



**WFD Trust
Annual Financial Report
31 December 2016**

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,
AFS Licence No 230324)

Westfield America Trust

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

Registered Office

Level 29
85 Castlereagh Street
Sydney NSW 2000

Telephone: +61 2 9273 2000
Facsimile: +61 2 9358 7241

United States Office

2049 Century Park East
41st Floor
Century City, CA 90067

Telephone: +1 310 478 4456
Facsimile: +1 310 481 9481

United Kingdom Office

6th Floor, MidCity Place
71 High Holborn
London WC1V 6EA

Telephone: +44 20 7061 1400
Facsimile: +44 20 7061 1401

Secretaries

Simon J Tuxen
Maureen T McGrath

Auditors

Ernst & Young
The Ernst & Young Centre
200 George Street
Sydney NSW 2000

Investor Information

Westfield Corporation
Level 29
85 Castlereagh Street
Sydney NSW 2000

Telephone: +61 2 9273 2010
E-mail: investor@westfield.com
Website: www.westfieldcorp.com/investors

Principal Share Registry

Computershare Investor Services Pty Limited
Level 4, 60 Carrington Street
Sydney NSW 2000

GPO Box 2975
Melbourne VIC 3001

Telephone: +61 3 9415 4070
Enquiries: 1300 132 211
Facsimile: +61 3 9473 2500
E-mail: web.queries@computershare.com.au
Website: www.computershare.com

ADR Registry

Bank of New York Mellon
Depository Receipts Division
101 Barclay Street
22nd Floor
New York, New York 10286

Telephone: +1 212 815 2293
Facsimile: +1 212 571 3050
Website: www.adrbny.com

Code: WFGPY

Listing

Australian Securities Exchange – WFD

Website

westfieldcorp.com

Annual Financial Report

WFD TRUST

For the Financial Year ended 31 December 2016

Contents

2	Income Statement
3	Statement of Comprehensive Income
4	Balance Sheet
5	Statement of Changes in Equity
6	Cash Flow Statement
7	Notes to the Financial Statements
16	Directors' Declaration
17	Independent Audit Report
20	Directors' Report
23	Corporate Governance Statement
24	Members' Information

Income Statement

FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	31 Dec 16 US\$million	31 Dec 15 US\$million
Revenue			
Investment income		19.2	83.3
Expenses			
Overheads		(1.8)	(2.0)
Interest income	20	0.4	0.5
Currency loss		(4.0)	(1.3)
Financing costs	20	(6.0)	(7.9)
Net fair value loss on interest rate derivatives	20	–	(1.7)
Revaluation of investments		(142.6)	265.5
Gain/(loss) in respect of capital transactions	3	(0.6)	23.9
Profit/(loss) before tax for the period		(135.4)	360.3
Tax expense		–	–
Profit/(loss) after tax for the period attributable to members of WFD Trust (WFDT)		(135.4)	360.3
		US cents	US cents
Basic earnings/(loss) per WFD Trust unit	5	(6.52)	17.34
Diluted earnings/(loss) per WFD Trust unit	5	(6.52)	17.34

Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2016

	31 Dec 16 US\$million	31 Dec 15 US\$million
Profit/(loss) after tax for the period	(135.4)	360.3
Other comprehensive income/(loss)		
<i>Movement in foreign currency translation reserve</i>		
– Net exchange difference from the use of a presentation currency other than the functional currency	(47.2)	(581.3)
Total comprehensive income/(loss) for the period	(182.6)	(221.0)

Balance Sheet

AS AT 31 DECEMBER 2016

	Note	31 Dec 16 US\$million	31 Dec 15 US\$million
Current assets			
Cash and cash equivalents		5.1	13.4
Receivables	6	2,144.6	2,908.0
Total current assets		2,149.7	2,921.4
Non current assets			
Investments	7	2,118.2	2,110.6
Receivables	6	450.0	–
Total non current assets		2,568.2	2,110.6
Total assets		4,717.9	5,032.0
Current liabilities			
Payables and other creditors	8	233.9	338.4
Total current liabilities		233.9	338.4
Total liabilities		233.9	338.4
Net assets		4,484.0	4,693.6
Equity attributable to members of WFD Trust			
Contributed equity	9	5,643.2	5,643.2
Reserves	11	(1,362.3)	(1,315.1)
Retained profits	12	203.1	365.5
Total equity attributable to members of WFD Trust		4,484.0	4,693.6

Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2016

	Comprehensive Income 31 Dec 16 US\$million	Equity and Reserves 31 Dec 16 US\$million	Total 31 Dec 16 US\$million	Total 31 Dec 15 US\$million
Changes in equity attributable to members of WFD Trust				
Opening balance of contributed equity	–	5,643.2	5,643.2	5,643.2
Closing balance of contributed equity	–	5,643.2	5,643.2	5,643.2
Opening balance of reserves	–	(1,315.1)	(1,315.1)	(733.8)
– Movement in foreign currency translation reserve	(47.2)	–	(47.2)	(581.3)
Closing balance of reserves	(47.2)	(1,315.1)	(1,362.3)	(1,315.1)
Opening balance of retained profits	–	365.5	365.5	258.9
– Profit/(loss) after tax for the period	(135.4)	–	(135.4)	360.3
– Distributions paid	–	(27.0)	(27.0)	(253.7)
Closing balance of retained profits	(135.4)	338.5	203.1	365.5
Closing balance of equity attributable to members of WFD Trust	(182.6)	4,666.6	4,484.0	4,693.6

Cash Flow Statement

FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	31 Dec 16 US\$million	31 Dec 15 US\$million
Cash flows from/(used in) operating activities			
Distributions received from investments		70.7	2.7
Payments in the course of operations (including sales tax)		(1.3)	(27.4)
Interest paid		(5.8)	(6.7)
Net cash flows from/(used in) operating activities	13(b)	63.6	(31.4)
Cash flows used in investing activities			
Proceeds from the disposition of investments		–	84.4
Payments for investments		(236.4)	(178.8)
Net cash flows used in investing activities		(236.4)	(94.4)
Cash flows from financing activities			
Loans from related entities		193.9	386.8
Distributions paid		(27.0)	(253.7)
Net cash flows from financing activities		166.9	133.1
Net increase/(decrease) in cash and cash equivalents held		(5.9)	7.3
Add opening cash and cash equivalents brought forward		13.4	6.4
Effects of exchange rate changes on opening cash and cash equivalents brought forward		(2.4)	(0.3)
Cash and cash equivalents at the end of the period	13(a)	5.1	13.4

Index of Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2016

Note	Description	Page
1	Basis of preparation of the Financial Report	8
2	Summary of significant accounting policies	9
3	Gain/(loss) in respect of capital transactions	10
4	Taxation	10
5	Earnings/(loss) per unit	10
6	Receivables	10
7	Investments	11
8	Payables and other creditors	11
9	Contributed equity	11
10	Share based payments	11
11	Reserves	12
12	Retained profits	12
13	Cash and cash equivalents	12
14	Distributions	12
15	Contingent liabilities	12
16	Segment Reporting	13
17	Exchange rate risk management	13
18	Fair value of financial assets and liabilities	14
19	Auditor's remuneration	14
20	Related party disclosures	15

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2016

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 2016 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 13 March 2017.

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

(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 used in the annual financial report for the year ended 31 December 2015 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 2016.

- AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interest in Joint Operations. (AASB 1 & AASB 11);
- AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation;
- AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements;
- AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle;
- AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101; and
- AASB 2015-3 Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality.

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 2016. 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 adoption of this standard is not expected to have a significant impact on the amounts recognised in these financial statements.
- AASB 15 Revenue from Contracts with Customers (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 adoption of this standard is not expected to have a significant impact on the amounts recognised in these financial statements.
- IFRS 16 Leases (effective from 1 January 2019)
This standard specifies how an entity will 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); and
- 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 2018).

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

(c) Basis of Accounting

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001* (Cth), Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis, except for investments and derivative financial instruments which are carried at fair value through profit and loss.

(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.

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 Corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191, 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 2016

	31 Dec 16 US\$million	31 Dec 15 US\$million
NOTE 3 GAIN/(LOSS) IN RESPECT OF CAPITAL TRANSACTIONS		
Asset dispositions		
– proceeds from asset dispositions	–	84.4
– less: carrying value of assets disposed and other capital costs	(0.6)	(60.5)
Gain/(loss) in respect of asset dispositions	(0.6)	23.9

NOTE 4 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	(135.4)	360.3
Prima facie tax expense at 30%	40.6	(108.1)
Revaluation of investments not assessable/(deductible)	(42.8)	79.7
Trust income not taxable – tax payable by unitholders	2.2	28.4
Tax expense	–	–

