

SCENTRE GROUP

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

2016 Tax Return Guide



Scentre Group Limited ABN 66 001 671 496

Scentre Management Limited ABN 41 001 670 579 AFS Licence 230329 as responsible entity of Scentre Group Trust 1 ABN 55 191 750 378 ARSN 090 849 746

RE1 Limited ABN 80 145 743 862 AFS Licence 380202 as responsible entity of Scentre Group Trust 2 ABN 66 744 282 872 ARSN 146 934 536

RE2 Limited ABN 41 145 744 065 AFS Licence 380203 as responsible entity of Scentre Group Trust 3 ABN 11 517 229 138 ARSN 146 934 652

This document does not constitute financial product or investment advice, and, in particular, it is not intended to influence you in making a decision in relation to financial products including Scentre Group Stapled Securities. You should obtain professional advice before taking any action in relation to this document, for example from your accountant, taxation or other professional adviser.

About this Guide

This 2016 Tax Return Guide has been prepared for general information only. Accordingly, this Guide should not be relied upon as taxation advice. Each securityholder's particular circumstances are different and we recommend you contact your accountant, taxation or other professional adviser for specific advice.

This Tax Return Guide has two sections:

Section 1 Provides information to assist Australian resident securityholders complete their 2016 Australian income tax return.

Section 2 Provides general Australian capital gains tax (CGT) information including information on how to determine your CGT cost base.

Section 1 Important Information for Australian Resident Securityholders Completing a 2016 Tax Return

Scentre Group comprises Scentre Group Limited (formerly Westfield Holdings Limited), Scentre Group Trust 1 (formerly Westfield Trust), Scentre Group Trust 2 (formerly Westfield Retail Trust 1) and Scentre Group Trust 3 (formerly Westfield Retail Trust 2).

Distributions from Scentre Group may comprise dividends paid by Scentre Group Limited and distributions from Scentre Group Trust 1, Scentre Group Trust 2 (collectively referred to as the Trusts) and Scentre Group Trust 3. Distributions from Scentre Group Trust 3 are treated as dividends for taxation purposes.

Under Australian tax law, securityholders include in their assessable income their proportionate share of the taxable income (including any net capital gains) of the Trusts and dividends/distributions paid by Scentre Group Limited and Scentre Group Trust 3.

A securityholder's proportionate share of the taxable income (including any net capital gains) of each of the Trusts for an income year may be more than or less than the cash distributions paid by each of the Trusts in respect of that income year. Usually the proportionate share of the taxable income for an income year is less than the cash distributions paid in respect of that year.

However, for the 2016 income year each securityholder's proportionate share of the taxable income of each of the Trusts is higher than their cash distributions received from each of the Trusts. This arises due to the capital gains realised by the Trusts on the sale of four Australian shopping centres (at Figtree, North Rocks, Strathpine and Warrawong) and the repatriation of proceeds following the joint venture of 5 shopping centres in New Zealand.

Steps To Complete Your Tax Return

2016 Distributions

The 2016 Tax Statement and Tax Summary cover the distributions made by Scentre Group that should be included in your 2016 Tax Return. These distributions are:

- Scentre Group distribution of 10.45 cents per security paid on 31 August 2015.
- Scentre Group distribution of 10.45 cents per security paid on 29 February 2016.

During the year no dividend was paid by Scentre Group limited and no distribution was paid by Scentre Group Trust 3.

Please note that the year-end of the Trusts for taxation purposes is 31 December. Accordingly, the distribution for the six months ended 30 June 2016 (as an interim distribution for the calendar year to 31 December 2016) that is to be paid in August 2016 should be included in your 2017 Tax Return. Dividends paid by Scentre Group Limited and distributions paid by Scentre Group Trust 3 are taxable in the income year in which they are paid.

General information

The information set out below in this Tax Return Guide has been prepared to assist Australian resident individual Scentre Group securityholders to complete their 2016 Tax Return. It does not apply to company, trust or superannuation fund securityholders.

If you are an individual lodging an Australian Tax Return Questions 13, 18 and 20 of your Tax Return (Supplementary Section) should be completed. The information on your 2016 Tax Statement and the notes in this Tax Return Guide will help you to answer these questions.

Please note that any other income or capital gains which you have derived should be added to the relevant amounts you have received from Scentre Group and the total income for each category should be included in your Tax Return.

You must report all of the assessable amounts in your Tax Return. Please note that for the 2016 income year there are no tax deferred amounts in respect of the distributions from Scentre Group Trust 1 and Scentre Group Trust 2.

Please refer to your Scentre Group 2016 Tax Summary and 2016 Tax Statement.

Question 13 – Partnerships and Trusts – Tax Return (Supplementary Section)

You should include at this question the Australian interest income amount and the other Australian taxable income amount of your distributions from the Trusts. Collectively these amounts are referred to as "Share of net income from Trusts".

Any TFN withholding tax deducted from your distributions from the Trusts should also be included at this question.

Question 18 – Capital Gains – Tax Return (Supplementary Section)

You should include at this question the net capital gain amount of the distributions from the Trusts.

