SCENTRE GROUP

26 August 2014

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

Dear Sir/Madam

SCENTRE GROUP (ASX: SCG)
SCENTRE GROUP TRUST 1 HALF-YEAR FINANCIAL REPORT

Attached is the half-year financial report for Scentre Group Trust 1for the 6 months ended 30 June 2014.

Yours faithfully

Maureen McGrath
Company Secretary

Encl.

Scentre Group Trust 1[i]
Half-Year Financial Report

For the half-year ended 30 June 2014

[i] Formerly Westfield Trust

Scentre Management Limited ABN 41 001 670 579 AFS Licence No. 230329
as Responsible Entity of Scentre Group Trust 1 ARSN 090 849 746

SCENTRE GROUP TRUST 1
INCOME STATEMENT
for the half-year ended 30 June 2014

	Note	30 Jun 14 $million	30 Jun 13 $million
Revenue			
Property revenue		288.1	282.7
		288.1	**282.7**
Share of after tax profits of equity accounted entities			
Property revenue		291.4	286.1
Property revaluations		60.1	59.4
Property expenses, outgoings and other costs		(76.3)	(76.6)
Gain in respect of asset dispositions		-	0.8
Net interest income		0.2	0.2
Tax expense		(10.5)	(10.1)
		264.9	**259.8**
Expenses			
Property expenses, outgoings and other costs		(74.3)	(75.7)
Manager's service charge		(6.0)	(5.7)
Overheads		(1.4)	(1.6)
		(81.7)	**(83.0)**
Interest income		38.0	41.5
Currency gain/(loss)		21.1	(14.8)
Financing costs		(197.3)	(268.3)
Charges and credits in respect of the Restructure and Merger	4	741.7	-
Distributions from other investments		104.1	1.5
Property revaluations		130.8	67.5
Profit before tax for the period		**1,309.7**	**286.9**
Tax expense	5	(0.2)	(0.4)
Profit after tax for the period		**1,309.5**	**286.5**
Profit after tax for the period attributable to:			
- Members of Scentre Group Trust 1		1,282.9	277.3
- External non controlling interests		26.6	9.2
Profit after tax for the period		**1,309.5**	**286.5**

		cents	cents
Basic earnings per unit	6	**24.10**	**5.08**
Diluted earnings per unit	6	**24.10**	**5.08**

SCENTRE GROUP TRUST 1
STATEMENT OF COMPREHENSIVE INCOME
for the half-year ended 30 June 2014

	30 Jun 14 $million	30 Jun 13 $million
Profit after tax for the period	1,309.5	286.5
Other comprehensive income		
Movement in foreign currency translation reserve [(i)]		
- Net exchange difference on translation of foreign operations	6.8	35.7
Movement in asset revaluation reserve [(i)]		
- Revaluation increment	212.5	174.2
- Accumulated asset revaluation reserve in respect of available for sale assets distributed to Westfield Corporation transferred to the income statement	(1,022.4)	-
Total comprehensive income for the period	**506.4**	**496.4**
Total comprehensive income attributable to:		
- Members of Scentre Group Trust 1	479.8	487.2
- External non controlling interests	26.6	9.2
Total comprehensive income for the period	**506.4**	**496.4**

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

SCENTRE GROUP TRUST 1
BALANCE SHEET
as at 30 June 2014

	Note	30 Jun 14 $million	31 Dec 13 $million
Current assets			
Cash and cash equivalents		235.1	77.7
Trade debtors		2.4	1.2
Derivative assets		0.2	15.2
Receivables		1,450.7	2,041.0
Prepayments and deferred costs		4.5	15.2
Total current assets		**1,692.9**	**2,150.3**
Non current assets			
Investment properties		7,543.4	7,368.5
Equity accounted investments		7,228.1	7,074.4
Other investments		-	1,623.4
Derivative assets		2.7	31.5
Prepayments and deferred costs		-	14.9
Total non current assets		**14,774.2**	**16,112.7**
Total assets		**16,467.1**	**18,263.0**
Current liabilities			
Trade creditors		50.4	50.2
Payables and other creditors	7	1,278.2	212.6
Interest bearing liabilities		1,835.8	1,646.5
Derivative liabilities		1.6	1.6
Distributions payable		109.1	-
Total current liabilities		**3,275.1**	**1,910.9**
Non current liabilities			
Interest bearing liabilities		6,555.6	3,852.2
Other financial liabilities		1,391.8	1,371.4
Derivative liabilities		6.7	100.4
Total non current liabilities		**7,954.1**	**5,324.0**
Total liabilities		**11,229.2**	**7,234.9**
Net assets		**5,237.9**	**11,028.1**
Equity attributable to members of Scentre Group Trust 1			
Contributed equity	8(b)	1,658.1	5,777.5
Reserves		115.1	918.2
Retained profits		3,214.5	4,103.2
Total equity attributable to members of Scentre Group Trust 1		**4,987.7**	**10,798.9**
Equity attributable to external non controlling interests			
Contributed equity		94.0	94.0
Retained profits		156.2	135.2
Total equity attributable to external non controlling interests		**250.2**	**229.2**
Total equity		**5,237.9**	**11,028.1**

