



**WFD Trust  
Annual Financial Report  
31 December 2015**

**Westfield Corporation**

Westfield Corporation Limited  
ABN 12 166 995 197

**WFD Trust**

ARSN 168 765 875  
(responsible entity Westfield America  
Management Limited  
ABN 66 072 780 619, AFSL No. 230324)

**Westfield America Trust**

ARSN 092 058 449  
(responsible entity Westfield America  
Management Limited  
ABN 66 072 780 619, AFSL No. 230324)

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**Listing**

Australian Securities Exchange – WFD

**Website**

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# Annual Financial Report

## WFD TRUST

For the Financial Year ended 31 December 2015

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# Income Statement

FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	31 Dec 15 US\$million	31 Dec 14 <sup>1</sup> US\$million
<b>Revenue</b>			
Investment income		<b>83.3</b>	1.0
<b>Expenses</b>			
Overheads		<b>(2.0)</b>	(1.1)
Interest income	21	<b>0.5</b>	–
Currency gain/(loss)		<b>(1.3)</b>	0.2
Financing costs	21	<b>(7.9)</b>	(0.3)
Net fair value gain/(loss) on interest rate derivatives	21	<b>(1.7)</b>	1.9
Revaluation of investments		<b>265.5</b>	286.2
Gain in respect of capital transactions	3	<b>23.9</b>	–
Charges in respect of the Restructure and Merger	4	<b>–</b>	(29.0)
<b>Profit before tax for the period</b>		<b>360.3</b>	258.9
Tax expense		<b>–</b>	–
<b>Profit after tax for the period attributable to the members of the WFD Trust (WFDT)</b>		<b>360.3</b>	258.9
		<b>US cents</b>	US cents
<b>Basic earnings per WFD Trust unit</b>	6	<b>17.34</b>	12.46
<b>Diluted earnings per WFD Trust unit</b>	6	<b>17.34</b>	12.46

<sup>1</sup> Comprised of earnings for the period from 9 April 2014 to 31 December 2014.

# Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2015

	31 Dec 15 US\$million	31 Dec 14 <sup>1</sup> US\$million
<b>Profit after tax for the period</b>	<b>360.3</b>	258.9
<b>Other comprehensive income/(loss)</b>		
<i>Movement in foreign currency translation reserve</i>		
– Net exchange difference from the use of a presentation currency other than the functional currency	<b>(581.3)</b>	(733.8)
<b>Total comprehensive income/(loss) for the period</b>	<b>(221.0)</b>	(474.9)

<sup>1</sup> Comprised of earnings for the period from 9 April 2014 to 31 December 2014.

# Balance Sheet

AS AT 31 DECEMBER 2015

	Note	31 Dec 15 US\$million	31 Dec 14 US\$million
<b>Current assets</b>			
Cash and cash equivalents		13.4	6.4
Receivables	7	2,908.0	3,374.7
<b>Total current assets</b>		<b>2,921.4</b>	3,381.1
<b>Non current assets</b>			
Investments	8	2,110.6	1,787.2
<b>Total non current assets</b>		<b>2,110.6</b>	1,787.2
<b>Total assets</b>		<b>5,032.0</b>	5,168.3
<b>Current liabilities</b>			
Payables and other creditors	9	338.4	–
<b>Total current liabilities</b>		<b>338.4</b>	–
<b>Total liabilities</b>		<b>338.4</b>	–
<b>Net assets</b>		<b>4,693.6</b>	5,168.3
<b>Equity attributable to members of WFD Trust</b>			
Contributed equity	10	5,643.2	5,643.2
Reserves	12	(1,315.1)	(733.8)
Retained profits	13	365.5	258.9
<b>Total equity attributable to members of WFD Trust</b>		<b>4,693.6</b>	5,168.3

# Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2015

	Comprehensive Income 31 Dec 15 US\$million	Equity and Reserves 31 Dec 15 US\$million	<b>Total 31 Dec 15 US\$million</b>	Total 31 Dec 14 US\$million
<b>Changes in equity attributable to members of the WFD Trust</b>				
Opening balance of contributed equity	–	5,643.2	<b>5,643.2</b>	–
– Initial equity contributed for WFDT pursuant to the establishment of Westfield Corporation	–	–	<b>–</b>	5,643.2
Closing balance of contributed equity	–	5,643.2	<b>5,643.2</b>	5,643.2
Opening balance of reserves	–	(733.8)	<b>(733.8)</b>	–
– Movement in foreign currency translation reserve	(581.3)	–	<b>(581.3)</b>	(733.8)
Closing balance of reserves	(581.3)	(733.8)	<b>(1,315.1)</b>	(733.8)
Opening balance of retained profits	–	258.9	<b>258.9</b>	–
– Profit after tax for the period	360.3	–	<b>360.3</b>	258.9
– Distributions paid	–	(253.7)	<b>(253.7)</b>	–
Closing balance of retained profits	360.3	5.2	<b>365.5</b>	258.9
<b>Closing balance of equity attributable to members of WFD Trust</b>	<b>(221.0)</b>	<b>4,914.6</b>	<b>4,693.6</b>	<b>5,168.3</b>

# Cash Flow Statement

FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	31 Dec 15 US\$million	31 Dec 14 <sup>1</sup> US\$million
<b>Cash flows used in operating activities</b>			
Distributions received from investments		2.7	1.0
Payments in the course of operations (including sales tax)		(27.4)	(1.1)
<b>Net cash flows used in operating activities</b>	14(b)	<b>(24.7)</b>	<b>(0.1)</b>
<b>Cash flows used in investing activities</b>			
Proceeds from the disposition of investments		84.4	–
Payments for investments		(178.8)	–
<b>Net cash flows used in investing activities</b>		<b>(94.4)</b>	<b>–</b>
<b>Cash flows from financing activities</b>			
Receipts from Restructure and Merger		–	3,898.9
Loans from/(advanced to) related entities		386.8	(3,892.1)
Interest paid		(6.7)	(0.3)
Distributions paid		(253.7)	–
<b>Net cash flows from financing activities</b>		<b>126.4</b>	<b>6.5</b>
Net increase in cash and cash equivalents held		7.3	6.4
Add opening cash and cash equivalents brought forward		6.4	–
Effects of exchange rate changes on opening cash and cash equivalents brought forward		(0.3)	–
<b>Cash and cash equivalents at the end of the period</b>	14(a)	<b>13.4</b>	<b>6.4</b>

<sup>1</sup> Comprised of cash flows for the period from 9 April 2014 to 31 December 2014.



