SCENTRE GROUP

26 August 2014

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

Dear Sir/Madam

CARINDALE PROPERTY TRUST (ASX: CDP)
PRELIMINARY FINAL REPORT FOR YEAR ENDED 30 JUNE 2014

Attached is a media release and Appendix 4E (Preliminary Final Report) in relation to Carindale Property Trust for the full year ended 30 June 2014 ("Results for announcement to the market" information is on page 2 of the attached pack).

The Board of Scentre Management Limited has appointed Mr Paul Giugni, General Counsel, as a Company Secretary effective 26 August 2014.

Yours faithfully
SCENTRE MANAGEMENT LIMITED
as responsible entity of Carindale Property Trust

Maureen McGrath
Company Secretary

Encl.

Carindale

MEDIA RELEASE

26 August 2014

CARINDALE PROPERTY TRUST REPORTS FULL YEAR RESULT POST DEVELOPMENT WITH NET PROPERTY INCOME OF $38.9 MILLION UP 7%

Carindale Property Trust (ASX: CDP) today announced its full year results to 30 June 2014 with net property income of $38.9 million up 7% which includes the full year contribution from the major redevelopment completed in August 2012. AIFRS profit for the full year was $71.8 million (2013: $25.1 million). Funds from operations, which excludes unrealised fair value adjustments of $50.1 million, was $21.7 million, an increase of 9% on the previous corresponding period.

Westfield Carindale is one of Australia's top 3 shopping centres based on retail sales. The financial results of the Trust reflect the successful $310 million (CDP share $155 million) redevelopment of the centre which delivered over 120 new stores and increased the centre's size by 22,000 square metres to approximately 136,000 square metres.

The centre was valued as of 30 June 2014 at $1,456.4 million (CDP share $728.2 million). The current year's revaluation increment was $49.1 million.

At 30 June 2014, the centre was in excess of 99.5% leased. Total retail sales for the 12 months to 30 June 2014 were $914.7 million, up 7% on sales for the previous corresponding period.

The final distribution for the period is $11.1 million or 15.90 cents per unit. The final distribution is payable to members on 29 August 2014. The tax deferred component of this distribution is estimated to be approximately 52%.

As of 30 June 2014, the net tangible assets of the Trust were $7.17 per unit.

ENDS

SCENTRE MANAGEMENT LIMITED ABN 41 001 670 579 AFS Licence No: 230329 as responsible entity of Carindale Property Trust
ABN 29 192 934 520 ARSN 093 261 744
Level 30, 85 Castlereagh Street, Sydney NSW 2000 Australia · GPO Box 4004 Sydney NSW 2001 Australia · T +61 (02) 9358 7000 ·
www.carindalepropertytrust.com.au

For further information please contact Anita Sulentic on +61 2 9358 7997

Appendix 4E
Preliminary Final Report
under ASX listing rule 4.3A

Name of entity

CARINDALE PROPERTY TRUST - ASX (Code: CDP)	Current reporting period 12 months ended 30 June 2014
ARSN 093 261 744	Previous reporting period 12 months ended 30 June 2013

Introduction

This financial report should be read in conjunction with any public announcements made by the Trust during the 12 months ended 30 June 2014 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

Results for announcement to the market ($'000)

	30 Jun 14	30 Jun 13	Increase
Revenue	**53,342**	**50,280**	6.1%
AIFRS profit attributable to members of the Trust (before property revaluation, tenant allowances amortised and fair value movement on interest rate derivatives)	**21,747**	**20,028**	8.6%
AIFRS profit attributable to members of the Trust	**71,840**	**25,078**	186.5%

Distribution - cents per unit	30 Jun 14	30 Jun 13
Final distribution (30 June 2014, payable 29 August 2014)	15.90	
Final distribution (30 June 2013, paid 30 August 2013)		14.80
Interim distribution (31 December 2013, paid 28 February 2014)	15.10	
Interim distribution (31 December 2012, paid 28 February 2013)		13.90
Full year distribution	**31.00**	**28.70**

The record date for determining entitlement to the distribution was 30 June 2014.

The distribution for the six months ended 30 June 2014 will be 15.90 cents per unit.
This distribution is payable on 29 August 2014.
The tax deferred component of the full year distribution is estimated to be approximately 52%.

Commentary and analysis on the results for the current period can be found in the attached media release dated 26 August 2014. This media release forms part of the Appendix 4E.

Carindale Property Trust
Financial Report

Contents

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

Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2014

	Note	**30 Jun 14 $'000**	30 Jun 13 $'000
Revenue			
Property revenue	3a	**53,342**	50,280
Expenses			
Property expenses and outgoings		**(14,475)**	(13,824)
Net property income		**38,867**	36,456
Other expenses			
Manager's service charge		**(4,272)**	(3,938)
Other costs		**(395)**	(387)
		(4,667)	(4,325)
Interest income		**122**	105
Net fair value gain on interest rate derivatives		**2,265**	1,219
Financing costs	3b	**(13,851)**	(13,481)
Property revaluation		**49,104**	5,104
Net profit attributable to members of the Trust	13(ii)	**71,840**	25,078
Total comprehensive income attributable to members of the Trust		**71,840**	25,078
		cents	cents
Basic earnings per unit	6	**102.63**	35.83
Diluted earnings per unit	6	**102.63**	35.83