SCENTRE GROUP TRUST 1
STATEMENT OF CHANGES IN EQUITY
for the half-year ended 30 June 2014

	Comprehensive income 30 Jun 14 $million	*Equity and reserves* 30 Jun 14 $million	Total 30 Jun 14 $million	Total 30 Jun 13 $million
Changes in equity attributable to members of Scentre Group Trust 1				
Opening balance of contributed equity	-	5,777.5	5,777.5	7,016.4
- Buy-back and cancellation of units and associated cost	-	-	-	(463.0)
- Stapling distribution applied on behalf of investors to subscribe for units in Scentre Group Trust 2 and Scentre Group Trust 3 as part of the merger	-	(2.8)	(2.8)	-
- Issuance of units resulting from the Restructure and Merger	-	2.7	2.7	-
- Capital distribution to Westfield Corporation (i)	-	(4,119.3)	(4,119.3)	-
Closing balance of contributed equity	-	1,658.1	1,658.1	6,553.4
Opening balance of reserves	-	918.2	918.2	365.5
- Movement in foreign currency translation reserve (iii)	6.8	-	6.8	35.7
- Movement in asset revaluation reserve (ii),(iii)	(809.9)	-	(809.9)	174.2
Closing balance of reserves	(803.1)	918.2	115.1	575.4
Opening balance of retained profits	-	4,103.2	4,103.2	4,125.3
- Profit after tax for the period (iii)	1,282.9	-	1,282.9	277.3
- Distribution paid or provided for	-	(311.5)	(311.5)	(477.9)
- Accumulated retained profits attributable to Westfield Corporation (i)	-	(1,860.1)	(1,860.1)	-
Closing balance of retained profits	1,282.9	1,931.6	3,214.5	3,924.7
Closing balance of equity attributable to members of Scentre Group Trust 1	**479.8**	**4,507.9**	**4,987.7**	**11,053.5**
Changes in equity attributable to external non controlling interests				
Opening balance of equity	-	229.2	229.2	221.2
- Profit after tax for the period attributable to external non controlling interests (iii)	26.6	-	26.6	9.2
- Distribution paid or provided for	-	(5.6)	(5.6)	(5.2)
Closing balance of equity attributable to external non controlling interests	**26.6**	**223.6**	**250.2**	**225.2**
Total equity	**506.4**	**4,731.5**	**5,237.9**	**11,278.7**

(i) The net assets distributed to Westfield Corporation amount to $5,979.4 million of which $4,119.3 million has been charged to contributed equity and $1,860.1 million has been charged to retained profits.

(ii) Movement in asset revaluation reserve attributable to members of Scentre Group Trust 1 consists of revaluation gain of $212.5 million (30 June 2013: $174.2 million) and accumulated asset revaluation reserve in respect of assets distributed to Westfield Corporation transferred to the income statement of $1,022.4 million (30 June 2013: nil).

(iii) Total comprehensive income for the period amounts to $506.4 million (30 June 2013: $496.4 million).