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# Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2015

## NOTE 1 BASIS OF PREPARATION OF THE FINANCIAL REPORT

### (a) Corporate information

This financial report of the WFD Trust (WFDT), comprising WFDT and its controlled entities (the Trust) for the year ended 31 December 2015 was approved in accordance with a resolution of the Board of Directors of Westfield America Management Limited as responsible entity of WFDT (Responsible Entity) on 16 March 2016.

WFDT was constituted on 26 March 2014 and was registered as a managed investment scheme on 9 April 2014 as part of the Westfield Group Restructure and Merger (refer Note 1(b)).

The principal activity of the Trust is to hold interests in entities that invest in Westfield Corporation's UK property assets.

### (b) Detail on the Restructure and Merger

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:

- Scentre Group – comprising the merged Australian and New Zealand business of Westfield Group and Westfield Retail Trust; and
- 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 (Restructure), 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.

### (c) Presentation currency

The Trust's financial report has adopted US dollars as its presentation currency. The change in presentation currency has been accounted for as a change in accounting policy which is accounted for retrospectively.

Assets and liabilities denominated in non-US dollar currencies were translated into US dollars at the closing rates of exchange on the relevant balance sheet date;

Non-US dollar income and expenditure were translated at the average rates of exchange prevailing for the relevant period;

Contributed equity was translated at the historic rates prevailing at 1 July 2014 and subsequent transactions have been translated at the rates prevailing on the date of each transaction.

### (d) 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 used in the annual financial report for the year ended 31 December 2014 except for the changes required due to amendments to the accounting standards noted below.

The Trust has adopted the following new or amended standards which became applicable on 1 January 2015.

- AASB 2014-1 Part A Annual Improvements to IFRS 2010-2012 Cycle; and
- AASB 2014-1 Part A Annual Improvements to IFRS 2011 - 2013 Cycle.

For the financial period, the adoption of these amended standards had 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 year ended 31 December 2015. The impact of these new standards (to the extent relevant to the Trust) 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, measurement, impairment and hedge accounting of financial assets and liabilities compared with the requirements of AASB 139 Financial Instruments: Recognition and Measurement. The Trust is currently assessing the impact of this standard.

- AASB 15 Revenue from Contracts with Customers (expected to be effective from 1 January 2018)

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 Trust is currently assessing the impact of this standard.

- IFRS 16 Leases (expected to be effective from 1 January 2019)

This standard specifies how an entity recognise, measure, present and disclose leases. The Trust 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);
- AASB 2014-1 Amendments to Australian Accounting Standards - Part E: Financial Instruments (effective from 1 January 2018);
- AASB 2014-3 Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations. (AASB 1 & AASB 11) (effective from 1 January 2016);
- AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate and Joint Venture (effective from 1 January 2016);
- AASB 2015-1 Amendments to Australian Accounting Standards - Annual Improvements to Australian Accounting Standards 2012 - 2014 Cycle. (effective from 1 January 2016);
- AASB 2015-2 Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101 (effective from 1 January 2016); and
- AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality (effective from 1 July 2015).

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.

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

### **(e) 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 investments and derivative financial instruments which are carried at fair value.

### **(f) 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.

## **NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **(a) Receivables**

Interest bearing and non-interest bearing loan receivables are with related entities and are at call. Collectability of these loan receivables are reviewed on an ongoing basis.

### **(b) 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 Trust'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 the market value of similar investments.

### **(c) 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.

### **(d) 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. All other revenues are recognised on an accruals basis.

### **(e) Taxation**

The Trust is a non taxable entity. Under current Australian income tax legislation, WFDT 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 WFDT's constitution.

### **(f) Earnings per unit**

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

### **(g) Foreign currency translation**

#### ***i) Translation of foreign currency transactions***

The functional currency of WFDT and its Australian subsidiaries is Australian dollars. Foreign currency transactions are converted to the functional currency at exchange rates ruling at the date of those transactions. Monetary assets and liabilities denominated in foreign currencies are translated at year end exchange rates. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss in the period in which they arise.

#### ***ii) Presentation currency***

The Trust's financial statements are presented in United States dollars, as that presentation currency most reliably reflects the global business performance of Westfield Corporation as a whole.

The income statement and balance sheet of the Trust are translated to United States dollars in the following manner:

- (a) assets and liabilities are translated to United States dollars at the year end exchange rate;
- (b) income and expenses are translated to United States dollars at exchange rates ruling at the date of those transactions; and
- (c) all resulting exchange differences are taken directly to the foreign currency translation reserve.

### **(h) 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.

# Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2015

	31 Dec 15 US\$million	31 Dec 14 US\$million
<b>NOTE 3 GAIN IN RESPECT OF CAPITAL TRANSACTIONS</b>		
Asset dispositions		
– proceeds from asset dispositions	84.4	
– less: carrying value of assets disposed and other capital costs	(60.5)	
Gain in respect of asset dispositions	23.9	–

## NOTE 4 CHARGES IN RESPECT OF THE RESTRUCTURE AND MERGER

Transaction costs in respect of the Restructure and Merger	–	(29.0)
	–	(29.0)

## NOTE 5 TAXATION

### Tax expense

Current - underlying operations	–	–
Deferred tax	–	–
	–	–

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	360.3	258.9
Prima facie tax expense at 30%	(108.1)	(77.7)
Revaluation of investments not assessable	79.7	85.9
Trust income not taxable - tax payable by unitholders	28.4	(8.2)
Tax expense	–	–

US cents US cents

## NOTE 6 EARNINGS PER UNIT

### (a) Summary of earnings per unit

Basic earnings per unit attributable to members of the WFD Trust	17.34	12.46
Diluted earnings per unit attributable to members of the WFD Trust	17.34	12.46

### (b) Income and unit data

The following reflects the income data used in the calculations of basic and diluted earnings per unit:

	US\$million	US\$million
Earnings used in calculating basic earnings per unit	360.3	258.9
Adjustment to earnings on options which are considered dilutive	–	–
Earnings used in calculating diluted earnings per unit	360.3	258.9

The following reflects the unit data used in the calculations of basic and diluted earnings per unit:

	No. of Units	No. of Units
Weighted average number of ordinary units used in calculating basic earnings per unit	2,078,089,686	2,078,089,686
Bonus element of options which if issued, would be dilutive		–
Adjusted weighted average number of ordinary units used in calculating diluted earnings per unit	2,078,089,686	2,078,089,686

### (c) Conversions, calls, subscription or issues after 31 December 2015

There have been no conversions to, calls of, subscriptions for, issuance of new or potential ordinary units since the reporting date and before the completion of this report.