US cents US cents

NOTE 5 EARNINGS/(LOSS) PER UNIT

(a) Summary of earnings/(loss) per unit

Basic earnings/(loss) per unit attributable to members of WFD Trust	(6.52)	17.34
Diluted earnings/(loss) per unit attributable to members of WFD Trust	(6.52)	17.34

(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/(loss) used in calculating basic earnings per unit	(135.4)	360.3
Adjustment to earnings on options which are considered dilutive	–	–
Earnings/(loss) used in calculating diluted earnings/(loss) per unit	(135.4)	360.3

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 2016

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
------	-------------	-------------

NOTE 6 RECEIVABLES

Current

Receivables from related entities	0.4	2.0
Non-interest bearing loans receivables from related entities	2,144.2	2,906.0
	18,20	2,144.6
		2,908.0

Non Current

Receivables from related entities	450.0	–
	18,20	450.0
		–

	Note	31 Dec 16 US\$million	31 Dec 15 US\$million
NOTE 7 INVESTMENTS			
Listed investments		297.8	69.0
Unlisted investments		1,820.4	2,041.6
	18	2,118.2	2,110.6

Movement in investments

Balance at the beginning of the year	2,110.6	1,787.2
Additions	236.4	329.3
Disposals	–	(60.5)
Distribution received from investments	(65.3)	–
Net revaluation increment/(decrement) to income statement	(142.6)	265.5
Retranslation of foreign operations	(20.9)	(210.9)
Balance at the end of the year	2,118.2	2,110.6

NOTE 8 PAYABLES AND OTHER CREDITORS

Current

Payables to related entities	232.1	336.7
Other creditors and accruals	1.8	1.7
	233.9	338.4
	Units	Units

NOTE 9 CONTRIBUTED EQUITY

(a) Number of units on issue

Balance at the beginning of the year	2,078,089,686	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 16 US\$million	31 Dec 15 US\$million
(b) Amount of contributed equity		
Movement in contributed equity attributable to members of WFD Trust		
Balance at the beginning of the year	5,643.2	5,643.2
Balance at the end of the year	5,643.2	5,643.2

NOTE 10 SHARE BASED PAYMENTS

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

As at 31 December 2016, there were 13,297,289 (31 December 2015: 14,757,786) Executive Performance Rights, Partnership Incentive Rights and Target 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 those Rights. At 31 December 2016, the 13,297,289 (31 December 2015: 14,757,786) Executive Performance Rights, Partnership Incentive Rights and Target Incentive Rights issued to employees of related entities were convertible to 13,297,289 (31 December 2015: 14,757,786) Westfield Corporation stapled securities.

	Number of rights 31 Dec 16	Weighted average exercise price US\$ 31 Dec 16	Number of rights 31 Dec 15	Weighted average exercise price US\$ 31 Dec 15
Rights on issue				
– Executive Performance, Partnership Incentive and Target Incentive Rights	13,297,289	–	14,757,786	–
Vesting profile			Number of rights 31 Dec 16	Number of rights 31 Dec 15
2016			–	5,971,837
2017			4,492,580	5,023,093
2018			4,315,134	2,741,868
2019			3,000,818	1,020,988
2020			1,390,055	–
2021			98,702	–
			13,297,289	14,757,786

