



3 June 2014

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

Dear Sir/Madam

**WESTFIELD RETAIL TRUST (ASX: WRT)  
SECOND SUPPLEMENTARY SECURITYHOLDER BOOKLET**

Please find attached a Second Supplementary Securityholder Booklet in relation to the proposed merger of Westfield Retail Trust with Westfield Group's Australian and New Zealand business.

The document will be despatched to securityholders at or around Friday 6 June 2014 and may be accessed at the Trust's website at:

<http://www.westfieldretailtrust.com>

Yours faithfully  
**WESTFIELD RETAIL TRUST**

A handwritten signature in blue ink, appearing to be "Katherine Grace".

Katherine Grace  
Company Secretary

Encl.



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## SECOND SUPPLEMENTARY SECURITYHOLDER BOOKLET

Update on the proposal which, if approved and implemented, will result in Westfield Retail Trust merging with Westfield Group's Australian and New Zealand business.

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### **THE INDEPENDENT BOARD COMMITTEE CONTINUES TO UNANIMOUSLY RECOMMEND THAT YOU VOTE IN FAVOUR OF THE REVISED PROPOSAL, IN THE ABSENCE OF A SUPERIOR PROPOSAL.**

The Independent Expert maintains its conclusion that in the absence of a superior proposal, the Revised Proposal is in the best interests of Securityholders.

### **SECOND SUPPLEMENTARY EXPLANATORY STATEMENT**

#### **WESTFIELD RETAIL TRUST**

**RE1 Limited** (ABN 80 145 743 862, AFSL No. 380202)  
as responsible entity of Westfield Retail Trust 1  
(ABN 66 744 282 872, ARSN 146 934 536)

**RE2 Limited** (ABN 41 145 744 065, AFSL No. 380203)  
as responsible entity of Westfield Retail Trust 2  
(ABN 11 517 229 138, ARSN 146 934 652)

#### **RESUMED MEETING DETAILS**

Time: 10:00am (AEST)  
Date: Friday, 20 June 2014  
Place: Grand Ballroom  
Sheraton on the Park  
161 Elizabeth Street  
Sydney

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This is an important document and requires your immediate attention. You should read this document in its entirety before deciding how to vote.

If you are in doubt as to what you should do, you should consult your investment, financial, accounting, legal, tax, and/or other professional adviser(s) without delay.

# CHAIRMAN'S LETTER

Dear Securityholder

I wanted to write to you to make you aware of a material development in relation to the revised proposal for Westfield Retail Trust to merge with Westfield Group's Australian and New Zealand business to create a new listed property group called Scentre Group (**Revised Proposal**). On the morning of 29 May 2014, being the day of the scheduled meetings of Westfield Retail Trust securityholders to consider the Revised Proposal, Westfield Group publicly announced certain material new information that is relevant to the Revised Proposal.

## WHAT IS THE MATERIAL NEW INFORMATION?

The material new information was announced by the Chairman of Westfield Group to the ASX on the morning of Thursday 29 May 2014:

*"If the WRT meeting this afternoon does not approve the proposal, it will not diminish our determination to proceed with WDC's strategic objective of separating the two businesses. We will pursue that separation - but without WRT. However, the existing relationship with WRT will continue... We will begin that process immediately, and I expect the revised plan to be presented to security holders by the first quarter of next year."*  
(**Material New Information**)

Whilst the Westfield Group Securityholder Booklet highlighted a number of possible alternative strategies that Westfield Group may pursue in the event that the Revised Proposal does not proceed, it now appears that Westfield Group would pursue the separation of its Australian and New Zealand assets and businesses without any involvement by Westfield Retail Trust. Further, Westfield Group says that it would present the new plan to its securityholders for approval by the first quarter of next year. The new entity that would be created in the event of that separation is referred to in this letter as **Newco Australasia**.

Whilst the details of the Newco Australasia structure are not yet known, the Independent Board Committee believes that this statement as to Westfield Group's intentions is material new information for Securityholders to consider prior to voting on the Revised Proposal.

As a consequence, as Chairman I took the decision to adjourn the meetings to ensure that all Securityholders were made aware of, and have the opportunity to consider, the impact of the Material New Information before being asked to vote on the Revised Proposal. I took that decision after the Securityholders who attended the meeting voted in favour of a non-binding resolution to adjourn the meeting by a very significant majority.

The Independent Board Committee continues to recommend that Securityholders vote in favour of the Revised Proposal, in the absence of a superior proposal. Based on the votes cast pursuant to the proxy forms lodged prior to the meeting on 29 May 2014 a significant majority of Securityholders, albeit short of the requisite 75%, support the strategic rationale of the Revised Proposal.

## WHAT ARE THE POSSIBLE IMPLICATIONS OF THE MATERIAL NEW INFORMATION?

The Material New Information further strengthens our view that the Revised Proposal is in the best interests of Securityholders. The Independent Board Committee considers there are a number of implications for Westfield Retail Trust and Securityholders if Westfield Group implements the separation of its businesses without Westfield Retail Trust and believes the implications could be materially adverse to Westfield Retail Trust and Securityholders. However it is not possible to be definitive about the possible implications because the details of the Westfield Group's separation plan are not available and in any event the Westfield Group securityholders will need to approve the separation proposal. The Independent Board Committee believes that the possible implications include:

- There is unlikely to be another opportunity to buy the entire Westfield Group Australian and New Zealand property portfolio, or indeed any property portfolio having similar scale and quality characteristics, in an uncontested and cost efficient manner, at book value;
- There is unlikely to be another opportunity for Westfield Retail Trust to acquire what is widely regarded as the best property management platform in Australia and New Zealand;
- There is unlikely to be another opportunity for Westfield Retail Trust to internalise the property management for its existing portfolio;
- Investors may prefer to invest in Newco Australasia as an internally managed property group as it will have an almost identical property portfolio to Westfield Retail Trust that is expected to generate a superior return on invested capital as compared to Westfield Retail Trust, with consequent risk to the Westfield Retail Trust Security price;
- As Westfield Retail Trust will continue to pay property management fees, it may be uncompetitive in bidding for assets when compared to entities with internally managed property platforms (including Newco Australasia if it is created) which may derive higher income from assets purchased; and
- It has been suggested that the creation of Newco Australasia may present the opportunity to renegotiate the terms of Westfield Retail Trust's existing arrangements with Westfield Group. The Independent Board Committee believes there will be no opportunity to do so.

Further details in relation to the potential implications are set out in section 1.3 of this Second Supplementary Securityholder Booklet.

## THE INDEPENDENT BOARD COMMITTEE CONTINUES TO UNANIMOUSLY RECOMMEND THAT YOU VOTE IN FAVOUR OF THE REVISED PROPOSAL, IN THE ABSENCE OF A SUPERIOR PROPOSAL.

As set out above, the Independent Board Committee believes that if the Revised Proposal does not proceed and if Westfield Group implements the separation of its businesses without Westfield Retail Trust that will disadvantage Westfield Retail Trust.

# CHAIRMAN'S LETTER

The advantages of the Revised Proposal which were set out in section 4.2 of the Securityholder Booklet dated 14 April 2014 that was sent to Securityholders include:

- The Revised Proposal is expected to deliver 6.6% accretion to FFO per Westfield Retail Trust Security based on a pro forma forecast FFO for FY14;
- The Revised Proposal is expected to deliver 9.3% accretion to economic FFO per Westfield Retail Trust Security based on a pro forma forecast FFO for FY14;
- Further potential accretion to FFO per Westfield Retail Trust Security may be achieved as a result of interest rates and debt margins being lower than those assumed in the FY14 Pro Forma Forecast. Based on interest rates as at the date of the Securityholder Booklet, the interest expense would be \$27 million per annum lower than assumed in the FY14 Pro Forma Forecast and since then market interest rates have declined further;
- A significant cash return to Securityholders equivalent to \$0.2853 per security;
- Scentre Group will have its own vertically integrated retail property operating platform and will have direct control over the future strategy and direction of that platform;
- Creation of a stronger platform to enhance return on equity through the introduction of joint venture partners at the property level;
- Gaining exposure to Westfield Carindale, one of the ten largest shopping centres in Australia; and
- Enhanced governance arrangements where the Board is directly appointed by Securityholders.