	Note	US\$million	US\$million
<b>NOTE 7 RECEIVABLES</b>			
<b>Current</b>			
Receivables from related entities		2.0	46.8
Non-interest bearing loans receivables from related entities		2,906.0	3,327.9
	19,21	2,908.0	3,374.7

	Note	31 Dec 15 US\$million	31 Dec 14 US\$million
<b>NOTE 8 INVESTMENTS</b>			
Listed investments		69.0	142.1
Unlisted investments		2,041.6	1,645.1
	19	2,110.6	1,787.2

#### Movement in investments

Balance at the beginning of the year	1,787.2	–
Additions	329.3	1,501.0
Disposals	(60.5)	–
Net revaluation increment to income statement	265.5	286.2
Retranslation of foreign operations	(210.9)	–
Balance at the end of the year	2,110.6	1,787.2

#### NOTE 9 PAYABLES AND OTHER CREDITORS

##### Current

Payables to related entities	336.7	–
Other creditors and accruals	1.7	–
	338.4	–

Units Units

#### NOTE 10 CONTRIBUTED EQUITY

##### (a) Number of units on issue

Balance at the beginning of the year	2,078,089,686	–
Initial equity contributed to WFDT	–	2,078,089,686
Balance at the end of the year	2,078,089,686	2,078,089,686

Westfield Corporation stapled securities have the right to receive declared dividends from Westfield Corporation Limited (WCL) and distributions from WFDT and Westfield America Trust (WAT) and, in the event of winding up WCL, WFDT and WAT, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on Westfield Corporation stapled securities held.

Holders of Westfield Corporation stapled securities can vote their shares and units in accordance with the Corporation Act, either in person or by proxy, at a meeting of either WCL, WFDT and WAT (as the case maybe).

	31 Dec 15 US\$million	31 Dec 14 US\$million
<b>(b) Amount of contributed equity</b>		
<b>Movement in contributed equity attributable to members of WFD Trust</b>		
Balance at the beginning of the year	5,643.2	–
Initial equity contributed to WFDT	–	5,643.2
Balance at the end of the year	5,643.2	5,643.2

#### NOTE 11 SHARE BASED PAYMENTS

##### Executive Performance Rights and Partnership Incentive Rights issued to employees of related entities

As at 31 December 2015, there were 14,757,786 Executive Performance Rights and Partnership Incentive Rights issued to employees of related entities of the Trust. Under the stapling arrangement, each of WCL, WAT and the Trust are required to issue securities/units on the vesting of an Executive Performance and Partnership Incentive Rights. At 31 December 2015, the 14,757,786 Executive Performance Rights and Partnership Incentive Rights issued to employees of related entities were convertible to 14,757,786 Westfield Corporation stapled securities.

	Number of rights 31 Dec 15	Weighted average exercise price US\$ 31 Dec 15	Number of rights 31 Dec 14	Weighted average exercise price US\$ 31 Dec 14
<b>Rights on issue</b>				
– Executive Performance Rights and Partnership Incentive Rights	14,757,786	–	17,369,813	–
			<b>Number of rights 31 Dec 15</b>	<b>Number of rights 31 Dec 14</b>
Vesting profile				
2015		–		5,623,868
2016		5,971,837		6,795,626
2017		5,023,093		3,135,878
2018		2,741,868		1,814,441
2019		1,020,988		–
		14,757,786		17,369,813

# Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	31 Dec 15 US\$million	31 Dec 14 US\$million
<b>NOTE 12 RESERVES</b>			
Foreign currency translation reserve	2(g)	(1,315.1)	(733.8)
		<b>(1,315.1)</b>	<b>(733.8)</b>

## Movement in foreign currency translation reserve

The foreign currency translation reserve represents net exchange differences arising from the translation of the income statement and balance sheet from its functional currency to its presentation currency.

Balance at the beginning of the year		(733.8)	–
Foreign exchange movement			
– accumulated exchange differences resulting from the use of a presentation currency other than the functional currency		(581.3)	(733.8)
Balance at the end of the year		<b>(1,315.1)</b>	<b>(733.8)</b>

## NOTE 13 RETAINED PROFITS

### Movement in retained profits

Balance at the beginning of the year		258.9	–
Profit after tax for the year		360.3	258.9
Distributions paid		(253.7)	–
Balance at the end of the year		<b>365.5</b>	<b>258.9</b>

## NOTE 14 CASH AND CASH EQUIVALENTS

### (a) Components of cash and cash equivalents

Cash		13.4	6.4
------	--	------	-----

### (b) Reconciliation of profit after tax to net cash flows used in operating activities

Profit after tax		360.3	258.9
Revaluation of investments		(265.5)	(286.2)
Net fair value (gain)/loss on interest rate derivatives		1.7	(1.9)
Financing costs		7.9	0.3
Interest income		(0.5)	–
Currency (gain)/loss		1.3	(0.2)
Gain in respect of capital transactions		(23.9)	–
Charges in respect of the Restructure and Merger		–	29.0
Accrued income from investments		(80.6)	–
Increase in working capital attributable to operating activities		(25.4)	–
Net cash flows used in operating activities		<b>(24.7)</b>	<b>(0.1)</b>

## NOTE 15 DISTRIBUTIONS

### (a) Final distribution paid

Distribution in respect of the 6 months to 31 December 2015			
Ordinary units: 0.10 US cents per unit, 54% estimated tax deferred		2.1	–
Distribution in respect of the 6 months to 31 December 2014			
Ordinary units: 8.66 US cents per unit, 92% tax deferred (includes 8% CGT concession amount)		–	180.0
		<b>2.1</b>	<b>180.0</b>

Interim distribution was paid on 31 August 2015. Final distribution was paid on 29 February 2016. The record date for the final distribution was 5pm, 15 February 2016. No distribution reinvestment plan is operational for the distribution.