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	31 Dec 16 US\$million	31 Dec 15 US\$million
NOTE 11 RESERVES			
Foreign currency translation reserve	2(g)	(1,362.3)	(1,315.1)
		(1,362.3)	(1,315.1)
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		(1,315.1)	(733.8)
Foreign exchange movement			
– accumulated exchange differences resulting from the use of a presentation currency other than the functional currency		(47.2)	(581.3)
Balance at the end of the year		(1,362.3)	(1,315.1)
NOTE 12 RETAINED PROFITS			
Movement in retained profits			
Balance at the beginning of the year		365.5	258.9
Profit/(loss) after tax for the year		(135.4)	360.3
Distributions paid		(27.0)	(253.7)
Balance at the end of the year		203.1	365.5
NOTE 13 CASH AND CASH EQUIVALENTS			
(a) Components of cash and cash equivalents			
Cash		5.1	13.4
(b) Reconciliation of profit/(loss) after tax to net cash flows from/(used in) operating activities			
Profit/(loss) after tax		(135.4)	360.3
Revaluation of investments		142.6	(265.5)
Net fair value loss on interest rate derivatives		–	1.7
Currency loss		4.0	1.3
(Gain)/loss in respect of capital transactions		0.6	(23.9)
Accrued income from investments		51.7	(80.6)
(Increase)/decrease in working capital attributable to operating activities		0.1	(24.7)
Net cash flows from/(used in) operating activities		63.6	(31.4)
NOTE 14 DISTRIBUTIONS			
(a) Final distribution paid			
Distribution in respect of the 6 months to 31 December 2016			
Ordinary units: 1.90 US cents per unit		39.5	–
Distribution in respect of the 6 months to 31 December 2015			
Ordinary units: 0.10 US cents per unit		–	2.1
		39.5	2.1
Interim distribution was paid on 31 August 2016. Final distribution was paid on 28 February 2017. The record date for the final distribution was 5pm, 14 February 2017. No distribution reinvestment plan is operational for the distribution.			
(b) Interim distribution paid			
Distribution in respect of the 6 months to 30 June 2016			
Ordinary units: 1.20 US cents per unit		24.9	–
Distribution in respect of the 6 months to 30 June 2015			
Ordinary units: 3.55 US cents per unit		–	73.7
		–	73.7
NOTE 15 CONTINGENT LIABILITIES			
Guaranteed borrowings of associates of the Responsible Entity		5,435.6	4,649.9

NOTE 16 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 17 EXCHANGE RATE RISK MANAGEMENT

	Note	31 Dec 16 million	31 Dec 15 million
Foreign currency net investments			
The Trust had floating currency exposure, after taking into account the effect of foreign exchange derivatives, at reporting date of:			
British Pound			
£ net assets		£1,719.6	£1,441.0
£ borrowings from related entity	20	£(187.5)	–
£ denominated net assets		£1,532.1	£1,441.0
US\$ equivalent		US\$1,890.7	US\$2,123.6

Australian Dollar

A\$ net assets		A\$2,972.9	A\$3,987.4
A\$ borrowings from related entity	20	–	A\$(461.5)
A\$ denominated net assets		A\$2,972.9	A\$3,525.9
US\$ equivalent		US\$2,142.9	US\$2,569.0

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.

Foreign currency sensitivity		31 Dec 16 US\$million	31 Dec 15 US\$million
The sensitivity of £ denominated net assets to changes in the year end US\$/£0.8103 (31 December 2015: 0.6786) rate is as follows:	US\$/£ Currency movement	Gain/(loss) to foreign currency translation reserve	
	- 20 pence	619.5	887.5
	- 10 pence	266.2	367.1
	- 5 pence	124.3	168.9
	+ 5 pence	(109.9)	(145.7)
	+ 10 pence	(207.7)	(272.8)
	+ 20 pence	(374.3)	(483.4)
The sensitivity of A\$ denominated net assets to changes in the year end US\$/A\$1.3873 (31 December 2015: 1.3725) rate is as follows:	US\$/A\$ Currency movement	Gain/(loss) to foreign currency translation reserve	
	- 20 cents	361.0	438.2
	- 10 cents	166.5	201.9
	- 5 cents	80.1	97.1
	+ 5 cents	(74.5)	(90.3)
	+ 10 cents	(144.1)	(174.5)
	+ 20 cents	(270.0)	(326.7)

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 18 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 16 US\$million	31 Dec 15 US\$million	31 Dec 16 US\$million	31 Dec 15 US\$million
Consolidated assets				
Cash and cash equivalents	5.1	13.4	5.1	13.4
Receivables ⁽ⁱ⁾	2,594.6	2,908.0	2,594.6	2,908.0
Investments ⁽ⁱⁱ⁾	2,118.2	2,110.6	2,118.2	2,110.6
Consolidated liabilities				
Payables and other creditors ⁽ⁱ⁾	233.9	338.4	233.9	338.4

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

⁽ⁱⁱ⁾ These financial assets and liabilities are subjected to interest rate and market risks, the basis of determining the fair value is set out in the fair value hierarchy below.