Balance Sheet

AS AT 30 JUNE 2014

	Note	30 Jun 14 $'000	30 Jun 13 $'000
Current assets			
Cash and cash equivalents	13(i)	**3,437**	3,074
Trade and other receivables	4	**2,296**	2,076
Prepayments and deferred costs	5	**302**	376
Total current assets		**6,035**	5,526
Non current assets			
Investment properties	7	**728,214**	678,228
Prepayments and deferred costs	5	**1,011**	376
Other assets		**–**	45
Total non current assets		**729,225**	678,649
Total assets		**735,260**	684,175
Current liabilities			
Trade and other payables	8	**19,591**	20,031
Derivative liabilities	10	**1,111**	661
Total current liabilities		**20,702**	20,692
Non current liabilities			
Interest bearing liabilities	9	**206,314**	202,664
Derivative liabilities	10	**6,517**	9,232
Total non current liabilities		**212,831**	211,896
Total liabilities		**233,533**	232,588
Net assets		**501,727**	451,587
Equity attributable to members of the Trust			
Contributed equity		**187,934**	187,934
Reserves		**47**	–
Retained profits	12	**313,746**	263,653
Total equity attributable to members of the Trust		**501,727**	451,587

Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2014

	30 Jun 14 $'000	30 Jun 13 $'000
Changes in equity attributable to members of the Trust		
Opening balance of contributed equity	**187,934**	187,934
Closing balance of contributed equity	**187,934**	187,934
Opening balance of reserves	**–**	–
– Amount transferred from retained profits	**47**	–
Closing balance of reserves	**47**	–
Opening balance of retained profits	**263,653**	258,665
– Profit attributable to members of the Trust	**71,840**	25,078
– Distribution payable to members of the Trust	**(21,700)**	(20,090)
– Amount transferred to other reserves	**(47)**	–
Closing balance of retained profits	**313,746**	263,653
Closing balance of equity attributable to members of the Trust	**501,727**	451,587

Cash Flow Statement

FOR THE YEAR ENDED 30 JUNE 2014

	Note	30 Jun 14 $'000	30 Jun 13 $'000
Cash flows from operating activities			
Receipts in the course of operations (including GST)		**59,656**	57,298
Payments in the course of operations (including GST)		**(20,092)**	(18,653)
Goods and services tax paid to government bodies		**(3,429)**	(3,372)
Net cash flows from operating activities	13(ii)	**36,135**	35,273
Cash flows used in investing activities			
Payments of capital expenditure for property investments		**(4,179)**	(23,100)
Financing costs in relation to construction in progress capitalised		**–**	(427)
Net cash flows used in investing activities		**(4,179)**	(23,527)
Cash flows used in financing activities			
Net proceeds from interest bearing liabilities		**3,663**	22,569
Financing costs		**(14,448)**	(13,135)
Interest received		**122**	105
Distribution paid to members		**(20,930)**	(19,460)
Net cash flows used in financing activities		**(31,593)**	(9,921)
Net increase in cash and cash equivalents held		**363**	1,825
Opening cash and cash equivalents brought forward		**3,074**	1,249
Cash and cash equivalents at the end of the year	13(i)	**3,437**	3,074

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1 BASIS OF PREPARATION OF THE YEAR END FINANCIAL REPORT

(a) Corporate information

This financial report of Carindale Property Trust (Trust) for the year ended 30 June 2014 was approved in accordance with a resolution of the Board of Directors of Scentre Management Limited, as responsible entity of the Trust (Responsible Entity) on 26 August 2014.

The nature of the operations and principal activities of Carindale Property Trust are described in the Directors' Report.

(b) Statement of Compliance

This financial report complies with Australian Accounting Standards and International Financial Reporting Standards issued by the International Accounting Standards Board. The accounting policies adopted are consistent with those of the previous financial year except that the Trust has adopted the following new or amended standards which became applicable on 1 July 2013.

– AASB 10 Consolidated Financial Statements

– AASB 11 Joint Arrangements

– AASB 12 Disclosure of Interests in Other Entities

– AASB 13 Fair Value Measurement

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

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Trust for the annual reporting period ended 30 June 2014. The Directors have assessed the impact of this new standard (to the extent relevant to the Trust) as follows:

– AASB 9 Financial Instruments (effective from 1 January 2017)

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 Responsible Entity 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 Responsible Entity is currently assessing the impact of this standard.

(c) Basis of Accounting

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards. The financial report has also been prepared on a historical cost basis, except for investment properties and derivative financial instruments that have been measured at fair value.

Investment property is held jointly as tenants in common. The proportionate share of the income and expenditure and of the assets and liabilities of property interests are held as tenants in common and have been included in their respective classifications in this financial report.

This financial report is presented in Australian dollars.

(d) Significant accounting judgements, estimates and assumptions

The preparation of the financial report requires management to make judgements, estimates and assumptions. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and other various factors it believes to be reasonable under the circumstances, the results of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements, in particular, Note 2: Summary of significant accounting policies, Note 7: Investment properties and Note 19: Fair value of financial assets and liabilities. Actual results may differ from these estimates under different assumptions and conditions and may materially affect the Trust's financial results or the financial position in future periods.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Investment properties

The Trust's investment properties include shopping centre investments and development projects.

i) Shopping centre investment

The Trust's shopping centre investment comprises of freehold and leasehold land, buildings and leasehold improvements.

Land and buildings are considered as having the function of an investment and therefore are regarded as a composite asset, the overall value of which is influenced by many factors, the most prominent being income yield, rather than by the diminution in value of the building content due to effluxion of time. Accordingly, the buildings and all components thereof, including integral plant and equipment, are not depreciated.

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

At each reporting date, the carrying value of the shopping centre investment is assessed by the Directors and where the carrying value differs materially from the Directors' assessment of fair value, an adjustment to the carrying value is recorded as appropriate.

Independent valuations of shopping centres are prepared annually with the exception of when the shopping centre is under development. The Directors' assessment of fair value takes into account annual independent valuations, that were prepared which take into account any changes in estimated yield, underlying income and valuations of comparable centres. In determining the fair value, the capitalisation of net income method and the discounting of future cash flows to their present value have been used which are based upon assumptions and judgement in relation to future rental income, property capitalisation rate or estimated yield and make reference to market evidence of transaction prices for similar properties.

