	18-Oct-16	**A$943.8**	**A$943.8**	–	–
Secured mortgage – Fox Valley [(iv)]	11-Nov-16	**–**	**–**	US$150.0	US$150.0
Unsecured bank loan – syndicated facility [(iii)]	14-Dec-16	**–**	**–**	US$1,185.0	A$210.0
Unsecured bank loan – bridge facility [(vi)]	20-Mar-17	**A$57.0**	**A$57.0**	–	–
Unsecured bank loan – bilateral facility	20-Mar-17	**A$50.0**	**A$50.0**	–	–
Unsecured bank loan – bilateral facility	31-Mar-17	**A$200.0**	**NZ$194.8**	–	–
			A$18.0		
Unsecured bank loan – bilateral facility [(iii)]	26-Jun-17	**–**	**–**	A$250.0	A$250.0
Unsecured notes payable – bonds [(v)]	27-Jun-17	**–**	**–**	£600.0	£600.0
Unsecured bank loan – bilateral facility [(iii)]	1-Jul-17	**–**	**–**	US$120.0	–
Unsecured bank loan – bilateral facility [(iii)]	1-Jul-17	**–**	**–**	US$65.0	–
Unsecured bank loan – bilateral facility	2-Jul-17	**A$200.0**	**A$199.0**	–	–
Unsecured bank loan – bilateral facility	3-Jul-17	**A$250.0**	**A$250.0**	–	–
Unsecured bank loan – bilateral facility	3-Jul-17	**A$250.0**	**A$250.0**	–	–
Unsecured bank loan – bilateral facility	3-Jul-17	**A$100.0**	**NZ$107.0**	–	–
Unsecured bank loan – bilateral facility	3-Jul-17	**A$250.0**	**A$246.0**	–	–
Unsecured bank loan – bilateral facility	3-Jul-17	**A$200.0**	**–**	–	–
Unsecured bank loan – bilateral facility	3-Jul-17	**A$100.0**	**A$100.0**	–	–
Unsecured bank loan – bilateral facility	3-Jul-17	**A$50.0**	**A$50.0**	–	–

NOTE 22 INTEREST BEARING LIABILITIES (CONTINUED)

Type	Maturity date	**Committed financing facilities (local currency) 31 Dec 14 million**	**Total interest bearing liabilities (local currency) 31 Dec 14 million**	Committed financing facilities (local currency) 31 Dec 13 million	Total interest bearing liabilities (local currency) 31 Dec 13 million
(c) Details of consolidated financing facilities and interest bearing liabilities (continued)					
Unsecured bank loan – bilateral facility	3-Jul-17	**A$250.0**	**A$250.0**	–	–
Unsecured bank loan – bilateral facility [iii]	3-Jul-17	**–**	**–**	US$90.0	A$88.0 US$9.0
Unsecured bank loan – bilateral facility [iii]	3-Jul-17	**–**	**–**	US$100.0	A$5.0 £57.0
Unsecured bank loan – bilateral facility [iii]	3-Jul-17	**–**	**–**	US$130.0	A$29.0 £62.5
Unsecured bank loan – bilateral facility [iii]	3-Jul-17	**–**	**–**	US$100.0	£18.5 NZ$15.0
Unsecured bank loan – bilateral facility [iii]	11-Jul-17	**–**	**–**	US$90.0	–
Unsecured bank loan – bilateral facility [iii]	11-Jul-17	**–**	**–**	US$120.0	£71.0 US$3.0
Unsecured bank loan – bilateral facility	20-Mar-18	**A$50.0**	**A$50.0**	–	–
Unsecured notes payable – bonds [v]	15-Apr-18	**–**	**–**	US$1,100.0	US$1,100.0
Unsecured bank loan – bilateral facility [iii]	29-Jun-18	**–**	**–**	A$200.0	NZ$208.5
Unsecured bank loan – bilateral facility	2-Jul-18	**A$250.0**	**A$158.0 NZ$95.0**	–	–
Unsecured bank loan – bilateral facility	2-Jul-18	**A$100.0**	**A$100.0**	–	–
Unsecured bank loan – bilateral facility	2-Jul-18	**A$150.0**	**NZ$147.5**	–	–
Unsecured bank loan – bilateral facility	2-Jul-18	**A$250.0**	**NZ$171.0 A$85.0**	–	–
Unsecured bank loan – bilateral facility	2-Jul-18	**A$100.0**	**A$100.0**	A$75.0	£40.0
Unsecured bank loan – bilateral facility	2-Jul-18	**A$150.0**	**A$150.0**	A$120.0	A$120.0
Unsecured bank loan – bilateral facility	2-Jul-18	**A$250.0**	**A$144.0**	–	–
Unsecured bank loan – bilateral facility	2-Jul-18	**A$150.0**	**A$150.0**	–	–
Unsecured bank loan – bilateral facility	2-Jul-18	**A$100.0**	**A$20.0**	–	–
Unsecured bank loan – bilateral facility	2-Jul-18	**A$250.0**	**A$131.0 NZ$128.5**	–	–
Unsecured bank loan – bilateral facility [iii]	2-Jul-18	**–**	**–**	US$60.0	£36.0
Unsecured bank loan – bilateral facility [iii]	11-Jul-18	**–**	**–**	A$150.0	£22.0
Unsecured bank loan – bilateral facility [iii]	11-Jul-18	**–**	**–**	A$150.0	NZ$168.5
Unsecured notes payable – bonds	16-Jul-18	**€400.0**	**€400.0**	–	–
Secured mortgage – Carindale	30-Oct-18	**A$230.0**	**A$209.5**	A$230.0	A$207.0
Unsecured bank loan – bilateral facility	20-Mar-19	**A$200.0**	**–**	–	–
Unsecured bank loan – bilateral facility	20-Mar-19	**A$200.0**	**NZ$96.2**	–	–
Unsecured bank loan – bilateral facility	1-Jul-19	**A$250.0**	**NZ$50.0**	–	–
Unsecured bank loan – bilateral facility	1-Jul-19	**A$100.0**	**–**	–	–
Unsecured bank loan – bilateral facility	1-Jul-19	**A$150.0**	**–**	–	–
Unsecured bank loan – bilateral facility	1-Jul-19	**A$250.0**	**–**	–	–
Unsecured bank loan – bilateral facility	1-Jul-19	**A$150.0**	**–**	–	–
Unsecured bank loan – bilateral facility	1-Jul-19	**A$250.0**	**–**	–	–
Unsecured bank loan – bilateral facility	1-Jul-19	**A$250.0**	**A$205.0 NZ$36.5**	–	–
Unsecured notes payable – bonds [v]	2-Sep-19	**–**	**–**	US$1,250.0	US$1,250.0
Unsecured notes payable – bonds [ii]	23-Oct-19	**A$152.4**	**A$152.4**	–	–
Unsecured notes payable – bonds	5-Nov-19	**US$750.0**	**US$750.0**	–	–
Secured mortgage – Old Orchard [iv]	1-Mar-20	**–**	**–**	US$191.4	US$191.4
Unsecured bank loan – bilateral facility	30-Jun-20	**A$50.0**	**–**	–	–
Unsecured bank loan – bilateral facility	30-Jun-20	**A$50.0**	**A$50.0**	–	–

NOTE 22 INTEREST BEARING LIABILITIES (CONTINUED)

Type	Maturity date	**Committed financing facilities (local currency) 31 Dec 14 million**	**Total interest bearing liabilities (local currency) 31 Dec 14 million**	Committed financing facilities (local currency) 31 Dec 13 million	Total interest bearing liabilities (local currency) 31 Dec 13 million
(c) Details of consolidated financing facilities and interest bearing liabilities (continued)					
Unsecured notes payable – bonds	16-Jul-20	**€600.0**	**€600.0**	–	–
Unsecured bank loan – bilateral facility	31-Jul-20	**A$100.0**	**–**	–	–
Unsecured bank loan – bilateral facility	31-Jul-20	**A$100.0**	**A$100.0**	–	–
Unsecured notes payable – bonds (v)	10-May-21	**–**	**–**	US$1,000.0	US$1,000.0
Unsecured notes payable – bonds	8-Sep-21	**A$400.0**	**A$400.0**	–	–
Secured mortgage – Galleria at Roseville (iv)	1-Jun-22	**–**	**–**	US$275.0	US$275.0
Secured mortgage – Mainplace (iv)	1-Jun-22	**–**	**–**	US$140.0	US$140.0
Unsecured notes payable – bonds (ii)	4-Jul-22	**A$31.4**	**A$31.4**	–	–
Unsecured notes payable – bonds (v)	11-Jul-22	**–**	**–**	£450.0	£450.0
Unsecured notes payable – bonds (v)	3-Oct-22	**–**	**–**	US$500.0	US$500.0
Unsecured notes payable – bonds (ii)	11-Sep-23	**€544.4**	**€544.4**	–	–
Unsecured notes payable – bonds	16-Jul-24	**€600.0**	**€600.0**	–	–
Unsecured notes payable – bonds	12-Feb-25	**US$600.0**	**US$600.0**	–	–
Unsecured notes payable – bonds	16-Jul-26	**£400.0**	**£400.0**	–	–
Total A$ equivalent of the above		**13,299.5**	**11,894.6**	15,319.4	12,274.9
Add:					
Finance leases		**57.1**	**57.1**	43.7	43.7
Consolidated financing facilities and interest bearing liabilities		**13,356.6**	**11,951.7**	15,363.1	12,318.6

(i) Drawings on the Group's commercial paper program may be refinanced by the Group's non current unsecured bank loan facilities.
(ii) During the year, these Westfield Retail Trust liabilities were consolidated into the Group at fair market value as a result of the Restructure and Merger.
(iii) During the year, these bilateral facilities were refinanced as a result of the Restructure and Merger.
(iv) During the year, these liabilities were distributed to Westfield Corporation as a result of the Restructure and Merger.
(v) During the year, notice was given to repurchase and cancel US$5,500 million of bonds for US$6,289.0 million and £1,050.0 million of bonds for £1,173.3 million.
(vi) Assumes one year option has been exercised to extend the facility from 2016 to 2017.

Unsecured bank loans, bank overdraft and notes payable are subject to negative pledge arrangements which require the Group to comply with certain minimum financial requirements.

Total secured liabilities are $209.5 million (31 December 2013: $1,188.3 million). Secured liabilities are borrowings secured by mortgages over properties or loans secured over development projects that have an aggregate fair value of $748.6 million (31 December 2013: $3.2 billion). These properties and development projects are noted above.

The terms of the debt facilities require the Group to comply with certain minimum financial requirements and preclude the properties from being used as security for other debt without the permission of the first mortgage holder. The debt facilities also require the properties to be insured.

NOTE 22 INTEREST BEARING LIABILITIES (CONTINUED)

	Committed financing facilities 31 Dec 14 $million	**Total interest bearing liabilities 31 Dec 14 $million**	Committed financing facilities 31 Dec 13 $million	Total interest bearing liabilities 31 Dec 13 $million
(d) Summary of equity accounted financing facilities and interest bearing liabilities				
Secured mortgages	–	–	1,892.3	1,892.3
Finance leases	–	–	33.2	33.2
	–	–	1,925.5	1,925.5
Interest bearing liabilities – current	–	–	4.8	4.8
Interest bearing liabilities – non current	–	–	1,920.7	1,920.7
	–	–	1,925.5	1,925.5
(e) Summary of maturity and amortisation profile of equity accounted financing facilities and interest bearing liabilities				
Year ending December 2014	–	–	4.8	4.8
Year ending December 2015	–	–	5.1	5.1
Year ending December 2016	–	–	5.4	5.4
Year ending December 2017	–	–	758.5	758.5
Year ending December 2018	–	–	38.8	38.8
Year ending December 2019	–	–	8.1	8.1
Year ending December 2020	–	–	211.5	211.5
Year ending December 2021	–	–	4.0	4.0
Year ending December 2022	–	–	113.4	113.4
Year ending December 2023	–	–	746.7	746.7
Year ending December 2024	–	–	0.6	0.6
Due thereafter	–	–	28.6	28.6
	–	–	1,925.5	1,925.5

Type	**Committed financing facilities (local currency) 31 Dec 14 million**	**Total interest bearing liabilities (local currency) 31 Dec 14 million**	Committed financing facilities (local currency) 31 Dec 13 million	Total interest bearing liabilities (local currency) 31 Dec 13 million
(f) Details of equity accounted financing facilities and interest bearing liabilities				
Secured mortgage – San Francisco Emporium	–	–	US$217.5	US$217.5
Secured mortgage – Stratford City	–	–	£275.0	£275.0
Secured mortgage – Southgate [(i)]	–	–	US$28.2	US$28.2
Secured mortgage – Southcenter	–	–	US$131.6	US$131.6
Secured mortgage – Brandon [(i)]	–	–	US$74.2	US$74.2
Secured mortgage – Valencia Town Center	–	–	US$97.5	US$97.5
Secured mortgage – Santa Anita	–	–	US$142.2	US$142.2
Secured mortgage – Broward [(i)]	–	–	US$47.5	US$47.5
Secured mortgage – Citrus Park [(i)]	–	–	US$72.9	US$72.9
Secured mortgage – Countryside [(i)]	–	–	US$77.5	US$77.5
Secured mortgage – Sarasota [(i)]	–	–	US$19.0	US$19.0
Secured mortgage – Mission Valley	–	–	US$64.6	US$64.6
Secured mortgage – Garden State Plaza	–	–	US$262.5	US$262.5
Total A$ equivalent of the above	–	–	1,892.3	1,892.3
Add:				
Finance leases	–	–	33.2	33.2
	–	–	1,925.5	1,925.5

(i) In 2013, O'Connor Capital Partners became a joint venture partner in these properties.

	Note	**31 Dec 14 $million**	31 Dec 13 $million
NOTE 23 OTHER FINANCIAL LIABILITIES			
Current			
Convertible redeemable preference shares/units	(b)	**–**	2.2
Other redeemable preference shares/units	(c)	**–**	153.4
		–	155.6
Non current			
Property linked notes	(a)	**1,409.1**	1,371.4
Convertible redeemable preference shares/units	(b)	**–**	104.0
Other redeemable preference shares/units	(c)	**–**	129.5
		1,409.1	1,604.9
The maturity profile in respect of current and non current other financial liabilities is set out below:			
Current – within one year		**–**	155.6
Non current – after one year		**1,409.1**	1,604.9
		1,409.1	1,760.5

(a) Property linked notes

The Property Linked Notes (Notes) are designed to provide returns based on the economic performance of the following Westfield Australian super regional and regional shopping centres: Parramatta, Hornsby and Burwood in Sydney, Southland in Melbourne, Tea Tree Plaza in Adelaide and Belconnen in the ACT (collectively the Westfield centres). The return under the Notes is based on a proportional interest, in respect of the relevant Westfield centre, as specified in the Note (Reference Property Interest). The coupon is payable semi annually on 15 March and 15 September each year for as long as the Note remains outstanding. The review date for each Note is 31 December 2016 and each fifth anniversary of that date. Redemption events under the Notes include non performance events by the Issuer, changes in tax laws and sale of the relevant Westfield centre. The Notes may also be redeemed by agreement at a Review Date.

The redemption value of a Note is effectively calculated as the market value of the Note holder's Reference Property Interest at the date of redemption and the final coupon (if applicable). On redemption, the obligation to pay the amount due on the Notes, can, in certain circumstances, be satisfied by the transfer of the underlying Reference Property Interest to the Note holder. The Notes are subordinated to all other secured and unsecured debt of the Group. The Notes are guaranteed (on a subordinated basis) by the Parent Company and Westfield America Management Limited as responsible entity of WAT. However, under the Implementation Deed in relation to the Restructure and Merger, WAT has the benefit of an indemnity from the Group in the event liability under this guarantee arises. The Notes were initially recorded at fair value and are subsequently remeasured at fair value each reporting period with gains or losses recorded through the income statement. The gains or losses recorded through the income statement are directly related to the revaluation of the relevant Westfield centre. The fair value of the Notes is determined by reference to the fair value of the relevant Westfield centre.

(b) Convertible redeemable preference shares/units

At 31 December 2014, there are no convertible redeemable preference shares/units.

At 31 December 2013, the convertible redeemable preference shares/units comprise: (i) Series G Partnership Preferred Units (Series G units) issued to the Jacobs Group; (ii) Series I Partnership Preferred Units (Series I units); (iii) Series J Partnership Preferred Units (Series J units); (iv) Investor unit rights in the operating and property partnerships; and (v) WEA common shares.

(i) As at 31 December 2013, the Jacobs Group holds 1,529,467 Series G units in the operating partnership. The holders have the right that requires WEA to purchase up to 10% of the shares redeemed for cash.

(ii) As at 31 December 2013, the previous owners of the Sunrise Mall holds Series I units 1,401,426. At any time after the earlier of (i) 21 July 2005, (ii) dissolution of the operating partnership, and (iii) the death of the holder, such holder (or the Holder's Estate) has the right to require the operating partnership to redeem its Series I units at the Group's discretion either for: (i) cash; (ii) shares in WEA (with the holder having the right to exchange such WEA shares for stapled securities); or (iii) a combination of both.

(iii) As at 31 December 2013, 1,538,481 Series J units are outstanding. At the holder's discretion, such holder has the right to require the operating partnership to redeem its Series J units, at the Group's discretion, either for: (i) cash; (ii) shares in WEA (with the holder having the right to exchange such WEA shares for stapled securities); or (iii) a combination of both.

(iv) The investor unit rights in the operating and property partnerships have a fixed life and are able to be redeemed either for: (i) cash; (ii) shares in WEA; or (iii) a combination of both, at the Group's discretion.

(v) As at 31 December 2013, 764,205 WEA common shares are held by certain third party investors. At any time after 19 May 2014, such holders have the right to require WEA to redeem their WEA common shares, at the Group's discretion, either for (i) cash; (ii) stapled securities; or (iii) a combination of both.

NOTE 23 OTHER FINANCIAL LIABILITIES (CONTINUED)

(c) Other redeemable preference shares/units

At 31 December 2014, there are no other redeemable preference shares/units.

At 31 December 2013, the other redeemable preference shares/units comprise: (i) partnership interest in the Urban Shopping Centres, L.P. (the Urban OP); (ii) Series H-2 Partnership Preferred Units (Series H-2 units); (iii) a Preferred Partnership in Head Acquisition L.P. (Head LP); (iv) Series A Partnership Preferred Units (Series A units); and (v) limited partnership interests in certain properties.

(i) In connection with the acquisition of RNA, WEA, Rouse and Simon acquired a 94.44% general partnership interest of Urban Shopping Centres, L.P. WEA's share of the general partnership interest is 54.2%. The 5.56% limited partnership interest in the Urban OP is held by certain third party investors (the Limited Partners). The Limited Partners have 1,946,080 units and the right to sell their units in the Urban OP to the Urban OP at any time during the first calendar month of each calendar quarter beginning 8 November 2005 or on or prior to the first anniversary of the date of the death of such Limited Partner for cash.

The Limited Partners have the right to receive quarterly distributions from available cash of the Urban OP in accordance with a tiered distribution schedule. If the partners do not receive a certain level of distributions, interest accrues at a rate of 8% per annum on the unpaid distributions.

(ii) The former partners in the San Francisco Centre hold 360,000 Series H-2 Units in the operating partnership. Each Series H-2 unit will be entitled to receive quarterly distributions equal to US$0.125 for the first four calendar quarters after the Series H-2 units are issued (the Base Year) and for each calendar quarter thereafter, US$0.125 multiplied by a growth factor. The growth factor is an amount equal to one plus or minus, 25% of the percentage increase or decrease in the distributions payable with respect to a partnership common unit of the Operating Partnership for such calendar quarter relative to 25% of the aggregate distributions payable with respect to a partnership common unit for the Base Year.

(iii) In connection with the completion of the San Francisco Emporium development, 1,000 Westfield Growth, LP Series A units were issued to Forest City Enterprises, Inc. Redemption of these securities by the holder can only be made at the time that the San Francisco Centre (which includes San Francisco Emporium) is sold or otherwise divested. Should this occur, the redemption of these securities is required to be made in cash but only out of funds legally available from Westfield Growth, LP.

(iv) The limited partnership interests have a fixed life and an obligation to distribute available funds.

NOTE 24 DERIVATIVE LIABILITIES

	31 Dec 14 $million	31 Dec 13 $million
Current		
Payables on currency derivatives	**1.3**	14.5
Payables on interest rate derivatives	**0.9**	1.6
	2.2	16.1
Non current		
Payables on currency derivatives	**–**	65.3
Payables on interest rate derivatives	**124.9**	102.0
	124.9	167.3

The Group presents the fair value mark to market of its derivative assets and derivative liabilities on a gross basis. However, certain derivative assets and liabilities are subject to legally enforceable master netting arrangements. As at 31 December 2014, when these netting arrangements are applied to the derivative portfolio, the derivative liabilities of $127.1 million are reduced by $103.7 million to the net amount of $23.4 million (31 December 2013: derivative liabilities of $183.4 million reduced by $97.6 million to the net amount of $85.8 million).

	31 Dec 14 Securities	31 Dec 13 Securities

NOTE 25 CONTRIBUTED EQUITY

(a) Number of securities on issue		
Balance at the beginning of the year	**2,072,220,261**	2,222,533,937
Conversion of securities on issue on a 1.246 for 1 basis	**511,253,525**	–
Issuance of securities and the Restructure and Merger adjustment	**2,734,953,467**	–
Securities held in Share Option Plan Trust	**(6,832,012)**	–
Buy-back and cancellation of securities	**–**	(150,313,676)
Balance at the end of the year [(i)]	**5,311,595,241**	2,072,220,261

(i) The Executive Share Option Plan Trust holds 12,701,437 (31 December 2013: 5,869,425) securities in the Group, which have been consolidated and eliminated in accordance with accounting standards.

Stapled securities have the right to receive declared dividends from the Parent Company and distributions from SGT1, SGT2 and SGT3 and, in the event of winding up the Parent Company, SGT1, SGT2 and SGT3, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on stapled securities held.

Holders of stapled securities can vote their shares and units in accordance with the Act, either in person or by proxy, at a meeting of any of the Parent Company, SGT1, SGT2 and SGT3 (as the case may be).