### (b) Interim distribution paid

Distribution in respect of the 6 months to 30 June 2015 (30 June 2014: nil)			
Ordinary units: 3.55 US cents per unit, 54% estimated tax deferred		73.7	–
		<b>73.7</b>	<b>–</b>

## NOTE 16 CONTINGENT LIABILITIES

Guaranteed borrowings of associates of the Responsible Entity		4,649.9	4,523.3
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**NOTE 17 SEGMENT REPORTING**

The Trust holds interests in entities that invest in Westfield Corporation's UK property assets and derives distributions from its investment in these entities.

**NOTE 18 EXCHANGE RATE RISK MANAGEMENT**

	Note	31 Dec 15 million	31 Dec 14 million
<b>Foreign currency net investments</b>			
The Trust had floating currency exposure, after taking into account the effect of foreign exchange derivatives, at reporting date of:			
<b>British Pound</b>			
£ net assets (investments and cash)		<b>£1,441.0</b>	£1,148.1
£ denominated net assets		<b>£1,441.0</b>	£1,148.1
US\$ equivalent		<b>US\$2,123.6</b>	US\$1,791.5

**Australian Dollar**

A\$ net assets		<b>A\$3,987.4</b>	A\$4,118.1
A\$ borrowings from related entity	21	<b>A\$(461.5)</b>	–
A\$ denominated net assets		<b>A\$3,525.9</b>	A\$4,118.1
US\$ equivalent		<b>US\$2,569.0</b>	US\$3,376.8

The Trust's foreign currency net investments are subject to exchange rate risk. Gains and losses arising from translation of the Trust's foreign currency denominated net assets, and, where applicable, associated hedging instruments, where the Trust satisfied the accounting requirements to qualify for hedge accounting treatment, are reflected in the foreign currency translation reserve.

Where the Trust 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.

<b>Foreign currency sensitivity</b>		31 Dec 15 US\$million	31 Dec 14 US\$million
The sensitivity of £ denominated net assets to changes in the year end US\$/£0.6786 (31 December 2014: 0.6409) rate is as follows:	US\$/£ Currency movement	Gain/(loss) to foreign currency translation reserve	
	- 20 pence	<b>887.5</b>	812.8
	- 10 pence	<b>367.1</b>	331.2
	- 5 pence	<b>168.9</b>	151.6
	+ 5 pence	<b>(145.7)</b>	(129.7)
	+ 10 pence	<b>(272.8)</b>	(241.8)
	+ 20 pence	<b>(483.4)</b>	(426.1)
The sensitivity of A\$ denominated net assets to changes in the year end US\$/A\$1.3725 (31 December 2014: 1.2195) rate is as follows:	US\$/A\$ Currency movement	Gain/(loss) to foreign currency translation reserve	
	- 20 cents	<b>438.2</b>	662.4
	- 10 cents	<b>201.9</b>	301.6
	- 5 cents	<b>97.1</b>	144.4
	+ 5 cents	<b>(90.3)</b>	(133.0)
	+ 10 cents	<b>(174.5)</b>	(255.9)
	+ 20 cents	<b>(326.7)</b>	(475.8)

# Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2015

## NOTE 18 EXCHANGE RATE RISK MANAGEMENT (CONTINUED)

### (i) Cross currency interest rate swaps to hedge the Trust's foreign currency cash flows

The Trust has entered into the following foreign currency derivative financial instruments with WAT to sell £ 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 Trust's cash flows and are ineffective hedges for accounting purposes.

Cross currency swaps contracted as at the reporting date and outstanding at	Weighted average exchange rate		Amount receivable/(payable) million			
	31-Dec-15	31-Dec-14	31-Dec-15	31-Dec-15	31-Dec-14	31-Dec-14
<b>£</b>						
Contracts to receive A\$ and pay £	–	0.4270	–	–	A\$210.8	£(90.0)

At 31 December 2015, 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 2015, the aggregate fair value is nil (31 December 2014: a receivable of US\$1.7 million). The change in fair value for the financial year ended 31 December 2015 was US\$1.7 million (31 December 2014: US\$1.7 million).

Foreign currency sensitivity		31-Dec-15 US\$million	31-Dec-14 US\$million
The sensitivity of fair value of cross currency interest rate swaps to changes in the year end US\$/A\$1.3725 (31 December 2014: 1.2195) rate is as follows:	US\$/A\$ Currency movement		Gain/(loss) to income statement
	- 20 cents	–	0.4
	- 10 cents	–	0.2
	- 5 cents	–	0.1
	+ 5 cents	–	(0.1)
	+ 10 cents	–	(0.2)
	+ 20 cents	–	(0.3)
The sensitivity of fair value of cross currency interest rate swaps to changes in the year end US\$/£0.6786 (31 December 2014: 0.6409) rate is as follows:	US\$/£ Currency movement		Gain/(loss) to income statement
	- 20 pence	–	(0.2)
	- 10 pence	–	(0.1)
	- 5 pence	–	(0.0)
	+ 5 pence	–	0.0
	+ 10 pence	–	0.1
	+ 20 pence	–	0.1

## 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	
	31 Dec 15 US\$million	31 Dec 14 US\$million	31 Dec 15 US\$million	31 Dec 14 US\$million
<b>Consolidated assets</b>				
Cash and cash equivalents	13.4	6.4	13.4	6.4
Receivables <sup>(i)</sup>	2,908.0	3,373.0	2,908.0	3,373.0
Investments <sup>(ii)</sup>	2,110.6	1,787.2	2,110.6	1,787.2
Derivative assets <sup>(ii)</sup>	–	1.7	–	1.7
<b>Consolidated liabilities</b>				
Payables and other creditors <sup>(i)</sup>	338.4	–	338.4	–

<sup>(i)</sup> These financial assets and liabilities are not subject to interest rate risk and the fair value approximates carrying amount.