Where the centre is undergoing a major redevelopment, the fair value of the centre is assessed by the Directors at each reporting date and any increment and decrement recognised. An independent valuation is obtained on completion of the major redevelopment.

ii) Major redevelopment

The Trust's development projects include costs incurred for the current and future redevelopment and expansion of its shopping centre investment. Development projects include capitalised construction and development costs and where applicable borrowing costs on qualifying developments.

Development projects are carried at fair value based on Directors' assessment of fair value at each reporting date taking into account the expected costs to complete, the stage of completion, expected underlying income and yield of the development. Any increment or decrement in the fair value of development projects resulting from Directors' assessment of fair value is included in the statement of comprehensive income in the year in which it arises. On completion, development projects are reclassified to shopping centre investment and an independent valuation is obtained.

The assessment of fair value and possible impairment in the fair value of shopping centre investment and development projects are significant estimates that can change based on the Trust's continuous process of assessing the factors affecting its property.

(b) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Trust and can be reliably measured. Rental income from investment properties is accounted for on a straight line basis over the lease term. Contingent rental income is recognised as income in the period in which it is earned. If not received at balance date, revenue is reflected in the balance sheet as receivables and carried at fair value. Recoveries from tenants are recognised as income in the year the applicable costs are accrued.

Certain tenant allowances that are classified as lease incentives are recorded as part of investment properties and amortised over the term of the lease. The amortisation is recorded against property income.

All other revenues are recognised on an accruals basis.

(c) Expenses

Expenses are brought to account on an accruals basis.

(d) Taxation

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

(e) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except where the GST incurred on purchase of goods and services is not recoverable from the tax authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable. Receivables and payables are stated with the amounts of GST included.

The net amount of GST payable or receivable to government authorities is included as part of receivables or payables in the balance sheet.

Cash flows are included in the cash flow statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

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

(f) Financing costs

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

(g) Contributed equity

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

(h) Derivative and other financial assets and liabilities

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

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

The fair value of 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 and the credit quality of all counterparties.

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Financial assets

Cash and cash equivalents

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

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and at bank, short term money market deposits and bank accepted bills of exchange readily convertible to cash, net of bank overdrafts and short term loans. Bank overdrafts are carried at the principal amount. Interest is charged as an expense as it accrues.

Receivables

Trade and sundry debtors are carried at original invoice amount, less provision for doubtful debts, and are due within 30 days. Collectability of trade and sundry receivables is reviewed on an ongoing basis. Individual debts that are determined to be uncollectible are written off when identified. An impairment provision for doubtful debts is recognised when there is evidence that the Trust will not be able to collect the receivable.

ii) Financial liabilities

Payables

Trade and other payables are carried at amortised cost and due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Trust prior to the end of the financial year that are unpaid and arise when the Trust becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 60 days.

Interest bearing liabilities

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

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

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

The fair value of the Trust's unquoted instruments, loans from banks and finance leases (as disclosed in Note 19) is estimated by discounting future cashflows using rates that approximate the Trust's borrowing rate as at 30 June 2014 for debt with similar maturity, credit risk and terms.

(i) Recoverable amount of assets

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

(j) Earnings per unit

Basic earnings per unit is calculated as net profit attributable to members of the Trust divided by the weighted average number of ordinary units. Diluted earnings per unit is calculated as net profit attributable to members of the Trust divided by the weighted average number of ordinary units and dilutive potential ordinary units.

(k) Rounding

In accordance with ASIC Class Order 98/0100, the amounts shown in the financial report have, unless otherwise indicated, been rounded to the nearest thousand dollars. Amounts shown as 0.0 represent amounts less than $500 that have been rounded down.

	30 Jun 14 $'000	30 Jun 13 $'000
NOTE 3a PROPERTY REVENUE		
Shopping centre base rent and other property income	**54,618**	51,553
Amortisation of tenant allowances	**(1,276)**	(1,273)
	53,342	50,280
NOTE 3b FINANCING COSTS		
Gross financing costs (excluding net fair value gain or loss on interest rate hedges that do not qualify for hedge accounting)	**(13,851)**	(13,908)
Financing costs capitalised to construction projects	**–**	427
	(13,851)	(13,481)
NOTE 4 TRADE AND OTHER RECEIVABLES		
Trade receivables	**649**	432
Other debtors	**1,647**	1,644
	2,296	2,076

	30 Jun 14 $'000	30 Jun 13 $'000
NOTE 5 PREPAYMENTS AND DEFERRED COSTS		
Current	**302**	376
Non current	**1,011**	376

	30 Jun 14 cents	30 Jun 13 cents
NOTE 6 EARNINGS PER UNIT AND NET TANGIBLE ASSET BACKING PER UNIT		
(i) Earnings per share		
Basic earnings per unit	**102.63**	35.83
Diluted earnings per unit	**102.63**	35.83

Basic and diluted earnings per unit are calculated by dividing the earnings of $71,840,000 (2013: $25,078,000) by the weighted average number of ordinary units on issue during the financial year. The weighted average number of units used in the calculation of basic and diluted earnings per unit is 70,000,000 (2013: 70,000,000).

	cents	cents
(ii) Net asset backing per unit		
Net asset backing per unit	**717**	645

	30 Jun 14 $'000	30 Jun 13 $'000
NOTE 7 INVESTMENT PROPERTIES		
Shopping centre investment	**728,214**	678,228
	728,214	678,228
Movement in investment properties		
Balance at the beginning of the year	**678,228**	668,500
Additions including redevelopment costs	**882**	4,624
Net revaluation increment	**49,104**	5,104
Balance at the end of the year	**728,214**	678,228

The Trust's interest in Westfield Carindale has been independently valued as at 30 June 2014. The valuation of the Trust's 50% interest in Westfield Carindale is $728.2 million (2013: $678.2 million) with an estimated yield of 5.50% (2013: 5.75%). This valuation was conducted by Colliers International C&V Pty Limited in accordance with the International Valuation Standards Committee.