The main disadvantages of the Revised Proposal include:

- Exposure to risks relating to the ownership and operation of the retail property operating platform operated by Westfield Group in Australia and New Zealand;
- Change to Westfield Retail Trust's net tangible assets from \$3.52 per Westfield Retail Trust Security as at 31 December 2013 to the equivalent of \$2.93 per Westfield Retail Trust Security on a pro forma basis<sup>1</sup>. The change to Scentre Group net tangible assets is the result of Westfield Retail Trust merging with Westfield Group's Australian and New Zealand business, which includes the Operating Platform, the value of which is not reflected on Scentre Group's pro forma balance sheet for accounting purposes;
- Exposure to risks relating to increased gearing, given under the Proposal gearing is expected to increase from 22.4% for Westfield Retail Trust as at 31 December 2013 to 37.3% for Scentre Group;
- Transaction and implementation costs of approximately \$75 million are expected to be incurred by Scentre Group; and

- Westfield Retail Trust will cease to be permitted to use Westfield in its corporate name, but will retain the Westfield brand for its shopping centres and activities in Australia and New Zealand.

Further explanation of the disadvantages of the Revised Proposal for Securityholders are explained in section 4.3 of the Securityholder Booklet.

The Independent Board Committee believes that, notwithstanding ongoing commentary to the contrary, there is no prospect of an amended or enhanced deal being negotiated with Westfield Group;

After careful consideration the Independent Board Committee believes that the creation of Scentre Group is the preferred option to maximise long term value for Securityholders and to provide Securityholders with the benefits of a larger, more relevant and more strategically flexible investment without diluting the quality of Westfield Retail Trust's existing property portfolio.

The Independent Expert, KPMG Corporate Finance, has maintained its opinion that in the absence of a superior proposal, the Revised Proposal is in the best interests of Securityholders.

## YOUR VOTE IS IMPORTANT

The resumed meetings will be held at 10:00am on Friday, 20 June 2014 at Grand Ballroom, Sheraton on the Park, 161 Elizabeth Street Sydney. Securityholders on the Register as at 7:00pm on Tuesday, 27 May 2014 are the only Securityholders who are eligible to vote on the Proposal Resolutions to be considered at the resumed meetings. The new proxy deadline for the resumed meetings is Wednesday, 18 June 2014 at 10:00am. Securityholders may lodge a new proxy form by that new proxy deadline. If a Securityholder submitted a valid proxy for the meeting convened on Thursday, 29 May 2014, that proxy form will remain valid unless a new proxy form is returned to the Registry by the new proxy deadline.

Further details in relation to the resumed meetings and voting procedures are set out in full in sections 1.6 to 1.11 of this Second Supplementary Securityholder Booklet.

I encourage you to read in full this Second Supplementary Securityholder Booklet together with the Securityholder Booklet dated 14 April 2014 and Supplementary Securityholder Booklet dated 9 May 2014 carefully before making any decision on how to vote. Section 4 of the Securityholder Booklet dated 14 April 2014 sets out in more detail the reasons for the recommendation of the Independent Board Committee as well as advantages, disadvantages and risks of the Revised Proposal.

Yours sincerely



Richard Egerton-Warburton AO, LVO  
Chairman

<sup>1</sup> The pro forma net tangible assets per Westfield Retail Trust Security is based on Securityholders receiving 0.918 Scentre Group Securities and \$0.2853 for every Westfield Retail Trust Security held as at the Record Date. Scentre Group is expected to have net tangible assets (attributable to Scentre Group Securityholders) of \$2.82 per security.

# IMPORTANT NOTICES

## WHAT IS THIS DOCUMENT?

This Second Supplementary Securityholder Booklet supplements the Securityholder Booklet dated 14 April 2014 and the Supplementary Securityholder Booklet dated 9 May 2014 containing information about the proposal which, if approved and implemented, will result in Westfield Retail Trust merging with Westfield Group's Australian and New Zealand business. This Second Supplementary Securityholder Booklet must be read together with the Securityholder Booklet and the Supplementary Securityholder Booklet. If there is any inconsistency between this Second Supplementary Securityholder Booklet, the Securityholder Booklet and the Supplementary Securityholder Booklet, this Second Supplementary Securityholder Booklet will prevail. This Second Supplementary Securityholder Booklet, together with the Securityholder Booklet and the Supplementary Securityholder Booklet, comprise an explanatory statement and notices of meeting for Securityholders in relation to the Proposal Resolutions required to implement the Revised Proposal.

The Revised Proposal is subject to a number of conditions precedent, including Securityholders approving the Proposal Resolutions (see section 3.5 of the Securityholder Booklet, section 2.2 of the Supplementary Securityholder Booklet and section 2.2 of this Second Supplementary Securityholder Booklet).

## DATE

This Second Supplementary Securityholder Booklet is dated 3 June 2014.

## DEFINED TERMS

Capitalised terms used in this Second Supplementary Securityholder Booklet are defined in section 3.1 of this Second Supplementary Securityholder Booklet, the Supplementary Securityholder Booklet and in the Securityholder Booklet. Section 3.2 also sets out some rules of interpretation which apply to this Second Supplementary Securityholder Booklet.

## GENERAL

This Second Supplementary Securityholder Booklet is important and requires your immediate attention. You should read this Second Supplementary Securityholder Booklet in its entirety before making a decision as to how to vote on the Proposal Resolutions. In particular, it is important that you consider the disadvantages and key risks of the Revised Proposal and the key risks of an investment in Scentre Group as set out in sections 4.3, 4.4 and 7 respectively of the Securityholder Booklet dated 14 April 2014 and the views of the Independent Expert set out in the Supplementary

Independent Expert's Report, a copy of which is contained in Annexure A of the Supplementary Securityholder Booklet.

If you have any questions about the Revised Proposal, please contact the Securityholder Information Line on 1800 674 015 (free call) (within Australia) or on +61 3 9415 4121 (from outside Australia) at any time from 8:30am to 5:00pm (AEST) Monday to Friday.

If you are in doubt as to what you should do, you should consult your investment, financial, accounting, legal, tax and/or other professional adviser(s) without delay.

## NOT INVESTMENT ADVICE

This Second Supplementary Securityholder Booklet has been prepared without reference to the investment objectives, financial and taxation situation or particular needs of any Securityholder or any other person. For information about your individual financial or taxation circumstances please consult your investment, financial, taxation or other professional adviser.

The information and recommendations contained in this Second Supplementary Securityholder Booklet do not constitute, and should not be taken as, financial product advice. This Second Supplementary Securityholder Booklet should not be relied on as the sole basis for any investment decision.

You should seek independent investment, financial and taxation advice before making any investment decision and any decision as to whether or not to vote in favour of the Proposal Resolutions.

## RESPONSIBILITY FOR INFORMATION

The information in this Second Supplementary Securityholder Booklet has been prepared by RE1 Limited (ABN 80 145 743 862, AFSL No. 380202) as responsible entity of Westfield Retail Trust 1 (ABN 66 744 282 872, ARSN 146 934 536) (RE1) and RE2 Limited (ABN 41 145 744 065, AFSL No. 380203) as responsible entity of Westfield Retail Trust 2 (ABN 11 517 229 138, ARSN 146 934 652) (RE2) and is the responsibility of RE1 and RE2.

## LODGEMENT

A copy of this Second Supplementary Securityholder Booklet was lodged with ASIC on 3 June 2014. A copy of this Second Supplementary Securityholder Booklet was lodged with ASX on 3 June 2014.

None of ASIC, ASX or any of their respective officers takes any responsibility for the contents of this Second Supplementary Securityholder Booklet.