<sup>(ii)</sup> 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.



**NOTE 19 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)****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 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 15 US\$million	Level 1 US\$million	Level 2 US\$million	Level 3 US\$million
<b>Consolidated assets measured at fair value</b>				
Investments				
– Listed investments	69.0	69.0	–	–
– Unlisted investments	2,041.6	–	–	2,041.6
Derivative assets				
– Interest rate derivatives - WAT	–	–	–	–

During the year, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

	31 Dec 14 US\$million	Level 1 US\$million	Level 2 US\$million	Level 3 US\$million
<b>Consolidated assets measured at fair value</b>				
Investments				
– Listed investments	142.1	142.1	–	–
– Unlisted investments	1,645.1	–	–	1,645.1
Derivative assets				
– Interest rate derivatives - WAT	1.7	–	1.7	–

During the year, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

	Unlisted investments <sup>®</sup> 31 Dec 15 US\$million	Unlisted investments <sup>®</sup> 31 Dec 14 US\$million
<b>Level 3 fair value movement</b>		
Balance at the beginning of the year	1,645.1	–
Additions	329.3	1,399.4
Net fair value gain to income statement	264.7	245.7
Net exchange differences on translation of foreign investments	(197.5)	–
Balance at the end of the year	2,041.6	1,645.1

<sup>®</sup> The fair value of the unlisted investments has been determined by reference to the fair value of the underlying independently appraised properties and underlying businesses.

	31 Dec 15 US\$000	31 Dec 14 US\$000
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**NOTE 20 AUDITOR'S REMUNERATION**

Amounts received or due and receivable by the auditors of the Trust for:

– Audit or review of the financial reports	33.9	36.1
	<b>33.9</b>	<b>36.1</b>

# Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2015

## NOTE 21 RELATED PARTY DISCLOSURES

Information required to be disclosed concerning relationships, transactions and balances with related parties of the Trust is set out in this Note unless disclosed elsewhere in this financial report.

The Trust forms part of the Westfield Corporation and the related party disclosures for the Westfield Corporation have the same applicability to the Trust.

### Westfield Corporation Limited and Westfield America Trust

Following the Restructure and Merger implemented on 30 June 2014, Westfield Corporation Limited (WCL) and its subsidiaries, Westfield America Trust (WAT) and its subsidiaries are considered to be related parties of the Trust. Details of transactions with WCL and WAT for the Financial Period are set out below.

WAT, WFDT and WCL transacted on normal commercial terms as stapled entities with respect to the following:

- (a) Manager's service charges; and
- (b) Loans and financial derivatives

### Manager's service charges

The Responsible Entity's manager's service charge for the twelve months ended 31 December 2015 was US\$1.0 million (31 December 2014: US\$1.0 million) of which US\$nil was payable at 31 December 2015 (31 December 2014: US\$nil).

### Loans and financial derivatives

#### Loans from/to WCL

During the financial year, the Trust had A\$ interest bearing loans from/to WCL. The balance of these loans at year end is nil (31 December 2014: receivable of US\$4.4 million), with accrued interest receivable of nil (31 December 2014: US\$8,864). Interest accrued on these loans based on a floating rate. The net interest expense for the year in respect of the loans from/to WCL was US\$4.4 million (31 December 2014: interest income US\$0.1 million).

During the financial year, the Trust had £ interest bearing loans to WCL. The balance of these loans at year end is nil (31 December 2014: nil). Interest accrued on these loans based on a floating rate. The interest income for the year in respect of the loans to WCL was US\$81,974 (31 December 2014: nil).

During the financial year, the Trust had an A\$ non-interest bearing loan to WCL. The balance of the loan at year end is a receivable of US\$687.3 million (31 December 2014: US\$857.3 million).

During the period ended 30 June 2014, the Trust incurred transaction costs of US\$29.0 million in respect of the Restructure and Merger and this amount was paid to WCL during the financial year ended 31 December 2015.

#### Loans from/to WAT

During the financial year, the Trust had A\$ interest bearing loans from/to WAT. The balance of these loans at year end is a payable of US\$336.2 million (31 December 2014: receivable of US\$42.4 million), with accrued interest payable of US\$0.5 million (31 December 2014: receivable of US\$13,509). Interest accrues on these loans based on a floating rate. The net interest expense for the year in respect of the loans from/to WAT was US\$4.6 million (31 December 2014: interest income US\$0.6 million).

During the financial year, the Trust had an A\$ non-interest bearing loan to WAT. The balance of the loan at year end is a receivable of US\$2,218.7 million (31 December 2014: US\$2,497.0 million).

#### Cross currency swaps with WAT

The Trust had cross currency swaps with WAT during the financial year. The Trust paid to WAT, on a quarterly basis, floating rate on a notional principal of £90.0 million in exchange for WAT paying to the Trust, on a quarterly basis, floating rate on a notional principal of A\$210.8 million. The cross currency swap started in June 2014 and matured during the year.

The net interest expense including net fair value loss on interest rate derivatives of US\$1.7 million (31 December 2014: gain of US\$1.9 million) for the financial year in respect of cross currency swaps with WAT was US\$0.2 million (31 December 2014: net interest income US\$0.9 million).

#### Foreign currency contracts with WCL entities

The Trust and WCL entities entered into foreign currency contracts in 2015, at market rates. The Trust paid £48.0 million to WCL entities in exchange for WCL entities paying A\$100.7 million to the Trust. The foreign currency contracts matured during the year and the net gain from the contracts was US\$0.2 million.

## Directors' Declaration

The Directors of Westfield America Management Limited as responsible entity of WFD Trust (WFDT) declare that:

- (a) in the Directors' opinion, there are reasonable grounds to believe that WFDT 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 2015 and the performance of WFDT 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 16 March 2016 in accordance with a resolution of the Board of Directors.