SCENTRE GROUP TRUST 1
CASH FLOW STATEMENT
for the half-year ended 30 June 2014

	30 Jun 14 $million	30 Jun 13 $million
Cashflows from operating activities		
Receipts in the course of operations (including Goods and Services Tax (GST))	323.4	317.1
Payments in the course of operations (including GST)	(90.2)	(93.4)
Settlement of income hedging currency derivatives	-	1.2
Distributions and interest received from equity accounted entities and other investments	209.0	162.6
Income and withholding taxes refunded/(paid)	0.4	(0.2)
GST paid	(22.5)	(20.5)
Net cash flows from operating activities	**420.1**	**366.8**
Cashflows used in investing activities		
Payments of capital expenditure for property investments	(54.9)	(37.3)
Net (outflows)/inflows for loans to and investments in equity accounted entities	(79.4)	8.4
Payments for the purchase of other investments	(16.0)	-
Settlement of asset hedging currency derivatives	-	(15.0)
Financing costs capitalised to qualifying development projects and construction in progress	(6.2)	(3.0)
Cash held by entities of Westfield Corporation deconsolidated during the period	(11.5)	-
Net cash flows used in investing activities	**(168.0)**	**(46.9)**
Cashflows used in financing activities		
Buy-back of units	-	(481.0)
Interest received	57.4	39.8
Payments of financing costs (excluding interest capitalised)		
- normal course of operations	(212.9)	(216.8)
- accelerated upon repayment of bonds and facilities on implementation of the Restructure and Merger	(29.1)	-
Distributions paid	(202.4)	(477.9)
Distributions paid by controlled entities to external non controlling interests	(5.3)	(4.9)
Net proceeds from interest bearing liabilities and loans received from related entities	719.9	136.5
Charges and credits in respect of the Restructure and Merger		
- Drawdown from bridging facilities	6,344.3	-
- Repayment of bonds and banking facilities	(3,656.9)	-
- Refinancing costs	(187.2)	-
- Stapling distributions	(2.8)	-
- Issuance of securities	2.7	-
- Net loans advanced to related entities	(2,922.4)	-
Net cash flows used in financing activities	**(94.7)**	**(1,004.3)**
Net increase/(decrease) in cash and cash equivalents held	157.4	(684.4)
Add opening cash and cash equivalents brought forward	77.7	726.9
Cash and cash equivalents at the end of the period	**235.1**	**42.5**

1_Corporate information

The financial report of Scentre Group Trust 1 (SGT1) and its controlled entities (collectively the Trust) for the half-year ended 30 June 2014 was approved on 26 August 2014, in accordance with a resolution of the Board of Directors of Scentre Management Limited (formerly Westfield Management Limited) as responsible entity of SGT1.

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

2_Basis of preparation of the financial report

The half-year financial report does not include all notes of the type normally included in the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Trust as the annual financial report.

The half-year financial report should be read in conjunction with the annual financial report of Westfield Trust as at 31 December 2013.

It is also recommended that the half-year financial report be considered together with any public announcements made by the Scentre Group (formerly Westfield Group) during the half-year ended 30 June 2014 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

(a)_Basis of accounting

The half-year financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Regulations 2001 and AASB 134 "Interim Financial Reporting".

The half-year financial report has also been prepared on a historical cost basis, except for investment properties, investment properties within equity accounted investments, derivative financial instruments, other financial liabilities, financial assets at fair value through profit and loss and available for sale financial assets which have been measured at fair value. The carrying values of recognised assets and liabilities that are hedged with fair value hedges and are otherwise carried at cost are adjusted to record changes in the fair values attributable to the risks that are being hedged.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

The half-year financial report has been prepared using the same accounting policies as used in the annual financial report for the year ended 31 December 2013 except for the changes required due to amendments to the accounting standards noted below.

This financial report is presented in Australian dollars.

(b)_Detail on the Restructure and Merger

Background

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

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

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

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

The Restructure and Merger was implemented in three main stages:

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

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

As part of the Restructure and Merger, the Trust borrowed $5.0 billion from a bridge facility (maturing March 2017) to retire $3.7 billion bonds and bank borrowings. Subsequent to 30 June 2014, $3.0 billion of the bridge facility was refinanced with proceeds from bonds issued in July 2014, refer to Note 12.

Accounting for the Scentre Group

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

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

The Parent Company previously controlled SGT1 as a result of the stapling transaction creating Westfield Group on 2 July 2004. The Parent Company continues to control SGT1 post Merger and accordingly the net assets and results of SGT1 continue to be consolidated by the Parent Company. The securities issued by the Parent Company, SGT1, SGT2 and SGT3 have been stapled and cannot be traded separately.

Refer to Note 24 of the Scentre Group half year financial report for further details regarding the business combinations.

(b)_Detail on the restructure and merger (continued)

Accounting for the establishment of Westfield Corporation and discontinued operations

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

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

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

Refer to Note 4 of the Scentre Group half year financial report for further details regarding the discontinued operations.