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

During the year, $nil (2013: $0.4 million) of financing costs were capitalised to development projects.

	30 Jun 14 $'000	30 Jun 13 $'000
NOTE 8 TRADE AND OTHER PAYABLES		
Current		
Trade creditors	**1,014**	1,135
Other creditors and accruals	**7,447**	8,536
Distribution payable	**11,130**	10,360
	19,591	20,031

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2014

	30 Jun 14 $'000	30 Jun 13 $'000
NOTE 9 INTEREST BEARING LIABILITIES		
Non current		
Finance lease	**114**	127
Loans payable – secured (i)	**206,200**	202,537
	206,314	202,664

(i) The Trust refinanced its $230 million floating interest rate facility with its existing lenders. Drawings under this facility are secured by a registered mortgage over the Trust's interest in Westfield Carindale and a fixed and floating charge over all assets and undertakings of the Trust. The facility is subject to negative pledge arrangements and matures in the second half of calendar year 2018.

The maturity profile in respect of the above liabilities:		
Due within one year	**1**	1
Due between one and five years	**206,204**	202,542
Due after five years	**109**	121
	206,314	202,664

NOTE 10 DERIVATIVE LIABILITIES		
Current – Payables on interest rate derivatives	**1,111**	661
Non current – Payables on interest rate derivatives	**6,517**	9,232

The Trust presents the fair value of its derivative assets and derivative liabilities on a gross basis. However, certain derivative assets and liabilities are subject to legally enforceable master netting arrangements within the secured financing facilities. As at 30 June 2014, these netting arrangements have no impact on the derivative liabilities disclosed above (30 June 2013: nil).

	30 Jun 14 units	30 Jun 13 units
NOTE 11 TRUST UNITS		
Number of fully paid up units on issue		
Balance at the beginning and end of the period	**70,000,000**	70,000,000

	30 Jun 14 $'000	30 Jun 13 $'000
NOTE 12 RETAINED PROFITS		
Balance at the beginning of the year	**263,653**	258,665
Net profit attributable to members of the Trust	**71,840**	25,078
Distribution paid/payable to members of the Trust	**(21,700)**	(20,090)
Other reserves	**(47)**	–
Balance at the end of the year	**313,746**	263,653
NOTE 13 CASH AND CASH EQUIVALENTS		
(i) Components of cash and cash equivalents		
Cash	**3,437**	3,074
Total cash and cash equivalents	**3,437**	3,074
(ii) Reconciliation of cash flows from operating activities to net profit attributable to members of the Trust		
Net cash flows from operating activities	**36,135**	35,273
Property revaluation	**49,104**	5,104
Financing costs	**(13,851)**	(13,481)
Net fair value gain on interest rate derivatives	**2,265**	1,219
Interest received	**122**	105
Decrease in other net assets attributable to operating activities	**(1,935)**	(3,142)
Net profit attributable to members of the Trust	**71,840**	25,078

	30 Jun 14 $'000	30 Jun 13 $'000
(iii) Financing facilities		
Committed financing facilities available to the Trust:		
Total financing facilities	**230,000**	230,000
Amounts utilised	**(206,200)**	(202,537)
Available financing facilities	**23,800**	27,463
Cash	**3,437**	3,074
Total available financing facilities and available cash	**27,237**	30,537

The maturity profile in respect of the above borrowings:		
Due within one year	**–**	–
Due between one and five years	**230,000**	230,000
Due after five years	**–**	–

NOTE 14 DISTRIBUTIONS PAID AND PAYABLE TO MEMBERS

(a) Current/prior period distribution payable/paid to members		
Distribution payable to members		
– Ordinary units: 15.90 cents per unit, 52% estimated tax deferred	**11,130**	–
Distribution paid to members		
– Ordinary units: 14.80 cents per unit, 60% tax deferred	**–**	10,360
	11,130	10,360
(b) Distribution paid to members		
Distribution in respect of the 6 months to 31 December 2013		
– Ordinary units: 15.10 cents per unit, 52% estimated tax deferred	**10,570**	–
Distribution in respect of the 6 months to 31 December 2012		
– Ordinary units: 13.90 cents per unit, 60% tax deferred	**–**	9,730
	10,570	9,730

NOTE 15 SEGMENT INFORMATION

The Trust operates in one business segment, being the ownership of a shopping centre in Australia.

NOTE 16 CAPITAL RISK MANAGEMENT

The Responsible Entity seeks to manage the Trust's capital requirements to maximise value to members through the mix of debt and equity funding, while ensuring that the Trust:
– complies with capital and distribution requirements of the Trust's constitution;
– complies with capital requirements in relation to the Trust's borrowing covenants; and
– continues to operate as a going concern.

The Responsible Entity assesses the adequacy of the Trust's capital requirements, cost of capital and gearing (i.e. debt/equity mix) as part of its broader strategic plan. The Responsible Entity continuously reviews the Trust's capital structure to ensure:
– sufficient funds and financing facilities, on a cost effective basis are available to implement operating strategies;
– adequate financing facilities for unforeseen contingencies are maintained; and
– distributions to members are made within the stated distribution policy.

NOTE 17 FINANCIAL RISK MANAGEMENT

The Trust's principal financial instruments comprise cash, receivables, payables, interest bearing liabilities and derivative financial instruments.

On 30 June 2014, on implementation of the Westfield Group restructure, the Trust became a controlled entity of Scentre Group. From 1 July 2014, the Trust's risk management policies are based on those of Scentre Group. For the financial year ended 30 June 2014, the Trust's management of exposures to key financial risks was in accordance with the Westfield Group's treasury risk management policy. The policy was established to manage the key financial risks such as interest rate, counterparty credit and liquidity.

Scentre Group's treasury risk management policies establishes risk limits and controls to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Trust's activities. Scentre Group has adopted the risk framework of Westfield Group. Through its training and procedures, a disciplined and constructive control environment in which relevant treasury and finance personnel understand their roles and obligations in respect of the Trust's treasury management objectives has been established.