	$million	$million
(b) Amount of contributed equity		
of the Parent Company	**674.4**	1,342.6
of SGT1	**1,650.8**	5,770.2
of SGT2	**8,158.5**	–
of SGT3	**11.5**	–
of WAT	**–**	7,626.6
of the Group	**10,495.2**	14,739.4
Movement in contributed equity attributable to members of the Group		
Balance at the beginning of the year	**14,739.4**	16,405.2
Business combination with Westfield Retail Trust	**8,170.0**	–
Capital distribution to Westfield Corporation	**(12,413.9)**	–
Issuance of securities and the Restructure and Merger adjustment	**2.5**	–
Buy-back and cancellation of securities	**–**	(1,662.1)
Cost associated with the buy-back of securities	**–**	(1.2)
Transfer of residual balance of exercised rights from the employee share plan benefits reserve	**(2.8)**	(2.5)
Balance at the end of the year	**10,495.2**	14,739.4

NOTE 26 RESERVES

of the Parent Company	**20.4**	(386.5)
of SGT1	**133.9**	467.1
of SGT2	**125.3**	–
of SGT3	**–**	–
of WAT	**–**	(488.0)
of the Group	**279.6**	(407.4)
Total reserves of the Group		
Foreign currency translation reserve	**258.9**	(474.9)
Employee share plan benefits reserve	**20.7**	66.7
Equity share plan swaps reserve	**–**	0.8
Balance at the end of the year	**279.6**	(407.4)

	Note	31 Dec 14 $million	31 Dec 13 $million

NOTE 26 RESERVES (CONTINUED)

Movement in foreign currency translation reserve

The foreign currency translation reserve is to record net exchange differences arising from the translation of the net investments, including qualifying hedges, in foreign controlled and equity accounted entities.

	Note	31 Dec 14 $million	31 Dec 13 $million
Balance at the beginning of the year		**(474.9)**	(1,395.7)
Foreign exchange movement			
– realised and unrealised differences on the translation of investment in foreign entities, currency loans and asset hedging derivatives which qualify for hedge accounting		**(211.5)**	823.2
– deferred tax effect		**(0.4)**	9.5
– accumulated exchange differences transferred from foreign currency translation reserve on distribution of net investment in foreign operations		**838.9**	–
– Business combination with Westfield Retail Trust		**106.8**	–
– accumulated exchange differences transferred to retained earnings on realisation of net investment in foreign operations		**–**	88.1
Balance at the end of the year		**258.9**	(474.9)

Movement in employee share plan benefits reserve

The employee share plan benefits reserve is used to record the value of share based payments provided to employees as part of their remuneration.

	Note	31 Dec 14 $million	31 Dec 13 $million
Balance at the beginning of the year		**66.7**	38.5
– movement in equity settled share based payment		**(0.5)**	28.2
– transfer of employee share plan benefits reserve to Westfield Corporation		**(45.5)**	–
Balance at the end of the year		**20.7**	66.7

Movement in equity share plan swaps reserve

The equity share plan swaps reserve reflects cumulative gains or losses on the equity share plan swaps that relates to future service provided.

	Note	31 Dec 14 $million	31 Dec 13 $million
Balance at the beginning of the year		**0.8**	3.3
– loss on employee share plan swaps		**(0.8)**	(8.6)
– amount transferred to income statement		**–**	5.0
– deferred tax effect on employee share plan swaps		**–**	1.1
Balance at the end of the year		**–**	0.8

NOTE 27 RETAINED PROFITS

	Note	31 Dec 14 $million	31 Dec 13 $million
of the Parent Company		**5.7**	663.6
of SGT1		**3,724.0**	4,616.0
of SGT2		**1,658.7**	–
of SGT3		**7.7**	–
of WAT		**–**	(4,500.1)
of the Group		**5,396.1**	779.5

Movement in retained profits

	Note	31 Dec 14 $million	31 Dec 13 $million
Balance at the beginning of the year		**779.5**	278.2
Profit after tax for the period		**6,586.3**	1,602.7
Dividend/distribution paid		**(1,073.9)**	(1,101.4)
Market value adjustment on distribution of net assets to Westfield Corporation	10	**(6,605.9)**	–
Retained earnings attributable to Westfield Corporation		**4,654.0**	–
Business combination with Westfield Retail Trust	50	**1,056.1**	–
Balance at the end of the year		**5,396.1**	779.5

NOTE 28 SHARE BASED PAYMENTS

	Note	Number of rights 31 Dec 14	Weighted average exercise price $ 31 Dec 14	Number of rights 31 Dec 13	Weighted average exercise price $ 31 Dec 13
(a) Rights over Scentre Group stapled securities					
(31 December 2013: Westfield Group stapled securities)					
– Executive performance rights	28(b)(i)	**9,088,288**	**–**	12,146,826	–
– Partnership incentive rights	28(b)(ii)	**2,470,614**	**–**	3,597,990	–
		11,558,902	**–**	15,744,816	–
Movement in rights on issue					
Balance at the beginning of the year		**15,744,816**	**–**	11,221,754	–
Movement in Executive performance rights					
Rights transferred to Westfield Corporation [(i)]		**(7,160,464)**	**–**	–	–
Adjustment to rights upon the establishment of Scentre Group [(ii)]		**1,640,373**	**–**	–	–
Rights issued during the year [(iii)]		**4,911,936**	**–**	3,736,532	–
Rights exercised during the year		**(2,113,623)**	**–**	(83,586)	–
Rights forfeited during the year		**(336,760)**	**–**	(337,051)	–
Movement in Partnership incentive rights					
Rights transferred to Westfield Corporation [(i)]		**(2,678,057)**	**–**	–	–
Adjustment to rights upon the establishment of Scentre Group [(ii)]		**258,261**	**–**	–	–
Rights issued during the year [(iii)]		**1,412,550**	**–**	1,631,666	–
Rights exercised during the year		**–**	**–**	(424,499)	–
Rights forfeited during the year		**(120,130)**	**–**	–	–
Balance at the end of the year [(iv)]		**11,558,902**	**–**	15,744,816	–

(i) Following implementation of the Restructure and Merger on 30 June 2014, this represents rights associated with employees who transferred to Westfield Corporation.

(ii) As a result of the Restructure and Merger, existing rights under Westfield Group's plans relating to Australian and New Zealand employees were modified such that the rights relate, at the option of the holder, to either: (i) securities in Scentre Group only; or (ii) securities in both Scentre Group and Westfield Corporation.

The adjustment factor for rights relating to: (i) Scentre Group securities was calculated using the formula: (VWAP of a Scentre Group Security x 1.246 + VWAP of a Westfield Corporation security)/VWAP of a Scentre Group security; (ii) Scentre Group and Westfield Corporation securities in the same proportion and on the same terms implied through the application of the merger ratio applied to holders of Westfield Group securities.

The VWAP or volume weighted average price used for Scentre Group securities was $3.27 and Westfield Corporation securities was $7.31.

The value of rights adjusted immediately before the transaction was the same as the value of rights immediately after the transaction.

(iii) For rights issued after 31 December 2013 which includes the 2014 awards, they were issued under the new Scentre Group Plans and relate to Scentre Group securities only.

(iv) At 31 December 2014, 11,558,902 (31 December 2013: 15,744,816) rights on issue are convertible to 11,558,902 Scentre Group stapled securities (31 December 2013: 15,744,816 Westfield Group stapled securities).

(b) Equity Settled Plans

(i) The Executive Performance Rights Plan (EPR Plan) – Equity settled over Scentre Group stapled securities

	Number of rights 31 Dec 14	Number of rights 31 Dec 13
Movement in Executive Performance Rights		
Balance at the beginning of the year	**12,146,826**	8,830,931
Rights transferred to Westfield Corporation [(i)]	**(7,160,464)**	–
Adjustment to rights upon the establishment of Scentre Group [(ii)]	**1,640,373**	–
Rights issued during the year	**4,911,936**	3,736,532
Rights exercised during the year	**(2,113,623)**	(83,586)
Rights forfeited during the year	**(336,760)**	(337,051)
Balance at the end of the year	**9,088,288**	12,146,826

(i) Following implementation of the Restructure and Merger on 30 June 2014, this represents rights associated with employees who transferred to Westfield Corporation.

(ii) As a result of the Restructure and Merger, existing rights under Westfield Group's plans relating to Australian and New Zealand employees were modified such that the rights relate, at the option of the holder, to either: (i) securities in Scentre Group only; or (ii) securities in both Scentre Group and Westfield Corporation.

The adjustment factor for rights relating to: (i) Scentre Group securities was calculated using the formula: (VWAP of a Scentre Group Security x 1.246 + VWAP of a Westfield Corporation security)/VWAP of a Scentre Group security; (ii) Scentre Group and Westfield Corporation securities in the same proportion and on the same terms implied through the application of the merger ratio applied to holders of Westfield Group securities.

The VWAP or volume weighted average price used for Scentre Group securities was $3.27 and Westfield Corporation securities was $7.31.

The value of rights adjusted immediately before the transaction was the same as the value of rights immediately after the transaction.

NOTE 28 SHARE BASED PAYMENTS (CONTINUED)

(b) Equity Settled Plans (continued)

(i) The Executive Performance Rights Plan (EPR Plan) – Equity settled over Scentre Group stapled securities (continued)

Vesting profile	Fair value granted $million 31 Dec 14	Number of rights [i] 31 Dec 14	Fair value granted $million 31 Dec 13	Number of rights [i] 31 Dec 13
2014	**–**	**–**	26.4	3,867,901
2015	**8.1**	**3,637,846**	48.3	5,872,181
2016	**11.8**	**4,783,731**	9.7	1,539,244
2017	**0.4**	**154,383**	4.2	512,524
2018	**1.2**	**512,328**	3.2	354,976
	21.5	**9,088,288**	91.8	12,146,826

(i) The exercise price for the EPR Plan is nil.

The EPR Plan is a plan in which senior executives and high performing employees participate. The fair value of rights issued under the EPR Plan is measured at each grant date using a Black Scholes option pricing model. The inputs include the Group's 10 day volume weighted average security price prior to the grant date, the risk free interest rate, expected volatility and expected dividend yield during the vesting period. Expected volatility is based on the historical security price volatility over the past 3 years. Executives are not able to call for early exercise of the rights, however there are provisions in the plan to allow for early vesting at the discretion of the Board. Vesting conditions such as the number of employees remaining in service is taken into account in determining the total amortisation for each reporting period. The terms of the EPR Plan are described in section 1 of Appendix A to the Remuneration Report of the Directors' Report.

(ii) The Partnership Incentive Rights Plan (PIR Plan) – Equity settled over Scentre Group stapled securities

	Number of rights 31 Dec 14	Number of rights 31 Dec 13
Movement in Partnership Incentive Rights		
Balance at the beginning of the year	**3,597,990**	2,390,823
Rights transferred to Westfield Corporation [i]	**(2,678,057)**	–
Adjustment to rights upon the establishment of Scentre Group [ii]	**258,261**	–
Rights issued during the year [iii]	**1,412,550**	1,631,666
Rights exercised during the year	**–**	(424,499)
Rights forfeited during the year	**(120,130)**	–
Balance at the end of the year	**2,470,614**	3,597,990

(i) Following implementation of the Restructure and Merger on 30 June 2014, this represents rights associated with employees who transferred to Westfield Corporation.

(ii) As a result of the Restructure and Merger, existing rights under Westfield Group's plans relating to Australian and New Zealand employees were modified such that the rights relate, at the option of the holder, to either: (i) securities in Scentre Group only; or (ii) securities in both Scentre Group and Westfield Corporation.

The adjustment factor for rights relating to: (i) Scentre Group securities was calculated using the formula: (VWAP of a Scentre Group Security x 1.246 + VWAP of a Westfield Corporation security)/VWAP of a Scentre Group security; (ii) Scentre Group and Westfield Corporation securities in the same proportion and on the same terms implied through the application of the merger ratio applied to holders of Westfield Group securities.

The VWAP or volume weighted average price used for Scentre Group securities was $3.27 and Westfield Corporation securities was $7.31.

The value of rights adjusted immediately before the transaction was the same as the value of rights immediately after the transaction.

(iii) As outlined in section 8.5(c) of the Directors' Report, certain performance hurdles must be met in order for participants to be entitled to awards under the PIR Plan.

For 2012 and 2013, the ROCE hurdle constituted 25% and 50% respectively of the total number of PIR Plan awards. A full discussion of the nature of the ROCE hurdle is contained in the 2012 and 2013 Remuneration Reports published by Westfield Group. Given the fundamental restructuring of the Westfield Group, the Westfield Group Board agreed to waive these ROCE hurdles. Having regard to the actual performance of Westfield Group to the implementation of the Restructure and Merger and ROCE for the six months to 30 June 2014, the Board determined that the ROCE hurdles were met to 110% and 125% for the 2012 and 2013 years respectively.

For 2014, the awards were issued under the new Scentre Group Plans. With the prospect of the Restructure and Merger, the annual grant of LTI awards to Westfield Group executives in 2014 was deferred pending the outcome of the transaction. Specifically, the Westfield Group Remuneration Committee was of the view that awards which were subject to a Westfield Group related performance hurdle(s) should not be issued as, in the event of implementation of the Restructure and Merger, that hurdle would have to be waived.

Following implementation of the Restructure and Merger, the Board determined, having regard to the deferral of the issue of awards and the efforts and co-operation of senior executive team in effecting the Restructure and Merger, that it was appropriate to adopt a single performance hurdle for the 2014 LTI Plan awards. That hurdle related to achieving Scentre Group's FFO forecast for 2014 (being 10.88 cents per security). The vesting period for the 2014 LTIs is 50% in year 4 and 50% in year 5.

Vesting profile	Fair value granted $million 31 Dec 14	Number of rights [i] 31 Dec 14	Fair value granted $million 31 Dec 13	Number of rights [i] 31 Dec 13
2015	**0.6**	**332,364**	5.9	930,213
2016	**1.5**	**635,673**	12.9	1,799,034
2017	**2.4**	**909,337**	7.0	850,994
2018	**1.4**	**593,240**	0.2	17,749
	5.9	**2,470,614**	26.0	3,597,990

(i) The exercise price for the PIR Plan is nil.

NOTE 28 SHARE BASED PAYMENTS (CONTINUED)

(b) Equity Settled Plans (continued)

(ii) The Partnership Incentive Rights Plan (PIR Plan) – Equity settled over Scentre Group stapled securities (continued)

The senior leadership team of Scentre Group participate in the PIR Plan. The fair value of rights issued under the PIR Plan is measured at each grant date using a Black Scholes option pricing model. The inputs include the Group's 10 day volume weighted average security price prior to the grant date, the risk free interest rate, expected volatility and expected dividend yield during the vesting period. Expected volatility is based on the historical security price volatility over the past 3 years. Other vesting conditions include meeting the performance hurdle(s) applicable under the PIR Plan as determined annually by the Remuneration Committee. The hurdles chosen by the Remuneration Committee for the 2014 qualifying year are set out in section 8.6(b) of the Directors' Report. Vesting conditions such as number of employees remaining in service is taken into account in determining the total amortisation for each reporting period. In calculating the Black Scholes' value of rights granted it has been assumed that the hurdle conditions are met and consequently, the value of the option is not reduced to reflect the hurdle conditions. The terms of the PIR Plan are described in section 1 of Appendix A to the Remuneration Report of the Directors' Report.

Accounting for equity settled Share Based Payments

During the year, $11.2 million (31 December 2013: charge of $30.4 million) was charged to the income statement as gross amortisation in respect of equity settled share based payments and the corresponding entry is recorded against employee share plan benefits reserve.

(c) Cash Settled Plans

(i) The Executive Deferred Award Plan (EDA Plan)

The Executive Deferred Award Plan (EDA Plan) – Cash settled over Scentre Group stapled securities

	Number of award securities 31 Dec 14	Number of award securities 31 Dec 13
Movement in Executive Deferred Awards		
Balance at the beginning of the year	**1,418,620**	4,664,140
Awards transferred to Westfield Corporation [(i)]	**(834,537)**	–
Adjustment to awards upon the establishment of Scentre Group [(ii)]	**215,293**	–
Awards under the Westfield Retail Trust Plans [(iii)]	**1,356,801**	–
Distribution reinvested as awards during the year	**–**	8,628
Awards exercised during the year	**(374,002)**	(3,014,733)
Awards lapsed during the year	**(257,378)**	(239,415)
Balance at the end of the year	**1,524,797**	1,418,620

(i) Following implementation of the Restructure and Merger on 30 June 2014, this represents awards associated with employees who transferred to Westfield Corporation.

(ii) As a result of the Restructure and Merger, existing awards under Westfield Group's plans relating to Australian and New Zealand employees were modified such that the awards relate, at the option of the holder, to either: (i) securities in Scentre Group only; or (ii) securities in both Scentre Group and Westfield Corporation.

The adjustment factor for awards relating to: (i) Scentre Group securities was calculated using the formula: (VWAP of a Scentre Group Security x 1.246 + VWAP of a Westfield Corporation security)/VWAP of a Scentre Group security; (ii) Scentre Group and Westfield Corporation securities in the same proportion and on the same terms implied through the application of the merger ratio applied to holders of Westfield Group securities.

The VWAP or volume weighted average price used for Scentre Group securities was $3.27 and Westfield Corporation securities was $7.31.

The value of awards adjusted immediately before the transaction was the same as the value of awards immediately after the transaction.

(iii) Westfield Retail Trust's awards were converted to Scentre Group awards as part of the Restructure and Merger.

Vesting profile	**Cumulative value granted $million 31 Dec 14**	**Number of award securities 31 Dec 14**	Cumulative value granted $million 31 Dec 13	Number of award securities 31 Dec 13
2014	**–**	**–**	2.5	257,986
2015	**0.9**	**400,282**	11.1	1,160,634
2016	**2.6**	**1,124,515**	–	–
	3.5	**1,524,797**	13.6	1,418,620

The Executive Deferred Award Plan (EDA Plan) – Cash settled over Westfield Corporation stapled securities

	Number of award securities 31 Dec 14	Number of award securities 31 Dec 13
Movement in Executive Performance Rights		
Balance at the beginning of the year	**–**	–
Awards issued over Westfield Corporation stapled securities [(i)]	**252,171**	–
Awards exercised during the year	**(117,344)**	–
Balance at the end of the year	**134,827**	–

(i) As a result of the Restructure and Merger, existing awards under Westfield Group's plans relating to Australian and New Zealand employees were modified such that the awards relate, at the option of the holder, to either: (i) securities in Scentre Group only or (ii) securities in both Scentre Group and Westfield Corporation. The awards with an election to grant with Westfield Corporation securities will be cash settled. The adjustment factor for this awards is in the same proportion and on the same terms implied through the application of the merger ratio applied to holders of Westfield Group securities.

The value of awards adjusted immediately before the transaction was the same as the value of awards immediately after the transaction.

NOTE 28 SHARE BASED PAYMENTS (CONTINUED)

(c) Cash Settled Plans (continued)

(i) The Executive Deferred Award Plan (EDA Plan) (continued)

The Executive Deferred Award Plan (EDA Plan) – Cash settled over Westfield Corporation stapled securities (continued)

Vesting profile	**Cumulative value granted $million 31 Dec 14**	**Number of award securities 31 Dec 14**	Cumulative value granted $million 31 Dec 13	Number of award securities 31 Dec 13
2015	**0.8**	**134,827**	–	–

The EDA Plan is a plan in which senior executives and high performing employees participate. The fair value of the EDA Plan is measured at each reporting date using inputs that include the number of employees remaining in service, the volume weighted average of the Scentre Group stapled security prices and the distribution policy during the vesting period. The EDA Plan operates in much the same manner as the EPR Plan except that the entitlements will be satisfied by a cash payment as opposed to delivery of securities.

As from 2012 onwards, it is not anticipated that any further issues will be made under the EDA Plan.

(ii) The Partnership Incentive Plan (PIP Plan)

The Partnership Incentive Plan (PIP Plan) – Cash settled over Scentre Group stapled securities

	Number of award securities 31 Dec 14	Number of award securities 31 Dec 13
Movement in Partnership Incentive Plan		
Balance at the beginning of the year	**2,534,080**	4,064,864
Awards transferred to Westfield Corporation [i]	**(1,749,023)**	–
Adjustment to awards upon the establishment of Scentre Group [ii]	**170,739**	–
Awards exercised during the year	**(590,645)**	(1,530,784)
Awards lapsed during the year	**(91,024)**	–
Balance at the end of the year	**274,127**	2,534,080

[i] Following implementation of the Restructure and Merger on 30 June 2014, this represents awards associated with employees who transferred to Westfield Corporation.

[ii] As a result of the Restructure and Merger, existing awards under Westfield Group's plans relating to Australian and New Zealand employees were modified such that the awards relate, at the option of the holder, to either: (i) securities in Scentre Group only; or (ii) securities in both Scentre Group and Westfield Corporation.

The adjustment factor for awards relating to: (i) Scentre Group securities was calculated using the formula: (VWAP of a Scentre Group Security x 1.246 + VWAP of a Westfield Corporation security)/VWAP of a Scentre Group security; (ii) Scentre Group and Westfield Corporation securities in the same proportion and on the same terms implied through the application of the merger ratio applied to holders of Westfield Group securities.

The VWAP or volume weighted average price used for Scentre Group securities was $3.27 and Westfield Corporation securities was $7.31.

The value of awards adjusted immediately before the transaction was the same as the value of awards immediately after the transaction.

Vesting profile	**Cumulative value granted $million 31 Dec 14**	**Number of award securities 31 Dec 14**	Cumulative value granted $million 31 Dec 13	Number of award securities 31 Dec 13
2014	**–**	**–**	16.7	1,753,264
2015	**0.8**	**274,127**	7.6	780,816
	0.8	**274,127**	24.3	2,534,080

The Partnership Incentive Plan (PIP Plan) – Cash settled over Westfield Corporation stapled securities

	Number of award securities 31 Dec 14	Number of award securities 31 Dec 13
Movement in Partnership Incentive Rights		
Balance at the beginning of the year	**–**	–
Awards issued over Westfield Corporation stapled securities	**694,033**	–
Awards exercised during the year	**(474,029)**	–
Balance at the end of the year	**220,004**	–

Vesting profile	**Cumulative value granted $million 31 Dec 14**	**Number of award securities 31 Dec 14**	Cumulative value granted $million 31 Dec 13	Number of award securities 31 Dec 13
2015	**1.4**	**220,004**	–	–

The senior leadership team of Scentre Group, participate in the PIP Plan. The fair value of the PIP Plan is measured at each reporting date using inputs that include the Group achieving the performance hurdles, the number of employees remaining in service, the volume weighted average of the Scentre Group stapled security prices and the distribution policy during the vesting period. The PIP Plan operates in much the same manner as the PIR Plan except that the entitlements will be satisfied by a cash payment as opposed to delivery of securities.

As from 2012 onwards, it is not anticipated that any further issues will be made under the PIP plan.