(c)_New accounting standards and interpretations

The Trust has adopted the following new or amended standards which became applicable on 1 January 2014.

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

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

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Trust for the half year ended 30 June 2014. 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 2017)

  This standard includes requirements to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139 Financial Instruments: Recognition and Measurement. The Trust is currently assessing the impact of this standard.

- IFRS 15 Revenue from Contracts with Customers (effective from 1 January 2017)

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

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.

(d)_Rounding

In accordance with ASIC Class Order 98/100, the amounts shown in the half-year financial report have been rounded to the nearest tenth of a million dollars unless otherwise indicated. Amounts shown as 0.0 represent amounts less than $50,000 that have been rounded down.

3_Transfer of other investments to Westfield Corporation

The Restructure and Merger was implemented on 30 June 2014. The net assets distributed to Westfield Corporation as part of the Restructure and Merger are summarised below. These are no longer included in the Balance Sheet as at 30 June 2014.

Net assets distributed to Westfield Corporation	$million
Assets	
Cash	11.5
Loans receivable including from Westfield Corporation Limited and Westfield America Trust	4,141.6
Other investments	1,858.0
	6,011.1
Liabilities	
Other liabilities	31.7
	31.7
Net assets	**5,979.4**

	30 Jun 14 $million	30 Jun 13 $million
4 Charges and credits in respect of the Restructure and Merger		
Refinancing costs in respect of the Restructure and Merger	(214.1)	-
Transaction costs in respect of the Restructure and Merger	(66.6)	-
Accumulated asset revaluation reserve in respect of assets distributed to Westfield Corporation transferred to the income statement [(i)]	1,022.4	-
Balance at the end of the period	**741.7**	**-**

(i) The net assets distributed to Westfield Corporation amount to $5,979.4 million of which $4,119.3 million has been charged to contributed equity and $1,860.1 million has been charged to retained profits.

5 Tax expense		
Current - underlying operations	(0.2)	(0.4)
Deferred tax	-	-
	(0.2)	**(0.4)**

	cents	cents
6 Earnings per unit		
Basic earnings per unit	24.10	5.08
Diluted earnings per unit	24.10	5.08

The calculation of basic and diluted earnings per unit for all periods presented have been adjusted retrospectively for the conversion of units on issue on a 1.246 for 1 basis and the issuance of units resulting from the Restructure and Merger. Refer to Note 8(a) for details.

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

	$million	$million
Earnings used in calculating basic earnings per unit [(i)]	1,282.9	277.3
Adjustment to earnings relating to options which are considered dilutive	-	-
Earnings used in calculating diluted earnings per unit	1,282.9	277.3

(i) Refer to the income statement for details of the profit after tax attributable to members of the Trust

	No. of units	No. of units
Weighted average number of ordinary units used in calculating basic earnings per unit [(i)]	5,324,296,678	5,454,236,587
Security options which are dilutive	-	-
Adjusted weighted average number of ordinary units used in calculating diluted earnings per unit	5,324,296,678	5,454,236,587

(i) The weighted average number of units for all periods takes into account the effect of the conversion and issuance of units resulting from the Restructure and Merger. The weighted average number of ordinary units without the retrospective adjustment as required by AASB 133: Earnings Per Share is 2,078,089,686 (30 June 2013: 2,208,029,595).

	30 Jun 14 $million	31 Dec 13 $million
7 Payables and other creditors		
Payables and other creditors	1,227.2	212.6
Payable to Westfield Corporation [(i)]	51.0	-
	1,278.2	**212.6**

(i) This has been repaid subsequent to the half-year end.

	No. of units	No. of units
8 Contributed equity		
(a)_Number of units on issue		
Balance at the beginning of the period	2,078,089,686	2,228,403,362
Conversion of units on issue on a 1.246 for 1 basis	511,253,525	-
Issuance of units resulting from the Restructure and Merger	2,734,953,467	-
Buy-back and cancellation of units	-	(150,313,676)
Balance at the end of the period	**5,324,296,678**	**2,078,089,686**

Scentre Group stapled securities have the right to receive declared dividends from Scentre Group Limited (SGL) and distributions from SGT1, SGT2 and SGT3 and, in the event of winding up SGL, SGT1, SGT2 and SGT3, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on Scentre Group stapled securities held.

Holders of Scentre Group stapled securities can vote their shares and units in accordance with the Act, either in person or by proxy, at a meeting of either SGL, SGT1, SGT2 and SGT3 (as the case maybe).