Scentre Group has an established Board approved risk management framework including policies, procedures, limits, and permitted types of derivative financial instruments. The Board reviews and oversees the Trust's compliance with these policies, procedures and limits. The Board is assisted in the oversight role by the Treasury Finance Committee, an internal executive committee, and internal audit function.

Notes to the Financial Statements

NOTE 17 FINANCIAL RISK MANAGEMENT (continued)

The Responsible Entity uses different methods to measure and manage different types of risks to which the Trust is exposed. These include monitoring levels of exposure to interest rates, liquidity and credit risk. The Responsible Entity enters into interest rate swaps to manage the interest rate risk arising from the Trust's operations. The Responsible Entity seeks to deal only with creditworthy counterparties and these assessments are regularly reviewed. Liquidity risk is monitored through the use of future rolling cash flow forecasts.

NOTE 18 INTEREST RATE RISK MANAGEMENT

The Trust is exposed to interest rate risk on its borrowings and derivative financial instruments. The risk is managed by the Responsible Entity by maintaining an appropriate mix between fixed and floating rate interest bearing liabilities. Fixed rate debt is achieved through the use of derivative financial instruments approved by the Board. These activities are evaluated regularly to ensure that the Trust is not exposed to interest rate movements that could adversely impact its ability to meet its financial obligations and to ensure compliance with borrowing covenants.

(i) Summary of floating interest rate positions at balance date

The Trust has interest rate risk on borrowings which are typically floating rate debt. The exposures at reporting date together with the interest rate risk management transactions are as follows:

Interest payable	Note	**30 Jun 14 $'000**	30 Jun 13 $'000
Principal amounts of all interest bearing liabilities:			
Non current – Loans payable – secured	9	**206,200**	202,537
		206,200	202,537
Principal amounts of fixed interest rate instruments:			
Fixed rate derivatives			
– A$	18(ii)	**156,000**	156,000
		156,000	156,000

At 30 June 2014, the Trust has hedged 76% (2013: 77%) of its interest payable exposure by way of interest rate swaps of varying durations with floating exposure of $50,200,000 payable (2013: $46,537,175) at an average rate of 4.21%, including margin (2013: 4.52%). Changes to the fair value of the derivatives due to interest rate movements are set out in Note 18(ii).

Interest rate sensitivity		**30 Jun 14 $'000**	30 Jun 13 $'000
The sensitivity of interest expense to changes in floating interest rates is as follows:	Interest rate movement	(Increase)/decrease in interest expense	
	–2.0%	**1,004**	931
	–1.0%	**502**	465
	–0.5%	**251**	233
	0.5%	**(251)**	(233)
	1.0%	**(502)**	(465)
	2.0%	**(1,004)**	(931)

(ii) Summary of fixed interest rate positions at balance date
Notional principal amounts of the Trust's interest rate swaps:

Swaps contracted as at the reporting date and outstanding at	**30 Jun 14 Notional Principal amount $'000**	**30 Jun 14 Average rate**	30 Jun 13 Notional Principal amount $'000	30 Jun 13 Average rate
A$ payable				
30 June 2013	**–**	**–**	A$(156,000)	5.53%
30 June 2014	**A$(156,000)**	**5.46%**	A$(156,000)	5.46%
30 June 2015	**A$(109,000)**	**5.42%**	A$(109,000)	5.42%
30 June 2016	**A$(89,000)**	**5.39%**	A$(89,000)	5.39%
30 June 2017	**A$(57,000)**	**5.25%**	A$(57,000)	5.25%

The Trust's interest rate swaps do not meet the accounting requirements to qualify for hedge accounting treatment. Changes in fair value have been reflected in the statement of comprehensive income. At 30 June 2014, the aggregate fair value is a payable of $7,628,014 (2013: $9,892,949). The change in fair value for the year ended 30 June 2014 was $2,264,935 gain (2013: $1,218,655).

Fair value sensitivity		30 Jun 14 $'000	30 Jun 13 $'000
The sensitivity of fair value of interest rate swaps to changes in interest rates is as follows:	Interest rate movement	(Increase)/decrease in interest expense	
	–2.0%	**(6,098)**	(9,134)
	–1.0%	**(3,003)**	(4,483)
	–0.5%	**(1,490)**	(2,221)
	0.5%	**1,467**	2,181
	1.0%	**2,912**	4,320
	2.0%	**5,738**	8,492

NOTE 19 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Set out below is a comparison by category of carrying amounts and fair values of all the Trust's financial instruments.

	Fair value		Carrying amount	
	30 Jun 14 $'000	30 Jun 13 $'000	30 Jun 14 **$'000**	30 Jun 13 $'000
Assets				
Cash	**3,437**	3,074	**3,437**	3,074
Trade and other receivables (i)	**2,296**	2,076	**2,296**	2,076
Liabilities				
Trade and other payables (i)	**19,591**	20,031	**19,591**	20,031
Interest bearing liabilities (ii)				
– Finance lease	**114**	127	**114**	127
– Floating rate debt	**206,200**	202,537	**206,200**	202,537
Derivative liabilities (ii)	**7,628**	9,893	**7,628**	9,893

(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 Trust uses the following hierarchy for determining and disclosing the fair value of a financial instrument. The valuation techniques comprise:

Level 1: the fair value is calculated using quotes (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: the fair value is estimated using inputs other than quoted prices that are observable, either directly (as prices) or indirectly (derived from prices).

Level 3: the fair value is estimated using inputs that are not based on observable market data.