NOTE 28 SHARE BASED PAYMENTS (CONTINUED)

(c) Cash Settled Plans (continued)

(iii) The Executive Performance Rights Plan (EPR Plan) – Cash settled over Westfield Corporation stapled securities

	Number of award securities 31 Dec 14	Number of award securities 31 Dec 13
Movement in Executive Performance Rights		
Balance at the beginning of the year	**–**	–
Awards issued over Westfield Corporation stapled securities (i)	**4,554,027**	–
Awards exercised during the year	**(1,226,120)**	–
Awards lapsed during the year	**(13,447)**	–
Balance at the end of the year	**3,314,460**	–

(i) As a result of the Restructure and Merger, existing awards under Westfield Group's plans relating to Australian and New Zealand employees were modified such that the awards relate, at the option of the holder, to either: (i) securities in Scentre Group only or (ii) securities in both Scentre Group and Westfield Corporation. The awards with an election to grant with Westfield Corporation securities will be cash settled. The adjustment factor for this awards is in the same proportion and on the same terms implied through the application of the merger ratio applied to holders of Westfield Group securities.

The value of awards adjusted immediately before the transaction was the same as the value of awards immediately after the transaction.

Vesting profile	**Cumulative value granted $million 31 Dec 14**	**Number of award securities 31 Dec 14**	Cumulative value granted $million 31 Dec 13	Number of award securities 31 Dec 13
2015	**17.6**	**2,688,842**	–	–
2016	**3.1**	**566,299**	–	–
2017	**0.4**	**59,319**	–	–
	21.1	**3,314,460**	–	–

The cash settled EPR Plan is a plan in which senior executives and high performing employees participate. The fair value of the cash settled EPR Plan is measured at each reporting date using inputs that include the number of employees remaining in service, the volume weighted average of the Westfield Corporation stapled security prices and the distribution policy during the vesting period. The cash settled EPR Plan operates in much the same manner as the EPR Plan except that the entitlements will be satisfied by a cash payment as opposed to delivery of securities.

(iv) The Partnership Incentive Rights Plan (PIR Plan) – Cash settled over Westfield Corporation stapled securities

	Number of award securities 31 Dec 14	Number of award securities 31 Dec 13
Movement in Partnership Incentive Rights		
Balance at the beginning of the year	**–**	–
Awards issued over Westfield Corporation stapled securities	**1,049,774**	–
Balance at the end of the year	**1,049,774**	–

Vesting profile	**Cumulative value granted $million 31 Dec 14**	**Number of award securities 31 Dec 14**	Cumulative value granted $million 31 Dec 13	Number of award securities 31 Dec 13
2015	**1.4**	**266,741**	–	–
2016	**3.0**	**510,165**	–	–
2017	**1.8**	**272,868**	–	–
	6.2	**1,049,774**	–	–

The senior leadership team of Scentre Group participate in the PIR Plan. The fair value of the cash settled PIR Plan is measured at each reporting date using inputs that include the Group achieving the performance hurdles, the number of employees remaining in service, the volume weighted average of the Westfield Corporation stapled security prices and the distribution policy during the vesting period. The cash settled PIR Plan operates in much the same manner as the PIR Plan except that the entitlements will be satisfied by a cash payment as opposed to delivery of securities.

Accounting for cash settled Share Based Payments

The accounts of the Group and the remuneration disclosures in this Annual Report disclose the full liability to members of the grant of awards under the Group's equity-linked plans, and not simply the amortisation of the nominal amount of the grant when originally made.

At the date of granting an award, the nominal value of the award is adjusted for anticipated increases in the value of that award over its life. Assumptions regarding both future distributions and security price increases are made for the purposes of estimating the Group's future liability with respect to each award. The estimated future liability is then amortised over the life of the award. At the end of each accounting period (and at the date of settlement) the awards are adjusted to fair market value with any adjustments in fair value recognised in the profit or loss.

During the year, $22.9 million (31 December 2013: $20.2 million) was charged to the income statement as gross amortisation in respect of cash settled share based payments.

	31 Dec 14 cents	31 Dec 13 cents

NOTE 29 EARNINGS PER SECURITY

The calculation of basic and diluted earnings per security for all periods presented has been adjusted retrospectively for the conversion of securities on issue on a 1.246 for 1 basis and the issuance of securities resulting from the Restructure and Merger. Refer to Note 25(a) for details.

(a) Summary of earnings per security

	31 Dec 14 cents	31 Dec 13 cents
Earnings per share		
Basic earnings per stapled security attributable to members of Scentre Group	**166.40**	59.98
Diluted earnings per stapled security attributable to members of Scentre Group	**165.79**	59.62
Earnings per share for continuing operations		
Basic earnings from continuing operations per stapled security attributable to members of Scentre Group	**36.48**	34.44
Diluted earnings from continuing operations per stapled security attributable to members of Scentre Group	**36.35**	34.23
Basic earnings from continuing operations per SGL share	**5.19**	7.01
Diluted earnings from continuing operations per SGL share	**5.17**	6.97
Earnings per share for discontinued operations		
Basic earnings from discontinued operations per stapled security attributable to members of Scentre Group	**199.16**	25.54
Diluted earnings from discontinued operations per stapled security attributable to members of Scentre Group	**197.96**	25.39

(b) Income and security data

The following reflects the income data used in the calculations of basic and diluted earnings per stapled security:

	31 Dec 14 $million	31 Dec 13 $million
Earnings used in calculating basic earnings per stapled security [(i)]	**6,586.3**	1,602.7
Adjustment to earnings on options which are considered dilutive	**–**	–
Earnings used in calculating diluted earnings per stapled security	**6,586.3**	1,602.7

[(i)] Refer to the income statement for details of the profit after tax attributable to members of the Group.

	31 Dec 14 $million	31 Dec 13 $million
Continuing operations		
Earnings used in calculating basic earnings from continuing operations per stapled security	**1,443.9**	920.2
Adjustment to earnings on options which are considered dilutive	**–**	–
Earnings used in calculating diluted earnings from continuing operations per stapled security	**1,443.9**	920.2
Earnings used in calculating basic earnings from continuing operations per SGL share	**205.4**	187.3
Adjustment to earnings on options which are considered dilutive	**–**	–
Earnings used in calculating diluted earnings from continuing operations per SGL share	**205.4**	187.3
Discontinued operations		
Earnings used in calculating basic earnings from discontinued operations per stapled security	**5,142.4**	682.5
Adjustment to earnings on options which are considered dilutive	**–**	–
Earnings used in calculating diluted earnings from discontinued operations per stapled security	**5,142.4**	682.5

The weighted average number of securities has been restated as a result of the Restructure and Merger.

The following reflects the security data used in the calculations of basic and diluted earnings per stapled security:

	No. of securities	No. of securities
Weighted average number of ordinary securities used in calculating basic earnings per stapled security [(i)]	**3,958,029,966**	2,671,887,951
Weighted average potential employee awards scheme security options which, if issued would be dilutive [(ii)]	**14,573,853**	16,116,032
Adjusted weighted average number of ordinary securities used in calculating diluted earnings per stapled security [(iii)]	**3,972,603,819**	2,688,003,983

[(i)] The weighted average number of securities for all periods takes into account the effect of the conversion and issuance of securities resulting from the Restructure and Merger. The weighted average number of securities without the retrospective adjustment as required by AASB 133: Earnings Per Share is 2,072,220,261 (31 December 2013: 2,162,078,305).

[(ii)] At 31 December 2014, 11,558,902 actual employee award scheme security options were on hand (31 December 2013: 15,744,816).

[(iii)] The weighted average number of converted, lapsed or cancelled potential ordinary securities used in diluted earnings per stapled security was 2,069,010 (31 December 2013: 679,540).

(c) Conversions, calls, subscription or issues after 31 December 2014

There have been no conversions to, calls of, subscriptions for, issuance of new or potential ordinary securities since the reporting date and before the completion of this report.

	31 Dec 14 $million	31 Dec 13 $million
NOTE 30 DIVIDENDS/DISTRIBUTIONS		
(a) Final dividend/distribution paid		
Dividend/distribution in respect of the 6 months to 31 December 2014		
– to be paid on 27 February 2015		
Parent Company: 2.85 cents per share, 100% franked	**151.4**	–
SGT1: 2.85 cents per unit, 10% estimated tax deferred	**151.4**	–
SGT2: 4.50 cents per unit, 25% estimated tax deferred	**239.0**	–
Dividend/distribution in respect of the 6 months to 31 December 2013		
– paid on 28 February 2014		
SGL: 7.92 cents per share, 100% franked	**–**	164.1
SGT1: 9.74 cents per unit, 2% tax deferred	**–**	201.8
WAT: 7.84 cents per unit, 27% tax deferred	**–**	162.5
Scentre Group 10.20 cents per stapled security (Westfield Group 31 Dec 13: 25.50 cents)	**541.8**	528.4

Interim dividend/distributions of 26.25 cents were paid on 29 August 2014. Final dividend/distributions will be paid on 27 February 2015. The record date for the final dividends/distributions was 5pm, 13 February 2015. The Group does not operate a Distribution Reinvestment Plan.

	31 Dec 14 $million	31 Dec 13 $million
(b) Dividends/distributions paid during the year		
Dividend/distribution in respect of the 6 months to 30 June 2014		
SGT1: 5.25 cents per unit, 10% estimated tax deferred	**109.1**	–
SGT2: 10.20 cents per unit, 25% estimated tax deferred	**303.9**	–
WAT: 21.00 cents per unit, 0% estimated tax deferred	**436.4**	–
Dividend/distribution in respect of the 6 months to 31 December 2013		
SGL: 7.92 cents per share, 100% franked	**164.1**	–
SGT1: 9.74 cents per unit, 2% tax deferred	**201.8**	–
WAT: 7.84 cents per unit, 27% tax deferred	**162.5**	–
Dividend/distribution in respect of the 6 months to 30 June 2013		
SGT1: 4.00 cents per unit, 2% tax deferred	**–**	86.5
WAT: 21.50 cents per unit, 27% tax deferred	**–**	464.9
Dividend/distribution in respect of the 6 months to 31 December 2012		
SGT1: 21.45 cents per unit, 17% tax deferred (wholly capital gains tax concession)	**–**	476.7
WAT: 3.30 cents per unit, fully taxable	**–**	73.3
	1,377.8	1,101.4

Dividends paid by the Parent Company have been franked at the corporate tax rate of 30%.

	31 Dec 14 $million	31 Dec 13 $million
(c) Franking credit balance of the Parent Company		
The amount of franking credits available on a tax paid basis for future distributions are:		
– franking credits balance as at the end of the year at the corporate tax rate of 30%	**164.4**	117.4
– franking credits arising from the payment of income tax provided in this financial report	**–**	35.9
Franking credits available for distribution	**164.4**	153.3
– reduction in franking credits that arise from the payment of the final dividend	**(65.0)**	(70.5)
Franking credits available for future distributions	**99.4**	82.8

	31 Dec 14 $	31 Dec 13 $
NOTE 31 NET TANGIBLE ASSET BACKING		
Net tangible asset backing per security	3.04	7.29

Net tangible asset backing per security is calculated by dividing total equity attributable to stapled security holders of the Group by the number of securities on issue. The number of securities used in the calculation of the consolidated net tangible asset backing is 5,311,595,241 (31 December 2013: 2,072,220,261).

	$million	$million
NOTE 32 LEASE COMMITMENTS		
Operating lease receivables		
The following is prepared on a proportionate basis which includes both consolidated and equity accounted lease commitments.		
Substantially all of the property owned and leased by the Group is leased to third party retailers. Lease terms vary between retailers and some leases include percentage rental payments based on sales revenue.		
Future minimum rental revenues under non cancellable operating retail property leases		
Due within one year	**1,669.5**	1,655.7
Due between one and five years	**4,115.7**	4,700.1
Due after five years	**2,513.4**	3,638.0
	8,298.6	9,993.8

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

NOTE 33 CAPITAL EXPENDITURE COMMITMENTS

The following is prepared on a proportionate basis which includes both consolidated and equity accounted capital expenditure commitments.

	$million	$million
Estimated capital expenditure committed at balance date but not provided for in relation to development projects.		
Due within one year	**153.7**	1,425.2
Due between one and five years	**15.0**	463.2
Due after five years	**–**	–
	168.7	1,888.4

NOTE 34 CONTINGENT LIABILITIES

The following is prepared on a proportionate basis which includes both consolidated and equity accounted contingent liabilities.

	$million	$million
Performance guarantees	**66.1**	162.4
	66.1	162.4

Entities of Scentre Group have provided guarantees in respect of certain Westfield Corporation United Kingdom joint venture operations, borrowing facilities and derivatives counterparties. Under the Restructure and Merger Implementation Deed, the entities of Scentre Group and Westfield Corporation have cross indemnified each other for any claims that may be made or payment that may be required under such contracts or guarantees.

The Group's obligation in respect of performance guarantees may be called on at anytime dependant upon the performance or non performance of certain third parties.

From time to time, in the normal course of business, the Group is involved in lawsuits. The Directors believe that the ultimate outcome of such pending litigation will not materially affect the results of operations or the financial position of the Group.

NOTE 35 CAPITAL RISK MANAGEMENT

The Group seeks to manage its capital requirements to maximise value to members through the mix of debt and equity funding, while ensuring that Group entities:

- comply with capital and distribution requirements of their constitutions and/or trust deeds;
- comply with capital requirements of relevant regulatory authorities;
- maintain strong investment grade credit ratings; and
- continue to operate as going concerns.

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

- sufficient funds and financing facilities, on a cost effective basis are available to implement the Group's property development and business acquisition strategies;
- financing facilities for unforeseen contingencies are maintained; and
- distributions to members are maintained within the stated distribution policy.

The Group is able to alter its capital mix by issuing new stapled securities and hybrid securities, establishing a distribution reinvestment plan and electing to have the distribution reinvestment underwritten, adjusting the amount of distributions paid to members, activating a security buy-back program, divesting assets or adjusting the timing of capital expenditure for its property redevelopment pipeline.

The Group also protects its equity in assets by taking out insurance.

NOTE 36 FINANCIAL RISK MANAGEMENT

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

The Group manages its exposure to key financial risks in accordance with the Group's treasury risk management policies. These policies have been established to manage the key financial risks such as interest rate, foreign exchange, counterparty credit and liquidity.

The Group's treasury risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The 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 Group's treasury management objectives.

The Group has an established Board approved risk management framework including policies, procedures, limits and allowed types of derivative financial instruments. The Board has established an Audit and Risk Committee comprising three independent Directors. The Audit and Risk Committee reviews and oversees management's compliance with these policies, procedures and limits. The Audit and Risk Committee is assisted in its oversight role by the Group's Executive Committee.

The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rates, foreign exchange, liquidity and credit risk. The Group enters into derivative financial instruments, principally interest rate swaps, interest rate options, cross currency swaps, forward exchange contracts and currency options. The purpose of these transactions is to manage the interest rate and currency risks arising from the Group's operations, cash flows, interest bearing liabilities and its net investments in foreign operations. The Group 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 37 INTEREST RATE RISK MANAGEMENT

The Group is exposed to interest rate risk on its borrowings and derivative financial instruments. This risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate interest bearing liabilities. Fixed rate debt is achieved either through fixed rate debt funding or through the use of derivative financial instruments approved by the Board. These activities are evaluated regularly to determine that the Group is not exposed to interest rate movements that could adversely impact its ability to meet its financial obligations and to comply with its borrowing covenants.

NOTE 37 INTEREST RATE RISK MANAGEMENT (CONTINUED)

Summary of interest rate positions at balance date

The Group has interest rate risk on borrowings which are typically floating rate debt or notional borrowings entered into under currency derivatives. The exposures at reporting date together with the interest rate risk management transactions are as follows:

(i) Interest payable and receivable exposures

	Note	**31 Dec 14 $million**	31 Dec 13 $million
Principal amounts of all interest bearing liabilities:			
Current interest bearing liabilities	22	**579.8**	3.8
Non current interest bearing liabilities	22	**11,371.9**	12,314.8
Share of equity accounted entities interest bearing liabilities	22(d)	**–**	1,925.5
Cross currency swaps			
– A$	38(ii)	**5,309.2**	1,175.8
– £nil (31 December 2013: £215.0 million)	38(iv)	**–**	398.1
– US$nil (31 December 2013: US$833.0 million)	38(iv)	**–**	932.6
Foreign currency swaps			
– A$	38(ii)	**–**	310.9
Principal amounts subject to interest rate payable exposure		**17,260.9**	17,061.5
Principal amounts of all interest bearing assets:			
Cross currency swaps			
– A$	38(iv)	**–**	1,664.1
– £400.0 million (31 December 2013: nil)	38(ii)	**761.2**	–
– US$1,350.0 million (31 December 2013: US$1,000.0 million)	38(ii)	**1,646.3**	1,119.6
– €2,100.0 million (31 December 2013: nil)	38(ii)	**3,111.6**	–
Foreign currency swaps			
– £nil (31 December 2013: £171.0 million)	38(ii)	**–**	316.6
Cash	12(a)	**189.0**	1,153.0
Share of equity accounted entities cash	18(c)	**0.9**	146.4
Principal amounts subject to interest rate receivable exposure		**5,709.0**	4,399.7
Principal amounts of net interest bearing liabilities subject to interest rate payable exposure		**11,551.9**	12,661.8

NOTE 37 INTEREST RATE RISK MANAGEMENT (CONTINUED)

Summary of interest rate positions at balance date (continued)

(i) Interest payable and receivable exposures (continued)

	Note	**31 Dec 14 $million**	31 Dec 13 $million
Principal amounts of fixed interest rate liabilities:			
Fixed rate loans			
– A$	37(ii)	**1,380.0**	–
– £400.0 million (31 December 2013: £1,050.0 million)	37(ii)	**761.2**	1,944.1
– US$1,350.0 million (31 December 2013: US$7,520.1 million)	37(ii)	**1,646.3**	8,419.3
– €1,700.0 million (31 December 2013: nil)	37(ii)	**2,518.9**	–
Fixed rate derivatives			
– A$	37(ii)	**5,462.0**	928.0
– NZ$560.0 million (31 December 2013: NZ$410.0 million)	37(ii)	**534.8**	377.2
– £nil (31 December 2013: £225.0 million)	37(ii)	**–**	416.6
– US$nil (31 December 2013: US$2,750.0 million)	37(ii)	**–**	3,078.8
Interest rate options			
– A$	37(iii)	**1,250.0**	200.0
– NZ$70.0 million (31 December 2013: NZ$70.0 million)	37(iii)	**66.8**	64.4
– US$nil (31 December 2013: US$27.4 million)	37(iii)	**–**	30.7
Foreign currency swaps			
– A$	38(ii)	**–**	310.9
Principal amounts on which interest rate payable exposure has been hedged		**13,620.0**	15,770.0
Principal amounts of fixed interest rate assets:			
Fixed rate derivatives			
– A$	37(ii)	**150.0**	1,150.0
– £400.0 million (31 December 2013: nil)	37(ii)	**761.2**	–
– US$1,350.0 million (31 December 2013: US$5,064.5 million)	37(ii)	**1,646.3**	5,670.1
– €1,700.0 million (31 December 2013: nil)	37(ii)	**2,518.9**	–
Foreign currency swaps			
– £nil (31 December 2013: £171.0 million)	38(ii)	**–**	316.6
Principal amounts on which interest rate receivable exposure has been hedged		**5,076.4**	7,136.7
Principal amounts on which net interest rate payable exposure has been hedged		**8,543.6**	8,633.3

At 31 December 2014, the Group has hedged 74% of its net interest payable exposure by way of fixed rate borrowings, interest rate swaps and interest rate options of varying durations. The remaining 26% is exposed to floating rates on a principal payable of $3,008.3 million, at an average interest rate of 4.0%, including margin (31 December 2013: 68% hedged with floating exposure of $4,028.5 million at an average rate of 2.4%). Changes to derivatives due to interest rate movements are set out in Notes 37(ii) and 37(iii).