Determination of fair value

The 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 16 US\$million	Level 1 US\$million	Level 2 US\$million	Level 3 US\$million
Consolidated assets measured at fair value				
Investments				
– Listed investments	297.8	297.8	–	–
– Unlisted investments	1,820.4	–	–	1,820.4

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

	31 Dec 15 US\$million	Level 1 US\$million	Level 2 US\$million	Level 3 US\$million
Consolidated assets measured at fair value				
Investments				
– Listed investments	69.0	69.0	–	–
– Unlisted investments	2,041.6	–	–	2,041.6

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

	Unlisted investments ⁽ⁱ⁾ 31 Dec 16 US\$million	Unlisted investments ⁽ⁱ⁾ 31 Dec 15 US\$million
Level 3 fair value movement		
Balance at the beginning of the year	2,041.6	1,645.1
Additions	–	329.3
Distribution received from investments	(65.3)	–
Net fair value gain/(loss) to income statement	(135.7)	264.7
Net exchange differences on translation of foreign investments	(20.2)	(197.5)
Balance at the end of the year	1,820.4	2,041.6

⁽ⁱ⁾ The fair value of the unlisted investments has been determined by reference to the fair value of the underlying investment properties which are valued by independent appraisers.

	31 Dec 16 US\$000	31 Dec 15 US\$000
NOTE 19 AUDITOR'S REMUNERATION		
Amounts received or due and receivable by the auditors of the Trust for:		
– Audit or review of the financial reports	34.2	33.9
	34.2	33.9

NOTE 20 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

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 foreign currency contracts

Manager's service charges

The Responsible Entity's manager's service charge for the twelve months ended 31 December 2016 was US\$1.0 million (31 December 2015: US\$1.0 million) of which US\$nil was payable at 31 December 2016 (31 December 2015: US\$nil).

Loans

Loans from/to WCL

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\$831.2 million (31 December 2015: US\$687.3 million).

During the financial year, the Trust had a £ interest bearing loan from WCL. The balance of this loan at year end is nil (31 December 2015: nil), with accrued interest payable of nil (31 December 2015: nil). Interest accrued on this loan based on a floating rate. The interest expense for the year in respect of the loan from WCL was US\$3,563 (31 December 2015: nil).

Loans from/to WAT and WAT entities

During the financial year, the Trust had an A\$ interest bearing loan from WAT. The balance of this loan at year end is nil (31 December 2015: a payable of US\$336.2 million), with accrued interest payable of nil (31 December 2015: US\$0.5 million). Interest accrued on this loan based on a floating rate. The interest expense for the year in respect of the loan from WAT was US\$5.1 million (31 December 2015: US\$4.6 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\$1,313.0 million (31 December 2015: US\$2,218.7 million).

During the financial year, the Trust had a US\$ interest bearing loan to a WAT entity. The balance of this loan at year end is a receivable of US\$450.0 million (31 December 2015: nil), with accrued interest receivable of US\$0.4 million (31 December 2015: nil). Interest accrues on this loan based on a floating rate. The interest income for the year in respect of the loan to a WAT entity was US\$0.4 million (31 December 2015: nil).

Loans from Westfield UK & Europe Finance PLC (WUKEF)

During the financial year, the Trust had a £ interest bearing loan from WUKEF. The balance of this loan at year end is a payable of US\$231.4 million (31 December 2015: nil), with accrued interest payable of US\$0.7 million (31 December 2015: nil). Interest accrues on this loan based on a floating rate. The interest expense for the year in respect of the loan from WUKEF was US\$0.9 million (31 December 2015: nil).

Foreign currency contract with a WCL entity

The Trust and a WCL entity entered into a foreign currency contract in 2016. The Trust paid £6.0 million to a WCL entity in exchange for a WCL entity paying AU\$12.2 million to the Trust. The foreign currency contract matured during the year and the gain from the contract was US\$0.1 million.

Foreign currency contract with WAT

The Trust and WAT entered into a foreign currency contract in 2016. The Trust paid AU\$611.6 million to WAT in exchange for WAT paying US\$450.0 million to the Trust. The foreign currency contract matured during the year and there was no gain or loss from the contract.

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 2016 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 13 March 2017 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



Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 555
Fax: +61 2 9248 595
ey.com/au

Independent Auditor's Report to the Shareholders of WFD Trust Report on the Audit of the Financial Report

Opinion

We have audited the financial report of WFD Trust (the Trust), including its subsidiaries (the Group), which comprises the consolidated balance sheet as at 31 December 2016, 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.

In our opinion:

the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 31 December 2016 and of its consolidated financial performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia; and we have fulfilled our other ethical responsibilities in accordance with the Code.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial report.