## IMPORTANT NOTICE ASSOCIATED WITH JUDICIAL ADVICE OF THE COURT

The fact that the Court has given judicial advice that RE1 and RE2 would be justified in dispatching this Second Supplementary Securityholder Booklet does not mean that the Court:

- has formed any view as to the merits of the Revised Proposal or as to how Securityholders should vote (on this matter, Securityholders must reach their own decision); or
- has prepared, or is responsible for the content of, this Second Supplementary Securityholder Booklet.

Any Securityholder who wishes to oppose the judicial advice at the Second Court Hearing may do so by filing with the Court and serving on RE1 and RE2 a notice of appearance in the prescribed form together with any affidavit on which the Securityholder proposes to rely.

## DISCLOSURE REGARDING FORWARD LOOKING STATEMENTS

Some of the statements appearing in this Second Supplementary Securityholder Booklet may be in the nature of forward looking statements. Forward looking statements or statements of intent in relation to future events in this Second Supplementary Securityholder Booklet should not be taken to be a forecast or prediction that those events will occur. Forward looking statements generally may be identified by the use of forward looking words such as "believe", "aim", "expect", "anticipate", "intending", "foreseeing", "likely", "should", "planned", "may", "estimate", "potential", or other similar words. Similarly, statements that describe the objectives, plans, goals or expectations of Westfield Retail Trust, Westfield Group or Scentre Group are or may be forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industry in which Westfield Retail Trust and Westfield Group operate and in which Scentre Group will operate, as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and deviations are both normal and to be expected. None of Westfield Retail Trust, Westfield Group and Scentre Group, their respective responsible entities, directors, officers, or any person named in this Second Supplementary Securityholder Booklet or involved in the preparation of this Second Supplementary Securityholder Booklet makes any representation or warranty (either express or implied) as to the accuracy or likelihood of

fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement. Accordingly, you are cautioned not to place undue reliance on those statements.

The forward looking statements in this Second Supplementary Securityholder Booklet reflect views held only at the date of this Second Supplementary Securityholder Booklet. Subject to any continuing obligations under the Listing Rules or the Corporations Act, Westfield Retail Trust, Westfield Group and Scentre Group, their responsible entities, their directors and their respective officers disclaim any obligation or undertaking to distribute after the date of this Second Supplementary Securityholder Booklet, any updates or revisions to any forward looking statements to reflect any change in expectations in relation thereto or any change in events, conditions or circumstances on which any such statement is based.

## PAST PERFORMANCE INFORMATION

This Second Supplementary Securityholder Booklet contains information relating to the past performance of Westfield Retail Trust and Westfield Group. Past performance information may not be a reliable indicator of the performance of Westfield Retail Trust, Westfield Group or Scentre Group going forward.

## FOREIGN JURISDICTIONS

This Second Supplementary Securityholder Booklet does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register the Scentre Group Securities, Westfield Retail Trust 1 Units, Westfield Retail Trust 2 Units, Westfield Holdings Shares or Westfield Trust Units in any jurisdiction outside of Australia, or otherwise permit an offering of Scentre Group Securities, Westfield Retail Trust 1 Units, Westfield Retail Trust 2 Units, Westfield Holdings Shares or Westfield Trust Units in any jurisdiction outside of Australia in which, or to any person to whom, it would not be lawful to make such an offer.

The distribution of this Second Supplementary Securityholder Booklet (electronically or otherwise) outside of Australia may be restricted by law. If you come into possession of this Second Supplementary Securityholder Booklet (electronically or otherwise), you should observe any such restrictions and should seek your own advice on such restrictions. Any failure to comply with such restrictions may contravene applicable securities laws. Refer to section 11.16 of the Securityholder Booklet for further details of the foreign securities restrictions that apply in connection with the Proposal.

# IMPORTANT NOTICES

This Second Supplementary Securityholder Booklet does not constitute an offer to any person in the United States, any US person (as such term is defined in Regulation S under the U.S. Securities Act of 1933 (**US Securities Act**)) (**U.S. Person**), or any person acting for the account or benefit of a U.S. Person. Securities may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons unless they are registered under the US Securities Act or exempt from registration.

## DISCLAIMER

No person is authorised to give any information or make any representation in connection with the Revised Proposal, which is not contained in this Second Supplementary Securityholder Booklet. Any information or representation not contained in this Second Supplementary Securityholder Booklet may not be relied on as having been authorised by RE1, RE2 or Westfield Group in connection with the Revised Proposal.

## FINANCIAL AMOUNTS AND CURRENCY

All financial amounts in this Second Supplementary Securityholder Booklet are expressed in Australian currency unless otherwise stated. Unless otherwise specified, the exchange rates:

- for the FY14 pro forma forecast and the forecast information in this Second Supplementary Securityholder Booklet are A\$/US\$0.91, A\$/£0.57 and A\$/NZ\$1.15 (as relevant); and
- for items in the Pro Forma Historical Statements of Net Assets, or which are otherwise stated to be as at 31 December 2013, are the exchange rates as at 31 December 2013 of A\$/US\$0.8932, A\$/£0.5401 and A\$/NZ\$1.0869 (as relevant).

Any discrepancies between totals in tables or financial statements, or in calculations, graphs or charts are due to rounding.

All financial and operational information set out in this Second Supplementary Securityholder Booklet is current as at the date of this Second Supplementary Securityholder Booklet, unless otherwise stated.

## TIMES AND DATES

Unless otherwise indicated, all times and dates referred to in this Second Supplementary Securityholder Booklet are to Australian Eastern Standard Time (**AEST**), being the time in Sydney, Australia. All times and dates relating to the implementation of the Revised Proposal referred to in this Second Supplementary Securityholder Booklet may change and, among other things, are subject to all necessary approvals from regulatory authorities.

## DIAGRAMS, CHARTS, MAPS, GRAPHS AND TABLES

Any diagrams, charts, maps, graphs and tables appearing in this Second Supplementary Securityholder Booklet are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in diagrams, charts, maps, graphs and tables is based on information available as at the date of this Second Supplementary Securityholder Booklet.

## EFFECT OF ROUNDING

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Second Supplementary Securityholder Booklet are subject to the effect of rounding. Accordingly, the actual calculation of these figures, amounts, percentages, prices, estimates, calculations of value and fractions may differ from the figures, amounts, percentages, prices, estimates, calculations of value and fractions set out in this Second Supplementary Securityholder Booklet.

## PRIVACY AND PERSONAL INFORMATION

Westfield Retail Trust, Westfield Group and their respective security registries may collect personal information in the process of implementing the Revised Proposal and administering the Scentre Group securityholdings arising from the Revised Proposal. The personal information may include the names, addresses, payment instructions, other contact details and details of the securityholdings of Securityholders, and the names of individuals appointed by Securityholders as proxies, corporate representatives or attorneys at the Resumed Meeting.

Securityholders who are individuals and the other individuals in respect of whom personal information is collected as outlined above have certain rights to access the personal information collected in relation to them. Such individuals should contact the Registry on 1300 730 458 (free call) (within Australia) or on +61 3 9946 4471 (from outside Australia) on Business Days from 8:30am to 5:00pm (AEST) in the first instance if they wish to request access to that personal information.

The personal information is collected for the primary purpose of implementing the Revised Proposal and administering the Scentre Group securityholdings arising from the Revised Proposal. The personal information may be disclosed to the Registry, to Westfield Group's and Scentre Group's security registries, to securities brokers, to print and mail service providers and to any other service providers and advisers engaged by Westfield Retail Trust, Westfield Group, Scentre Group, or their respective security registries for this purpose.

The main consequence of not collecting the personal information outlined above would be that Westfield Retail Trust may be hindered in, or prevented from, conducting the Resumed Meeting and implementing the Revised Proposal. Securityholders who appoint an individual as their proxy, corporate representative or attorney to vote at the Resumed Meeting should inform that individual of the matters outlined above.