Interest rate sensitivity		**31 Dec 14 $million**	31 Dec 13 $million
The sensitivity of interest expense to changes in floating interest rates is as follows:	Interest rate movement	(Increase)/decrease in interest expense	
	-2.0%	**60.2**	80.6
	-1.0%	**30.1**	40.3
	-0.5%	**15.0**	20.1
	0.5%	**(15.0)**	(20.1)
	1.0%	**(30.1)**	(40.3)
	2.0%	**(60.2)**	(80.6)

NOTE 37 INTEREST RATE RISK MANAGEMENT (CONTINUED)

Summary of interest rate positions at balance date (continued)

(ii) Fixed rate debt and interest rate swaps

Notional principal or contract amounts and contracted rates of the Group's consolidated and share of equity accounted fixed rate debt and interest rate swaps:

	Interest rate swaps		**Fixed rate borrowings**		Interest rate swaps		Fixed rate borrowings	
Fixed rate debt and swaps contracted as at the reporting date and outstanding at	**31 Dec 14 Notional principal amount million**	**31 Dec 14 Average rate**	**31 Dec 14 Principal amount million**	**31 Dec 14 Average rate including margin**	31 Dec 13 Notional principal amount million	31 Dec 13 Average rate	31 Dec 13 Principal amount million	31 Dec 13 Average rate including margin
A$ payable								
31 December 2013	**–**	**–**	**–**	**–**	A$(928.0)	4.38%	–	–
31 December 2014	**A$(5,462.0)**	**3.18%**	**A$(1,380.0)**	**6.04%**	A$(1,124.0)	4.20%	–	–
31 December 2015	**A$(6,062.5)**	**3.08%**	**A$(1,380.0)**	**6.04%**	A$(1,044.5)	4.21%	–	–
31 December 2016	**A$(4,907.5)**	**3.17%**	**A$(580.0)**	**4.71%**	A$(689.5)	3.93%	–	–
31 December 2017	**A$(4,188.5)**	**3.16%**	**A$(580.0)**	**4.71%**	A$(203.5)	3.47%	–	–
31 December 2018	**A$(2,525.0)**	**3.19%**	**A$(580.0)**	**4.71%**	–	–	–	–
31 December 2019	**A$(1,010.0)**	**3.38%**	**A$(430.0)**	**4.60%**	–	–	–	–
31 December 2020	**A$(240.0)**	**4.94%**	**A$(430.0)**	**4.60%**	–	–	–	–
31 December 2021	**–**	**–**	**A$(30.0)**	**5.96%**	–	–	–	–
£ payable								
31 December 2013	**–**	**–**	**–**	**–**	£(225.0)	1.82%	£(1,050.0)	4.87%
31 December 2014	**–**	**–**	**£(400.0)**	**3.88%**	£(225.0)	1.82%	£(1,050.0)	4.87%
31 December 2015	**–**	**–**	**£(400.0)**	**3.88%**	£(225.0)	1.82%	£(1,050.0)	4.87%
31 December 2016	**–**	**–**	**£(400.0)**	**3.88%**	£(225.0)	1.82%	£(1,050.0)	4.87%
31 December 2017	**–**	**–**	**£(400.0)**	**3.88%**	–	–	£(450.0)	4.18%
31 December 2018	**–**	**–**	**£(400.0)**	**3.88%**	–	–	£(450.0)	4.18%
31 December 2019	**–**	**–**	**£(400.0)**	**3.88%**	–	–	£(450.0)	4.18%
31 December 2020	**–**	**–**	**£(400.0)**	**3.88%**	–	–	£(450.0)	4.18%
31 December 2021	**–**	**–**	**£(400.0)**	**3.88%**	–	–	£(450.0)	4.18%
31 December 2022	**–**	**–**	**£(400.0)**	**3.88%**	–	–	–	–
31 December 2023	**–**	**–**	**£(400.0)**	**3.88%**	–	–	–	–
31 December 2024	**–**	**–**	**£(400.0)**	**3.88%**	–	–	–	–
31 December 2025	**–**	**–**	**£(400.0)**	**3.88%**	–	–	–	–
€ payable								
31 December 2014	**–**	**–**	**€(1,700.0)**	**2.28%**	–	–	–	–
31 December 2015	**–**	**–**	**€(1,700.0)**	**2.28%**	–	–	–	–
31 December 2016	**–**	**–**	**€(1,700.0)**	**2.28%**	–	–	–	–
31 December 2017	**–**	**–**	**€(1,700.0)**	**2.28%**	–	–	–	–
31 December 2018	**–**	**–**	**€(1,700.0)**	**2.28%**	–	–	–	–
31 December 2019	**–**	**–**	**€(1,700.0)**	**2.28%**	–	–	–	–
31 December 2020	**–**	**–**	**€(1,100.0)**	**2.70%**	–	–	–	–
31 December 2021	**–**	**–**	**€(1,100.0)**	**2.70%**	–	–	–	–
31 December 2022	**–**	**–**	**€(1,100.0)**	**2.70%**	–	–	–	–
31 December 2023	**–**	**–**	**€(600.0)**	**2.25%**	–	–	–	–
US$ payable								
31 December 2013	**–**	**–**	**–**	**–**	US$(2,750.0)	1.82%	US$(7,520.1)	5.56%
31 December 2014	**–**	**–**	**US$(1,350.0)**	**2.88%**	US$(2,750.0)	1.82%	US$(7,513.5)	5.56%
31 December 2015	**–**	**–**	**US$(1,350.0)**	**2.88%**	–	–	US$(6,641.7)	5.55%
31 December 2016	**–**	**–**	**US$(1,350.0)**	**2.88%**	–	–	US$(5,592.6)	5.54%
31 December 2017	**–**	**–**	**US$(1,350.0)**	**2.88%**	–	–	US$(5,367.2)	5.52%
31 December 2018	**–**	**–**	**US$(1,350.0)**	**2.88%**	–	–	US$(4,258.1)	5.11%
31 December 2019	**–**	**–**	**US$(600.0)**	**3.50%**	–	–	US$(2,997.8)	4.45%
31 December 2020	**–**	**–**	**US$(600.0)**	**3.50%**	–	–	US$(2,649.2)	4.14%
31 December 2021	**–**	**–**	**US$(600.0)**	**3.50%**	–	–	US$(1,646.2)	3.86%
31 December 2022	**–**	**–**	**US$(600.0)**	**3.50%**	–	–	US$(659.0)	3.98%
31 December 2023	**–**	**–**	**US$(600.0)**	**3.50%**	–	–	–	–
31 December 2024	**–**	**–**	**US$(600.0)**	**3.50%**	–	–	–	–

NOTE 37 INTEREST RATE RISK MANAGEMENT (CONTINUED)

Summary of interest rate positions at balance date (continued)

(ii) Fixed rate debt and interest rate swaps (continued)

	Interest rate swaps		**Fixed rate borrowings**		Interest rate swaps		Fixed rate borrowings	
Fixed rate debt and swaps contracted as at the reporting date and outstanding at	**31 Dec 14 Notional principal amount million**	**31 Dec 14 Average rate**	**31 Dec 14 Principal amount million**	**31 Dec 14 Average rate including margin**	31 Dec 13 Notional principal amount million	31 Dec 13 Average rate	31 Dec 13 Principal amount million	31 Dec 13 Average rate including margin
NZ$ payable								
31 December 2013	**–**	**–**	**–**	**–**	NZ$(410.0)	3.67%	–	–
31 December 2014	**NZ$(560.0)**	**3.95%**	**–**	**–**	NZ$(250.0)	3.97%	–	–
31 December 2015	**NZ$(335.0)**	**4.19%**	**–**	**–**	NZ$(125.0)	4.27%	–	–
31 December 2016	**NZ$(170.0)**	**4.33%**	**–**	**–**	NZ$(55.0)	4.22%	–	–
31 December 2017	**NZ$(80.0)**	**4.12%**	**–**	**–**	NZ$(20.0)	3.70%	–	–
A$ receivable								
31 December 2013	**–**	**–**	**–**	**–**	A$1,150.0	6.37%	–	–
31 December 2014	**A$150.0**	**3.05%**	**–**	**–**	A$200.0	6.77%	–	–
31 December 2015	**A$150.0**	**3.05%**	**–**	**–**	–	–	–	–
31 December 2016	**A$150.0**	**3.05%**	**–**	**–**	–	–	–	–
31 December 2017	**A$150.0**	**3.05%**	**–**	**–**	–	–	–	–
31 December 2018	**A$150.0**	**3.05%**	**–**	**–**	–	–	–	–
£ receivable								
31 December 2014	**£400.0**	**3.88%**	**–**	**–**	£125.0	1.12%	–	–
31 December 2015	**£400.0**	**3.88%**	**–**	**–**	£250.0	1.18%	–	–
31 December 2016	**£400.0**	**3.88%**	**–**	**–**	£250.0	1.18%	–	–
31 December 2017	**£400.0**	**3.88%**	**–**	**–**	–	–	–	–
31 December 2018	**£400.0**	**3.88%**	**–**	**–**	–	–	–	–
31 December 2019	**£400.0**	**3.88%**	**–**	**–**	–	–	–	–
31 December 2020	**£400.0**	**3.88%**	**–**	**–**	–	–	–	–
31 December 2021	**£400.0**	**3.88%**	**–**	**–**	–	–	–	–
31 December 2022	**£400.0**	**3.88%**	**–**	**–**	–	–	–	–
31 December 2023	**£400.0**	**3.88%**	**–**	**–**	–	–	–	–
31 December 2024	**£400.0**	**3.88%**	**–**	**–**	–	–	–	–
31 December 2025	**£400.0**	**3.88%**	**–**	**–**	–	–	–	–
€ receivable								
31 December 2014	**€1,700.0**	**2.28%**	**–**	**–**	–	–	–	–
31 December 2015	**€1,700.0**	**2.28%**	**–**	**–**	–	–	–	–
31 December 2016	**€1,700.0**	**2.28%**	**–**	**–**	–	–	–	–
31 December 2017	**€1,700.0**	**2.28%**	**–**	**–**	–	–	–	–
31 December 2018	**€1,700.0**	**2.28%**	**–**	**–**	–	–	–	–
31 December 2019	**€1,700.0**	**2.28%**	**–**	**–**	–	–	–	–
31 December 2020	**€1,100.0**	**2.70%**	**–**	**–**	–	–	–	–
31 December 2021	**€1,100.0**	**2.70%**	**–**	**–**	–	–	–	–
31 December 2022	**€1,100.0**	**2.70%**	**–**	**–**	–	–	–	–
31 December 2023	**€600.0**	**2.25%**	**–**	**–**	–	–	–	–
US$ receivable								
31 December 2013	**–**	**–**	**–**	**–**	US$5,064.5	3.02%	–	–
31 December 2014	**US$1,350.0**	**2.88%**	**–**	**–**	US$4,214.5	2.74%	–	–
31 December 2015	**US$1,350.0**	**2.88%**	**–**	**–**	US$3,464.5	2.79%	–	–
31 December 2016	**US$1,350.0**	**2.88%**	**–**	**–**	US$3,464.5	2.79%	–	–
31 December 2017	**US$1,350.0**	**2.88%**	**–**	**–**	US$714.5	3.19%	–	–
31 December 2018	**US$1,350.0**	**2.88%**	**–**	**–**	US$714.5	3.19%	–	–
31 December 2019	**US$600.0**	**3.50%**	**–**	**–**	US$714.5	3.19%	–	–
31 December 2020	**US$600.0**	**3.50%**	**–**	**–**	US$214.5	2.05%	–	–
31 December 2021	**US$600.0**	**3.50%**	**–**	**–**	US$214.5	2.05%	–	–
31 December 2022	**US$600.0**	**3.50%**	**–**	**–**	US$64.5	2.96%	–	–
31 December 2023	**US$600.0**	**3.50%**	**–**	**–**	–	–	–	–
31 December 2024	**US$600.0**	**3.50%**	**–**	**–**	–	–	–	–

The Group'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 income statement as a component of interest expense. At 31 December 2014, the aggregate fair value is a receivable of $119.5 million (31 December 2013: $207.1 million). The change in fair value for the year ended 31 December 2014 was $87.6 million (31 December 2013: $87.8 million).

NOTE 37 INTEREST RATE RISK MANAGEMENT (CONTINUED)

Summary of interest rate positions at balance date (continued)

(ii) Fixed rate debt and interest rate swaps (continued)

Fair value sensitivity		**31 Dec 14 $million**	31 Dec 13 $million
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%	**465.8**	237.9
	-1.0%	**195.9**	115.3
	-0.5%	**101.6**	56.5
	0.5%	**(86.0)**	(54.8)
	1.0%	**(173.9)**	(108.2)
	2.0%	**(333.4)**	(210.3)

All fixed rate borrowings are carried at amortised cost, therefore increases or decreases arising from changes in fair value have not been recorded in these financial statements.

Subsequent to 31 December 2014, the Group has entered into A$500.0 million of interest rate swaps to pay fixed interest at a weighted average rate of 2.59% from January 2016 to January 2020.

(iii) Interest rate options

Notional principal of the Group's consolidated and share of equity accounted interest rate options:

	Interest rate options		Interest rate options	
	31 Dec 14 Notional principal amount million	**31 Dec 14 Average strike rates**	31 Dec 13 Notional principal amount million	31 Dec 13 Average strike rate
A$ payable caps				
31 December 2013	**–**	**–**	A$(150.0)	3.75%
31 December 2014	**A$(1,200.0)**	**2.60%**	–	–
US$ payable caps				
31 December 2013	**–**	**–**	US$(27.4)	3.50%
31 December 2014	**–**	**–**	US$(27.4)	3.50%
A$ payable collar				
31 December 2013	**–**	**–**	A$(50.0)	2.53% – 4.00%
31 December 2014	**A$(50.0)**	**2.53% – 4.00%**	A$(50.0)	2.53% – 4.00%
NZ$ payable collar				
31 December 2013	**–**	**–**	NZ$(70.0)	4.45% – 5.25%
31 December 2014	**NZ$(70.0)**	**4.45% – 5.25%**	NZ$(70.0)	4.45% – 5.25%
31 December 2015	**NZ$(70.0)**	**3.39% – 5.25%**	NZ$(70.0)	3.39% – 5.25%
31 December 2016	**NZ$(70.0)**	**3.39% – 5.25%**	NZ$(70.0)	3.39% – 5.25%
31 December 2017	**NZ$(70.0)**	**3.39% – 5.25%**	NZ$(70.0)	3.39% – 5.25%
31 December 2018	**NZ$(70.0)**	**3.39% – 5.25%**	NZ$(70.0)	3.39% – 5.25%
A$ swaptions [(i)]				
31 December 2014	**A$(600.0)**	**3.00%**	–	–

(i) The swaptions grant the Group the right to enter into pay fixed swaps covering the period 2015 to 2020. Subsequent to 31 December 2014, these swaptions have been lapsed or terminated.

The Group's interest rate options do not meet the accounting requirements to qualify for hedge accounting treatment. Changes in fair value have been reflected in the income statement as a component of interest expense. At 31 December 2014, the aggregate fair value is a payable of $2.7 million (31 December 2013: a receivable of $0.04 million). The change in fair value for the year ended 31 December 2014 was $2.7 million (31 December 2013: $1.2 million).

Fair value sensitivity		**31 Dec 14 $million**	31 Dec 13 $million
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%	**(3.9)**	(4.8)
	-1.0%	**(1.5)**	(2.3)
	-0.5%	**(0.6)**	(1.1)
	0.5%	**3.3**	1.1
	1.0%	**13.9**	2.2
	2.0%	**38.4**	4.9

Subsequent to 31 December 2014, the Group has entered into the following interest rate swaptions to pay fixed at weighted average rates: A$500.0 million at 2.50% from April 2015 to April 2020; A$700.0 million at 2.50% from April 2015 to July 2021; NZ$100.0 million at 3.75% from April 2015 to January 2021; and, NZ$50.0 million at 3.75% from January 2016 to January 2020.

NOTE 38 EXCHANGE RATE RISK MANAGEMENT

The Group is exposed to exchange rate risk on its foreign currency earnings, its distribution, its foreign currency denominated shopping centre assets and other assets. The Group manages these exposures by entering into foreign currency derivative instruments and by borrowing in foreign currencies.

Summary of foreign exchange balance sheet positions at balance date

The Group's foreign exchange exposures at reporting date together with the foreign exchange risk management transactions which have been entered into to manage these exposures are as follows:

	Note	**31 Dec 14 million**	31 Dec 13 million
Foreign currency net investments			
New Zealand Dollar			
NZ$ net assets		**NZ$2,610.5**	NZ$1,266.5
NZ$ borrowings		**NZ$(1,139.8)**	NZ$(582.7)
NZ$ currency swaps	38(i)	**NZ$(580.0)**	–
NZ$ denominated net assets		**NZ$890.7**	NZ$683.8
US Dollar			
US$ net assets		**US$0.7**	US$9,227.3
US$ borrowings		**US$(1,350.0)**	US$(7,782.0)
US$ cross currency swaps	38(ii)	**US$1,350.0**	US$1,000.0
US$ denominated net assets		**US$0.7**	US$2,445.3
British Pound			
£ net assets		**£0.8**	£3,054.1
£ borrowings		**£(400.0)**	£(1,943.0)
£ cross currency swaps	38(ii)	**£400.0**	–
£ currency swaps	38(ii)	**–**	£171.0
£ denominated net assets		**£0.8**	£1,282.1
Euro			
€ borrowings		**€(2,100.0)**	–
€ cross currency swaps	38(ii)	**€2,100.0**	–
€ denominated net assets		**–**	–

NOTE 38 EXCHANGE RATE RISK MANAGEMENT (CONTINUED)

Summary of foreign exchange balance sheet positions at balance date (continued)

The Group's foreign currency net assets are subject to exchange rate risk. Gains and losses arising from translation of the Group's foreign currency denominated net assets, and, where applicable, associated hedging instruments, where the Group has satisfied the accounting requirements to qualify for hedge accounting treatment, are reflected in the foreign currency translation reserve.

Where the Group does not satisfy the hedge accounting requirements, the changes in fair value are reflected in the income statement as either foreign exchange gains or losses as appropriate.

Foreign currency sensitivity		**31 Dec 14 $million**	31 Dec 13 $million	**31 Dec 14 $million**	31 Dec 13 $million
The sensitivity of NZ$ denominated net assets to changes in the year end A$/NZ$1.0472 rate (31 December 2013: 1.0869) is as follows:	A$/NZ$ Currency movement	Gain/(loss) to foreign currency translation reserve		Gain/(loss) to income statement	
	- 20 cents	**200.8**	141.9	**–**	–
	- 10 cents	**89.8**	63.7	**–**	–
	- 5 cents	**42.6**	30.3	**–**	–
	+ 5 cents	**(38.8)**	(27.7)	**–**	–
	+ 10 cents	**(74.1)**	(53.0)	**–**	–
	+ 20 cents	**(136.4)**	(97.8)	**–**	–
The sensitivity of US$ denominated net assets to changes in the year end A$/US$0.8200 rate (31 December 2013: 0.8932) is as follows:	A$/US$ Currency movement	Gain/(loss) to foreign currency translation reserve		Gain/(loss) to income statement	
	- 20 cents	**–**	738.8	**0.3**	47.5
	- 10 cents	**–**	322.8	**0.1**	20.3
	- 5 cents	**–**	151.8	**0.1**	9.2
	+ 5 cents	**–**	(135.7)	**–**	(8.3)
	+ 10 cents	**–**	(257.8)	**(0.1)**	(15.7)
	+ 20 cents	**–**	(468.5)	**(0.2)**	(28.4)
The sensitivity of £ denominated net assets to changes in the year end A$/£0.5255 rate (31 December 2013: 0.5401) is as follows:	A$/£ Currency movement	Gain/(loss) to foreign currency translation reserve		Gain/(loss) to income statement	
	- 20 pence	**–**	1,209.8	**0.9**	185.8
	- 10 pence	**–**	467.5	**0.3**	71.8
	- 5 pence	**–**	209.9	**0.2**	32.2
	+ 5 pence	**–**	(174.3)	**(0.1)**	(26.7)
	+ 10 pence	**–**	(321.4)	**(0.2)**	(49.2)
	+ 20 pence	**–**	(556.0)	**(0.4)**	(85.1)

(i) Net investment hedges of the Group's foreign currency assets and liabilities

The following table details the foreign currency swaps outstanding at reporting date. These contracts have been designated and qualify as hedges of net investment of foreign operations, other than as noted below.

Foreign exchange contracts as at the reporting date and outstanding at	**Weighted average exchange rate**		**Amount receivable/(payable) million**			
	31 Dec 14	31 Dec 13	**31 Dec 14**	**31 Dec 14**	31 Dec 13	31 Dec 13
Contracts to receive A$ and pay NZ$						
31 December 2014	**1.0517**	–	**A$551.5**	**NZ$(580.0)**	–	–

The pay NZ$ exposure is an effective net investment hedge and is recorded directly in the foreign currency translation reserve. At 31 December 2014, the aggregate fair value is a receivable of $0.2 million (31 December 2013: nil). The change in fair value for the year ended 31 December 2014 was $0.2 million (31 December 2013: $8.7 million).

Foreign currency sensitivity		**31 Dec 14 $million**	31 Dec 13 $million
The sensitivity of fair value of foreign exchange contracts to changes in the year end A$/NZ$1.0472 rate is as follows:	A$/NZ$ Currency movement	Gain/(loss) to foreign currency translation reserve	
	- 20 cents	**(127.0)**	–
	- 10 cents	**(56.7)**	–
	- 5 cents	**(26.9)**	–
	+ 5 cents	**25.1**	–
	+ 10 cents	**47.9**	–
	+ 20 cents	**88.0**	–

Subsequent to 31 December 2014, the Group has entered into foreign exchange contracts to pay NZ$380.0 million and receive A$362.3 million maturing in July 2015.

NOTE 38 EXCHANGE RATE RISK MANAGEMENT (CONTINUED)

(ii) Other foreign currency derivatives in respect of the Group's foreign currency assets and liabilities

The following table details the other financial derivatives in respect of the Group's foreign currency assets and liabilities outstanding at reporting date. These contracts do not qualify as hedges of net investments of foreign operations.

Foreign currency swaps contracted as at the reporting date and maturing during the year ended	Weighted average exchange rate		Amount receivable/(payable) million			
	31 Dec 14	31 Dec 13	**31 Dec 14**	**31 Dec 14**	31 Dec 13	31 Dec 13
Contracts to buy £ and sell A$						
31 December 2014	–	0.5500	–	–	£171.0	A$(310.9)
Cross currency swaps contracted as at the reporting date and outstanding at						
US$						
Contracts to receive US$ and pay A$						
31 December 2013	–	0.8505	–	–	A$(1,175.8)	US$1,000.0
31 December 2014	**0.8745**	0.8273	**A$(1,543.8)**	**US$1,350.0**	A$(906.6)	US$750.0
31 December 2015	**0.8745**	–	**A$(1,543.8)**	**US$1,350.0**	–	–
31 December 2016	**0.8745**	–	**A$(1,543.8)**	**US$1,350.0**	–	–
31 December 2017	**0.8745**	–	**A$(1,543.8)**	**US$1,350.0**	–	–
31 December 2018	**0.8745**	–	**A$(1,543.8)**	**US$1,350.0**	–	–
31 December 2019	**0.8571**	–	**A$(700.0)**	**US$600.0**	–	–
31 December 2020	**0.8571**	–	**A$(700.0)**	**US$600.0**	–	–
31 December 2021	**0.8571**	–	**A$(700.0)**	**US$600.0**	–	–
31 December 2022	**0.8571**	–	**A$(700.0)**	**US$600.0**	–	–
31 December 2023	**0.8571**	–	**A$(700.0)**	**US$600.0**	–	–
31 December 2024	**0.8571**	–	**A$(700.0)**	**US$600.0**	–	–
£						
Contracts to receive £ and pay A$						
31 December 2014	**0.5491**	–	**A$(728.5)**	**£400.0**	–	–
31 December 2015	**0.5491**	–	**A$(728.5)**	**£400.0**	–	–
31 December 2016	**0.5491**	–	**A$(728.5)**	**£400.0**	–	–
31 December 2017	**0.5491**	–	**A$(728.5)**	**£400.0**	–	–
31 December 2018	**0.5491**	–	**A$(728.5)**	**£400.0**	–	–
31 December 2019	**0.5491**	–	**A$(728.5)**	**£400.0**	–	–
31 December 2020	**0.5491**	–	**A$(728.5)**	**£400.0**	–	–
31 December 2021	**0.5491**	–	**A$(728.5)**	**£400.0**	–	–
31 December 2022	**0.5491**	–	**A$(728.5)**	**£400.0**	–	–
31 December 2023	**0.5491**	–	**A$(728.5)**	**£400.0**	–	–
31 December 2024	**0.5491**	–	**A$(728.5)**	**£400.0**	–	–
31 December 2025	**0.5491**	–	**A$(728.5)**	**£400.0**	–	–
€						
Contracts to receive € and pay A$						
31 December 2014	**0.6915**	–	**A$(3,036.9)**	**€2,100.0**	–	–
31 December 2015	**0.6915**	–	**A$(3,036.9)**	**€2,100.0**	–	–
31 December 2016	**0.6915**	–	**A$(3,036.9)**	**€2,100.0**	–	–
31 December 2017	**0.6915**	–	**A$(3,036.9)**	**€2,100.0**	–	–
31 December 2018	**0.6917**	–	**A$(2,457.7)**	**€1,700.0**	–	–
31 December 2019	**0.6917**	–	**A$(2,457.7)**	**€1,700.0**	–	–
31 December 2020	**0.6924**	–	**A$(1,588.7)**	**€1,100.0**	–	–
31 December 2021	**0.6924**	–	**A$(1,588.7)**	**€1,100.0**	–	–
31 December 2022	**0.6924**	–	**A$(1,588.7)**	**€1,100.0**	–	–
31 December 2023	**0.6903**	–	**A$(869.2)**	**€600.0**	–	–

At 31 December 2014, none of the above described foreign exchange derivatives qualify for hedge accounting treatment. Changes in fair value have been reflected in the income statement. At 31 December 2014, the aggregate fair value is a receivable of $204.5 million (31 December 2013: a payable of $47.8 million). The change in fair value for the year ended 31 December 2014 was $252.3 million (31 December 2013: $147.8 million).