Investments in Financial Assets

Why this matter is considered to be one of the most significant matters in the audit	How the matter was addressed in the audit
<p>The Group holds unlisted investments measured at fair value of \$1,820.4 million at 31 December 2016, which make up 38.6% of total assets. The investments represent interests in entities that hold Westfield Corporation's UK and European property assets and derives distributions from its investments in these entities.</p> <p>Fair values are determined each reporting period by reference to entity values which are driven by changes in fair value of underlying properties and businesses. Changes in fair value are recognised in the consolidated income statement and are based on the valuation of the underlying properties which have been independently appraised.</p> <p>Note 18 of the financial report discloses the method of determining the fair value of the investments.</p> <p>Refer to note 2(b) of the financial report for a description of the accounting policy treatment for these assets.</p>	<p>In considering the investment valuations, we assessed the extent to which we could use the work of independent valuers of the underlying properties. We consider, for a sample of the valuers, their competence and independence. We also evaluated the suitability of their valuation scope and methodology for the financial report.</p> <p>On a sample basis, we agreed data used in the property valuation to the actual and budgeted financial performance of the specific properties.</p> <p>We considered the key inputs and assumptions used by the property valuers by comparing this information to external market data obtained by our real estate valuation specialists.</p> <p>We compared the value of the investments in the financial report to the underlying asset registers for the investment entities.</p> <p>We assessed the key assumptions used by the Group in determining the fair value of other assets and liabilities contained within the underlying entities.</p>

Independent Audit Report (continued)

TO THE MEMBERS OF WFD TRUST



Information Other than the Financial Statements and Auditor's Report

The Directors are responsible for the other information. The other information comprises the information in the Trust's Annual Report for the year ended 31 December 2016, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based upon the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The Directors 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 control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting in the preparation of the financial report. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events and conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the disclosures in the financial report about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial report. However, future events or conditions may cause an entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit of the Group. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We are also required to provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the Directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Ernst & Young



Graham Ezzy
Engagement Partner

Sydney, 13 March 2017

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 2016 (**Financial Year**).

1. OPERATIONS AND ACTIVITIES

1.1 Review of Operations and Results of Operations

The Trust reported a net loss of US\$135.4 million. The basic loss per unit is US\$6.52 cents and the distribution per unit is US\$3.10 cents for the Financial Year.

During the Financial Year, the Trust reported a revaluation loss of US\$142.6 million reflecting the currency depreciation in its investments in entities that hold the Westfield Corporation's UK property assets.

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.

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 2017 Sustainability Report which includes Westfield Corporation's shopping centres, will be published in the first quarter of 2017 and will be available at <http://www.westfieldcorp.com/about/sustainability/>.

2. DISTRIBUTIONS

For the six months ended 31 December 2015, the Trust distribution of US\$0.10 cents per ordinary unit formed part of the distribution of US\$12.55 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.

For the six months ended 30 June 2016, the Trust distribution of US\$1.20 cents per ordinary unit formed part of the distribution of US\$12.55 cents per ordinary Westfield Corporation (**WFD**) stapled security paid on 31 August 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.

For the six months ended 31 December 2016, the Trust distribution of US\$1.90 cents per ordinary unit formed part of the distribution of US\$12.55 cents per ordinary Westfield Corporation (**WFD**) stapled security paid on 28 February 2017. 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
Jeffrey Goldstein	Non-Executive Director (appointed 28 November 2016)
Michael Gutman OBE	President / Chief Operating Officer
Mark G. Johnson	Non-Executive Director
Mark R. Johnson AO	Non-Executive Director
Donald Kingsborough	Non-Executive Director
Peter Lowy	Co-Chief Executive Officer / Executive Director
Steven Lowy AM	Co-Chief Executive Officer / Executive Director
John McFarlane	Non-Executive Director
Dawn Ostroff	Non-Executive Director (appointed 28 November 2016)

Biographies for each of the Directors can be found in the 2016 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 Westfield America Trust. The stapled securities trade on the Australian Securities Exchange under the code WFD.

Director	Number of Stapled Securities
Frank Lowy AC	197,500,000
Peter Lowy	
Steven Lowy AM	
Ilana Atlas	30,810
Roy Furman	50,000
Peter Goldsmith QC PC	5,000
Jeffrey Goldstein	Nil
Michael Gutman OBE	796,498
Mark G. Johnson	20,000
Mark R. Johnson AO	75,000
Donald Kingsborough	14,000
John McFarlane	51,951
Dawn Ostroff	Nil
Brian Schwartz AM	31,110

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.

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 Directors during the 3 years preceding the end of the Financial Year and up to the date of this report, and the time for which each directorship has been held.