	30 Jun 14 $million	31 Dec 13 $million
8 Contributed equity (continued)		
(b)_Movements in contributed equity attributable to members of SGT1		
Balance at the beginning of the period	5,777.5	7,016.4
Stapling distribution applied on behalf of investors to subscribe for units in Scentre Group Trust 2 and Scentre Group Trust 3 as part of the Merger	(2.8)	-
Issuance of units resulting from the Restructure and Merger	2.7	-
Capital distribution to Westfield Corporation	(4,119.3)	-
Buy-back and cancellation of units	-	(1,238.0)
Costs associated with the buy-back of units	-	(0.9)
Balance at the end of the period	**1,658.1**	**5,777.5**

	30 Jun 14 $million	30 Jun 13 $million
9 Distributions		
(a)_ Interim distribution		
Ordinary distribution accrued in respect of the six months to 30 June 2014		
Ordinary units: 5.25 cents per unit [(i),(ii)]	109.1	86.7
	109.1	**86.7**

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

(ii) The distribution in respect of SGT1 units for the period ended 30 June 2014 is expected to be 80 - 100% taxable.

Interim distribution is to be paid on 29 August 2014. The record date for the entitlement to this distribution was 7pm, 27 June 2014. The Scentre Group Distribution Reinvestment Plan is not operational for this distribution.

	30 Jun 14 $million	30 Jun 13 $million
(b)_Distributions paid		
Distribution in respect of the six months to 31 December 2013	202.4	-
Distribution in respect of the six months to 31 December 2012	-	477.9
	202.4	**477.9**

10 Segment information

Geographic segments

The Trust has investments in a portfolio of shopping centres across Australia and New Zealand.

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

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

(a)_Income and expenses

	Australia		New Zealand		Total	
	30 Jun 14	30 Jun 13	30 Jun 14	30 Jun 13	30 Jun 14	30 Jun 13
	$million	$million	$million	$million	$million	$million
Revenue						
Property revenue	511.0	509.0	68.5	59.8	579.5	568.8
	511.0	**509.0**	**68.5**	**59.8**	**579.5**	**568.8**
Expenses						
Property expenses, outgoings and other costs	(131.7)	(136.1)	(18.9)	(16.2)	(150.6)	(152.3)
Manager's service charge	(6.0)	(5.7)	-	-	(6.0)	(5.7)
Overheads	(1.4)	(1.6)	-	-	(1.4)	(1.6)
	(139.1)	**(143.4)**	**(18.9)**	**(16.2)**	**(158.0)**	**(159.6)**
Realised gains on income hedging currency derivatives	-	-	-	1.2	-	1.2
Segment result	**371.9**	**365.6**	**49.6**	**44.8**	**421.5**	**410.4**
Segment revaluations						
Revaluation of properties and development projects	130.8	67.5	-	-	130.8	67.5
Equity accounted - revaluation of properties and development projects	55.3	45.5	4.8	13.9	60.1	59.4
	186.1	**113.0**	**4.8**	**13.9**	**190.9**	**126.9**
Currency gain/(loss)					21.1	(16.0)
Gain in respect of asset dispositions					-	0.8
Charges and credits in respect of the Restructure and Merger					741.7	-
Interest income					38.6	42.1
Financing costs					(197.7)	(268.7)
Distributions from other investments					104.1	1.5
Tax expense - current underlying operations					(8.8)	(8.6)
Tax expense - deferred tax					(1.9)	(1.9)
External non controlling interests					(26.6)	(9.2)
Net profit attributable to members of SGT1					**1,282.9**	**277.3**

(b)_Assets and liabilities

	Australia		New Zealand		Total	
	30 Jun 14	31 Dec 13	30 Jun 14	31 Dec 13	30 Jun 14	31 Dec 13
	$million	$million	$million	$million	$million	$million
Total segment assets	**15,380.8**	17,209.7	**1,359.3**	1,307.7	**16,740.1**	18,517.4
Total segment liabilities	**10,768.9**	6,798.0	**733.3**	691.3	**11,502.2**	7,489.3
Total segment net assets	**4,611.9**	10,411.7	**626.0**	616.4	**5,237.9**	11,028.1
Equity accounted associates included in segment assets	**6,166.9**	6,023.9	**1,334.2**	1,304.9	**7,501.1**	7,328.8
Equity accounted associates included in segment liabilities	**(98.5)**	(88.4)	**(174.5)**	(166.0)	**(273.0)**	(254.4)
Additions to segment non current assets during the period	**138.7**	179.4	**11.6**	11.1	**150.3**	190.5