NOTE 38 EXCHANGE RATE RISK MANAGEMENT (CONTINUED)

(ii) Other foreign currency derivatives in respect of the Group's foreign currency assets and liabilities (continued)

Foreign currency sensitivity		**31 Dec 14 $million**	31 Dec 13 $million
The sensitivity of fair value of currency swaps to changes in the year end A$/US$0.8200 rate (31 December 2013: 0.8932) is as follows:	A$/US$ Currency movement	Gain/(loss) to income statement	
	- 20 cents	**517.8**	319.5
	- 10 cents	**222.9**	139.1
	- 5 cents	**104.2**	65.1
	+ 5 cents	**(91.4)**	(58.3)
	+ 10 cents	**(169.7)**	(110.6)
	+ 20 cents	**(301.8)**	(200.9)
The sensitivity of fair value of currency swaps to changes in the year end A$/£0.5255 rate (31 December 2013: 0.5401) is as follows:	A$/£ Currency movement	Gain/(loss) to income statement	
	- 20 pence	**450.3**	185.8
	- 10 pence	**172.2**	71.8
	- 5 pence	**77.1**	32.2
	+ 5 pence	**(60.9)**	(26.7)
	+ 10 pence	**(109.7)**	(49.2)
	+ 20 pence	**(187.1)**	(85.1)
The sensitivity of fair value of currency swaps to changes in the year end A$/€0.6749 rate (31 December 2013: 0.6484) is as follows:	A$/€ Currency movement	Gain/(loss) to income statement	
	- 20 cents	**1,277.6**	–
	- 10 cents	**527.7**	–
	- 5 cents	**242.7**	–
	+ 5 cents	**(201.4)**	–
	+ 10 cents	**(373.1)**	–
	+ 20 cents	**(657.7)**	–

(iii) Forward exchange derivatives to hedge the Group's foreign currency earnings

These derivatives manage the impact of exchange rate movements on the Group's foreign currency denominated earnings and the Group's distribution.

The following table details the forward exchange contracts outstanding at reporting date and are considered ineffective hedges for accounting purposes.

Forward exchange contracts contracted as at the reporting date and maturing during the year ended	**Weighted average exchange rate**			**Amount receivable/(payable) million**		
	31 Dec 14	31 Dec 13	**31 Dec 14**	**31 Dec 14**	31 Dec 13	31 Dec 13
US$						
Contracts to buy A$ and sell US$	**–**	0.7869	**–**	**–**	A$93.3	US$(73.4)
31 December 2014	**–**	0.9139	**–**	**–**	A$(80.3)	US$73.4

At 31 December 2014, none of the above described forward exchange contracts qualify for hedge accounting treatment. Changes in fair value have been reflected in the income statement. At 31 December 2014, the aggregate fair value is nil (31 December 2013: a receivable of $22.4 million). The change in fair value for the year ended 31 December 2014 was $22.4 million (31 December 2013: $30.4 million).

NOTE 38 EXCHANGE RATE RISK MANAGEMENT (CONTINUED)

(iv) Cross currency interest rate swaps to hedge the Group's foreign currency cashflows

The Group has entered into the following foreign currency derivative financial instruments to sell US$ and £ and purchase A$ at floating interest rates on notional principals at fixed exchange rates.

The following table details the cross currency interest rate swaps outstanding at reporting date. These mitigate the impact of exchange rate movements on the Group's cashflows and are ineffective hedges for accounting purposes.

Cross currency swaps contracted as at the reporting date and outstanding at	**Weighted average exchange rate** **31 Dec 14**	31 Dec 13	**Amount receivable/(payable) million** **31 Dec 14**	**31 Dec 14**	31 Dec 13	31 Dec 13
US$						
Contracts to receive A$ and pay US$						
31 December 2013	–	0.7181	–	–	A$1,160.0	US$(833.0)
£						
Contracts to receive A$ and pay £						
31 December 2013	–	0.4265	–	–	A$504.1	£(215.0)
31 December 2014	–	0.4270	–	–	A$210.8	£(90.0)

At 31 December 2014, none of the above described foreign exchange derivatives qualify for hedge accounting treatment. Changes in fair value have been reflected in the income statement. At 31 December 2014, the aggregate fair value is nil (31 December 2013: a receivable of $16.0 million). The change in fair value for the year ended 31 December 2014 was $16.0 million (31 December 2013: $62.3 million).

Foreign currency sensitivity		**31 Dec 14 $million**	31 Dec 13 $million
The sensitivity of fair value of cross currency interest rate swaps to changes in the year end A$/US$0.8200 rate (31 December 2013: 0.8932) is as follows:	A$/US$ Currency movement		Gain/(loss) to income statement
	- 20 cents	–	(0.3)
	- 10 cents	–	(0.1)
	- 5 cents	–	–
	+ 5 cents	–	0.1
	+ 10 cents	–	0.1
	+ 20 cents	–	0.2
The sensitivity of fair value of cross currency interest rate swaps to changes in the year end A$/£0.5255 rate (31 December 2013: 0.5401) is as follows:	A$/£ Currency movement		Gain/(loss) to income statement
	- 20 pence	–	(1.9)
	- 10 pence	–	(0.7)
	- 5 pence	–	(0.3)
	+ 5 pence	–	0.3
	+ 10 pence	–	0.5
	+ 20 pence	–	0.9

NOTE 39 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 Group. Credit limits have been established to ensure that the Group deals only with approved counterparties and that counterparty concentration risk is addressed and the risk of loss is mitigated. Counterparty exposure is measured as the aggregate of all obligations of any single legal entity or economic entity to the Group, after allowing for appropriate set offs which are legally enforceable. A maximum credit limit is allocated to each counterparty based on its credit rating. The counterparty credit risk associated with investment instruments is assessed based on its outstanding face value.

At 31 December 2014, the aggregate credit risk in respect of cash and cash equivalents is $189.9 million (31 December 2013: $1,153.0 million).

At 31 December 2014, the aggregate credit risk in respect of derivative financial instruments is $448.7 million (31 December 2013: $385.0 million). In accordance with the Group policy, credit risk is spread among a number of creditworthy counterparties within specified limits. The Group had 38% (31 December 2013: 53%) of its aggregate credit risk spread over three counterparties each with an S&P long term rating of AA-. The remainder is spread over counterparties each with less than 10% of the aggregate credit risk and with an S&P long term rating of A- or higher.

The Group undertakes active liquidity and funding risk management to enable it 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 Group prepares and monitors rolling forecasts of liquidity requirements on the basis of expected cash flow.

Interest bearing liabilities, and funding facilities and their maturity profiles, are set out in Note 22.

NOTE 40 FINANCIAL COVENANTS

The Group is required to comply with certain financial covenants in respect of its unsecured borrowings facilities and bond offerings. The major financial covenants are summarised as follows:

a) Leverage ratio (net debt to net assets)

– shall not exceed 65%

b) Secured debt ratio (secured debt to total assets)

– shall not exceed 40% (and not exceed 45% on certain facilities)

c) Interest cover ratio (EBITDA to interest expense excluding gains or losses from mark to market)

– at least 1.5 times

d) Unencumbered leverage ratio (unencumbered assets to unsecured debt)

– at least 150% (and at least 125% on certain facilities)

At and during the years ended 31 December 2014 and 2013, the Group was in compliance with all the above financial covenants.

NOTE 41 INTEREST BEARING LIABILITIES, INTEREST AND DERIVATIVE CASH FLOW MATURITY PROFILE

	31 Dec 14 $million	31 Dec 13 $million
Interest bearing liabilities and interest		
Maturity profile of the principal amounts of current and non current interest bearing liabilities (refer to Note 22) together with the aggregate future estimated nominal interest thereon is set out below:		
Due within one year	**(994.6)**	(589.9)
Due between one and five years	**(7,700.8)**	(9,405.0)
Due after five years	**(5,168.9)**	(5,056.7)
	(13,864.3)	(15,051.6)
Comprising:		
– principal amounts of current and non current interest bearing liabilities	**(11,951.7)**	(12,318.6)
– aggregate future estimated nominal interest	**(1,912.6)**	(2,733.0)
	(13,864.3)	(15,051.6)
Derivatives		
Maturity profile of the estimated future nominal cash flows in respect of interest and currency derivative contracts is set out below:		
Due within one year	**(112.1)**	138.8
Due between one and five years	**(300.1)**	149.3
Due after five years	**(71.5)**	39.7
	(483.7)	327.8

Contingent liabilities are set out in Note 34 and are not included in the amounts shown above.

NOTE 42 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

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

	Fair value		Carrying amount	
	31 Dec 14 $million	31 Dec 13 $million	**31 Dec 14 $million**	31 Dec 13 $million
Consolidated assets				
Cash	**189.0**	1,153.0	**189.0**	1,153.0
Trade debtors (i)	**17.3**	30.8	**17.3**	30.8
Receivables (i)	**168.2**	640.0	**168.2**	640.0
Other investments (ii)	**70.3**	277.1	**70.3**	277.1
Derivative assets (ii)	**448.7**	385.0	**448.7**	385.0
Consolidated liabilities				
Payables (i)	**1,169.4**	1,790.4	**1,169.4**	1,790.4
Interest bearing liabilities (ii)				
– Fixed rate debt	**6,764.8**	9,980.1	**6,419.8**	9,083.0
– Floating rate debt	**5,518.1**	3,236.1	**5,531.9**	3,235.6
Other financial liabilities (ii)	**1,409.1**	1,760.5	**1,409.1**	1,760.5
Derivative liabilities (ii)	**127.1**	183.4	**127.1**	183.4

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

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

Determination of fair value

The Group 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 quoted (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.

	31 Dec 14 $million	**Level 1 $million**	**Level 2 $million**	**Level 3 $million**
Consolidated assets measured at fair value				
Other investments				
– Listed investments	**55.3**	55.3	–	–
– Unlisted investments	**15.0**	–	–	15.0
Derivative assets				
– Interest rate derivatives	**242.7**	–	242.7	–
– Currency derivatives	**206.0**	–	206.0	–
Consolidated liabilities measured at fair value				
Interest bearing liabilities				
– Fixed rate debt	**6,764.8**	–	6,764.8	–
– Floating rate debt	**5,518.1**	–	5,518.1	–
Other financial liabilities				
– Property linked notes	**1,409.1**	–	–	1,409.1
Derivative liabilities				
– Currency derivatives	**1.3**	–	1.3	–
– Interest rate derivatives	**125.8**	–	125.8	–

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

NOTE 42 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

	31 Dec 13 $million	Level 1 $million	Level 2 $million	Level 3 $million
Consolidated assets measured at fair value				
Other investments				
– Listed investments	149.9	149.9	–	–
– Unlisted investments	127.2	–	–	127.2
Derivative assets				
– Interest rate derivatives	331.3	–	331.3	–
– Currency derivatives	49.8	–	49.8	–
– Equity share plan swaps	3.9	–	3.9	–
Consolidated liabilities measured at fair value				
Interest bearing liabilities				
– Fixed rate debt	9,980.1	–	9,980.1	–
– Floating rate debt	3,236.1	–	3,236.1	–
Other financial liabilities				
– Property linked notes	1,371.4	–	–	1,371.4
– Redeemable preference shares/units	389.1	–	–	389.1
Derivative liabilities				
– Currency derivatives	79.8	–	79.8	–
– Interest rate derivatives	103.6	–	103.6	–

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

	Unlisted investments[(i)] **31 Dec 14 $million**	**Property linked notes**[(ii)] **31 Dec 14 $million**	**Redeemable preference shares/units**[(iii)] **31 Dec 14 $million**	Unlisted investments[(i)] 31 Dec 13 $million	Property linked notes[(ii)] 31 Dec 13 $million	Redeemable preference shares/units[(iii)] 31 Dec 13 $million
Level 3 fair value movement						
Balance at the beginning of the year	**127.2**	**1,371.4**	**389.1**	463.6	1,341.4	314.9
Additions	**16.9**	**–**	**–**	61.4	–	–
Disposals	**(2.7)**	**–**	**(155.1)**	(439.0)	–	–
Net revaluation increment/(decrement) to income statement	**–**	**37.7**	**(13.2)**	–	30.0	41.8
Retranslation of foreign operations	**(4.3)**	**–**	**(12.6)**	41.2	–	32.4
Distributed to Westfield Corporation	**(122.1)**	**–**	**(208.2)**	–	–	–
Balance at the end of the year	**15.0**	**1,409.1**	**–**	127.2	1,371.4	389.1

(i) The fair value of the unlisted investments has been determined by reference to the fair value of the underlying investment properties which are valued by independent appraisers.

(ii) The fair value of the property linked notes has been determined by reference to the fair value of the relevant Westfield shopping centres (refer Note 23(a)).

(iii) The fair value of the redeemable preference shares/units has generally been determined by applying the relevant earnings yield to the underlying net income of the relevant securities. At 31 December 2013, an increment of 1% to the earnings yield would result in an additional gain of $51.1 million in the income statement. Similarly, a decrement of 1% to the yield would result in an additional loss of $71.9 million in the income statement.

Investment properties are considered Level 3, refer to Note 17: Details of shopping centre investments for relevant fair value disclosures.

	31 Dec 14 $million	31 Dec 13 $million

NOTE 43 PARENT COMPANY

The Parent Company financial information is presented in accordance with the amendments to the Corporations Regulations 2001 and the Corporations Amendment Regulations 2010 (No. 6). Summary data of the Parent Company is disclosed as follows:

	31 Dec 14 $million	31 Dec 13 $million
(a) Assets		
Current assets	**43.0**	60.1
Non current assets [i]	**4,079.2**	5,669.4
Total assets	**4,122.2**	5,729.5
(b) Liabilities		
Current liabilities	**715.9**	961.4
Non current liabilities	**56.0**	55.4
Total liabilities	**771.9**	1,016.8
(c) Total equity		
Contributed equity	**371.1**	1,407.9
Employee share plan benefits reserve	**2.3**	2.7
Asset revaluation reserve [i]	**2,856.1**	3,178.1
Reserves [ii]	**171.8**	175.0
Retained profits [i]	**(51.0)**	(51.0)
Total equity	**3,350.3**	4,712.7
(d) Comprehensive income		
Profit after tax for the period [i]	**161.4**	224.7
Other comprehensive income [i]	**(322.0)**	357.0
Total comprehensive income for the period	**(160.6)**	581.7
(e) Contingent liabilities		
Guaranteed borrowings of controlled entities	**12,980.7**	9,993.6
Guaranteed borrowings of subsidiaries	**-**	2,464.5
Total contingent liabilities	**12,980.7**	12,458.1

(i) The Parent Company has changed its accounting policy in valuing its investments in subsidiaries. The Parent Company previously valued its investments in subsidiaries at cost less any impairment charges. The Parent Company now values its investments in subsidiaries at fair value with any revaluation movements recorded directly in the asset revaluation reserve. This change in accounting policy was adopted from 1 January 2014 and the Parent Company has restated its prior periods. The impact from this restatement has resulted in an increase in net assets as of 1 January 2013 of $3,090.2 million and a decrease in net assets for the year ended 31 December 2013 of $4.7 million. In addition, as of 1 January 2013, cumulative revaluation losses of $269.1 million were transferred from retained earnings to the asset revaluation reserve. Similarly as of 31 December 2013, revaluation gains of $361.7 million were transferred from retained earnings to the asset revaluation reserve. There is no impact from this change in accounting policy for the current year.

(ii) During the period, the Directors of the Parent Company approved the transfer of $161.4 million of the Company's profit for the 2014 financial year to reserves. In 2013, the Directors of the Parent Company approved the transfer of $175 million of the Company's profit for the 2013 financial year to reserves.

NOTE 44 SUBSIDIARIES

Financial information of SGT1 and SGT2 are provided below as they have material non controlling interests:

Scentre Group Trust 1

As at 31 December 2014, SGT1 held current assets of $1 billion, non current assets of $15.2 billion, current liabilities of $2.4 billion and non current liabilities of $8 billion (31 December 2013: current assets of $2.1 billion, non current assets of $16.1 billion, current liabilities of $1.9 billion and non current liabilities of $5.3 billion).

As at 31 December 2014, the total equity held by SGT1 was $5.8 billion (31 December 2013: $11.0 billion).

The profit after tax for the period was $1,869.3 million and total comprehensive income was $1,084.8 million (31 December 2013: profit after tax for the period was $561.1 million, total comprehensive income was $1,113.8 million). The revenue for the period was $574.9 million (31 December 2013: $564.3 million).

Scentre Group Trust 2

As at 31 December 2014, SGT2 held current assets of $1 billion, non current assets of $13.5 billion, current liabilities of $0.7 billion and non current liabilities of $3.7 billion.

As at 31 December 2014, the total equity held by SGT2 was $10.1 billion.

The profit after tax for the period was $1,022.4 million and total comprehensive income was $1,047.8 million. The revenue for the period was $528 million.

NOTE 45 AUDITOR'S REMUNERATION

Auditor's Remuneration represents amounts received or due and receivable by the auditor or affiliates of the auditor of the Parent Company of the former Westfield Group (now the restructured Scentre Group) for the six months ended 30 June 2014 and the amounts received or due and receivable by the auditor or affiliates of the auditor of Scentre Group for the six months ended 31 December 2014.

	31 Dec 14 $000	31 Dec 13 $000
Amounts received or due and receivable by the auditor of the Parent Company and any other entity in the Group for:		
– Audit or review of the financial reports	**3,441**	5,535
– Assurance and compliance services	**1,094**	192
– Taxation advice and compliance	**117**	78
– Technical accounting advice and services	**286**	29
– Due diligence services	**3,519**	647
	8,457	6,481
Amounts received or due and receivable by affiliates of the auditor of the Parent Company for:		
– Audit or review of the financial reports	**1,202**	4,064
– Assurance and compliance services	**–**	8
– Taxation advice and compliance	**271**	595
– Technical accounting advice and services	**152**	–
	1,625	4,667
	10,082	11,148

NOTE 46 SUPERANNUATION COMMITMENTS

The Group sponsors accumulation style superannuation funds to provide retirement benefits to its employees. There are no unfunded liabilities in respect of these superannuation funds and plans. The Group does not sponsor defined benefits style superannuation funds and plans.

NOTE 47 RELATED PARTY DISCLOSURES

Information required to be disclosed concerning relationships, transactions and balances with related parties of the Group is set out in this Note unless disclosed elsewhere in this financial report.

Nature of relationship with related parties

Key Management Personnel of the entity

Refer to Note 48 and the Remuneration Report in the Directors' Report for details of Key Management Personnel.

Other Related Parties

Westfield Corporation is considered to be a related party of the Group as Directors Mr Frank Lowy and Mr Steven Lowy are also Directors of Westfield Corporation.

LFG Services Pty Limited (LFG), its related entities and other entities controlled by members of the Lowy family are considered to be related parties of the Group. This is due to LFG being under the control or significant influence of certain Directors of the Group, being Mr Frank Lowy, Mr Steven Lowy and Mr Peter Lowy.

The Lowy Institute for International Policy (The Lowy Institute) is considered to be a related party of the Group. This is due to the entity being under the control or significant influence of certain Directors of the Group, being Mr Frank Lowy, Mr Steven Lowy and Mr Peter Lowy.

Prior to the Restructure and Merger implemented on 30 June 2014, Westfield Retail Trust was considered to be a related party of the Group as subsidiaries of Scentre Group Limited are the responsible entities of Westfield Retail Trust and also manage the shopping centres owned by Westfield Retail Trust.

Transactions and their terms and conditions with related parties

Transactions with Key Management Personnel of the entity

Refer to Note 48 and the Remuneration Report in the Directors' Report for remuneration of Key Management Personnel.

Transactions with Other Related Parties

The Group has established protocols governing transactions with other related parties which are monitored and reviewed by the Audit and Risk Committee.

(a) Westfield Corporation

Arrangements with Westfield Corporation

Following the Restructure and Merger on 30 June 2014, the Group has the following ongoing contractual arrangements with Westfield Corporation:

– The Group has an exclusive, royalty free licence to use the Westfield brand for its existing shopping centres and any future shopping centres in Australia and New Zealand meeting certain agreed characteristics;

– The Group has access to the digital innovation activities of Westfield Labs; and

– The Group provides transitional services to Westfield Corporation while both entities develop standalone resources and support services.

(i) Royalty free licence to use the Westfield brand

The Group's existing shopping centres and any new shopping centres in Australia and New Zealand will continue to be branded Westfield under an exclusive, royalty free licence from Westfield Corporation.

Under the Trade Mark Licence Agreement, the Group has the royalty free right to use (and to sub-license) the Westfield brand in Australia and New Zealand in relation to its existing shopping centres and any new shopping centres managed by the Group which meet certain agreed characteristics.

(ii) Access to the digital innovation activities of Westfield Labs (LABS)

LABS is a San Francisco based team owned by Westfield Corporation which serves as a global digital lab focused on innovating and developing the technological platform and infrastructure necessary to better connect consumers with physical shopping centre assets.

The Group has entered into an agreement with Westfield Corporation under which it will have access to core digital services to be provided by LABS in return for an agreed contribution to the funding of Westfield Labs over the term of the agreement and to product innovations by LABS on a case by case basis. The Group may, but is not obliged to, use LABS to develop its own digital initiatives, again on a case by case basis. The LABS Agreement has been entered into for an initial term until 31 December 2016.