Director	Company	Date appointed	Date resigned
Frank Lowy AC	Westfield America Management Limited ⁽¹⁾	20 February 1996	Continuing
	Scentre Group Limited ⁽²⁾	16 January 1979	5 May 2016
	Scentre Management Limited ⁽²⁾	16 January 1979	5 May 2016
	RE1 Limited ⁽²⁾	30 June 2014	5 May 2016
	RE2 Limited ⁽²⁾	30 June 2014	5 May 2016
Brian Schwartz AM	Westfield America Management Limited ⁽¹⁾	6 May 2009	Continuing
	Scentre Group Limited	6 May 2009	Continuing
	Scentre Management Limited ⁽²⁾	6 May 2009	Continuing
	RE1 Limited ⁽²⁾	30 June 2014	Continuing
	RE2 Limited ⁽²⁾	30 June 2014	Continuing
	Brambles Limited	13 March 2009	30 June 2014
	Insurance Australia Group	1 January 2005	31 March 2016
Ilana Atlas	Westfield America Management Limited ⁽¹⁾	25 May 2011	Continuing
	Australia and New Zealand Banking Group Limited	24 September 2014	Continuing
	Coca-Cola Amatil Limited	23 February 2011	Continuing
	Suncorp Group Limited	1 January 2011	20 August 2014
	Suncorp Metway Limited	1 January 2011	20 August 2014
	Scentre Group Limited ⁽²⁾	25 May 2011	30 June 2014
	Scentre Management Limited ⁽²⁾	25 May 2011	30 June 2014
Roy Furman	Westfield America Management Limited ⁽¹⁾	29 May 2002	Continuing
	Scentre Group Limited ⁽²⁾	13 July 2004	30 June 2014
	Scentre Management Limited ⁽²⁾	13 July 2004	30 June 2014
Peter Goldsmith QC PC	Westfield America Management Limited ⁽¹⁾	28 August 2008	Continuing
	Scentre Group Limited ⁽²⁾	28 August 2008	30 June 2014
	Scentre Management Limited ⁽²⁾	28 August 2008	30 June 2014
Jeffrey Goldstein	Westfield America Management Limited ⁽¹⁾	28 November 2016	Continuing
Michael Gutman OBE	Westfield America Management Limited ⁽¹⁾	28 August 2014	Continuing
Mark G. Johnson	Westfield America Management Limited ⁽¹⁾	29 May 2013	Continuing
	Coca-Cola Amatil Limited	06 December 2016	Continuing
	G8 Education Limited	01 January 2016	Continuing
	Scentre Group Limited ⁽²⁾	29 May 2013	30 June 2014
	Scentre Management Limited ⁽²⁾	29 May 2013	30 June 2014
Mark R. Johnson AO	Westfield America Management Limited ⁽¹⁾	27 May 2010	Continuing
	Scentre Group Limited ⁽²⁾	27 May 2010	30 June 2014
	Scentre Management Limited ⁽²⁾	27 May 2010	30 June 2014
Donald Kingsborough	Westfield America Management Limited ⁽¹⁾	28 August 2014	Continuing
Peter Lowy	Westfield America Management Limited ⁽¹⁾	20 February 1996	Continuing
	Scentre Group Limited ⁽²⁾	19 October 1987	30 June 2014
	Scentre Management Limited ⁽²⁾	1 May 1986	30 June 2014
Steven Lowy AM	Westfield America Management Limited ⁽¹⁾	20 February 1996	Continuing
	Scentre Group Limited ⁽²⁾	28 June 1989	Continuing
	Scentre Management Limited ⁽²⁾	28 June 1989	Continuing
	RE1 Limited ⁽²⁾	12 August 2010	Continuing
	RE2 Limited ⁽²⁾	12 August 2010	Continuing
John McFarlane	Westfield America Management Limited ⁽¹⁾	26 February 2008	Continuing
	Scentre Group Limited ⁽²⁾	26 February 2008	30 June 2014
	Scentre Management Limited ⁽²⁾	26 February 2008	30 June 2014
Dawn Ostroff	Westfield America Management Limited ⁽¹⁾	28 November 2016	Continuing

Notes:

⁽¹⁾ Westfield Corporation comprises Westfield Corporation Limited, Westfield America Trust and WFD Trust (the responsible entity of both schemes being Westfield America Management Limited), the securities of which are stapled and trade on the ASX as Westfield Corporation (ASX: WFD).