	30 Jun 14 $'000	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**
Liabilities measured at fair value				
Interest bearing liabilities				
– Finance lease	**114**	**–**	**114**	**–**
- Floating rate debt	**206,200**	**–**	**206,200**	**–**
Derivative liabilities				
– Interest rate derivatives	**7,628**	**–**	**7,628**	**–**

	30 Jun 13 $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000
Liabilities measured at fair value				
Interest bearing liabilities				
– Finance lease	127	–	127	–
– Floating rate debt	202,537	–	202,537	–
Derivative liabilities				
– Interest rate derivatives	9,893	–	9,893	–

During the year, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.
All other financial assets and liabilities have a fair value which approximates carrying amount.

Investment properties are considered Level 3, refer to Note 7: Investment properties for relevant fair value disclosures.

Notes to the Financial Statements

NOTE 20 CREDIT AND LIQUIDITY RISK MANAGEMENT

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Trust. Credit limits have been established to ensure that the Trust deals only with approved counterparties and 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 Trust, after allowing for appropriate set offs which are legally enforceable. A maximum credit limit is allocated to each counterparty based on its credit rating. The counterparty credit risk associated with investment instruments is assessed based on its outstanding face value.

At 30 June 2014, the aggregate credit risk in respect of cash and cash equivalents is $3,437,346 (2013: $3,074,299).

At 30 June 2014, the aggregate credit risk in respect of derivative financial instruments is nil (2013: nil).

The Responsible Entity undertakes active liquidity and funding risk management to enable the Trust to have sufficient funds available to meet its financial obligations as and when they fall due, working capital and expected committed capital expenditure requirements. The Responsible Entity prepares and monitors rolling forecasts of liquidity requirements on the basis of expected cash flow.

Interest bearing liabilities, funding facilities and their maturity profiles are set out in Notes 9 and 13(iii).

NOTE 21 FINANCIAL COVENANTS

The Trust is required to comply with certain financial covenants in respect of its borrowings facilities. The major financial covenants are summarised as follows:

a) Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA) to gross interest expense excluding gains or losses from mark to market;

   – not less than 1.3 times

b) Loan to Value Ratio (LVR) (debt to latest property value);

   – not exceed 50%

At and during the years ended 30 June 2014 and 30 June 2013, the Trust was in compliance with all the above financial covenants.

	30 Jun 14 $'000	30 Jun 13 $'000
NOTE 22 INTEREST BEARING LIABILITIES, INTEREST AND DERIVATIVE CASH FLOW MATURITY PROFILE		
Interest bearing liabilities and interest		
Maturity profile of the principal amounts of current and non current interest bearing liabilities (refer Note 9) together with the aggregate future estimated interest thereon is set out below:		
Due within one year	**8,671**	9,155
Due between one and five years	**235,110**	213,397
Due after five years	**–**	–
	243,781	222,552
Derivatives		
Estimated cashflows in respect of interest rate swaps set out below:		
Due within one year	**3,839**	4,595
Due between one and five years	**4,072**	5,921
Due after five years	**–**	–
	7,911	10,516

NOTE 23 LEASE RECEIVABLES

Operating lease receivables

The property owned by the Trust is leased to third party retailers under operating leases at 30 June 2014.
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:

	30 Jun 14 $'000	30 Jun 13 $'000
Due within one year	**42,375**	40,455
Due between one and five years	**115,370**	132,128
Due greater than five years	**40,816**	52,350
	198,561	224,933

These amounts do not include percentage rentals which may become receivable under certain leases on the basis of retailer sales in excess of stipulated minimums and do not include recovery of outgoings.

	30 Jun 14 $'000	30 Jun 13 $'000
NOTE 24 AUDITOR'S REMUNERATION		
Amount paid or due and payable to the auditors of the Trust:		
Auditing the financial report of the Trust	**84**	80
Accounting and other services including compliance plan audit	**2**	2
	86	82

NOTE 25 RELATED PARTY TRANSACTIONS

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

The constitution of the Trust allows for an annual manager's service fee payable to the Responsible Entity up to a maximum of 2% of the total tangible assets of the Trust, which amounts to $14,705,200 for the year to 30 June 2014 (2013: $13,683,500), or such lesser amount as the Responsible Entity may determine. The manager's service fee paid or payable to the Responsible Entity for the year ended to 30 June 2014 was $4,274,093 (2013: $3,938,311) representing 0.6% (2013: 0.6%) of the total tangible assets of the Trust as of 30 June 2014.

During the year, amounts paid or payable (excluding GST) to associates of the Responsible Entity for capital costs amounted to $1,665,303 (2013: $20,755,241). As at 30 June 2014, remaining capital costs of $26,000 (2013: $269,910) were payable to associates of the Responsible Entity.

Real estate management fees expensed for the year ended 30 June 2014 due to associates of the Responsible Entity are based on normal commercial terms and were $2,712,500 (2013: $2,561,500). As at 30 June 2014, real estate management fees of $223,613 (2013: $214,286) were payable to associates of the Responsible Entity.

Reimbursement of expenses for the year ended 30 June 2014 paid and payable to associates of the Responsible Entity are based on normal commercial terms and were $2,186,500 (2013: $2,364,000).

As at 30 June 2014, Scentre Management Limited, as Responsible Entity of the Scentre Group Trust 1, held 35 million units in the Trust (2013: 35 million units).

Details of Key Management Personnel
(i) Directors
The Directors of Scentre Management Limited, the Responsible Entity of the Trust are considered to be Key Management Personnel.

On 30 June 2014, following the restructure of Westfield Group, the composition of the Board of Scentre Management Limited changed. Currently, the Board comprises the following Directors.

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

The following Directors retired from the Board of the Responsible Entity on 30 June 2014.

Ilana Atlas	Non–Executive Director	Mark R. Johnson	Non–Executive Director
Roy Furman	Non–Executive Director	Peter Lowy	Non–Executive Director
Peter Goldsmith	Non–Executive Director	John McFarlane	Non–Executive Director
Mark G. Johnson	Non–Executive Director	Judith Sloan	Non–Executive Director

There has been no other change to the Board of the Responsible Entity between the end of the reporting period and the date the financial report was authorised to be issued.