General information

The assessable amount of your distribution for the 2016 income year includes discounted capital gains. The Trusts have elected to apply the "discount method" to determine the amount of the net capital gain to include in their taxable income. Accordingly, you may also be able to apply the discount method in respect of these gains (shown as "Capital Gains – discount method (50%)" on your Tax Summary).

Tax Return Disclosures

You should answer "YES" at Label 18G on your Tax Return.

You should follow the steps in the instructions to Question 18 of the TaxPack 2016 (Supplementary Section) to determine the amount of the net capital gain to include in your Tax Return.

If you require any general information or guidance on the calculation of capital gains including details of the "discount method", you should consult the following Australian Tax Office publications: "Personal Investor's Guide to Capital Gains Tax"; or "Guide to Capital Gains Tax". Alternatively, you should consult your professional tax adviser.

Question 20 – Foreign Source Income – Tax Return (Supplementary Section)

You should include at this question the assessable foreign source income amount of the distributions from the Trusts.

Follow the steps in the instructions to Question 20 of the TaxPack 2016 (Supplementary Section) to calculate the amount of other net foreign source income you should include in your Tax Return.

There are no foreign income tax offsets (previously called foreign tax credits) attributable to this assessable foreign source income.

Section 3 Capital Gains Tax Information

General Capital Gains Tax (CGT) matters

Each Scentre Group stapled security comprises four separate assets for Australian CGT purposes (1 Scentre Group Limited share, 1 Scentre Group Trust 1 unit, 1 Scentre Group Trust 2 unit, and 1 Scentre Group Trust 3 unit). Although Scentre Group stapled securities can only be traded together as one security (ASX code: SCG), for Australian tax purposes the securities are treated as separate assets.

For CGT purposes you need to apportion the cost of each component of the stapled security and the proceeds on sale of each component of the 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 (NTA) of the individual entities.

Set out below are the relative NTAs of the entities that comprise Scentre Group from 30 June 2014.

Date	Scentre Group Limited	Scentre Group Trust 1	Scentre Group Trust 2	Scentre Group Trust 3	Scentre Group Total
30 Jun 14	3.94%	33.34%	62.72%	0.00%	100%
31 Dec 14	4.33%	34.07%	61.49%	0.11%	100%
30 Jun 15	3.74%	34.39%	61.74%	0.13%	100%
31 Dec 15	4.17%	34.83%	60.87%	0.13%	100%

Details of the relative NTAs since Scentre Group was formed in June 2014 are also available at: <http://scentregroup.com/investors/taxation-information>.

Cost base of Scentre Group stapled securities

If you acquired Scentre Group stapled securities on market your cost base will generally be the amount paid to acquire the securities (apportioned between the separate assets that comprise the Scentre Group stapled security on a reasonable basis).

If you acquired your Scentre Group stapled securities through the Westfield Group and Westfield Retail Trust restructure transaction in

2014 information on how to determine the cost base of your securities is available from the following sources that can be accessed on the Scentre Group website:

- The Westfield Group factsheet in relation to how to determine your cost base in Scentre Group and Westfield Corporation stapled securities;
- The WRT factsheet in relation to how to determine your cost base in Scentre Group stapled securities; and
- The Australian Taxation Office Class Rulings (CR 2014/77 and CR 2014/78).

CGT implications of the tax deferred amount of distributions

The tax deferred amount of distributions made by the Trusts will reduce your cost base in the units of the Trusts. This reduction will apply in calculating any capital gain or capital loss on disposal of the units for CGT purposes. In addition, you make a capital gain (even if you do not sell your stapled securities) if the sum of the tax deferred amounts received exceeds the cost base of the units at the end of the income year. Please note that for the 2016 income year there are no tax deferred amounts in respect of the distributions from Scentre Group Trust 1 and Scentre Group Trust 2.

The publications "Guide to Capital Gains Tax" or "Personal Investor's Guide to Capital Gains Tax" which are available from the Australian Taxation Office provide details of the calculations required.

Distribution Payment History Schedules showing the tax deferred amounts of distributions made by the Trusts are available at: <http://scentregroup.com/investors/taxation-information>.

CGT concession amount

The CGT concession amount represents the non-assessable CGT discount amount that has been included in the capital distributions from the Trusts. This amount is not included in your assessable income or in your Tax Return or Tax Return (Supplementary Section). The CGT concession amount does not form part of your Tax Deferred Amount of distributions from the Trusts. Therefore it will not reduce your cost base in the units of the Trusts. Please note that for the 2016 income year there are no CGT concession amounts in respect of the distributions from Scentre Group Trust 1 and Scentre Group Trust 2.

Securityholders who have disposed of securities during the 2016 income year

If you have disposed of any of your Scentre Group stapled securities during the 2016 income year, you may have made a capital gain or loss. You should obtain a copy of the publication "Personal Investor's Guide to Capital Gains Tax" or alternatively, "Guide to Capital Gains Tax" which are available from the Australian Taxation Office and/or consult your accountant, taxation, or other professional adviser.

If you have further tax questions in relation to your investment in Scentre Group stapled securities, we recommend that you consult your accountant, taxation or other professional adviser.

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Enquiries

We recommend contacting your accountant, taxation or other professional adviser for specific advice.

For general enquiries in relation to this Tax Return Guide, please contact either:

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