# CONTENTS AND KEY DATES

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## KEY DATES

EVENT	DATE AND TIME <sup>(1)</sup>
Date and time for determining eligibility to vote (See section 1.7 for further information)	<b>7:00pm on Tuesday, 27 May 2014</b>
Last date and time by which Revised Proxy Forms for the Resumed Meeting must be received by the Registry	<b>10:00am on Wednesday, 18 June 2014</b>
Resumed Meeting of Securityholders	<b>10:00am on Friday, 20 June 2014</b>

If the Revised Proposal is approved by Securityholders at the Resumed Meeting, the following key dates apply:

EVENT	DATE AND TIME <sup>(1)</sup>
Date of the Second Court Hearing for the grant of judicial advice to confirm that Westfield Retail Trust is justified in implementing the Revised Proposal	<b>Monday, 23 June 2014</b>
<b>Effective Date</b> Last day of trading in Westfield Retail Trust Securities	<b>Tuesday, 24 June 2014</b>
Scentre Group Securities commence trading on a deferred settlement basis	<b>Wednesday, 25 June 2014</b>
<b>Record Date</b> The time and date which determines the entitlements of Securityholders under the Revised Proposal and whether you are an Ineligible Foreign Securityholder  All Securityholders on the Register at this time and date will be entitled to receive the Westfield Retail Trust Distribution for the period from 1 January 2014 to the Implementation Date	<b>7:00pm on Friday, 27 June 2014</b>
<b>Implementation Date</b> Date of implementation of the Revised Proposal  Despatch of Capital Return to Securityholders  Eligible Securityholders receive Scentre Group Securities	<b>Monday, 30 June 2014</b>
Despatch of holding statements for Scentre Group Securities	<b>Monday, 30 June 2014</b>
Scentre Group Securities commence trading on the ASX on a normal T+3 settlement basis	<b>Tuesday, 1 July 2014</b>
Settlement of on market trades conducted on a deferred settlement basis and first settlement of trades of Scentre Group Securities conducted on a T+3 basis	<b>Friday, 4 July 2014</b>
Despatch of payment of the Westfield Retail Trust Distribution for the period from 1 January 2014 to the Implementation Date	<b>By Friday, 29 August 2014</b>

(1) All dates and times are indicative only and are subject to change. Any changes to the above timetable will be announced to the ASX and notified on Westfield Retail Trust's website at [www.westfieldretailtrust.com](http://www.westfieldretailtrust.com).

Unless otherwise indicated, all times and dates referred to in this Second Supplementary Securityholder Booklet are references to Australian Eastern Standard Time (AEST), being the time in Sydney, Australia.

1

MATERIAL NEW  
INFORMATION  
RELEVANT TO THE  
REVISED PROPOSAL

# - SECTION 1 -

## MATERIAL NEW INFORMATION RELEVANT TO THE REVISED PROPOSAL

### 1 MATERIAL NEW INFORMATION RELEVANT TO THE REVISED PROPOSAL

#### 1.1 BACKGROUND

As announced on 29 May 2014, the Meeting of Securityholders convened on 29 May 2014 to consider the Revised Proposal was adjourned by the Chairman to enable the Independent Board Committee to ensure that all Securityholders are aware of, and have the opportunity to consider, the impact of the material new information that was announced by Westfield Group on 29 May 2014.

The adjourned Meeting will be resumed on Friday, 20 June 2014 at 10:00am (**Resumed Meeting**).

This Second Supplementary Securityholder Booklet sets out information announced by Westfield Group which the Board believes is material and important for Securityholders to consider prior to a final decision on the Revised Proposal.

#### 1.2 WHAT IS THE MATERIAL NEW INFORMATION?

In the leadup to the Meeting of Securityholders convened on 29 May 2014, some media articles and equity research analyst reports suggested that if the Revised Proposal was not approved, then the most likely course of action was that a new transaction, with more favourable terms for Westfield Retail Trust, would be proposed to Securityholders.

The Chairman of Westfield Group announced to the ASX on the morning of Thursday 29 May 2014:

*"If the WRT meeting this afternoon does not approve the proposal, it will not diminish our determination to proceed with WDC's strategic objective of separating the two businesses. We will pursue that separation - but without WRT. However, the existing relationship with WRT will continue.....We will begin that process immediately, and I expect the revised plan to be presented to security holders by the first quarter of next year."* (**Westfield Group Separation Plan**).

This statement was clearly different to the expectations from some parties, as outlined above. In addition, whilst the Westfield Group Securityholder Booklet indicated that if the Proposal does not proceed Westfield Group would reconsider other alternatives that deliver similar benefits to the Proposal, Westfield Group has now indicated that if the Revised Proposal does not proceed, Westfield Group would pursue the separation of its Australian and New Zealand assets and business without any involvement by Westfield Retail Trust. As such, the Independent Board Committee believes that this statement was material new information (**Material New Information**).

In response to a question from a Securityholder at the Meeting of Securityholders convened on 29 May 2014, Mr Steven Lowy AM stated:

*"The Chairman of WDC this morning made a statement that if this deal was not to reach the hurdle, by the WRT securityholders, that WDC would pursue the demerger of its international business from its Australian and New Zealand business without WRT. I want to be clear about that, so everybody understands that... The board of WDC met yesterday, late in the day, and made that decision, and that was conveyed to the investment community this morning. So there is no opportunity for Westfield Retail Trust to, as you say, recut the transaction with WDC. So the securityholders will be asked to vote with the full knowledge of the statement made by the Chairman of Westfield Group this morning."*

After the adjournment of the Meeting on 29 May 2014 Westfield Retail Trust asked Westfield Group if it was able to provide any additional information about Westfield Group's plans for the separation of its two businesses without Westfield Retail Trust for the purposes of Westfield Retail Trust providing that additional information to Securityholders in this Second Supplementary Securityholder Booklet. In response to that request Westfield Group stated that no additional information was available for inclusion by Westfield Retail Trust in this Second Supplementary Securityholder Booklet.

#### 1.3 WHAT IS THE IMPACT ON WESTFIELD RETAIL TRUST?

Part of the statement made by Westfield Group on 29 May 2014 about the Westfield Group Separation Plan was that the existing relationship between Westfield Group and Westfield Retail Trust will continue.

The existing relationship between Westfield Group and Westfield Retail Trust is such that the responsible entities of Westfield Retail Trust 1 and Westfield Retail Trust 2 will continue to be wholly owned subsidiaries of the Westfield Group, and Westfield Group will also continue to be the sole manager and agent to manage, operate, promote and provide leasing services for each Westfield Retail Trust property. Further detail in relation to the various contractual relationships between Westfield Retail Trust and Westfield Group are referred to in section 3.3 of the Securityholder Booklet.

If the Revised Proposal does not proceed Westfield Retail Trust will continue to own interests in 46 shopping centres including 13 of Australia's top 20 shopping centres by annual sales.

Westfield Retail Trust will also continue its current strategy to maximise returns for Securityholders by maximising the operating performance of its portfolio, continuing to invest in and enhance the quality of the shopping centres through redevelopments and capital management initiatives.

# - SECTION 1 -

## MATERIAL NEW INFORMATION RELEVANT TO THE REVISED PROPOSAL

However, the Independent Board Committee believes that there may be a number of adverse implications for Westfield Retail Trust and Securityholders if Westfield Group implements the Westfield Group Separation Plan without Westfield Retail Trust, even though the existing relationship between Westfield Group and Westfield Retail Trust will continue. The new entity that would be created in the event of that separation by Westfield Group is referred to in this section as **Newco Australasia**.