10 Segment information (continued)

(c)_Reconciliation of segmental results

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

30 June 2014	Consolidated $million	Equity accounted $million	Total $million
Revenue			
Property revenue	288.1	291.4	579.5
	288.1	**291.4**	**579.5**
Expenses			
Property expenses, outgoings and other costs	(74.3)	(76.3)	(150.6)
Manager's service charge	(6.0)	-	(6.0)
Overheads	(1.4)	-	(1.4)
	(81.7)	**(76.3)**	**(158.0)**
Realised gains on income hedging currency derivatives	-	-	-
Segment result	**206.4**	**215.1**	**421.5**
Segment revaluations			
Revaluation of properties and development projects	130.8	-	130.8
Equity accounted - revaluation of properties and development projects	-	60.1	60.1
	130.8	**60.1**	**190.9**
Currency gain	21.1	-	21.1
Charges and credits in respect of the Restructure and Merger	741.7	-	741.7
Interest income	38.0	0.6	38.6
Financing costs	(197.3)	(0.4)	(197.7)
Distributions from other investments	104.1	-	104.1
Tax expense - current underlying operations	(0.2)	(8.6)	(8.8)
Tax expense - deferred tax	-	(1.9)	(1.9)
External non controlling interests	(26.6)		(26.6)
Net profit attributable to members of SGT1	**1,018.0**	**264.9**	**1,282.9**

Cash and cash equivalents	235.1	14.1	249.2
Trade debtors and receivables	1,453.1	17.1	1,470.2
Shopping centre investments	7,404.1	7,227.9	14,632.0
Development projects and construction in progress	139.3	238.6	377.9
Other assets	7.4	3.4	10.8
Total segment assets	**9,239.0**	**7,501.1**	**16,740.1**
Interest bearing liabilities	8,391.4	22.5	8,413.9
Other financial liabilities	1,391.8	-	1,391.8
Deferred tax liabilities	-	109.4	109.4
Trade creditors, payables and other liabilities	1,446.0	141.1	1,587.1
Total segment liabilities	**11,229.2**	**273.0**	**11,502.2**
Total segment net assets	**(1,990.2)**	**7,228.1**	**5,237.9**

10 Segment information (continued)

(c)_Reconciliation of segmental results (continued)

30 June 2013	Consolidated $million	Equity accounted $million	Total $million
Revenue			
Property revenue	282.7	286.1	568.8
	282.7	**286.1**	**568.8**
Expenses			
Property expenses, outgoings and other costs	(75.7)	(76.6)	(152.3)
Manager's service charge	(5.7)	-	(5.7)
Overheads	(1.6)	-	(1.6)
	(83.0)	**(76.6)**	**(159.6)**
Realised gains on income hedging currency derivatives	1.2	-	1.2
Segment result	**200.9**	**209.5**	**410.4**
Segment revaluations			
Revaluation of properties and development projects	67.5	-	67.5
Equity accounted - revaluation of properties and development projects	-	59.4	59.4
	67.5	**59.4**	**126.9**
Currency loss	(16.0)	-	(16.0)
Gain in respect of asset dispositions	-	0.8	0.8
Interest income	41.5	0.6	42.1
Financing costs	(268.3)	(0.4)	(268.7)
Distributions from other investments	1.5	-	1.5
Tax expense - current underlying operations	(0.4)	(8.2)	(8.6)
Tax expense - deferred tax	-	(1.9)	(1.9)
External non controlling interests	(9.2)	-	(9.2)
Net profit attributable to members of SGT1	**17.5**	**259.8**	**277.3**

31 December 2013	Consolidated $million	Equity accounted $million	Total $million
Cash and cash equivalents	77.7	21.5	99.2
Trade debtors and receivables	2,042.2	14.1	2,056.3
Shopping centre investments	7,256.7	7,145.8	14,402.5
Development projects and construction in progress	111.8	144.4	256.2
Other investments	1,623.4	-	1,623.4
Other assets	76.8	3.0	79.8
Total segment assets	**11,188.6**	**7,328.8**	**18,517.4**
Interest bearing liabilities	5,498.7	22.2	5,520.9
Other financial liabilities	1,371.4	-	1,371.4
Deferred tax liabilities	-	106.2	106.2
Trade creditors, payables and other liabilities	364.8	126.0	490.8
Total segment liabilities	**7,234.9**	**254.4**	**7,489.3**
Total segment net assets	**3,953.7**	**7,074.4**	**11,028.1**