**Frank Lowy AC**  
Chairman



**Brian Schwartz AM**  
Director

# Independent Audit Report

TO THE MEMBERS OF WFD TRUST



Building a better  
working world

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## Independent auditor's report to the members of WFD Trust Report on the Financial Report

We have audited the accompanying financial report of WFD Trust (the Trust), which comprises the consolidated balance sheet as at 31 December 2015, the consolidated income statement, the 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 Trust 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 Westfield America 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(d), 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 judgement, 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 Westfield America Management Limited 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 WFD Trust 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 2015 and of its performance for the financial 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(d).

Ernst & Young

Graham Ezzy  
Partner

Sydney, 16 March 2016

# Directors' Report

The Directors of Westfield America Management Limited (**Responsible Entity**), the responsible entity of WFD Trust (**Trust**) submit the following report for the year ended 31 December 2015 (**Financial Year**).

## 1. OPERATIONS AND ACTIVITIES

### 1.1 Review of Operations and Results of Operations

The Trust reported a net profit of US\$360.3 million. The basic earnings per unit is US\$17.34 cents and the distribution per unit is US\$3.65 cents for the Financial Year.

During the Financial Year, the Trust reported a revaluation gain of US\$265.5 million reflecting the capital appreciation in its investments in entities that hold the Westfield Corporation's UK property assets. The Trust also reported a gain of US\$23.9 million in respect of the disposition of its listed investments.

In 2014, the Trust incurred transaction costs of US\$29.0 million in respect of the Restructure and Merger and this amount was paid to Westfield Corporation Limited during the year.

There were no significant changes in the Trust's state of affairs during the Financial Year.

A detailed operating and financial review for the Westfield Corporation is contained in the Directors' Report in the Westfield Corporation Annual Financial Report which is available at [www.westfieldcorp.com](http://www.westfieldcorp.com).

### 1.2 Principal Activities

The principal activity of the Trust is to hold investments in entities that invest in Westfield Corporation's UK property assets. There were no significant changes in the nature of those activities during the Financial Year.

### 1.3 Subsequent Events

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

### 1.4 Future Developments

The likely developments in the Trust's operations in future financial years and the expected results of those operations are described in the Review of Operations and Results of Operations above. The likely developments in Westfield Corporation's operations in future financial years and the expected results of those operations are more fully described in the Directors' Report in the Westfield Corporation Annual Financial Report.

### 1.5. Sustainability

Environmental laws and regulations in force in the various jurisdictions in which Westfield Corporation operates are applicable to areas of Westfield's operations and in particular to its development, construction and shopping centre management activities. Westfield Corporation 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. The Westfield Corporation 2015 Sustainability Report which includes Westfield Corporation's shopping centres, can be found at <http://www.westfieldcorp.com/about/sustainability/>.

## 2. DISTRIBUTIONS

For the six months ended 31 December 2014, the Trust distribution of US\$8.6600 cents per ordinary unit formed part of the distribution of US\$12.3000 cents per ordinary Westfield Corporation (**WFD**) stapled security paid on 27 February 2015. This distribution is an aggregate of a distribution from the Trust and a distribution from Westfield America Trust. The number reported here only represents that component of the aggregate Westfield Corporation distribution being the distribution of the Trust.

For the six months ended 30 June 2015, the Trust distribution of US\$3.5500 cents per ordinary unit formed part of the distribution of US\$12.5500 cents per ordinary Westfield Corporation (**WFD**) stapled security paid on 31 August 2015. This distribution is an aggregate of a distribution from the Trust and a distribution from Westfield America Trust. The number reported here only represents that component of the aggregate Westfield Corporation distribution being the distribution of the Trust.

For the six months ended 31 December 2015, the Trust distribution of US\$0.1000 cents per ordinary unit formed part of the distribution of US\$12.5500 cents per ordinary Westfield Corporation (**WFD**) stapled security paid on 29 February 2016. This distribution is an aggregate of a distribution from the Trust and a distribution from Westfield America Trust. The number reported here only represents that component of the aggregate Westfield Corporation distribution being the distribution of the Trust.

## 3. THE DIRECTORS

The names of the Directors of the Responsible Entity in office during the year and until the date of this report are set out below.

Frank Lowy AC	Chairman
Brian Schwartz AM	Deputy Chairman / Lead Independent Director
Ilana Atlas	Non-Executive Director
Roy Furman	Non-Executive Director
Lord Peter Goldsmith QC PC	Non-Executive Director
Michael Gutman OBE	President / Chief Operating Officer
Mark G. Johnson	Non-Executive Director
Mark R. Johnson AO	Non-Executive Director
Don Kingsborough	Non-Executive Director
Peter Lowy	Co-Chief Executive Officer / Executive Director
Steven Lowy	Co-Chief Executive Officer / Executive Director
John McFarlane	Non-Executive Director
Professor Judith Sloan	Non-Executive Director (retired 14 May 2015)

Biographies for each of the Directors can be found in the 2015 Westfield Corporation Annual Financial Report.

The names of the Directors in office and the relevant interest of each Director in stapled securities in Westfield Corporation as at the date of this report are shown below. Ordinary units in the Trust are stapled to shares in Westfield Corporation Limited and units in WFD Trust. The stapled securities trade on the Australian Securities Exchange under the code WFD.

Director	Number of Stapled Securities
Frank Lowy	197,500,000
Peter Lowy	
Steven Lowy	
Brian Schwartz	31,110
Ilana Atlas	30,810
Roy Furman	50,000
Peter Goldsmith	5,000
Michael Gutman	1,146,498
Mark G. Johnson	20,000
Mark R. Johnson	75,000
Don Kingsborough	Nil
John McFarlane	51,951

Professor Judith Sloan retired from the Board on 14 May 2015. At the date of retirement, Professor Sloan held 3,000 stapled securities in Westfield Corporation.

None of the Directors hold options over any issued or unissued units in the Trust or stapled securities in Westfield Corporation. No options over any issues or unissued units in the Trust or stapled securities in Westfield Corporation have been issued to the Directors. None of the Directors hold debentures of Westfield Corporation.

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 in the Trust or Westfield Corporation.