Whilst the full details of the Westfield Group Separation Plan are not yet known, the Independent Board Committee believes that the potential implications from the creation of an entity with an almost identical portfolio, an internalised property management structure and a likely higher return on invested capital are significant, and detrimental to Westfield Retail Trust in its current form. The Independent Board Committee believes these potential adverse implications include:

- a) **There is unlikely to be another opportunity to buy the entire Westfield Group Australian and New Zealand property portfolio, or indeed any property portfolio having similar scale and quality characteristics, in an uncontested and cost efficient manner, at book value**

Through the Revised Proposal, Westfield Retail Trust is effectively acquiring a portfolio of 47 high quality property assets to the value of \$14.7 billion in an uncontested and cost efficient manner.

The Independent Board Committee believes if the Revised Proposal is not approved by Securityholders and the Westfield Group Separation Plan proceeds, there is unlikely to be another opportunity in the future to acquire a portfolio of such quality and scale, especially in an uncontested process.

- b) **There is unlikely to be another opportunity for Westfield Retail Trust to acquire what is widely regarded as the best property management platform in Australia and New Zealand**

Through the Revised Proposal, Westfield Retail Trust is effectively acquiring Westfield Group's Australian and New Zealand Operating Platform, with capabilities including property management, leasing, design, development, construction, marketing and funds management.

The Independent Board Committee believes that if the Revised Proposal is not approved by Securityholders and the Westfield Group Separation Plan proceeds, there is unlikely to be another opportunity to acquire what is widely regarded as the best property management platform in Australia and New Zealand.

- c) **There is unlikely to be another opportunity for Westfield Retail Trust to internalise the property management for its existing portfolio**

Under the terms of the Property Management Agreements entered into by Westfield Retail Trust and Westfield Group for each property co-owned by Westfield Retail Trust and Westfield Group, Westfield Group is appointed sole manager and agent to manage, operate, promote and provide leasing services for each Westfield Retail Trust property and that appointment cannot be terminated without Westfield Group consent for so long as Westfield Group holds at least a 25% ownership interest (or in one case 20%) in the shopping centre (except in certain limited circumstances including insolvency or material breach by Westfield Group). The Property Management Agreements cannot otherwise be terminated without exposing Westfield Retail Trust to the risk of claims for wrongful termination.

Separately, the Westfield Retail Trust 1 Constitution provides that Westfield Retail Trust 1 must engage an appropriately resourced and qualified third party provider to provide all property management, leasing and development services in connection with its assets. This requirement can only be amended by a resolution passed by Securityholders in general meeting which would require approval by at least 75% of votes cast by Securityholders eligible to vote on the resolution.

If the Revised Proposal is not approved by Securityholders and the Westfield Group Separation Plan proceeds in the manner referred to by Westfield Group on 29 May 2014<sup>1</sup>, Westfield Retail Trust will lose the opportunity to internalise the property management of its existing portfolio unless Westfield Retail Trust can obtain both:

- (i) the consent of Westfield Group and the other counterparties to terminate the Property Management Agreements; and
- (ii) the necessary approval of Securityholders to amend the Westfield Retail Trust 1 Constitution to permit Westfield Retail Trust to undertake property management for its own portfolio.

<sup>1</sup> That is, as a separation of the Australian and New Zealand business of Westfield Group from the international business of Westfield Group and not any other way, for example by a separate demerger of Westfield Group's property ownership and property management business.

# - SECTION 1 -

## MATERIAL NEW INFORMATION RELEVANT TO THE REVISED PROPOSAL

- d) **Investors may prefer to invest in Newco Australasia as an internally managed property group with an almost identical property portfolio to Westfield Retail Trust that is expected to generate a superior return on invested capital as compared to Westfield Retail Trust, with consequent risk to the Westfield Retail Trust Security price**

In recent years, most large ASX listed externally managed property and infrastructure groups have either internalised property management or been acquired by entities with an internally managed property platform. Factors driving this trend include investor preferences to eliminate fee leakage to external managers and the elimination of potential conflicts of interest between external managers and the externally managed groups. Westfield Retail Trust is now the only remaining entity in the 10 largest ASX listed REITs that is externally managed.

Newco Australasia is likely to have an almost identical portfolio to Westfield Retail Trust<sup>2</sup> but with internalised management and incremental income from property management, development and construction activities. This is expected to generate a superior return on invested capital for Newco Australasia as compared to Westfield Retail Trust. Having regard to the proxies lodged before the Meeting (refer to section 1.7 of this Second Supplementary Securityholder Booklet for further details), a significant number of Securityholders support the Revised Proposal which includes the effective internalisation of management.

Investors who prefer to invest in an internalised property group which will receive significant fees from Westfield Retail Trust and other joint venture partners, giving it a superior return on invested capital, are likely to regard Newco Australasia as a more attractive investment than Westfield Retail Trust. The Independent Board Committee believes that if investors prefer to invest in Newco Australasia, due to its internalised management and higher return on assets, this would represent a risk to the Westfield Retail Trust Security price.

- e) **As Westfield Retail Trust will continue to pay property management fees, it may be uncompetitive in bidding for assets when compared to entities with internally managed property platforms (including Newco Australasia if it is created) which may derive higher income from assets purchased**

Due to its Operating Platform and no payment of management fees to third parties, Newco Australasia (in a similar manner to other internalised entities) may derive higher net income from any new acquisition relative to Westfield Retail Trust. This higher net income may also include incremental property management fee income and potential future development fee income. This will mean Newco Australasia, and other entities with internally managed property platforms, may be more competitive than Westfield Retail Trust when bidding for assets. In the absence of this incremental fee income, Westfield Retail Trust may not be able to offer a competitive price to successfully acquire further properties.

- f) **It has been suggested that the creation of Newco Australasia may present the opportunity to renegotiate the terms of Westfield Retail Trust's existing contractual arrangements with Westfield Group. The Independent Board Committee believes there will be no opportunity to do so**

If the Revised Proposal is not approved by Securityholders and the Westfield Group Separation Plan proceeds, all existing contractual arrangements between Westfield Retail Trust and Westfield Group will remain in place.

The Independent Board Committee believes that, notwithstanding ongoing commentary to the contrary, there is no prospect of an amended or enhanced deal being negotiated with Westfield Group.

The Westfield Group Separation Plan refers to Westfield Group's intention to pursue the separation of Westfield Group's international and Australian and New Zealand businesses without Westfield Retail Trust. In view of the statement by Westfield Group, the Independent Board Committee expects that there is no prospect that Westfield Group will engage in further discussion or consultation with the Independent Board Committee concerning an alternative proposal.

Westfield Group has stated that its strategic objective of separating the two businesses has not diminished and it would pursue this proposal without Westfield Retail Trust. Having regard to the fact that the Westfield Group Securityholders approved the Revised Proposal by an overwhelming majority at the Westfield Group Securityholder meeting (approximately 97.8% of the votes cast at the meeting were cast in favour of the Revised Proposal), it is clear that Westfield Group Securityholders also support the strategic rationale behind the separation of the international and Australian and New Zealand businesses and the merger of the Australian and New Zealand business with Westfield Retail Trust.

The implementation of the Westfield Group Separation Plan is likely to be subject to a number of other conditions, including the future approval by Westfield Group Securityholders. At this point the detail of the nature and structure of the Westfield Group Separation Plan are not clear, but as stated previously, the Independent Board Committee is of the view that the potential implications from the creation of an entity with an almost identical portfolio, an internalised property management structure and a likely higher return on invested capital are material and are likely to have adverse implications on Westfield Retail Trust and Securityholders.

<sup>2</sup> Currently, Westfield Group has an equity interest in Carindale and Coomera in addition to the identically co-owned portfolio with Westfield Retail Trust.

# - SECTION 1 - MATERIAL NEW INFORMATION RELEVANT TO THE REVISED PROPOSAL

## 1.4 COMPARISON OF WESTFIELD RETAIL TRUST AND SCENTRE GROUP

As outlined in section 4.5 of the Securityholder Booklet dated 14 April 2014, the Independent Board Committee assessed the Revised Proposal and other potential alternatives against a number of criteria, including:

- Maximising value for Securityholders;
- Addressing structural inefficiencies that result from an external retail property operating platform; and
- Maintaining the high quality of Westfield Retail Trust's portfolio.