(ii) Other Key Management Personnel
The Responsible Entity does not have any employees. However in addition to the Directors noted above, the following person was a Key Management Personnel for the financial year with the authority for the strategic direction and management of Carindale Property Trust.

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

Since the end of the reporting period and the date the financial report was authorised for issue, Mr Jordan has ceased to be Key Management Personnel of the Trust.

On 30 June 2014, Mr Peter Allen was appointed Chief Executive Officer of Scentre Group. Mr Allen is a Director on the Board of the Responsible Entity and has been disclosed as Key Management Personnel in (i) above.

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

Directors' Declaration

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

(a) in the Directors' opinion, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable; and

(b) in the Directors' opinion, the financial statements and notes thereto are in accordance with the Corporations Act 2001, including sections 296 and 297, the International Financial Reporting Standards issued by the International Accounting Standards Board; and

(c) they have been provided with the declarations required by section 295A of the Corporations Act 2001 (Cwlth).

Made on 26 August 2014 in accordance with a resolution of the Board of Directors.

Frank Lowy AC
Chairman

Michael Ihlein
Director

Independent Audit Report

TO MEMBERS OF CARINDALE PROPERTY TRUST

Report on the financial report

We have audited the accompanying financial report of Carindale Property Trust (the Trust), which comprises the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration 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 Scentre Management Limited, the responsible entity of the Trust, are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. 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 of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit we have complied with the independence requirements of the Corporations Act 2001. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report. We confirm that the Auditor's Independence Declaration would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

a. the financial report of Carindale Property Trust is in accordance with the Corporations Act 2001, including:

  i giving a true and fair view of the Trust's financial position as at 30 June 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 the notes.

Ernst & Young

Ernst & Young

Graham Ezzy

Graham Ezzy
Partner

Sydney
26 August 2014

Liability Limited by a scheme approved
under Professional Standards Legislation

Directors' Report

The Directors of Scentre Management Limited, the responsible entity of Carindale Property Trust (Trust), submit the following report for the period from 1 July 2013 to 30 June 2014 (Financial Year).

1. Review of Operations and Results of Operations

Principal activity

The principal activity of the Trust during the Financial Year was the long term ownership of a 50% interest in Westfield Carindale shopping centre, which is located in the suburb of Carindale, east of Brisbane.

On 9 August 2012, the $310 million (the Trust's share $155 million) redevelopment of Westfield Carindale opened. The centre is one of Australia's top 3 shopping centres based on retail sales featuring 2 department stores, 2 discount department stores, 4 supermarkets, an 8–screen cinema complex and more than 400 specialty retailers. As at 30 June 2014, the centre was in excess of 99.5% leased with retail sales of $914.7 million.

As at 30 June 2014, the centre has been independently valued at $1,456.4 million (the Trust's share $728.2 million), representing a revaluation gain of $49.1 million since 30 June 2013. Total revaluation gains since the redevelopment of the centre are $123.9 million.

Financial results

The Trust's net property income for the Financial Year was $38.9 million representing a 6.6% increase on the previous year.

Funds from operations for the Financial Year was $21.7 million compared to $20.0 million in the previous financial year, representing a 8.6% increase.

As at 30 June 2014, total assets of the Trust increased 7.5% to $735.3 million and total unit holder funds attributable to members were $501.7 million.

The net tangible asset backing as at 30 June 2014 was $7.17 per unit, representing a 11.1% increase on last year primarily as a result of property revaluation.

The Trust has a secured loan facility. As at 30 June 2014, borrowings were $206.2 million with a gearing of 28.3% of the latest property value.

Distributions

The total amount to be distributed to members for the Financial Year is $21.7 million representing a full year distribution of 31.00 cents per unit. Details of interim distributions are set out in section 3 of this report.

Profit after tax, funds from operations and distribution for the period

	30 Jun 14 $'000	30 Jun 13 $'000
Net property income	**38,867**	36,456
Manager's service charge	**(4,272)**	(3,938)
Overheads	**(395)**	(387)
Net fair value gain on interest rate derivatives	**2,265**	1,219
Net financing costs	**(13,729)**	(13,376)
Property revaluation	**49,104**	5,104
Profit attributable to members of the Trust	**71,840**	25,078
Adjustments:		
– Property revaluation	**(49,104)**	(5,104)
– Tenant allowances amortised	**1,276**	1,273
– Net fair value gain on interest rate derivatives	**(2,265)**	(1,219)
Funds from operations (FFO)	**21,747**	20,028
Amount transferred to other reserves	**(47)**	–
Retained earnings utilised	**–**	62
Distributable Amount	**21,700**	20,090
FFO per unit	**31.07**	28.61
Distributable Amount per unit	**31.00**	28.70

Future prospects

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

Risks

The Trust's sole investment is a 50% interest in Westfield Carindale, and as such it is exposed to the risks inherent in the ownership of a single asset. The performance of the Trust may be affected by the local economic and retail conditions in south–east Queensland specifically and Australia generally.

There were no significant changes in the nature of that activity or the state of affairs for the Trust during the Financial Year. No matter or circumstance has arisen since the end of the Financial Year that has significantly affected, or may significantly affect, the Trust's operations, the results of those operations, or the Trust's state of affairs, in future financial years.

Directors' Report (continued)

2. Sustainability

Environmental laws and regulations in force in the jurisdictions in which the Group operates are applicable to areas of Scentre Group's operations and in particular to its development, construction and shopping centre management activities. Scentre 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. As the Trust formed part of Westfield Group on 30 June 2014, reference is made to the Westfield Group's 2014 Sustainability Report, which can be found at www.scentregroup.com.

3. Distributions

The total amount to be distributed to members for the Financial Year is $21.7 million representing a full year distribution of 31.00 cents per unit which includes the distribution paid on 28 February 2014 and the distribution to be paid on 29 August 2014.