11 Fair value of financial assets and liabilities

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

	Fair Value		Carrying amount	
	30 Jun 14	31 Dec 13	30 Jun 14	31 Dec 13
	$million	$million	$million	$million
Consolidated assets				
Cash and cash equivalents	235.1	77.7	235.1	77.7
Trade debtors [(i)]	2.4	1.2	2.4	1.2
Receivables [(i)]	1,450.7	2,041.0	1,450.7	2,041.0
Other investments [(ii)]	-	1,623.4	-	1,623.4
Derivative assets [(ii)]	2.9	46.7	2.9	46.7
Consolidated liabilities				
Trade creditors [(i)]	50.4	50.2	50.4	50.2
Payables and other creditors [(i)]	1,278.2	212.6	1,278.2	212.6
Interest bearing liabilities [(ii)]				
- Fixed rate debt	-	2,153.5	-	1,990.2
- Floating rate debt	8,391.4	3,508.6	8,391.4	3,508.5
Other financial liabilities [(ii)]	1,391.8	1,371.4	1,391.8	1,371.4
Derivative liabilities [(ii)]	8.3	102.0	8.3	102.0

(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 subject 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.

	30 Jun 14	Level 1	Level 2	Level 3
	$million	$million	$million	$million
Consolidated assets measured at fair value				
Derivative assets				
- Interest rate derivatives	2.9	-	2.9	-
Consolidated liabilities measured at fair value				
Interest bearing liabilities				
- Fixed rate debt	-	-	-	-
- Floating rate debt	8,391.4	-	8,391.4	-
Derivative liabilities				
- Interest rate derivatives	8.3	-	8.3	-
Other financial liabilities				
- Property linked notes	1,391.8	-	-	1,391.8

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

11 Fair value of financial assets and liabilities (continued)

	31 Dec 13 $million	Level 1 $million	Level 2 $million	Level 3 $million
Consolidated assets measured at fair value				
Derivative assets				
- Currency derivatives	15.2	-	15.2	-
- Interest rate derivatives	31.5	-	31.5	-
Other investments				
- Listed investments	129.4	129.4	-	-
- Unlisted investments	1,494.0	-	-	1,494.0
Consolidated liabilities measured at fair value				
Interest bearing liabilities				
- Fixed rate debt	2,153.5	-	2,153.5	-
- Floating rate debt	3,508.6	-	3,508.6	-
Derivative liabilities				
- Currency derivatives	65.3	-	65.3	-
- Interest rate derivatives	36.7	-	36.7	-
Other financial liabilities				
- Property linked notes	1,371.4	-	-	1,371.4

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

	Unlisted investments(i) 30 Jun 14 $million	Property linked notes(ii) 30 Jun 14 $million	Unlisted investments(i) 31 Dec 13 $million	Property linked notes(ii) 31 Dec 13 $million
Level 3 fair value movements				
Balance at the beginning of the year	1,494.0	1,371.4	1,023.1	1,341.4
Net fair value gain/(loss)	212.5	20.4	470.9	30.0
Distributed to Westfield Corporation	(1,706.5)	-	-	-
Balance at the end of the year	**-**	**1,391.8**	**1,494.0**	**1,371.4**

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

(ii) The fair value of the property linked notes has been determined by reference to the fair value of the relevant Westfield shopping centres.

12 Subsequent Events

In July 2014, A$3.0 billion equivalent of bonds were issued under the Scentre Group's euro medium term note programme, comprising €400.0 million maturing 2018, €600.0 million maturing 2020, €600.0 million maturing 2024 and £400.0 million maturing 2026. Cross currency swaps were transacted to swap these bonds into an A$ floating rate payable exposure. The proceeds were used to refinance the bridge facility maturing in 2017.

SCENTRE GROUP TRUST 1
DIRECTORS' DECLARATION

The Directors of Scentre Management Limited, the Responsible Entity of Scentre Group Trust 1 (SGT1) declare that:

(a) in the Directors' opinion, there are reasonable grounds to believe that SGT1 will be able to pay its debts as and when they become due and payable; and

(b) in the Directors' opinion, the Financial Statements and Notes of the consolidated entity are in accordance with the *Corporations Act 2001* , including:

(i) complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001* ; and

(ii) giving a true and fair view of the financial position as at 30 June 2014 and the performance of SGT1 for the half-year ended on that date in accordance with section 305 of the *Corporations Act 2001* .