After careful consideration the Independent Board Committee believes that the creation of Scentre Group is the preferred option to maximise long term value for Securityholders and to provide Securityholders with the benefits of a larger, more relevant and more strategically flexible investment without diluting the quality of Westfield Retail Trust's existing property portfolio.

As outlined in section 4.2 of the Securityholder Booklet dated 14 April 2014, Scentre Group will have a superior platform for growth in comparison to Westfield Retail Trust, including diversified income streams, substantial management and development rights across a high quality portfolio of assets, flexibility to undertake joint ventures and capital partnering with third parties and an enhanced ability to compete for new assets. This may result in Scentre Group trading by reference to earnings and cash flow, consistent with the manner in which Westfield Group is currently valued, with less focus on NTA.

**TABLE 1: COMPARISON OF WESTFIELD RETAIL TRUST AND SCENTRE GROUP**

	Westfield Retail Trust	Scentre Group
FFO per security	20.4c	21.75c
Economic FFO per security	20.4c	22.3c <sup>(1)</sup>
Total property investments (value)	\$13.9bn	\$28.6bn
Total property investments (number)	46	47
NTA	\$3.52	\$2.88 <sup>(2)</sup>
Gearing	22.4%	37.3%
Interest coverage	4.6x	3.4x

(1) Based on interest rates and debt margins being lower than those assumed in the FY14 pro forma forecast, as at the date of the Securityholder Booklet (14 April 2014), the interest expense would be \$27 million lower and FFO would be approximately 0.5 cents per Scentre Group Security higher. Since then the market interest rates have declined further.

(2) On a pro forma basis, this is equivalent to \$2.93 per Westfield Retail Trust Security based on Securityholders receiving 0.918 Scentre Group Securities and \$0.2853 for every Westfield Retail Trust Security held as at the Record Date.

# - SECTION 1 -

## MATERIAL NEW INFORMATION RELEVANT TO THE REVISED PROPOSAL

### 1.5 RECOMMENDATION OF THE RECOMMENDING DIRECTORS

The Recommending Directors are Mr Richard Egerton-Warburton AO, LVO, Mr Laurence Brindle, Mr Andrew Harmos, Mr Michael Ihlein, Ms Sandra McPhee AM and Mr Domenic Panaccio.

The Recommending Directors have considered the impact of Westfield Group's announcement of 29 May 2014 on the recommendation set out in the Supplementary Securityholder Booklet.<sup>3</sup>

The Recommending Directors continue to recommend Securityholders approve the Revised Proposal and vote in favour of the Proposal Resolutions in the absence of a superior proposal. The Recommending Directors consider the Revised Proposal is in the best interests of Securityholders in the absence of a superior proposal.

In making this recommendation, the Recommending Directors have taken into account each of the factors described in section 4.1 of the Securityholder Booklet and in section 1.2 of the Supplementary Securityholder Booklet. The Recommending Directors have also taken into account the matters set out in section 1.3 of this Second Supplementary Securityholder Booklet.

Each Recommending Director intends to vote, in their capacity as Securityholders, any Westfield Retail Trust Securities held or controlled by him or her in favour of the Revised Proposal.

Mr Steven Lowy AM and Mr Peter Allen do not give a recommendation to Securityholders in relation to the Revised Proposal or the Proposal Resolutions given that they are members of the board of directors of Westfield Group and have been involved in considering, negotiating and implementing the Revised Proposal on behalf of Westfield Group.

### 1.6 RESUMED MEETING DETAILS

The Resumed Meeting is scheduled to take place as follows:

**Date:** Friday, 20 June 2014

**Time:** 10:00am (AEST)

**Venue:** Grand Ballroom  
Sheraton on the Park  
161 Elizabeth Street  
Sydney

### 1.7 VOTING ELIGIBILITY

The Resumed Meeting to be held on Friday, 20 June 2014 is a continuation of the Meeting that was adjourned on 29 May 2014. The same Securityholders that were eligible to vote at the Meeting will be eligible to vote at the Resumed Meeting irrespective of whether they have disposed of their Westfield Retail Trust Securities in the intervening period. Securityholders on the Register as at 7:00pm Tuesday, 27 May 2014 are the only Securityholders who are eligible to vote on the Proposal Resolutions to be considered at the Resumed Meeting.

Securityholders who have lodged a proxy for the Meeting do not need to complete a new proxy form unless they want to change their voting instructions or the person(s) they appoint as proxy. Further information is set out in section 1.9 below about how to make changes to proxies that have already been lodged.

A Securityholder on the Register as at 7:00pm Tuesday, 27 May 2014 and who is eligible to vote at the Meeting and who did not lodge a proxy form before the Meeting but now wishes to lodge a proxy for the Resumed Meeting should follow the instructions in section 1.9 below.

Details of valid proxies lodged before the Meeting were announced by Westfield Retail Trust to the ASX following the Meeting on 29 May 2014. An extract of that announcement as it applies to the Proposal Resolutions is set out below.

Based on the valid proxies received before the Meeting, approximately 74.1% of proxy votes were voted in favour of each of the Proposal Resolutions.

<sup>3</sup> The recommendation of the Recommending Directors is set out in section 1.2 of the Supplementary Securityholder Booklet.

- SECTION 1 -  
MATERIAL NEW INFORMATION RELEVANT  
TO THE REVISED PROPOSAL

## NUMBER OF VOTES

	Proxy to vote <b>FOR</b> the resolution	Proxy to vote <b>AGAINST</b> the resolution	Proxy to <b>ABSTAIN</b> on the resolution	Proxy to vote at the proxy's <b>DISCRETION</b>
<b>Resolution 2</b> Approval of the Proposal for all purposes	1,694,962,097	594,381,844	24,702,748	14,922,266
<b>Resolution 3</b> Amendments to the constitution of Westfield Retail Trust 1	1,694,199,110	594,811,368	25,045,901	14,906,801
<b>Resolution 4</b> Amendments to the constitution of Westfield Retail Trust 2	1,694,213,722	594,809,087	25,032,230	14,905,061
<b>Resolution 5</b> Termination of the Corporate Governance Deeds	1,693,683,373	594,809,090	25,498,402	14,975,010

**1.8 VOTING IN PERSON, BY ATTORNEY OR CORPORATE REPRESENTATIVE, OR BY PROXY**

Securityholders may vote at the Resumed Meeting in person, by attorney or corporate representative, or by proxy. See page 10 of the Securityholder Booklet for further information.

**1.9 REVISED PROXY FORM**

All Securityholders (whether or not they have already lodged a proxy form) may lodge Revised Proxy Forms for the Resumed Meeting. For that purpose, a Revised Proxy Form is attached to this Second Supplementary Securityholder Booklet.

The Revised Proxy Form for the Resumed Meeting, duly completed in accordance with the instructions set out on the proxy form, may be returned to the Registry:

- (a) by lodging a proxy online via [www.investorvote.com.au](http://www.investorvote.com.au) – Please read the instructions for online proxy submissions carefully before you lodge your proxy. You will need the 6 digit control number, your Security Holder Reference Number (SRN) or Holder Identification Number (HIN) which appears in the box on the front page of the proxy form;
- (b) by mailing the enclosed red proxy form to Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, Victoria 3001 using the reply paid envelope provided;
- (c) by faxing the enclosed red proxy form to 1800 783 447 (within Australia) or +61 3 9473 2555 (from outside Australia); or
- (d) by hand delivering the enclosed red proxy form to Level 4, 60 Carrington Street, Sydney 2000 Australia.

**To be valid, the meeting proxy form and any power of attorney or other authority (if any) under which it is signed (or a certified copy of it) must be received by no later than 10:00am (AEST) on Wednesday, 18 June 2014 (proxy deadline).**

**Meeting proxy forms received after the proxy deadline will be invalid.**

**1.10 EFFECT ON VALID PROXY FORMS ALREADY SUBMITTED**

If a Securityholder has already submitted a valid proxy form for the Meeting in relation to the Proposal Resolutions, that proxy form will remain valid unless a Revised Proxy Form is returned to the Registry.