## Directors' Report (continued)

### 4. DIRECTORS' DIRECTORSHIPS OF OTHER LISTED COMPANIES

The following table sets out the directorships of other Australian listed companies held by the Responsible Entity's 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:

As a result of the restructure and merger of the Westfield Group in June 2014, Westfield Holdings Limited and Westfield Management Limited are now part of Scentre Group and have been renamed Scentre Group Limited and Scentre Management Limited respectively.

Director	Company	Date appointed	Date resigned
Frank Lowy	Westfield America Management Limited*	20 February 1996	Continuing
	Scentre Group Limited**	16 January 1979	Continuing
	Scentre Management Limited***	16 January 1979	Continuing
	RE1 Limited^	30 June 2014	Continuing
	RE2 Limited^^	30 June 2014	Continuing
Brian Schwartz	Westfield America Management Limited*	6 May 2009	Continuing
	Insurance Australia Group	1 January 2005	Continuing
	Scentre Group Limited**	6 May 2009	Continuing
	Scentre Management Limited***	6 May 2009	Continuing
	RE1 Limited^	30 June 2014	Continuing
	RE2 Limited^^	30 June 2014	Continuing
Ilana Atlas	Brambles Limited	13 March 2009	30 June 2014
	Westfield America Management Limited*	25 May 2011	Continuing
	Coca-Cola Amatil Limited	23 February 2011	Continuing
	Australia and New Zealand Banking Group Limited	24 September 2014	Continuing
	Suncorp Group Limited	1 January 2011	20 August 2014
	Suncorp Metway Limited	1 January 2011	20 August 2014
	Scentre Group Limited**	25 May 2011	30 June 2014
Roy Furman	Scentre Management Limited***	25 May 2011	30 June 2014
	Westfield America Management Limited*	29 May 2002	Continuing
	Scentre Group Limited**	13 July 2004	30 June 2014
Peter Goldsmith	Scentre Management Limited***	13 July 2004	30 June 2014
	Westfield America Management Limited*	28 August 2008	Continuing
	Scentre Group Limited**	28 August 2008	30 June 2014
Michael Gutman	Scentre Management Limited***	28 August 2008	30 June 2014
	Westfield America Management Limited*	28 August 2014	Continuing
Mark G. Johnson	Westfield America Management Limited*	29 May 2013	Continuing
	Scentre Group Limited**	29 May 2013	30 June 2014
	Scentre Management Limited***	29 May 2013	30 June 2014
Mark R. Johnson	Westfield America Management Limited*	27 May 2010	Continuing
	Scentre Group Limited**	27 May 2010	30 June 2014
	Scentre Management Limited***	27 May 2010	30 June 2014
Don Kingsborough	Westfield America Management Limited***	28 August 2014	Continuing
Peter Lowy	Westfield America Management Limited***	20 February 1996	Continuing
	Scentre Group Limited*	19 October 1987	30 June 2014
	Scentre Management Limited**	1 May 1986	30 June 2014
Steven Lowy	Westfield America Management Limited*	20 February 1996	Continuing
	Scentre Group Limited**	28 June 1989	Continuing
	Scentre Management Limited***	28 June 1989	Continuing
	RE1 Limited^	12 August 2010	Continuing
	RE2 Limited^^	12 August 2010	Continuing

#### Notes:

\* 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.

\*\* Scentre Group Limited was formerly Westfield Holdings Limited, the shares of which were stapled to units in Westfield Trust and Westfield America Trust and which previously traded on the ASX as Westfield Group. Scentre Group Limited is now part of Scentre Group.

\*\*\* Scentre Management Limited was formerly Westfield Management Limited as responsible entity for (a) Westfield Trust, a managed investment scheme, the units of which were stapled to shares in Westfield Holdings Limited and units in Westfield America Trust, and which traded on the ASX as Westfield Group; and (b) Carindale Property Trust, a listed managed investment scheme. Scentre Management Limited and Carindale Property Trust are now part of Scentre Group.

^ RE1 Limited was the responsible entity for the former Westfield Retail Trust 1, a managed investment scheme, the units of which were stapled to units Westfield Retail Trust 2, and which traded on the ASX as Westfield Retail Trust. RE1 Limited is now part of Scentre Group, and is responsible entity for Scentre Group Trust 2 (formerly Westfield Retail Trust 2), the units of which are stapled to units in Scentre Group Trust 1 (formerly Westfield Trust) and Scentre Group Trust 3 (formerly Westfield Retail Trust 2) and shares in Scentre Group Limited (formerly Westfield Holdings Limited) and which trade on the ASX as Scentre Group.

^^ RE2 Limited, was the responsible entity for Westfield Retail Trust 2, a managed investment scheme, the units of which were stapled to units in Westfield Retail Trust 1, and which traded on the ASX as Westfield Retail Trust. RE2 Limited is now part of Scentre Group and is the responsible entity for Scentre Group Trust 3 (formerly Westfield Retail Trust 2), the units of which are stapled to units in Scentre Group Trust 1 (formerly Westfield Trust) and Scentre Group Trust 2 (formerly Westfield Retail Trust 1) and shares in Scentre Group Limited (formerly Westfield Holdings Limited) and which trade on the ASX as Scentre Group.



## 5. OPTIONS

No options were issued by the Trust 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 Westfield Corporation stapled securities or units in the Trust.

## 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 Responsible Entity.

The Responsible Entity's Constitution provides that a person who is or has been a Director or Secretary of the Responsible Entity may be indemnified by the Responsible Entity 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 Responsible Entity is forbidden by statute to indemnify the person or the indemnity would, if given, be made void by statute.

Premiums for directors' and officers' liability insurance in respect of Directors, Secretaries and executive officers have been paid by a related corporation of the Responsible Entity 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 the Responsible Entity documents and records, subject to undertakings as to confidentiality.

## 7. SPECIAL RULES FOR REGISTERED SCHEMES

- \$1.0 million in fees were paid and payable to the Responsible Entity and its associates out of the assets of the Trust during the Financial Year.
- Associates of the Responsible Entity held 199,444,014 units as at the end of the Financial Year.
- Details of the units issued in the Trust during the Financial Year are set out in Note 10 on page 11.
- No withdrawals were made from the scheme 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 the valuation are set out in Notes 2(b) and 8 on pages 9 and 11 respectively.
- Details of the number of units in the Trust as at the end of the Financial Year are set out in Note 10 on page 11.