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

	$'000
14.80 cents per unit for the 6 months ended 30 June 2013, paid 30 August 2013	$10,360
15.10 cents per unit for the 6 months ended 31 December 2013, paid 28 February 2014	$10,570

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

	$'000
15.90 cents per unit for the 6 months ended 30 June 2014, payable on 29 August 2014	$11,130

4. Directors and Secretaries

4.1 Board Membership and Qualifications

The following Directors served on the Board of the Responsible Entity for the entire Financial Period: Mr Frank Lowy, Mr Brian Schwartz, Mr Peter Allen, Ms Ilana Atlas, Mr Roy Furman, Lord (Peter) Goldsmith, Mr Mark G. Johnson, Mr Mark R. Johnson, Mr Peter Lowy, Mr Steven Lowy, Mr John McFarlane and Professor Judith Sloan.

In connection with the restructure of the Westfield Group implemented on 30 June 2014, the composition of the Board of the Responsible Entity changed.

The Board currently comprises the following directors:

- Mr Frank Lowy (Chairman)
- Mr Brian Schwartz (Deputy Chairman)
- Mr Peter Allen
- Mr Laurence Brindle (appointed 30 June 2014)
- Mr Richard Egerton–Warburton (appointed 30 June 2014)
- Mr Andrew Harmos (appointed 30 June 2014)
- Mr Michael Ihlein (appointed 30 June 2014)
- Mr Steven Lowy
- Ms Sandra McPhee (appointed 30 June 2014).

The following directors retired from the Board:

- Ms Ilana Atlas
- Mr Roy Furman
- Lord Peter Goldsmith
- Mr Mark G. Johnson
- Mr Mark R. Johnson
- Mr Peter Lowy
- Mr John McFarlane
- Professor Judith Sloan

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

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

Mr. Brian M Schwartz AM
Deputy Chairman
Brian Schwartz is a non-executive Director and Deputy Chairman of Scentre Group. In a career with Ernst & Young Australia spanning more than 25 years, he rose to the positions of Chairman (1996 - 1998) and then CEO of the firm from 1998 to 2004. From 2005 to 2009, Mr Schwartz was the CEO of Investec Bank (Australia) Limited. He is Chairman of Insurance Australia Group Limited and Deputy Chairman of Football Federation Australia Limited. Mr Schwartz 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. Mr Schwartz is Chairman of Scentre Group's Human Resources Committee and a member of the Nomination Committee.

Mr. Peter K Allen
Chief Executive Officer
Peter Allen is an executive Director and 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 Westfield Holdings Limited 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).

Mr. Richard F E Warburton AO, LVO
Mr Warburton is a non–executive Director of Scentre Group. Before becoming a professional director, he 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 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. Mr Warburton is Chairman of Scentre Group's Nomination Committee and a member of the Audit and Risk Committee.

Directors' Report (continued)

Mr. Laurence R Brindle
Laurence Brindle is a non-executive Director of Scentre Group. He 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. Mr Brindle is a member of Scentre Group's Audit and Risk Committee.

Mr. Michael F Ihlein
Michael Ihlein is a non-executive Director of Scentre Group. He 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 (1997 – 2004). Mr Ihlein joined Brambles as Chief Financial Officer 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, Chairman 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). Mr Ihlein is the Chairman of Scentre Group's Audit and Risk Committee.

Mr. Steven M Lowy AM
Steven Lowy is a non-executive Director of Scentre Group. He holds a Bachelor of Commerce (Honours) from the University of NSW. Prior to joining Westfield in 1987, Mr Lowy worked in investment banking in the US. He is an executive Director of Westfield Corporation and currently serves as Co-Chief Executive Officer. 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.

Ms. Sandra V McPhee AM
Sandra McPhee is a non-executive Director of Scentre Group. She 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. Ms McPhee is a member of Scentre Group's Human Resources Committee.

Mr. Andrew W Harmos
Andrew Harmos is a non-executive Director of Scentre Group. He 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. Mr Harmos is a member of Scentre Group's Nomination Committee and Human Resources Committee.

4.2 Directors' Relevant Interests

None of the Directors hold a relevant interest in units in the Trust.

5. Options

No options were granted over unissued interests in the Trust during or since the end of the financial year to any of the Directors or officers of the Responsible Entity.

There are no unissued interests in the Trust under option.

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

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

6. Indemnities and Insurance Premiums

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

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

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

7. Information for Registered Schemes

$6,986,593 in fees and $1,665,303 in construction progress billings were paid or payable to the Responsible Entity and its associates out of the assets of the Trust during the Financial Year.

Scentre Management Limited as responsible entity of Scentre Group Trust 1 held 35,000,000 units in the Trust as at the end of the financial year.

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

Details of the value of the Trust's assets as at the end of the Financial Year and the basis for valuation are set out in Note 7 to the financial statements.

Details of the number of interests in the Trust as at the end of the Financial Year are set out in Note 11 to the financial statements.

At the date of the report, the Responsible Entity of the Trust has an Audit and Risk Committee.

Directors' Report (continued)

8. Auditor's Independence Declaration to the Directors of Scentre Management Limited

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

Sydney
26 August 2014

Graham Ezzy
Partner

Liability Limited by a scheme approved
under Professional Standards Legislation

9. ASIC Disclosures

9.1 Rounding

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

9.2 Synchronisation of Financial Year

The Trust is a consolidated entity of each of Scentre Group Trust 1 and Scentre Group Limited. By orders dated 21 November 2001 and 27 June 2005 respectively made by the Australian Securities & Investment Commission, the directors of the Responsible Entity of Scentre Group Trust 1 and Scentre Group Limited have been relieved from compliance with the requirement to ensure that the financial year of the Trust coincides with the financial year of Scentre Group Trust 1 and Scentre Group Limited.

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

Frank Lowy AC
Chairman

Michael Ihlein
Director

26 August 2014