**1.11 EFFECT OF PRESENCE OF SECURITYHOLDERS ON PROXY VOTING**

Securityholders who have already lodged a proxy form or who complete and return a Revised Proxy Form may still attend and vote at the Resumed Meeting in person (in which case their proxy will be revoked).

# 2

# ADDITIONAL INFORMATION

## - SECTION 2 - ADDITIONAL INFORMATION

### 2 ADDITIONAL INFORMATION

#### 2.1 OTHER INFORMATION MATERIAL TO THE MAKING OF A DECISION IN RELATION TO THE REVISED PROPOSAL

At the time of lodging this Second Supplementary Securityholder Booklet, the Westfield Retail Trust Directors are not aware of any information about Westfield Retail Trust that is material to a decision by a Securityholder on how to vote in relation to the Proposal Resolutions, or material to a decision by a Securityholder to acquire Westfield Trust Units or Westfield Holdings Shares, and which:

- (a) is not set out or referred to in this Second Supplementary Securityholder Booklet, the Supplementary Securityholder Booklet or the Securityholder Booklet; or
- (b) has not otherwise been made available publicly by Westfield Retail Trust.

#### 2.2 UPDATE ON STATUS OF CONDITIONS PRECEDENT TO THE REVISED PROPOSAL

In satisfaction of a condition precedent to the Revised Proposal, Westfield Group Securityholders have approved each of the Westfield Group Resolutions considered at the Westfield Group Meeting by their requisite majorities.

As at the date of this Second Supplementary Securityholder Booklet, the status of the remaining conditions precedent is as summarised in section 3.5 of the Securityholder Booklet and section 2.2 of the Supplementary Securityholder Booklet. Westfield Retail Trust is not aware of any circumstances which would cause any of the remaining conditions precedent not to be satisfied.

#### 2.3 APPROVAL OF SECOND SUPPLEMENTARY SECURITYHOLDER BOOKLET BY THE WESTFIELD RETAIL TRUST BOARD

The issue of this Second Supplementary Securityholder Booklet has been authorised by the Westfield Retail Trust Board although Mr Steven Lowy and Mr Peter Allen abstained from voting on the resolution given that they are both Directors of Westfield Group.

#### 2.4 CONSENTS AND DISCLAIMERS

Each of the persons named below:

- (a) has given and has not, before lodgement of this Second Supplementary Securityholder Booklet with ASIC, withdrawn its written consent to be named in this Second Supplementary Securityholder Booklet in the form and context in which it is named;
- (b) has given and has not, before the lodgement of this Second Supplementary Securityholder Booklet with ASIC, withdrawn its written consent to the inclusion of its respective statements and reports (where applicable) noted next to its name below, and the references to those statements and reports in the form and context in which they are included in this Second Supplementary Securityholder Booklet;
- (c) has not caused or authorised the issue of this Second Supplementary Securityholder Booklet; and
- (d) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements in or omissions from this Second Supplementary Securityholder Booklet.

Name of person	Role	Relevant statement or report
Computershare Investor Services Pty Limited	Registry	N/A
KPMG Financial Advisory Services (Australia) Pty Ltd	Independent Expert to Westfield Retail Trust	Statement by Independent Expert on front cover and in the Chairman's Letter

# 3

# DEFINITIONS AND INTERPRETATION

## - SECTION 3 - DEFINITIONS AND INTERPRETATION

### 3 DEFINITIONS AND INTERPRETATION

#### 3.1 DEFINITIONS

In this Second Supplementary Securityholder Booklet, unless the context requires otherwise:

<b>\$ or A\$</b>	means Australian dollars.
<b>ABN</b>	means Australian Business Number.
<b>AFSL</b>	means an Australian financial services licence issued by ASIC under section 913B of the Corporations Act.
<b>ARSN</b>	means Australian Registered Scheme Number.
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>ASX</b>	means ASX Limited (ABN 98 008 624 691) or, as the context requires, the financial market known as the Australian Securities Exchange operated by it.
<b>ATO</b>	means the Australian Taxation Office.
<b>Business Day</b>	means a Business Day within the meaning given in the Listing Rules.
<b>Capital Return</b>	means the proposed cash distribution to be made by Westfield Retail Trust 1 to Securityholders recorded on the Register as at the Record Date, equal to \$0.2853 for each existing Westfield Retail Trust 1 Unit.
<b>Constitution Amendment Resolutions</b>	means Resolutions 3 and 4, as described in the Notices of Meeting in Annexure A of the Securityholder Booklet.
<b>Corporate Governance Deeds Termination Resolution</b>	means Resolution 5, as described in the Notices of Meeting in Annexure A of the Securityholder Booklet.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth).
<b>Corporations Regulations</b>	means the <i>Corporations Regulations 2001</i> (Cth).
<b>Court</b>	means the Supreme Court of New South Wales.
<b>Director Appointment Ratification Resolution</b>	means Resolution 1, as described in the Notices of Meeting in Annexure A of the Securityholder Booklet.
<b>Effective</b>	means the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under sections 411(4)(b) and 411(6) in relation to the Westfield Holdings Scheme.
<b>FY14</b>	means the financial year ending 31 December 2014.
<b>Implementation Date</b>	means 30 June 2014, or such other date as is determined in accordance with the Implementation Deed.
<b>Implementation Deed</b>	means the Implementation Deed dated 4 December 2013 between RE1 as responsible entity of Westfield Retail Trust 1, RE2 as responsible entity of Westfield Retail Trust 2, Westfield Holdings, Westfield Management as responsible entity of Westfield Trust, Westfield America Management as responsible entity of Westfield America Trust and Westfield Corporation Limited, described in Annexure F of the Securityholder Booklet and as amended to reflect the terms of the Revised Proposal.
<b>Independent Board Committee</b>	means the Independent Board Committee comprising Mr Richard Egerton-Warburton AO, LVO, Mr Laurence Brindle, Mr Andrew Harmos, Mr Michael Ihlein and Ms Sandra McPhee AM, being all of the non-executive directors of Westfield Retail Trust who are independent of Westfield Group.
<b>Independent Expert</b>	means KPMG Financial Advisory Services (Australia) Pty Ltd (ABN 43 007 363 215, AFSL No. 246901).
<b>Listing Rules</b>	means the official listing rules of ASX from time to time as modified by any express written confirmation, waiver or exemption given by ASX.