## 8. AUDIT

### 8.1 Audit and Risk Committee

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

### 8.2 Auditor's Independence Declaration to the Directors of Westfield America Management Limited



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### Auditor's Independence Declaration to the Directors of Westfield America Management Limited

As lead auditor for the audit of WFD Trust for the financial year ended 31 December 2015, I declare to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of WFD Trust and the entities it controlled during the financial year.

**Ernst & Young**

Sydney, 16 March 2016

**Graham Ezzy**  
Partner

Liability limited by a scheme approved under Professional Standards Legislation.

## 9. ASIC DISCLOSURES

### 9.1 Rounding

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

### 9.2 Relief from section 323d(5) of the Corporations Act

Each of WCL and WAML (as RE of WFDT) has obtained ASIC relief from section 323D(5) of the Corporations Act. The effect of the relief is that the first half-year for WCL is deemed to be the period from its incorporation on 28 November 2013 until 30 June 2014 and that the first half-year for WFDT is deemed to be the period from its registration on 9 April 2014 until 30 June 2014.

## 10. ASX LISTING RULE

ASX reserves the right (but without limiting its absolute discretion) to remove Westfield Corporation Limited, Westfield America Trust and WFD Trust 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 Westfield Corporation entity which are not stapled to the equivalent securities in 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**  
Chairman

16 March 2016

**Brian Schwartz AM**  
Director

# Corporate Governance Statement

The Corporate Governance Statement for WFD Trust has been incorporated into the Corporate Governance Statement prepared for Westfield Corporation. This Statement can be found in the 2015 Westfield Corporation Annual Financial Report. The Westfield Corporation's Annual Financial Report is available on the [westfieldcorp.com](http://westfieldcorp.com) website.



# Members' Information

FOR THE YEAR ENDED 31 DECEMBER 2015

## Twenty Largest Holders of Stapled Securities in Westfield Corporation\*

		Number of Securities	% of Issued Securities
1.	HSBC Custody Nominees (Australia) Limited	643,301,257	30.96
2.	J P Morgan Nominees Australia Limited	354,754,787	17.07
3.	National Nominees Limited	242,308,905	11.66
4.	Cordera Holdings Pty Limited	145,835,168	7.02
5.	Citicorp Nominees Pty Limited	143,671,568	6.91
6.	BNP Paribas Noms Pty Ltd <DRP>	73,633,770	3.54
7.	AMP Life Limited	32,992,111	1.59
8.	Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	32,169,065	1.55
9.	Hazel Equities Pty Ltd	23,771,039	1.14
10.	BNP Paribas Nominees Pty Ltd <Agency Lending DRP A/C>	20,414,059	0.98
11.	Mr Frank P Lowy	14,107,391	0.68
12.	RBC Investor Services Australia Nominees Pty Limited <Bkcust A/C>	6,307,381	0.30
13.	RBC Investor Services Australia Nominees Pty Limited <APN A/C>	6,254,771	0.30
14.	Amondi Pty Ltd <W E O P T A/C>	5,869,425	0.28
15.	UBS Wealth Management Australia Nominees Pty Ltd	5,511,045	0.27
16.	J P Morgan Nominees Australia Limited	5,434,070	0.26
17.	UBS Nominees Pty Ltd	5,288,641	0.25
18.	BNP Paribas Noms (NZ) Ltd <DRP>	5,208,757	0.25
19.	Lowy Foundation Pty Ltd	5,086,016	0.24
20.	Australian Foundation Investment Company Limited	4,672,580	0.22
		<b>1,776,591,806</b>	<b>85.47</b>

\* Ordinary shares in Westfield Corporation Ltd are stapled to units in Westfield America Trust and WFD Trust.

The stapled securities trade on the Australian Securities Exchange under the code WFD.

## Voting Rights

Westfield Corporation 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.

Westfield America Trust & WFD Trust - 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 options*	Number of option Holders	Number of Stapled securities**	Number of Security-holders	% of securities in each category
1-1,000	0	0	22,050,918	46,343	1.06
1,001-5,000	0	0	90,030,668	40,438	4.33
5,001-10,000	0	0	37,620,713	5,382	1.81
10,001-100,000	52,500	1	62,759,153	2,840	3.02
100,001 and over	27,608,709	3	1,865,628,234	197	89.78
Total	27,661,209	4	2,078,089,686	95,200	100.00

As at 17 February 2016, 3,896 security holders hold less than a marketable parcel of quoted securities in Westfield Corporation.

\* Westfield America Trust has on issue options to subsidiaries of Westfield Corporation which predate the reorganisation. Under the stapling arrangements each entity is required to issue securities on the exercise of options in one of the other entities. The total number of options on issue at 17 February 2016 is 27,661,209.

\*\* There are 14,709,454 performance rights on issue to a total of 196 Westfield Corporation employees. These rights may be satisfied by either the transfer or issue of Westfield Corporation securities to employees, or settled by way of cash payout which amount is calculated by reference to the market price of Westfield Corporation securities at the time of vesting. Under the stapling arrangement, in the case of the issue of securities, each of Westfield Corporation Limited, Westfield America Trust and WFD Trust is required to issue securities on the vesting of a performance right.

\*\*\* During FY15, 5,576,924 Westfield Corporation securities (at an average rate of \$9.3954) were acquired on-market by Westfield's Performance Rights Trusts to satisfy executive entitlements on the vesting of rights under Westfield's equity-linked incentive plans.

## Substantial Securityholders

The names of the Westfield Corporation substantial securityholders and the number of ordinary stapled securities in which each has a relevant interest, as disclosed in substantial shareholding notices given to Westfield Corporation, are as follows:

Members of the Lowy family and associates	197,500,000
State Street Corporation	131,634,765
BlackRock Group	128,048,647
The Vanguard Group, Inc	122,771,164
AMP Limited	103,920,713