⁽²⁾ Scentre Group comprises Scentre Group Limited, Scentre Group Trust 1 (the responsible entity of which is Scentre Management Limited), Scentre Group Trust 2 (the responsible entity of which is RE1 Limited) and Scentre Group Trust 3 (the responsible entity of which is RE2 Limited), the securities of which are stapled and trade on the ASX as Scentre Group (ASX: SCG).

Directors' Report (continued)

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's 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 199,827,470 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 9 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 7 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 9 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



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 2016, 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

13 March 2017

Liability limited by a scheme approved under Professional Standards Legislation.

Graham Ezzy
Partner

9. ASIC DISCLOSURES

9.1 Rounding

The Trust is of a kind referred to in the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. Accordingly, amounts in the Directors' Report, the Financial Statements and the Notes thereto have been rounded to the nearest tenth of a million dollars. Amounts shown as 0.0 represent amounts less than \$50,000 that have been rounded down.

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

13 March 2017

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 2016 Westfield Corporation Annual Financial Report. The Westfield Corporation's Annual Financial Report is available on the westfieldcorp.com website.

Members' Information

FOR THE YEAR ENDED 31 DECEMBER 2016

Twenty Largest Holders of Stapled Securities in Westfield Corporation*

		Number of Securities	% of Issued Securities
1.	HSBC Custody Nominees (Australia) Limited	780,256,342	37.55
2.	J P Morgan Nominees Australia Limited	356,437,694	17.15
3.	Citicorp Nominees Pty Limited	124,477,142	5.99
4.	National Nominees Limited	96,111,057	4.62
5.	BNP Paribas Nominees Pty Ltd <Agency Lending Drp A/C>	58,221,543	2.80
6.	Franley Holdings Pty Ltd	48,611,723	2.34
7.	Franley Securities Pty Ltd	48,611,723	2.34
8.	Cordera Holdings Pty Limited	48,611,722	2.34
9.	BNP Paribas Noms Pty Ltd <Drp>	32,294,242	1.55
10.	Bainpro Nominees Pty Limited	25,267,997	1.22
11.	Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	24,701,401	1.19
12.	Hazel Equities Pty Ltd	23,771,039	1.14
13.	AMP Life Limited	17,097,087	0.82
14.	FP Pty Limited <The Frank Lowy Living A/C>	14,107,391	0.68
15.	BNP Paribas Nominees Pty Ltd <Agency Lending Collateral>	12,732,700	0.61
16.	RBC Investor Services Australia Nominees Pty Limited <Pi Pooled A/C>	10,436,691	0.50
17.	UBS Nominees Pty Ltd	9,847,888	0.47
18.	HSBC Custody Nominees (Australia) Limited – A/C 3	8,669,569	0.42
19.	HSBC Custody Nominees (Australia) Limited <Nt-Comnwlth Super Corp A/C>	7,251,797	0.35
20.	Amondi Pty Ltd <W E O P T A/C>	5,869,425	0.28
		1,753,386,173	84.36

* 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 members, on a show of hands, every person present who is a member or representative of a member has one vote, and on a poll, every member present in person or by proxy or attorney and every person who is a representative of a member has one vote for each share they hold or represent.

Westfield America Trust & WFD Trust – At a meeting of members, on a show of hands, every person present who is a member or representative of a member has one vote, and on a poll, every member present in person or by proxy or attorney and every person who is a representative of a member 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 securityholders	% of securities in each category
1-1,000	0	0	21,201,730	44,841	1.02
1,001-5,000	0	0	88,094,724	39,288	4.24
5,001-10,000	0	0	38,139,983	5,448	1.84
10,001-100,000	52,500	1	64,622,162	2,931	3.11
100,001 and over	27,608,709	3	1,866,031,087	201	89.79
Total	27,661,209	4	2,078,089,686	92,709	100.00

As at 15 February 2017, 4,053 securityholders hold less than a marketable parcel (being 56 securities at the closing price of \$9.00) 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 15 February 2017 is 27,661,209.

** There are 13,246,588 performance rights on issue to a total of 177 Westfield Corporation participants. These rights may be satisfied by either the transfer or issue of Westfield Corporation securities to employees, or settled by way of cash payout of which the 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 the Company, Westfield America Trust and WFD Trust is required to issue securities on the vesting of a performance right.

*** During FY16, 5,561,065 Westfield Corporation securities (at an average rate of \$8.9704) 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 the Group, 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	166,125,662