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

Frank Lowy AC
Chairman

Michael Ihlein
Director

Ernst & Young
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Independent auditor's report to the members of Scentre Group Trust 1

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Scentre Group Trust 1 (the Trust), which comprises the statement of financial position as at 30 June 2014, the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, 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 half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of Scentre Management Limited, the Responsible Entity of the Trust, are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001.* As the auditor of Scentre Group Trust 1 and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of Scentre Management Limited a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Scentre Group Trust 1 is not in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

Graham Ezzy
Partner
Sydney
26 August 2014

Ernst & Young

SCENTRE GROUP TRUST 1
DIRECTORS' REPORT

The Directors of Scentre Management Limited (the Responsible Entity), the responsible entity of Scentre Group Trust 1 (the Trust or SGT1) submit the following report for the half-year ended 30 June 2014 (Financial Period).

Directors

In connection with the restructure of the Westfield Group implemented on 30 June 2014, the composition of the Board of Scentre Management Limited (formerly Westfield Management Limited) the responsible entity of SGT1, changed.

The Board comprises the following directors:

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

The following directors retired from the Board effective 30 June 2014:

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

Review of Results and Operations

The Trust reported a net profit (attributable to members of SGT1) of $1,282.9 million and a distribution of $109.1 million for the Financial Period. The basic earnings per unit is 24.10 cents and the distribution per unit is 5.25 cents for the Financial Period.

As at 30 June 2014, the Trust has total consolidated and equity accounted properties of $15.0 billion. Occupancy rates for those properties continues to be in excess of 99.5% leased. The Trust's interest in 47 shopping centres comprises 12,485 retail outlets and approximately 3.8 million square metres of retail space.

The Australian and New Zealand operations contributed net property income of $428.9 million for the six months to 30 June 2014 with an underlying comparable net operating income growth of 2.3%.

Comparable specialty retail sales for the half-year increased by 3.3% in Australia and 0.8% in New Zealand.

Other than the Westfield Group Restructure and Merger implemented on 30 June 2014 as described in Note 2(b), there has been no significant changes in the Trust's state of affairs during the Financial Period.

Principal Activities

The principal activities of the Trust during the Financial Period were the ownership and improvement of shopping centres. There were no significant changes in the nature of those activities during the Financial Period.

Subsequent Events

In July 2014, A$3.0 billion equivalent of bonds were issued under the Scentre Group's euro medium term note programme, comprising €400.0 million maturing 2018, €600.0 million maturing 2020, €600.0 million maturing 2024 and £400.0 million maturing 2026. Cross currency swaps were transacted to swap these bonds into an A$ floating rate payable exposure. The proceeds were used to refinance the bridge facility maturing in 2017.

Synchronisation of Financial Year

By an order dated 5 November 2001 made by the Australian Securities and Investments Commission, the Directors have been relieved from compliance with the requirement to ensure that the financial year of Carindale Property Trust is synchronised with the financial year of SGT1. Although the financial year of Carindale Property Trust ends on 30 June, the financial statements of SGT1 have been prepared to include accounts for Carindale Property Trust for a period coinciding with the financial year of SGT1.

Auditor's independence declaration

The Directors have obtained the following independence declaration from the auditors, Ernst & Young.

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Building a better working world

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

In relation to our review of the financial report of Scentre Group Trust 1 for the half-year ended 30 June 2014, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Graham Ezzy
Partner
26 August 2014

Ernst & Young

This report is made on 26 August 2014 in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors.

Frank Lowy AC
Chairman

Michael Ihlein
Director

DIRECTORY

Scentre Group
Scentre Group Limited
ABN 66 001 671 496

Scentre Group Trust 1
ARSN 090 849 746
(responsible entity Scentre Management Limited
ABN 41 001 670 579, AFS Licence No 230329)

Scentre Group Trust 2
ARSN 146 934 536
(responsible entity RE1 Limited
ABN 80 145 743 862, AFS Licence No 380202)

Scentre Group Trust 3
ARSN 146 934 652
(responsible entity RE2 Limited
ABN 41 145 744 065, AFS Licence No 380203)

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