Under the LABS Agreement, LABS will provide agreed core services to the Group, which will include services relating to the Searchable Mall, data analytics, mobile applications, consumer website development, platform (including publishing) hosting and maintenance, consumer insights reporting and certain research and development. Westfield Corporation charged the Group $5.5 million for the six months ended 31 December 2014, and the Group will not without agreement of the parties be required to pay more than $11.2 million for the year ending 31 December 2015 or $11.6 million for the year ending 31 December 2016. Payment for LABS services are made in arrears.

(iii) Provision of transitional services to Westfield Corporation

As part of the transition, the Group and Westfield Corporation have entered into a Transitional Services Agreement, under which the Group will provide various corporate infrastructure services to Westfield Corporation for a transitional period. For the six months ended 31 December 2014, the Group charged Westfield Corporation $6.2 million for transitional services. The transition is expected to be substantially completed within two years.

As part of the transition, Westfield Corporation also provides corporate services to the Group. For the six months ended 31 December 2014, Westfield Corporation charged the Group $0.3 million for the provision of corporate services.

The Group subleases office space to Westfield Corporation at its Westfield Sydney premises. The lease is at commercial, arm's length terms. For the six months ended 31 December 2014 the total office rent charged to Westfield Corporation was $0.7 million.

At year end the following amounts were recorded in the Group's balance sheet as payable/receivable with Westfield Corporation:

Nature	Type	**2014 $million**	2013 $million
Owing to Westfield Corporation	Current payable	**5.5**	nil
Owing from Westfield Corporation	Current receivable	**0.6**	nil

No provision for doubtful debts has been recognised or bad debts incurred with respect to amounts payable or receivable from Westfield Corporation during the period.

(b) LFG

Prior to the Restructure and Merger on 30 June 2014, the Group owned two aircraft (which were transferred to Westfield Corporation as part of the Restructure and Merger) for business use by its executives. One was located in Australia and the other located in the United States. The Group and LFG had entered into an aircraft interchange agreement, whereby the Group provided its aircraft (when the aircraft was not required for Scentre Group business use) and flight crew to LFG in exchange for equal time usage of an equivalent standard aircraft owned by LFG and flight crew provided by LFG. The agreement was for rolling periods of one year but may be terminated by either party by giving 30 days written notice. This arrangement was entered into on arm's length commercial terms. During the financial year, LFG utilised 86.7 hours (31 December 2013: 264 hours) of the Group's aircraft which was offset by the Group's business use of the LFG aircraft for an equivalent number of hours.

In addition to the interchange agreement, there were arrangements between the Group and LFG in relation to the use of the Group's aircraft by LFG and use of LFG's aircraft by the Group. These arrangements, including rates, were at arm's length.

NOTE 47 RELATED PARTY DISCLOSURES (CONTINUED)

(b) LFG (continued)

The Group incurred costs in the financial year amounting to $409,043 (31 December 2013: $746,237) in relation to the use of the LFG aircraft in excess of the interchange agreement. Amounts charged were payable on 30 day terms.

The Group also had aircraft operation, maintenance, crew sharing, and hangar facility agreements with LFG. The agreements enabled the parties to, where possible, cooperate with each other with a view to enhancing the economy of operation of their respective aircraft through their combined resources and purchasing power, including the cost of fuel, parts, maintenance, landing, engineering, insurance and aircrew services. During the financial year, the Group charged LFG $963,738 (31 December 2013: $1,251,785) in relation to the provision of aircrew, aircraft maintenance, aircraft services and use of the hangar facility, which amounts were payable on seven day terms.

The Group has entered into a leasing agreement with LFG to provide office space at Westfield Sydney. The rental of the space commenced in 2012 and is on commercial arm's length terms. The Group's rental charge for the Westfield Sydney lease was $1,391,449 (31 December 2013: $831,113).

During the financial year, the Group charged LFG $889,625 (31 December 2013: $1,068,888) for service costs in relation to the provision of communication, security and other services on arm's length terms and conditions.

During the financial year the Group provided security services to certain Directors necessary for them to fulfil their responsibilities.

At year end the following amounts were recorded in the Group's balance sheet as payable/receivable with the following related parties:

Nature	Type	2014 $	2013 $
Owing to LFG	Current payable	**nil**	nil
Owing from LFG	Current receivable	**nil**	nil

No provision for doubtful debts has been recognised or bad debts incurred with respect to amounts payable or receivable from LFG during the period.

(c) The Lowy Institute

During the financial year the Group provided development services to The Lowy Institute totalling $7,682 (31 December 2013: nil). The amount charged was on arm's length, commercial terms.

During the financial year, the Group charged The Lowy Institute $3,182 (31 December 2013: $4,762) for service costs in relation to the provision of communication and security services on arm's length terms and conditions.

There were no amounts payable to or receivable from The Lowy Institute at 31 December 2014.

(d) SGT2 and SGT3 (formerly the stapled Westfield Retail Trust)
Arrangements with Westfield Retail Trust (WRT)

Prior to the Restructure and Merger implemented on 30 June 2014, the primary arrangements between Westfield Group and WRT are summarised as follows:

- the Westfield Group and WRT directly and indirectly co-owned the properties including properties where there were existing third party joint venture partners;
- the Westfield Group acted as the property manager;
- the Westfield Group acted in most cases as the property developer;
- the Westfield Group and WRT were required to co-operate to source new investment opportunities in Australia and New Zealand;
- the Westfield Group owned the WRT responsible entities and WRT had access to the Westfield brand; and
- the Westfield Group provided corporate services to WRT.

Transactions with Westfield Retail Trust

The transactions with WRT for the six months to 30 June 2014 and the year ended 31 December 2013, were as follows:

Property management fee

During the six months to 30 June 2014, Westfield Group charged WRT property management fees of $26.9 million (year ended 31 December 2013: $52.3 million).

Tenancy coordination fee

During the six months to 30 June 2014, Westfield Group charged WRT tenancy coordination fees of $2.3 million (year ended 31 December 2013: $5.6 million).

Reimbursement of expenses

During the six months to 30 June 2014, Westfield Group charged WRT$10.1 million (year ended 31 December 2013: $18.8 million) for the reimbursement of shopping centre indirect overheads expenses. In addition, Westfield Group also recharged WRT for direct expenses of shopping centre employees (salaries, wages and all on-costs).

Corporate services agreement

During the six months to 30 June 2014, Westfield Group charged WRT corporate service fees of $10.0 million (year ended 31 December 2013: $20.0 million).

Development framework agreements

During the six months to 30 June 2014, Westfield Group charged WRT property development progress billings and fees of $97.1 million (year ended 31 December 2013: $155.0 million).

Westfield Sydney redevelopment arrangements

The Westfield Sydney income guarantee fee for the period from April 2013 to March 2014, paid during the six months to 30 June 2014 to WRT by Westfield Group under the income guarantee arrangements amounted to $3.4 million (year ended 31 December 2013: $10.0 million).

Other

During the six months to 30 June 2014, Westfield Group charged WRT $0.1 million (year ended 31 December 2013: $0.2 million) for the lease of office space.

During the six months to 30 June 2014, Westfield Group paid WRT $3.2 million (year ended 31 December 2013: $5.5 million) for the lease of office space.

Net property related advertising and promotional income collected by Westfield Group on behalf of WRT for the six months ended 30 June 2014 amounted to $3.7 million (year ended 31 December 2013: $9.4 million).

As a result of the Restructure and Merger on 30 June 2014, no payable or receivable balances were recorded with WRT on the Group's balance sheet as at 31 December 2014. At 31 December 2013, payable and receivable balances with WRT were as follows:

- $2.3 million receivable for property development progress billings and fees;
- $5.0 million receivable relating to property management fees, tenancy coordination fee and reimbursement of shopping centre indirect expenses; and
- $6.4 million payable relating to property related advertising and promotional income collected by Westfield Group on behalf of WRT.

NOTE 48 DETAILS AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

(a) Key Management Personnel

As at 31 December 2014, the Board comprises the following directors:

Frank Lowy AC	Chairman
Brian Schwartz AM	Deputy Chairman
Peter Allen	Chief Executive Officer
Laurence Brindle	Non-Executive Director (appointed 30 June 2014)
Richard Egerton-Warburton AO LVO	Non-Executive Director (appointed 30 June 2014)
Andrew Harmos	Non-Executive Director (appointed 30 June 2014)
Michael Ihlein	Non-Executive Director (appointed 30 June 2014)
Steven Lowy	Non-Executive Director
Sandra McPhee	Non-Executive Director (appointed 30 June 2014)

The following directors retired from the Board effective 30 June 2014:

Ilana Atlas, Roy Furman, Peter Goldsmith QC PC, Mark G. Johnson, Mark R. Johnson AO, Peter Lowy, John McFarlane and Judith Sloan.

In addition to the Directors noted above, during the year the following Key Management Personnel were responsible for the strategic direction and management of the Group.

Mark Bloom	Chief Financial Officer (effective from 30 June 2014)
John Widdup	Chief Operating Officer Development, Design and Construction (effective from 30 June 2014)
Michael Gutman	Managing Director, UK/Europe and New Markets (effective up to 30 June 2014)
Robert Jordan	Managing Director, Australia, New Zealand and United States (effective up to 30 June 2014)

(b) Remuneration of Key Management Personnel

The amounts below represent the total remuneration amounts for Key Management Personnel of Scentre Group. The Group has applied AASB 124 Related Party Disclosures which allows certain remuneration details to be disclosed in the Directors' Report rather than the financial report so as to avoid duplication of information. These transferred disclosures have been audited. As such refer to the Remuneration Report in the Directors' Report for further details concerning Key Management Personnel remuneration disclosures.

The aggregate remuneration for the twelve months was:

	Short term benefits				Post Employment	Termination Benefits	Share Based	TOTAL
Key Management Personnel	Cash salary, fees and short term compensated absences $	Short term cash profit sharing and other bonuses $	Non-monetary benefits $	Other short term employee benefits [i] $	Other post employment benefits $	Termination benefits $	Amortisation of cash and equity settled share based payments [ii] $	$
Key management personnel – directors								
1st half	4,756,072	5,104,165	–	244,847	–	–	6,471,829	16,576,913
2nd half	1,895,000	1,250,000	–	212,698	–	–	2,757,987	6,115,685
31 December 2014	**6,651,072**	**6,354,165**	**–**	**457,545**	**–**	**–**	**9,229,816**	**22,692,598**
31 December 2013	9,002,735	7,493,160	–	(92,910)	–	–	10,452,553	26,855,538
Key management personnel – non directors								
1st half	1,400,000	2,487,500	65,581	35,726	33,935	2,800,000	7,042,047	13,864,789
2nd half	1,037,500	1,337,500	–	38,083	–	–	2,159,930	4,573,013
31 December 2014	**2,437,500**	**3,825,000**	**65,581**	**73,809**	**33,935**	**2,800,000**	**9,201,977**	**18,437,802**
31 December 2013	2,800,000	2,800,000	93,900	3,615	44,598	–	6,290,775	12,032,888
Total key management personnel								
1st half	6,156,072	7,591,665	65,581	280,573	33,935	2,800,000	13,513,876	30,441,702
2nd half	2,932,500	2,587,500	–	250,781	–	–	4,917,917	10,688,698
31 December 2014	**9,088,572**	**10,179,165**	**65,581**	**531,354**	**33,935**	**2,800,000**	**18,431,793**	**41,130,400**
31 December 2013	11,802,735	10,293,160	93,900	(89,295)	44,598	–	16,743,328	38,888,426

(i) Other short term employee benefits represents amounts accrued with respect to annual leave and long service leave entitlements unless stated otherwise.

(ii) Cash settled share based payments represent amounts amortised relating to the EDA and PIP Plans. Equity settled share based payments represent amounts amortised relating to the EPR and PIR Plans. Refer to the Remuneration Report in the Directors' Report for further details regarding the operation of these plans.

(c) Options and Rights – Holdings of Key Management Personnel

Rights held by Key Management Personnel under the Groups's equity-linked incentive plans are disclosed in the Remuneration Report in the Directors' Report.

(d) Other transactions and balances with Key Management Personnel

(i) Other related party transactions and balances with Key Management Personnel are included in Note 47.

(ii) During the financial year, transactions occurred between the Group and Key Management Personnel which were within normal employee, customer or supplier relationships on terms and conditions no more favourable than those available to other employees, customers or suppliers, being the performance of contracts of employment; the reimbursement of expenses; and the payment of dividends/distributions by the Group in respect of stapled securities held in the Group.

NOTE 49 DETAILS OF MATERIAL AND SIGNIFICANT ENTITIES

		31 Dec 14 – Interest			31 Dec 13 – Interest		
		Beneficial [iii]		**Consolidated**	Beneficial [iii]		Consolidated
Name of entity	Date of gain/ loss of control	**Parent Company %**	**Scentre Group %**	**or Equity accounted %**	Parent Company %	Westfield Group %	or Equity accounted %
ENTITIES INCORPORATED IN AUSTRALIA							
Parent Company							
Scentre Group Limited		100.0	100.0	100.0	100.0	100.0	100.0
Consolidated Controlled Entities							
Scentre Group Trust 1		–	100.0	100.0	–	100.0	100.0
Scentre Group Trust 2 [i]	30 June 2014	–	100.0	100.0	–	–	–
Scentre Group Trust 3 [i]	30 June 2014	–	100.0	100.0	–	–	–
Westfield America Trust [ii]	30 June 2014	–	–	–	–	100.0	100.0
Scentre Capital Corporation Pty Limited (formerly Westfield Capital Corporation Pty Limited)		100.0	100.0	100.0	100.0	100.0	100.0
Scentre Finance (Aust) Limited (formerly Westfield Finance (Aust) Limited)		100.0	100.0	100.0	100.0	100.0	100.0
Westfield Investments Pty Limited [ii]	30 June 2014	–	–	–	100.0	100.0	100.0
Scentre Limited (formerly Westfield Limited)		100.0	100.0	100.0	100.0	100.0	100.0
WFA Finance (Aust) Pty Limited [ii]	30 June 2014	–	–	–	–	100.0	100.0
SCG1 Finance (Aust) Pty Limited (formerly WT Finance (Aust) Pty Limited)		–	100.0	100.0	–	100.0	100.0
ENTITIES INCORPORATED IN IRELAND							
Consolidated Controlled Entities							
Westfield Europe Finance PLC [ii]	30 June 2014	–	–	–	100.0	100.0	100.0
ENTITIES INCORPORATED IN NEW ZEALAND							
Consolidated Controlled Entities							
RE (NZ) Finance Limited [i]	30 June 2014	–	100.0	100.0	–	–	–
RE (NZ) Finance No.2 Limited [i]	30 June 2014	–	100.0	100.0	–	–	–
Scentre Finance (NZ) Limited (formerly Westfield Finance (NZ) Limited)		100.0	100.0	100.0	100.0	100.0	100.0
Scentre NZ Holdings Limited (formerly Westfield Holdings Limited)		–	100.0	100.0	–	100.0	100.0
SCG1 Finance (NZ) Limited (formerly WT Finance (NZ) Limited)		–	100.0	100.0	–	100.0	100.0
SCG1 Finance (NZ) No. 2 Limited (formerly WT Finance (NZ) No. 2 Limited)		–	100.0	100.0	–	100.0	100.0
ENTITIES INCORPORATED IN UNITED KINGDOM							
Consolidated Controlled Entities							
Westfield Europe Limited (formerly Westfield Shoppingtowns Limited) [ii]	30 June 2014	–	–	–	100.0	100.0	100.0
Westfield UK & Europe Finance PLC [ii]	30 June 2014	–	–	–	100.0	100.0	100.0
ENTITIES INCORPORATED IN UNITED STATES							
Consolidated Controlled Entities							
Westfield America, Inc. [ii]	30 June 2014	–	–	–	17.4	100.0	100.0
WCI Finance, LLC [ii]	30 June 2014	–	–	–	17.4	100.0	100.0
WEA Finance, LLC [ii]	30 June 2014	–	–	–	17.0	100.0	100.0
Westfield, LLC [ii]	30 June 2014	–	–	–	17.0	100.0	100.0
Westfield America, LP [ii]	30 June 2014	–	–	–	17.0	100.0	100.0
Westfield Head, LP [ii]	30 June 2014	–	–	–	17.4	100.0	100.0

(i) As a result of the Restructure and Merger on 30 June 2014 (as described in Note 1(d)), the Group gained control of these entities on that date.

(ii) As a result of the Restructure and Merger on 30 June 2014 (as described in Note 1(d)), the Group lost control of these entities on that date.

(iii) Beneficial interest in underlying controlled and equity accounted entities reflects the Parent Company being Scentre Group Limited and its subsidiaries (excluding SGT1, SGT2 and SGT3) and Scentre Group's ownership interest as determined under International Financial Reporting Standards (IFRS) excluding certain convertible redeemable preference shares/units and other redeemable preference units which have been accounted for as other financial liabilities in these financial statements.

NOTE 50 BUSINESS COMBINATIONS

Acquisition of Westfield Retail Trust

As a result of the Restructure and Merger on 30 June 2014, the securities of the Parent Company and SGT1 were stapled with the securities of SGT2 and SGT3 (Westfield Retail Trust) to form Scentre Group. Westfield Retail Trust was a separately listed group which co-owned Westfield Group's Australian and New Zealand property portfolio. Scentre Group was formed as a result of the Westfield Group restructure, and is a vertically integrated Australian and New Zealand retail property operating platform with capabilities including property management, leasing, design, development, construction, marketing and funds management.

The stapling transaction has been accounted for as a business combination by contract alone. The Parent Company has been identified as the acquirer. No purchase consideration was transferred for the acquisition.

The fair value of the identifiable assets and liabilities of Westfield Retail Trust as at the date of acquisition were:

	$million
Assets	
Cash and cash equivalents	**31.1**
Trade receivables	**7.7**
Investment properties	**13,599.9**
Equity accounted investments [(i)]	
– Cash and cash equivalents	**0.8**
– Investment properties	**593.3**
– Other assets	**1.3**
– Payables and other creditors	**(3.6)**
Derivative assets	**45.6**
Other assets	**268.2**
	14,544.3
Liabilities	
Trade creditors	**96.0**
Payables and other creditors	**456.1**
Interest bearing liabilities	**4,505.8**
Other non-current liabilities	**153.5**
	5,211.4
Total identifiable net assets at fair value	**9,332.9**

(i) Certain equity accounted investments have been classified as consolidated due to Scentre Group having ownership of 50% or greater following the acquisition of SGT2 and SGT3.

The acquisition results in an increase to equity attributable to the securityholders of Scentre Group equivalent to the fair value of net assets acquired. This equity is represented by contributed equity of $8,170.0 million, reserves of $106.8 million and retained profits of $1,056.1 million in the Scentre Group financial report.

The fair value of trade receivables acquired approximates the gross amount of trade receivables acquired. All receivables and payables existing between Westfield Group and Westfield Retail Trust in respect of services provided by Westfield Group were settled prior to acquisition date.

As the business combination occurred on 30 June 2014, the annual financial report includes the acquired assets and liabilities of Westfield Retail Trust at acquisition date, but not its results for the half-year ended 30 June 2014. Westfield Retail Trust reported $268.5 million of revenue and $433.7 million of profit after tax for the half year ended 30 June 2014.

Charges and credits in respect of the Restructure and Merger are detailed in Note 10.

NOTE 51 SIGNIFICANT TRANSACTIONS

In November 2014, the Group announced a joint venture agreement with GIC, Singapore's sovereign wealth fund, in respect of 5 properties in New Zealand. Under the transaction, GIC will acquire from the Group a 49% ownership interest in Albany, Manukau, Newmarket, Riccarton and St Lukes at a recorded value of $1,004.5 million. The Group will retain a 51% interest in each of these shopping centres and will continue to provide the property management, development, design and construction services. The transaction is subject to GIC obtaining approval from the Overseas Investment Office, New Zealand.

Directors' Declaration

The Directors of Scentre Group Limited (Company) declare that:

(a) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

(b) in the Directors opinion, the Financial Statements and notes thereto are in accordance with the Corporations Act 2001, including:

(i) complying with accounting standards and regulations in accordance with section 296 of the Corporations Act 2001;

(ii) giving a true and fair view of the financial position as at 31 December 2014 and the performance of the consolidated entity for the year ended on that date in accordance with section 297 of the Corporations Act 2001;

(iii) 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 24 February 2015 in accordance with a resolution of the Board of Directors.

Frank Lowy AC
Chairman

Michael Ihlein
Director

24 February 2015

Corporate Governance Statement

Scentre Group was established on 30 June 2014 as part of the Restructure and Merger of Westfield Group and Westfield Retail Trust.

Scentre Group is a stapled entity which operates as a single economic entity. The entities comprising Scentre Group are Scentre Group Limited, Scentre Group Trust 1 (formerly Westfield Holdings Limited and Westfield Trust, which formed part of Westfield Group), and Scentre Group Trust 2 and Scentre Group Trust 3 (formerly Westfield Retail Trust 1 and Westfield Retail Trust 2, which formed part of Westfield Retail Trust).

The purpose of this statement is to outline and focus on the corporate governance practices of Scentre Group. The governance practices of Westfield Group and Westfield Retail Trust are outlined in the 2013 annual reports for each these groups.

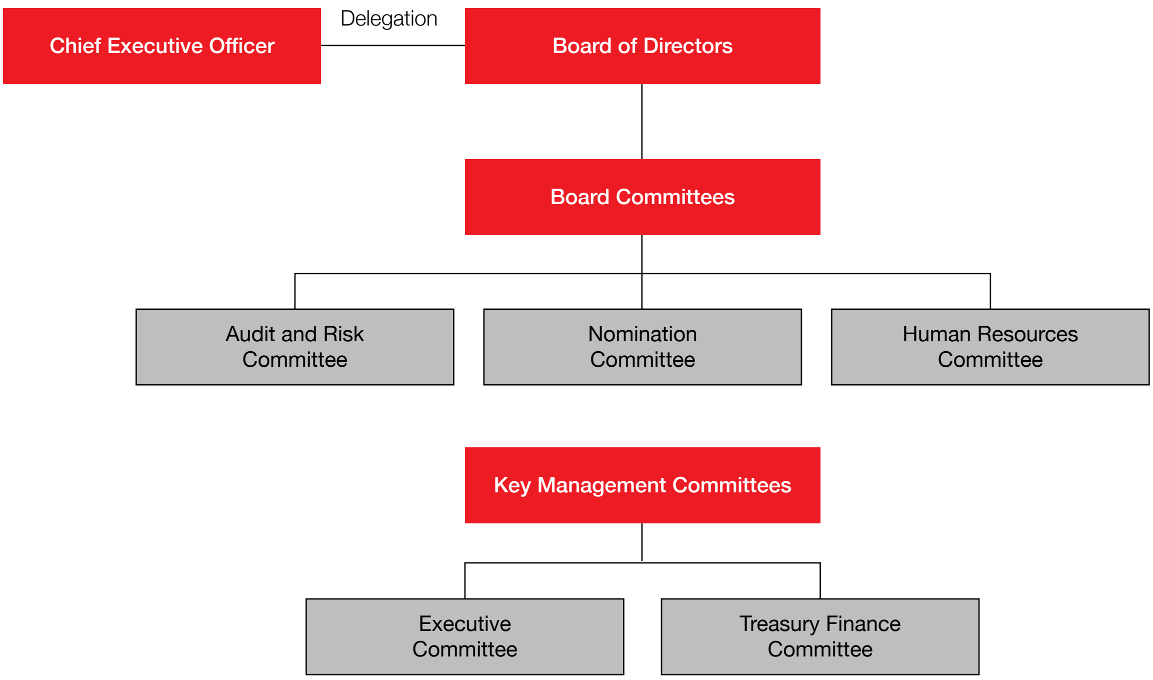
Scentre Group recognises the need to establish and maintain corporate governance policies and practices which reflect the requirements of the market regulators and participants and the expectations of securityholders and others who deal with the Group. These policies and practices remain under constant review as both regulation and good practice evolve.

This statement outlines Scentre Group's main corporate governance practices during the period from 1 July 2014 to 31 December 2014 (Reporting Period) and the extent of compliance with those practices as at the end of that period. Reporting is 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 the Corporations Act 2001. Scentre Group notes that the ASX Corporate Governance Council has published a third edition of the Corporate Governance Principles and Recommendations and that future reports will report against that edition.

As at 31 December 2014, Scentre Group complied with all recommendations other than the recommendation that the Chair should be an independent director.

Scentre Group's governance framework is outlined in the following diagram. Scentre Group's corporate governance documentation, including charters and relevant corporate policies and codes, can be found in the corporate governance section on Scentre Group's corporate website – http://www.scentregroup.com/about/governance/.

GOVERNANCE FRAMEWORK



As noted above, Scentre Group is a stapled entity. The Boards of Scentre Group Limited, Scentre Management Limited (as responsible entity of Scentre Group Trust 1), RE1 Limited (as responsible entity of Scentre Group Trust 2) and RE2 Limited (as responsible entity of Scentre Group Trust 3) have common membership. Each Board has adopted a common Board Charter which sets out the objectives and responsibilities of the Scentre Group Board.

The composition of Scentre Group's Board and Board Committees is set out below.

Board

Name	Position Held	Independent (Y/N)	Year Appointed[1]
Frank Lowy	Non-Executive Chairman	N	1979
Brian Schwartz	Non-Executive Director and Deputy Chairman	Y	2009
Peter Allen	Chief Executive Officer/ Executive Director	N	2011
Laurence Brindle	Non-Executive Director	Y	2014
Richard Egerton-Warburton	Non-Executive Director	Y	2014
Andrew Harmos	Non-Executive Director	Y	2014
Michael Ihlein	Non-Executive Director	Y	2014
Steven Lowy	Non-Executive Director	N	1989
Sandra McPhee	Non-Executive Director	Y	2014

Details of the qualifications, experience and special responsibilities of each Director as at the date of this statement are set out on pages 4 and 5 of the Directors' Report.

Audit and Risk Committee

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

Nomination Committee

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

Human Resources Committee

Name	Position Held	Status
Brian Schwartz	Chairman	Independent Director
Andrew Harmos	Member	Independent Director
Sandra McPhee	Member	Independent Director

1. THE BOARD

The Board is responsible for overseeing the effective management and operation of Scentre Group. The Board is accountable to securityholders and seeks to ensure that the business objectives of the Group are aligned with the expectations of securityholders and that the operations of the Group 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 the practices and processes the Board has adopted to discharge its responsibilities including the matters reserved for the Board and the delegation of authority to the Chief Executive Officer and Chief Financial Officer, including the limits on the execution of that authority by the Chief Executive Officer and Chief Financial Officer.

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

Strategy and direction

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

Financial controls, compliance and risk management

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

Capital and debt structure

- Approving any changes to the capital structure of the Group including any reductions in share capital, buy-backs or issue of new securities other than in accordance with the Group's equity-linked incentive plans.
- Approving changes to the Group's debt structure including entry into new facilities, the refinancing of existing debt and the issue of bonds and other instruments in local and international markets.

Appointments

- Appointing Directors to the Board, following a review by the Nomination Committee.
- Appointing and reviewing the performance of the Chief Executive Officer and the 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 Chief Executive Officer, the 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.
- Taking into account the recommendations of the Human Resources Committee in determining the remuneration of non-executive Directors and the senior executive team.
- Determining the resolutions and documentation to be put to members in general meeting.
- Reviewing and approving announcements and media releases concerning matters decided by the Board, including announcements relating to the operating performance of the Group.

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

[1] Reference to the date of appointment is to the date of appointment to Scentre Group Limited (formerly Westfield Holdings Limited).

1.2 Delegation to Management

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

Day to day management of the business and operations of Scentre Group is delegated by the Board to management through the Chief Executive Officer 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 Group in accordance with the strategy, business plans and policies approved by the Board.
– *Financial performance:* developing the Group's annual budget, managing day to day operations within the budget and ensuring that the financial reports present a true and fair view of the Group'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 in the Group's business.
– *Selection of senior management:* making recommendations for the appointment of senior executives, determining terms of appointment, evaluating performance and developing and maintaining succession plans for senior management.

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 Scentre Group. It is the policy of the Board that its membership should reflect a wide range of general commercial skills, expertise and experience.

Scentre 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 Group.

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

Under the Scentre Group Board Charter, the appointment of a new member to the Board is only made after consultation between the Nomination Committee and the Board. New Directors are initially appointed by the full Board and must then submit themselves to election by securityholders of Scentre Group Limited at the Annual General Meeting (AGM) following their appointment and, except in the case of the Chief Executive Officer, are subject to re-election every three years. The notice of meeting for the AGM will contain a statement by the Board as to whether the Board endorses the proposed candidates.

As noted at 1.8 below, the Scentre Group Board considers that ongoing self-assessment on various aspects of the Board's performance including skill sets is an important tool in reviewing Board performance. Board surveys will be conducted, at least annually, to establish the views of all Directors on issues including Board performance and composition. Given that Scentre Group was newly established on 30 June 2014, the Board considered that the first review should be conducted in 2015.

1.4 Code of Conduct

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

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

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

Directors' personal and business dealings must be separated 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 has to be fully disclosed to the Board at all times.

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

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

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

1.5 Directors' Independence

The Board considers that it should include significant representation by Directors who are capable and willing to make decisions which are in the best interests of securityholders, 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 sought to assess whether Directors were:

(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 securityholders.

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

(a) is a substantial securityholder of Scentre Group or an officer of, or otherwise associated directly with, a substantial securityholder of Scentre Group;
(b) within the last 3 years had been employed in an executive capacity by any member of Scentre Group;
(c) within the last 3 years had been a partner or a senior management executive with audit responsibilities of a firm which has acted in the capacity of statutory auditor of any member of the Group;
(d) within the last 3 years had been a principal, employee or consultant of a material professional adviser to any member of the Group – for this purpose a material professional adviser is an adviser whose billings to the Group exceed 1% of the adviser's total revenues;
(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; and
(g) has any interest or business or other relationship which could materially interfere with the Director's ability to act in the best interests of the Group and independently of management.

As regards the Non-Executive Directors, applying the above criteria, the following Directors are considered independent: Mr Brian Schwartz, Mr Laurence Brindle, Mr Richard Egerton-Warburton, Mr Andrew Harmos, Mr Michael Ihlein and Ms Sandra McPhee.

Each Non-Executive Director signs a letter of appointment which, amongst other things, requires each independent Director to promptly and fully disclose to the Board any matter or circumstance which may have impacted on their status as an independent Director, or the likely perception of their status, as an independent member of the Board. If a Director has lost their status as an independent Director, that determination will be reported to the market.

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

1.6 Chairperson and Independence

Scentre Group notes the ASX Corporate Governance Council's recommendation that listed companies should have an independent director as Chairman.

Mr Lowy was appointed as Chairman of Scentre Group on its establishment in June 2014. As disclosed in the Securityholder Booklets issued in connection with the Restructure and Merger, Mr Lowy is considered to be the most appropriate person to act as Chairman of Scentre Group.

As noted in the Securityholder Booklets, Mr Lowy is the co-founder of Westfield and has overseen the success of Westfield 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 depth of knowledge, range of experience and reputation is unrivalled in the industry. Mr Lowy's exposure to and knowledge of the industry is considered to be of significant value to the Board.

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

In arriving at this view, it is important to note that there is a majority of independent Directors on the Scentre Group Board.

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. 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 considers that ongoing self-assessment on various aspects of the Board's performance including skill sets is an important tool in reviewing Board performance. As noted earlier, given that the Group was only established in June 2014, a review of composition of the Board and Director skills will be conducted in 2015.

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

Scentre Group has an established process of objective setting and performance review of all staff, which is conducted on an annual basis. Senior executives, who have a discretionary element to their total remuneration package, have clearly 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 Chief Executive Officer) an assessment of their performance is undertaken by Scentre Group's Human Resources Committee and the Board. Details of Scentre Group's remuneration policies and practices are set out in the Remuneration Report which forms part of the Directors' Report.

During the financial year, each member of Scentre Group's senior executive team, including the Chief Executive Officer, were subject to a performance review as described above. Details of the performance criteria against which the Chief Executive Officer was assessed for the financial year are set out in section 8.6 of the Remuneration Report.

2. BOARD COMMITTEES

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

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

Each Committee is authorised to investigate any activity or function of the Group in accordance with its charter. The Committees are authorised to make recommendations to the Board regarding appropriate action resulting from such investigations. Each Board Committee has unrestricted access to executive management, all employees and all 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 was considered necessary for the proper performance of the Committee's functions under its charter.

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

2.1 Audit and Risk Committee

Composition

The Charter of the Audit and Risk Committee is available in the corporate governance section of the Scentre Group corporate website.

The primary function of the Audit and Risk Committee is to oversee and monitor the integrity of consolidated financial reports and statements of the listed entities within the Group, and the Group's systems of risk management, internal controls and legal compliance.

The Committee is aided in its role and responsibilities by the Executive Committee, details of which are outlined below. The Committee is also assisted by the independent assurance function provided by the Group's Business Review and Audit department (internal auditors) and the external auditors.

The membership of the Audit and Risk Committee is set out on page 110. The Audit and Risk Committee met twice in the Reporting Period. All members of the Committee were in attendance at those meetings.

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

Role and responsibilities of the Audit and Risk Committee

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

(a) monitoring and reviewing:

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

(b) overseeing the processes for:

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

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

The Audit and Risk Committee meets with external auditors at least twice each year (and more frequently if required) to review the adequacy of existing external audit arrangements and the scope of the external audit. Both internal and external auditors have a direct line of communication at any time to, either the Chairman of the Committee, or the Chairman of the Board. The Audit and Risk Committee reports to the Board after each Committee meeting and the minutes of each Audit and Risk Committee meeting are provided to the Board. At least annually, the Audit and Risk Committee meets with the internal auditor and external auditors, without management being present.

Non-Audit Services Protocol

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

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

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

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

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

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

2.2 Executive Committee

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

This Committee is responsible for:

(a) assisting in the formulation of all aspects of the risk management process to be adopted by the Group;

(b) overseeing the implementation by management of the Group's policies and procedures by ensuring that all phases of the process of identification, assessment, control, review and reporting are reflected appropriately in the policies, processes, performance requirements and controls in the Group;

(c) ensuring that there is a proper allocation of responsibility for the implementation and conduct of the risk management process between the Group's management in Australia and New Zealand; and

(d) implementing appropriate systems to monitor compliance with all relevant laws and other regulatory obligations and for ensuring that the risk management processes of the Group are such that the Chief Executive Officer and the Chief Financial Officer are able to give the certifications required in order to comply with the Corporations Act, applicable accounting standards and the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

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

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

(a) the financial statements present a true and fair view;

(b) that this assertion is founded on a sound system of financial risk management and internal compliance and control which implements the policies adopted by the Board; and

(c) that the Group's financial risk management and internal compliance and control systems are operating efficiently and effectively in all material respects in relation to financial reporting risks.

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

2.3 Human Resources Committee

The responsibilities of Scentre Group's Human Resources Committee include determining and agreeing with the Board the broad policy establishing appropriate human resources strategies including remuneration. The Committee also has oversight of policies that promote and support equal opportunity and diversity within Scentre Group. The Charter of the Human Resources Committee is available in the corporate governance section of the Group's corporate website.

All members of the Human Resources Committee are independent Non-Executive Directors, as determined by the Board. The Committee met 3 times during the Reporting Period. The full Committee was in attendance at all meetings. The membership of the Human Resources Committee is set out on page 110.

The objective of the Committee is to assist the Board in establishing appropriate human resources strategies including remuneration policies and practices which:

(a) enable the Group to attract and retain executives and Directors who will create sustainable value and returns for securityholders and other stakeholders;

(b) fairly and responsibly reward executives and Directors, having regard to the performance of the Group, the executive and the external compensation environment; and

(c) comply with all relevant legislation and regulations including the ASX Listing Rules and the Corporations Act.

The responsibilities of the Human Resources Committee include:

(a) determining and reviewing remuneration policies that apply to Directors and to members of the senior executive team;

(b) determining the specific remuneration packages for the Chief Executive Officer and Chief Financial Officer (including base pay, incentive payments, equity-linked plan participation and other contractual benefits);

(c) reviewing contractual rights of termination for members of the senior executive team;

(d) reviewing the depth of the senior executive team and the appropriateness of the succession planning policies in place;

(e) reviewing the performance of the Chief Executive Officer and Chief Financial Officer and report on such reviews to the Board;

(f) reviewing and approving the policy for participation by senior executives in equity-linked plans;

(g) reviewing and approving management's recommendations of the total proposed awards to be issued under each plan;

(h) managing the equity-linked plans as required in accordance with the rules of the plans; and

(i) ensuring compliance with all relevant legal requirements regarding disclosure of remuneration, in all forms.

Notably, the Human Resources Committee must approve the following prior to implementation:

- any changes to the remuneration or contract terms of the Chief Executive Officer;
- the design of a new executive incentive plan and any amendments to existing plans;
- the total level of award proposed from the executive incentive plans; and
- termination payments to the Chief Executive Officer and other members of the senior executive team.

In discharging its responsibilities, the Human Resources Committee must review and take note of the remuneration trends (including any major changes in employee benefit structure) across the Group.

Scentre Group's current remuneration objectives and policies regarding the determination of base pay, short term variable bonus and long term equity linked incentives are explained in detail in the Remuneration Report which forms part of the Directors' Report. Details of all Directors and Key Management Personnel for Scentre Group are set out in the Remuneration Report section of the Directors' Report.

The Human Resources Committee also monitors and reviews and, where appropriate, makes recommendations on the Group's Diversity Policy and diversity initiatives which are discussed later in this statement.

2.4 Nomination Committee

The objective of the Nomination Committee is to support and advise the Board on the selection and appointment of high quality Directors who are able to meet the needs of the Group presently and in the future, and facilitate the ongoing evaluation and review of the performance and effectiveness of the Board and the Directors.

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

All members of the Scentre Group Nomination Committee are independent Non-Executive Directors, as determined by the Board. The membership of the Nomination Committee is set out on page 110. The Chairman is Mr Richard Egerton-Warburton, an independent non-executive Director.

The Nomination Committee met once during the Reporting Period, with the full Committee in attendance.

Broadly, the responsibilities of the Nomination Committee include:

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

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

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

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

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

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

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

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

The letter of appointment also sets out a procedure by which Directors are able to take independent professional advice at the Group's expense. Directors are encouraged to direct any enquiries or requests for additional information to the Company Secretary, who will facilitate a response to the query and/or provide the Director with the requested information. Further, Directors have extensive access to key members of the senior management team, who regularly attend Board meetings to make presentations and respond to questions and comments from the Board.

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

3. CORPORATE RESPONSIBILITY

3.1 Scentre Group Values

Scentre Group's values require 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 Group;
- examine ways to continually improve processes in a manner which adds value;
- provide securityholders 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

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

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

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

3.3 Compliance Manuals

Scentre Group has developed compliance manuals to provide guidance to employees of the Group on the laws applicable in the jurisdiction in which they work and the standards of conduct and the procedures to be adopted to comply with those laws. Management seminars are also conducted on an ongoing basis to help employees understand the legal requirements with which the Group must comply.

3.4 Whistleblower Policy

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

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

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

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

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

3.5 Diversity

Scentre Group has a strong commitment to diversity.

The following principles are key to the Group's approach to diversity and inclusion:

- A workforce that is reflective of the communities in which the Group operates.
- Recognition that diversity in the workforce is a key contributor to the success of our business.
- Creating an inclusive culture that supports employees at all stages of their career and encourages employees to succeed to the best of their ability.

Scentre Group currently has one woman, Ms Sandra McPhee AM, on its Board.

In terms of Scentre Group's total workforce, there is effectively equal representation of men and women with 51% being male and 49% female.

At the senior executive level, 83% of senior executives are male and 17% are female. As one of its objectives for 2015, the Group has set a goal to increase the representation of females at the senior executive level to 20% by the end of the year.

In 2015 the Group will establish an executive Diversity and Inclusion Council (Council). The Council's objective will be to promote diversity and inclusion as a key corporate strategy. The Committee will be chaired by a member of the senior leadership team with its membership comprising senior representatives from the various business units within the Group. The Council will report to the Executive Committee which is chaired by the Chief Executive Officer, Mr Peter Allen and comprises the entire senior leadership team. The Committee (or individual members of the Committee) will act as sponsors to initiatives undertaken by the Council.

Diversity and inclusion is a constantly evolving area. The establishment of the Council is part of Group's annual three year plan developed by the Director, Human Resources under the Group's Diversity Policy to address broader based diversity and inclusion initiatives and measures.

While a role of the Council will be to promote and support gender based diversity initiatives, the Council's objectives will extend beyond gender. The Group considers that diversity is about recognising and valuing the contribution of people from different backgrounds, with different perspectives and experiences. Diversity includes but is not limited to age, sexual preference, disability, ethnicity, religious or cultural background.

The Financial Year was dominated by the Restructure and Merger and the transition of Scentre Group and Westfield Corporation into two stand-alone entities. The Restructure and Merger was, from a human resources perspective, demanding on the executive team. In 2014, however, leadership and development programs designed to support women progress their careers into senior management roles continued to be a key focus area for the Group as did flexible work practices. The Group also maintained its policy for its external search firms to, where possible, have a gender balance of shortlisted candidates.

Progress against the Group's 2014 objectives is set out below:

Focus area	Commitment	Measurement	What we achieved in 2014
Leadership and development programs	The continuation of programs designed to support women to progress their careers into senior management roles.	Implementation of programs and annual review of results.	Leadership and development programs continued to be offered. In 2014, female participation in the most senior programs, Foundational Leadership and Thought Leadership, exceeded male participation for the first time. In 2014, a new leadership program was introduced – Leadership in Action – which is designed for General Managers. 21% of participants were female. People Planning forums were conducted with executives at the Director and General Manager level. Gender diversity and succession planning for female talent were key focus areas of the forums. An executive mentoring program was piloted in 2014 under which divisional Directors mentor/sponsor females and offer career coaching to female executives. Workshops specifically targeted at female employees were conducted aimed at providing skills for planning for financial independence. The Connect networking forum continued to operate, a purpose of which is to promote and build confidence and leadership skills. Since 2012: – the participation by females in leadership development programs has increased from 35% to 52% in Australia and from 60% to 67% in New Zealand; – the number of female General Managers has increased from 10.2% to 16.4%; and – female promotions have risen from 49% to 53% in Australia and 60% to 63% in New Zealand. A review of the leadership and management development programs was also undertaken in 2014 to ensure they are aligned with the business focus and diversity and inclusion commitment of Scentre Group.
Pay equity	No gender based pay discrimination.	Annual pay parity review.	A pay parity review was undertaken confirming the Group's commitment that gender based pay discrimination is not part of its remuneration practices.
Flexible work practices	The development of flexible work practices to ensure a consistent approach and foster flexible work practices through targeted initiatives.	Improve access to and acceptance of flexible work practices.	A business review of flexible work practices with a specific focus on women returning from parental leave was undertaken. As a result, a Manager's Toolkit on flexibility and inclusion has been developed for launch in 2015. The "Keep in Touch" program continues to be rolled out under which employees on parental or extended leave receive business and social updates. A program "Career Coaching for Managers" was launched which focuses on developing management skills. A pilot of job sharing arrangements was undertaken in Centre operations where typically flexible work arrangements have been limited.

The Group also continued its involvement in the Generation One partnership with Aboriginal Employment Strategy Limited (AES). AES is a 100% Indigenous managed, national, not-for-profit recruitment company. In 2014, the Group agreed to recruit 41 trainees across New South Wales and Queensland with 24 roles being recruited in 2014 and a further 17 scheduled for recruitment in 2015.

In 2014 Scentre Group's Chief Executive Officer was appointed a founding member of the property industry specific, Male Champions of Change. The Group's Director, Human Resources was also a finalist in the 2014 Australian Human Resources Institute's Inclusion and Diversity Awards and two employees were State finalists in the Telstra Women's Business Awards.

In 2015, the Group will continue to focus on creating a work environment that promotes inclusion focusing on gender diversity at senior levels and flexible work practices. It is recognised that communication and education continue to play a pivotal role in enhancing the Group's diversity profile.

The following measurable objectives have been set for 2015:

Focus area	Commitment
Diversity and inclusion	A Diversity and Inclusion Council will be established.
Increased representation of females in senior positions	The Group is committed in 2015 to achieving 20% representation of females at the senior executive level (Director and General Manager), an increase from 17% in 2014. Executives from Scentre Group will also participate in the Property Council's Women in Property Mentoring Program. Executives will participate both as mentors and mentees. The key objective of the program for mentees is to gain new perspectives to advance their career and develop meaningful professional connections and personal sponsors.
Flexible work practices	Identification of barriers to flexible work arrangements will continue as a priority with the implementation of a flexible work policy. As part of this initiative, the Group recognises the importance of having a consistent policy and message on flexible work practices. Existing policies will be reviewed and a consistent policy developed and implemented. A focus will be on identifying barriers including negative perceptions of flexible work arrangements.
Education	Development of a diversity and inclusiveness change management plan and integration of the plan into the organisation through continued education of executives including the senior leadership team. As part of the change management plan, a Diversity and Inclusion program will be offered aimed at people managers within the business.
AES sponsorship	The Group will continue with its involvement in the Generation One partnership with Aboriginal Employment Strategy Limited (AES).

4. DISCLOSURE AND COMMUNICATION

4.1 Continuous Disclosure and Communications Policy

Scentre Group is committed to providing securityholders with comprehensive, timely and equal access to information about its activities to enable them to make informed investment decisions.

Scentre Group's Continuous Disclosure and Communications Policy underlines the Group's commitment to ensuring that its securityholders 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 Scentre Group securities 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 to ensure that all disclosures are factual, do not omit material matters and are expressed in a clear and objective manner. The Policy also outlines how the Group identifies and disseminates information to securityholders and the market generally.

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

4.2 Communications with Securityholders

Corporate website

Scentre Group monitors and continues to utilise a broad range of communication approaches including direct communications with securityholders, publication of all relevant company information in the Investor Services section of the scentregroup.com/corporate website, access to market briefings via webcasting and teleconferencing facilities.

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

Securityholders can contact Scentre Group at any time via the Investor Relations team, with contact details on the corporate website. All feedback received from securityholders are considered and dealt with by the appropriate areas within Scentre Group.

Annual General Meeting

The AGM of Scentre Group Limited represents a key opportunity for securityholders to meet the Board and ask questions of the Directors. Typically, at the AGM, securityholders are provided with an update on the business and performance of the Group. Securityholders have an opportunity to address the Board and vote on resolutions before the meeting on important matters such as election and re-election of Directors, any changes to company constitutions and the adoption of annual financial statements. Securityholders who are not able to attend the AGM in person may appoint proxies to represent them at the meeting. Key members of senior management, including the Chief Executive Officer and Chief Financial Officer are present and available to answer questions. The External Auditor also attends the AGM and is available to answer questions on the Group's financial statements.

Electronic Annual Report

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

On an ongoing basis, the Group works closely with its share registry to monitor and review the opportunities available to the Group to better utilise electronic means of communication with its investors.

ASX CORPORATE GOVERNANCE COUNCIL

Corporate Governance Principles and Recommendations

	ASX Principle	Reference	Comply (Y/N)
Principle 1: Lay solid foundations for management and oversight			
1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	Corporate Governance Statement – sections 1.1 and 1.2	Y
1.2	Companies should disclose the process for evaluating the performance of senior executives.	Corporate Governance Statement – section 1.9	Y
1.3	Companies should provide the following information:		
	– an explanation of any departure from Recommendations 1.1, 1.2 or 1.3;	N/A	Y
	– whether a performance evaluation for senior executives has taken place in the reporting period and whether it was in accordance with the process disclosed.	Corporate Governance Statement – section 1.9	Y
	A statement of matters reserved for the board, or the board charter or the statement of areas of delegated authority to senior executives should be made publicly available, ideally by posting it to the company's website in a clearly marked corporate governance section.	The Board Charter can be found at www.scentregroup.com	
Principle 2: Structure the board to add value			
2.1	A majority of the board should be independent directors.	Corporate Governance Statement – section 1.5	Y
2.2	The chairperson should be an independent director.	Corporate Governance Statement – section 1.6	N
2.3	The roles of chairperson and chief executive officer should not be exercised by the same individual.	Corporate Governance Statement – sections 1.3 and 1.6	Y
2.4	The board should establish a nomination committee.	Corporate Governance Statement – section 2.4	Y
	The nomination committee should be structured so that it:		
	– consists of a majority of independent directors;		Y
	– is chaired by an independent director;		Y
	– has at least 3 members.		Y
2.5	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	Corporate Governance Statement – sections 1.8 and 1.9	Y
2.6	The following material should be included in the corporate governance statement in the annual report:		
	– the skills, experience and expertise relevant to the position of director held by each director in office at the date of the annual report;	Corporate Governance Statement – section 1.3 cross reference to Directors' biographies	Y
	– the names of the directors considered by the board to constitute independent directors and the company's materiality thresholds;	Corporate Governance Statement sections 1.3 and 1.5	Y
	– the existence of any of the relationships listed in Box 2.1 and an explanation of why the board considers a director to be independent, notwithstanding the existence of those relationships;	Corporate Governance Statement – section 1.5	Y
			Y
	– a statement as to whether there is a procedure agreed by the board for directors to take independent professional advice at the expense of the company;	Corporate Governance Statement – section 1.7 and 2.4	Y
	– a statement as to the mix of skills and diversity for which the board of directors is looking to achieve in membership of the board;	Corporate Governance Statement – section 1.3	Y
	– the period of office held by each director in office at the date of the annual report;	Corporate Governance Statement – Introduction	Y
	– the names of members of the nomination committee and their attendance at meetings of the committee;	Corporate Governance Statement – Introduction	Y
	– whether a performance evaluation for the board, its committee and directors has taken place in the reporting period and whether it was in accordance with the process disclosed;	Corporate Governance Statement – section 1.8	Y
	– an explanation of any departures from recommendations 2.1, 2.2, 2.3, 2.4, 2.5 or 2.6.	Corporate Governance Statement – sections 1.3 and 1.6	Y
	The following material should be made publicly available, ideally by posting it to the company's website in a clearly marked corporate governance section: – a description of the procedure for the selection and appointment of new directors and the re-election of incumbent directors; – the charter of the nomination committee or a summary of the role, rights, responsibilities and membership requirements for that committee; – the board's policy for the nomination and appointment of directors.	The Charter of the Nomination Committee can be found at www.scentregroup.com. Also refer section 2.4 of the Corporate Governance Statement	

ASX CORPORATE GOVERNANCE COUNCIL

Corporate Governance Principles and Recommendations

	ASX Principle	Reference	Comply (Y/N)
Principle 3: Promote ethical and responsible decision making			
3.1	Companies should establish a code of conduct and disclose the code or a summary of the code as to: – the practices necessary to maintain confidence in the company's integrity; – the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; – the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	Corporate Governance Statement – section 1.4 The Directors' Code of Conduct can be found at www.scentregroup.com	Y
3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.	Corporate Governance Statement – section 3.5 The Diversity Policy can be found at www.scentregroup.com	Y
3.3	Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.	Corporate Governance Statement – section 3.5 The Diversity Policy can be found at www.scentregroup.com	Y
3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	Corporate Governance Statement – section 3.5 The Diversity Policy can be found at www. scentregroup.com	Y
3.5	Companies should provide an explanation of any departure from Recommendations 3.1, 3.2, 3.3, 3.4 or 3.5 should be included in the corporate governance statement in the annual report. The following material should be made publicly available, ideally by posting it to the company's website in a clearly marked corporate governance section: – any applicable code of conduct or a summary; and – the diversity policy or a summary of its main provisions.	N/A The Directors Code of Conduct and the Diversity Policy can be found at www.scentregroup.com	Y
Principle 4: Safeguard integrity in financial reporting			
4.1	The board should establish an audit committee.	Corporate Governance Statement – section 2.1	Y
4.2	The audit committee should be structured so that it: – consists only of non-executive directors; – consists of a majority of independent directors; – is chaired by an independent chair, who is not chair of the board; – has at least 3 members.	Corporate Governance Statement – Introduction and section 2.1	Y
4.3	The audit committee should have a formal charter.	Corporate Governance Statement – section 2.1	Y
4.4	Companies should provide the following information: – the names and qualifications of those appointed to the audit committee and their attendance at meetings of the committee; – the number of meetings of the audit committee; – explanation of any departures from Recommendations 4.1, 4.2, 4.3 or 4.4. The following material should be made publicly available, ideally by posting it to the company's website in a clearly marked corporate governance section: – the audit committee charter; – information on procedures for the selection and appointment of the external auditor, and for the rotation of external audit engagement partners.	Corporate Governance Statement – Introduction and section 2.1. – Cross reference to Directors' biographies Section 2.1 N/A The Audit and Risk Committee Charter and the Non-Audit Services Protocol can be found at www.scentregroup.com	Y Y Y Y

ASX CORPORATE GOVERNANCE COUNCIL

Corporate Governance Principles and Recommendations

	ASX Principle	Reference	Comply (Y/N)
Principle 5: Make timely and balanced disclosure			
5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at senior executive level for that compliance and disclose those policies or a summary of those policies.	Corporate Governance Statement – section 4.1	Y
5.2	An explanation of any departures from Recommendations 5.1 or 5.2 should be included in the corporate governance statement in the annual report.	N/A	
	The policies or a summary of those policies designed to guide compliance with Listing Rule disclosure requirements should be made publicly available, ideally by posting them to the company's website in a clearly marked corporate governance section.	The Continuous Disclosure and Communications Policy can be found at www.scentregroup.com	Y
Principle 6: Respect the rights of shareholders			
6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	Corporate Governance Statement – section 4.2	Y
6.2	An explanation of any departure from Recommendations 6.1 or 6.2 should be included in the corporate governance statement in the annual report.	N/A	
	The company should describe how it will communicate with its shareholders publicly, ideally by posting this information on the company's website in a clearly marked corporate governance section.	The Continuous Disclosure and Communications Policy can be found at www.scentregroup.com	Y
Principle 7: Recognise and manage risk			
7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Corporate Governance Statement – section 2.2	Y
7.2	The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	Corporate Governance Statement – section 2.2	Y
7.3	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system or risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Corporate Governance Statement – section 2.2	Y
7.4	The following material should be included in the corporate governance statement in the annual report:		
	– an explanation of any departures from Recommendations 7.1, 7.2, 7.3 or 7.4;	N/A	
	– whether the board has received the report from management under Recommendation 7.2;	Corporate Governance Statement – section 2.2	Y
	– whether the board has received assurance form the chief executive officer (or equivalent) and the chief financial officer (or equivalent) under Recommendation 7.3.		Y
	The following material should be made publicly available, ideally by posting it to the company's website in a clearly marked corporate governance section: – a summary of the company's policies on risk oversight and management of material business risks.	The Charter of the Audit and Risk Committee Charter can be found at www.scentregroup.com	Y

ASX CORPORATE GOVERNANCE COUNCIL

Corporate Governance Principles and Recommendations

	ASX Principle	Reference	Comply (Y/N)
Principle 8: Remunerate fairly and responsibly			
8.1	The board should establish a remuneration committee.	Corporate Governance Statement – section 2.3	Y
8.2	The remuneration committee should be structured so that it: – consists of a majority of independent directors; – is chaired by an independent director; – has a least 3 members.	Corporate Governance Statement – Introduction and section 2.3	Y
8.3	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	Corporate Governance Statement – section 2.4 and cross reference to Remuneration Report	Y
8.4	The following material or a clear cross reference to the location of the material should be included in the corporate governance statement in the annual report:		
	– the names of the members of the remuneration committee and their attendance at meetings of the committee;	Corporate Governance Statement – Introduction and section 2.3	Y
	– the existence and terms of any schemes for retirement benefits, other than superannuation, for non-executive directors;	Remuneration Report	Y
	– an explanation of any departures from Recommendations 8.1, 8.2, or 8.3.	N/A	
	The following material should be made publicly available, ideally by posting it to the company's website in a clearly marked corporate governance section: – the charter of the remuneration committee or a summary of the role, rights, responsibilities and membership requirements for that at committee; – a summary of the company's policy on prohibiting entering into transactions in associated products which limit the economic risk of participating in unvested entitlements under any equity-based remuneration schemes.	The Charter of the Human Resources Committee and the Hedging of Executive Awards and Performance Rights Policy can be found at www.scentregroup.com	Y

Investor Relations

Scentre Group is listed on the Australian Securities Exchange (ASX) under the code "SCG" and as an ADR under code "SCTRY".

Please visit our website at *www.scentregroup.com/investors* for a variety of investor information.

Scentre Group securities
A Scentre Group stapled security comprises:

- 1 Scentre Group Limited share
- 1 Scentre Group Trust 1 unit
- 1 Scentre Group Trust 2 unit
- 1 Scentre Group Trust 3 unit

and trade together as one security.

Scentre Group Website

- About Scentre Group
- Corporate News
- Property Portfolio
- Investor Services

Electronic Information
By becoming an electronic investor and registering your email address, you can receive via email news, notifications and announcements, dividend/distribution statements, taxation statements and annual reports.

Secure Access to Your Securityholding Online
You can go to *www.scentregroup.com/investors* to access your securityholding information by clicking on *'My SCG Securityholder Login'* as well as extensive information on the Group including the latest press releases, results announcements, presentations and more.

To view your securityholding, you will need your Holder Number (SRN/HIN) and will be asked to verify your registered postcode (inside Australia) or your country of residence (outside Australia).

Phone – you can confirm your holding balance, request forms and access distribution and trading information by phoning:

1300 730 458 or call +61 3 9946 4471 (outside Australia) then, pressing 1. You will be asked to enter your Holder Number (SRN/HIN).

Scentre Group Distribution Details
Your interim distribution will be paid at the end of August and your final distribution paid at the end of February. Details of the 2014 year distributions are provided in the table to the right. 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. This form can be downloaded from *http://scentregroup.com/investors/security-holder-forms* or by phoning our Registry on 1300 730 458 (Please have your Holder Number (SRN/HIN) available to quote). Alternatively, you can update your details directly online at *www.scentregroup.com/investors* and by clicking on "Access your online account".

	Ordinary Securities (Cents per Security)
* Dividends/distributions for the six months ended 31 December 2014 (to be paid by Scentre Group)	10.20
Dividend/distribution for the six months ended 31 December 2014 to be paid on 27 February 2015	**10.20**
Dividend in respect of a Scentre Group Limited share	2.85
Distribution in respect of a Scentre Group Trust 1 unit	2.85
Distribution in respect of a Scentre Group Trust 2 unit	4.50
Distribution in respect of a Scentre Group Trust 3 unit	Nil

* In addition in August 2014 Westfield Trust (now SGT1) and WRT1 (now SGT2) paid the following distributions;

Distribution in respect of a SGT1 unit	5.25
Distribution in respect of a SGT2 unit	10.20

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

However, if you do not provide your TFN, ABN or Exemption, withholding tax at the highest marginal rate, currently 49% for Australian resident members, may be deducted from distributions paid to you. If you have not supplied this information and wish to do so, please advise our Registry or your sponsoring broker.

Alternatively, you can update your details directly online at *www.scentregroup.com/investors* and by clicking on "My SCG Securityholder Login".

Annual Tax Statement and 2015 Tax Guide
The Annual Tax Statement and Tax Guide are dispatched to securityholders in July each year.

Unpresented Cheques & Unclaimed Funds

Scentre Group is required to remit to the NSW Office of State Revenue amounts greater than $100 held in an account that has been inactive for at least 6 years. If you believe you have unpresented cheques please contact the Registry which will be able to check the records and assist you in recovering any funds. Checks can be done for the last 7 years. For any enquiries beyond 7 years, you will need to contact the NSW Office of State Revenue (www.osr.nsw.gov.au) to check for unclaimed money.

Australian Capital Gains Tax Considerations

A Scentre Group stapled security comprises three separate assets for capital gains tax purposes. For capital gains tax purposes you need to apportion the cost of each stapled security and the proceeds on sale of each stapled security over the separate assets that make up the stapled security. This apportionment should be done on a reasonable basis. one possible method of apportionment is on the basis of the relative Net Tangible Assets (NTAs) of the individual entities.

These are set out by entity in the table below.

Relative Net tangible Assets (NTA) of entities in Scentre Group	30 Jun 14	31 Dec 14
Scentre Group Limited	3.94%	4.33%
Scentre Group Trust 1	33.34%	34.07%
Scentre Group Trust 2	62.72%	61.49%
Scentre Group Trust 3	0.00%	0.11%

American Depositary Receipts (ADR)

Scentre Group has an established ADR program providing a tradeable security in the United States.

Details of the ADR program are available on our website at *http://www.scentregroup.com/american-depositary-receipts/*

Contact Details

All changes of name, address, tax file number, payment instructions and document requests should be passed to the Registry or alternatively, you can update your details directly online at *www.scentregroup.com/investors* and by clicking on "Access your online account".

Principal Share Registry

Computershare Investor Services P/L
GPO Box 2975
Melbourne VIC 3001
Telephone 1300 730 458
International +61 3 9946 4471
Facsimile +61 3 9473 2500

All other queries are best directed to Scentre Group Investor Relations:

Level 4, 100 Market Street
Sydney NSW 2000, Australia
GP0 Box 4004
Sydney NSW 2001
Telephone +61 2 9358 7877
investor@scentregroup.com
www.scentregroup.com/investors

Investor Feedback

If you have any complaints or feedback, please direct these in writing to Scentre Group Investor Relations at GPO Box 4004, Sydney NSW 2001.

Scentre Group Calendar

February

- Full year results released
- Distribution for 6 months ending December

March

- Trust Accounts
- Shareholder Review

May

- 1st Quarter Update
- Annual General Meeting

July

- Annual Tax Statements released

August

- Half year results released
- Distribution for the 6 months ending June

November

- 3rd Quarter Update

Twenty Largest Holders of Stapled Securities in Scentre Group*

		Number of Securities
1.	HSBC Custody Nominees (Australia) Limited	1,688,055,692
2.	National Nominees Limited	978,109,755
3.	J P Morgan Nominees Australia Limited	876,052,094
4.	Citicorp Nominees Pty Limited	383,602,769
5.	BNP Paribas Noms Pty Ltd <DRP>	203,356,508
6.	Cordera Holdings Pty Limited	181,710,620
7.	AMP Life Limited	91,476,681
8.	RBC Investor Services Australia Nominees Pty Limited <APN A/C>	68,910,452
9.	Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	66,508,998
10.	BNP Paribas Nominees Pty Ltd <Agency Lending Collateral>	29,032,000
11.	Mr Frank P Lowy	17,577,810
12.	Bond Street Custodians Limited <ENH Property Securities A/C>	13,856,075
13.	RBC Investor Services Australia Nominees Pty Limited <PISELECT>	13,104,088
14.	CS Fourth Nominees Pty Ltd	12,901,226
15.	Australian Foundation Investment Company Limited	11,436,859
16.	Pan Australian Nominees Pty Limited	10,373,327
17.	Ecapital Nominees Pty Limited <Settlement A/C>	10,187,367
18.	RBC Investor Services Australia Nominees Pty Limited <BKCUST A/C>	8,629,327
19.	Argo Investments Limited	8,526,662
20.	BNP Paribas Noms (NZ) Ltd <DRP>	8,390,910
		4,681,799,220

* Ordinary shares in Scentre Group Limited are stapled to units in each of Scentre Group Trust 1, Scentre Group Trust 2 and Scentre Group Trust 3.

Scentre Group stapled securities trade on the Australian Securities Exchange under the code SCG.

Voting Rights

Scentre Group Limited – At a meeting of securityholders, on a show of hands, every person present who is a securityholder or representative of a securityholder has one vote, and on a poll every securityholder present in person or by proxy or attorney and every person who is a representative of a securityholder has one vote for each share they hold or represent.

Scentre Group Trust 1, Scentre Group Trust 2 and Scentre Group Trust 3 – At a meeting of securityholders, on a show of hands, every person present who is a securityholder or representative of a securityholder has one vote, and on a poll, every securityholder present in person or by proxy or attorney and every person who is a representative of a securityholder has one vote for each dollar value of the total interest they have in the respective trusts.

Distribution Schedule

Category	Number of Stapled securities*	Number of Security-holders	% of Securities in each category
1-1,000	18,265,751	41,105	0.34
1,001-5,000	127,509,298	53,534	2.39
5,001-10,000	85,445,511	12,197	1.60
10,001-100,000	171,069,604	8,139	3.21
100,001 and over	4,922,006,514	367	92.44
Total	5,324,296,678	115,342	100.00

As at 13 February 2015, 8,700 security holders hold less than a marketable parcel of quoted securities in Scentre Group.

* There are 11,471,651 performance rights on issue to a total of 137 Scentre Group employees. These rights may be satisfied by either the transfer or issue of Scentre Group securities to employees, or settled by way of cash payout which amount is calculated by reference to the market price of Scentre Group securities at the time of vesting. Under the stapling arrangement, in the case of the issue of securities, each of the Company, Scentre Group Trust 1, Scentre Group Trust 2 and Scentre Group Trust 3 is required to issue securities on the vesting of a performance right.

Substantial Securityholders

The names of the Scentre Group substantial securityholders and the number of ordinary stapled securities in which each has a relevant interest, as disclosed in substantial shareholding notices given to the Group, are as follows:

BlackRock Group	340,719,406
The Vanguard Group	329,954,857
National Nominees as custodian for Unisuper Limited	294,417,792

Directory

Scentre Group
Scentre Group Limited
ABN 66 001 671 496

Scentre Group Trust 1
ARSN 090 849 746
(responsible entity Scentre Management Limited
ABN 41 001 670 579, AFS Licence No 230329)

Scentre Group Trust 2
ARSN 146 934 536
(responsible entity RE1 Limited
ABN 80 145 743 862, AFS Licence No 380202)

Scentre Group Trust 3
ARSN 146 934 652
(responsible entity RE2 Limited
ABN 41 145 744 065, AFS Licence No 380203)

Registered Office
Level 30
85 Castlereagh Street
Sydney NSW 2000
Telephone: +61 2 9358 7000
Facsimile: +61 2 9028 8500

New Zealand Office
Level 2, Office Tower
277 Broadway
Newmarket, Auckland 1023
Telephone: +64 9 978 5050
Facsimile: +64 9 978 5070

Secretaries
Maureen T McGrath
Paul F Giugni

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

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Scentre Group
Level 30
85 Castlereagh Street
Sydney NSW 2000
Telephone: +61 2 9358 7877
Facsimile: +61 2 9028 8500
E-mail: investor@scentregroup.com
Website: www.scentregroup.com

Principal Share Registry
Computershare Investor Services Pty Limited
Level 3, 60 Carrington Street
Sydney NSW 2000
GPO Box 2975
Melbourne VIC 3001
Telephone: +61 3 9946 4471
Enquiries: 1300 730 458
Facsimile: +61 3 9473 2500
Website: www.computershare.com
Email: web.queries@computershare.com.au

ADR Registry
Bank of New York Mellon
Depositary Receipts Division
101 Barclay St
22nd Floor
New York, New York 10286
Telephone: +1 212 815 2293
Facsimile: +1 212 571 3050
Website: www.adrbny.com
Code: SCTRY

Listing
Australian Securities Exchange – SCG

Website
www.scentregroup.com

Mixed Sources
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FSC

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