## - SECTION 3 -

# DEFINITIONS AND INTERPRETATION

<b>Meeting</b>	means the meetings of members of Westfield Retail Trust 1 and Westfield Retail Trust 2, convened by RE1 and RE2 respectively, and to be held together, to consider, and if thought fit, pass the Resolutions, and together with any adjournment.
<b>NTA</b>	means net tangible assets
<b>NZ\$</b>	means New Zealand dollars.
<b>Official List</b>	means the official list of ASX.
<b>Operating Platform</b>	means Westfield Group's existing Australian and New Zealand retail property operating platform with capabilities including property management, leasing, design, development, construction, marketing and funds management, which will become part of Scentre Group if the Revised Proposal is implemented.
<b>Proposal</b>	<p>means the proposal described in the Securityholder Booklet pursuant to which Westfield Group's Australian and New Zealand business including its vertically integrated retail property operating platform, held through Westfield Holdings and Westfield Trust, will be separated from Westfield Group's international business and merged with Westfield Retail Trust, to create the following two new listed groups:</p> <ul style="list-style-type: none"> <li>- Scentre Group, comprising Westfield Retail Trust 1, Westfield Retail Trust 2, Westfield Holdings and Westfield Trust; and</li> <li>- Westfield Corporation, comprising Westfield America Trust, Westfield Corporation Limited and WFD Trust.</li> </ul>
<b>Proposal Approval Resolution</b>	means Resolution 2, as set out in the Notices of Meeting in Annexure A of the Securityholder Booklet.
<b>Proposal Resolutions</b>	<p>means:</p> <ul style="list-style-type: none"> <li>- the Proposal Approval Resolution;</li> <li>- the Constitution Amendment Resolutions; and</li> <li>- the Corporate Governance Deeds Termination Resolution,</li> </ul> <p>to be considered at the Resumed Meeting and which must be passed in order for the Revised Proposal to proceed.</p>
<b>RE1</b>	means RE1 Limited (ABN 80 145 743 862, AFSL No. 380202) as responsible entity of Westfield Retail Trust 1.
<b>RE2</b>	means RE2 Limited (ABN 41 145 744 065, AFSL No. 380203) as responsible entity of Westfield Retail Trust 2.
<b>Recommending Directors</b>	means all of the members of the Independent Board Committee and Mr Domenic Panaccio who is an executive director of Westfield Retail Trust and is not a director or employee of Westfield Group.
<b>Record Date</b>	means 7:00pm on 19 June 2014, or such other date as is determined in accordance with the Implementation Deed.
<b>Register</b>	means the register of Securityholders.
<b>Registry</b>	means Computershare Investor Services Pty Limited (ABN 48 078 279 277).
<b>Resolutions</b>	<p>means the following resolutions to be considered and voted on by Securityholders at the Meeting:</p> <ul style="list-style-type: none"> <li>- the Director Appointment Ratification Resolution;</li> <li>- the Proposal Approval Resolution;</li> <li>- the Constitution Amendment Resolutions; and</li> <li>- the Corporate Governance Deeds Termination Resolution.</li> </ul>
<b>Resumed Meeting</b>	means the meetings of members of Westfield Retail Trust 1 and Westfield Retail Trust 2, convened on Thursday, 29 May 2014 by RE1 and RE2 respectively, and to be held together, which were adjourned until Friday, 20 June 2014.

## - SECTION 3 -

# DEFINITIONS AND INTERPRETATION

<b>Revised Proposal</b>	means the Proposal adjusted for Westfield Group reducing the net debt contributed by Westfield Group in the formation of Scentre Group by \$300 million from \$7.1 billion to \$6.8 billion as set out in the Supplementary Securityholder Booklet.
<b>Scentre Group</b>	means the group that will result from Stapling the securities of Westfield Retail Trust 1, Westfield Retail Trust 2, Westfield Holdings and Westfield Trust.
<b>Scentre Group Security</b>	means a Stapled Security in Scentre Group following implementation of the Revised Proposal, comprising one Westfield Retail Trust 1 Unit, one Westfield Retail Trust 2 Unit, one Westfield Holdings Share and one Westfield Trust Unit.
<b>Scentre Group Securityholder</b>	means a holder of Scentre Group Security following implementation of the Revised Proposal.
<b>Second Court Hearing</b>	means the hearing of the applications made to the Court for the judicial advice described in section 10.6 of the Securityholder Booklet.
<b>Second Supplementary Securityholder Booklet</b>	means this second supplementary securityholder booklet dated 3 June 2014.
<b>Securityholder</b>	means a person who holds a Westfield Retail Trust Security.
<b>Securityholder Booklet</b>	means the securityholder booklet dated 14 April 2014 prepared for Securityholders in relation to the Proposal.
<b>Securityholder Information Line</b>	means 1800 674 015 (free call) (within Australia) or +61 3 9415 4121 (from outside Australia) at any time from 8:30am to 5:00pm (AEST) Monday to Friday.
<b>Stapled or Stapling</b>	means in the case of two or more securities, being on the Official List of ASX together so that one such security may not be dealt with without the other or others being dealt with in an identical manner and at the same time and with such restriction on dealing being denoted on the register of each such <b>Stapled Security</b> .
<b>Supplementary Securityholder Booklet</b>	means the supplementary securityholder booklet dated 9 May 2014 prepared for Securityholders in relation to the Revised Proposal.
<b>U.S. Securities Act</b>	means the U.S. Securities Act of 1933.
<b>US\$</b>	means United States dollars.
<b>Westfield America Management</b>	means Westfield America Management Limited (ABN 66 072 780 619, AFSL No. 230324).
<b>Westfield America Trust</b>	means Westfield America Trust (ARSN 092 058 449).
<b>Westfield Corporation</b>	means the new group formed as a result of the Stapling of the securities of Westfield America Trust, Westfield Corporation Limited and WFD Trust.
<b>Westfield Corporation Limited</b>	means Westfield Corporation Limited (ABN 12 166 995 197).
<b>Westfield Group</b>	means Westfield Holdings, Westfield Trust and Westfield America Trust and each of their controlled entities.
<b>Westfield Group Meeting</b>	means: <ul style="list-style-type: none"> <li>- the extraordinary general meetings of Westfield Holdings shareholders, Westfield Trust members and Westfield America Trust members to consider the resolutions required to be passed by Westfield Group Securityholders in order to implement the Revised Proposal; and</li> <li>- the meeting of the Westfield Holdings shareholders ordered by the Court to be convened pursuant to Section 411(1) of the Corporations Act to consider the Westfield Holdings Scheme Resolution.</li> </ul>
<b>Westfield Group Resolutions</b>	means: <ul style="list-style-type: none"> <li>- the resolutions required to be passed by Westfield Group Securityholders in order to implement the Revised Proposal, as set out in the Westfield Group Securityholder Booklet; and</li> <li>- the Westfield Holdings Scheme Resolution.</li> </ul>

## - SECTION 3 - DEFINITIONS AND INTERPRETATION

<b>Westfield Group Security</b>	means an existing Stapled Security in Westfield Group, comprising one Westfield Holdings Share, one Westfield Trust Unit and one Westfield America Trust Unit.
<b>Westfield Group Securityholder</b>	means a holder of a Westfield Group Security.
<b>Westfield Group Securityholder Booklet</b>	means the booklet dated 14 April 2014 prepared for Westfield Group Securityholders in relation to the Proposal.
<b>Westfield Holdings</b>	means Westfield Holdings Limited (ABN 66 001 671 496).
<b>Westfield Holdings Scheme</b>	means a scheme of arrangement under Part 5.1 of the Corporations Act between Westfield Holdings and each Westfield Holdings shareholder, as set out in Appendix 3 of the Westfield Group Securityholder Booklet subject to any modification made or required by the Court.
<b>Westfield Holdings Scheme Meeting</b>	means the Court ordered meeting of shareholders in Westfield Holdings to consider and, if thought fit, approve the Westfield Holdings Scheme.
<b>Westfield Holdings Scheme Resolution</b>	means the resolution to approve the Westfield Holdings Scheme, to be considered by each Westfield Group Securityholder (in their capacities as Westfield Holdings shareholders) at the Westfield Holdings Scheme Meeting.
<b>Westfield Group Separation Plan</b>	has the meaning given in section 1.2 of this Second Supplementary Securityholder Booklet.
<b>Westfield Holdings Share</b>	means a fully paid, ordinary share in Westfield Holdings.
<b>Westfield Management</b>	means Westfield Management Limited (ABN 41 001 670 579, AFSL No. 230329) as responsible entity of Westfield Trust.
<b>Westfield Retail Trust</b>	means Westfield Retail Trust 1 and Westfield Retail Trust 2 and each of their controlled entities.
<b>Westfield Retail Trust 1</b>	means Westfield Retail Trust 1 (ARSN 146 934 536).
<b>Westfield Retail Trust 1 Unit</b>	means a fully paid, ordinary unit in Westfield Retail Trust 1.
<b>Westfield Retail Trust 2</b>	means Westfield Retail Trust 2 (ARSN 146 934 652).
<b>Westfield Retail Trust 2 Unit</b>	means a fully paid, ordinary unit in Westfield Retail Trust 2.
<b>Westfield Retail Trust Directors</b>	means the boards of directors of RE1 and RE2.
<b>Westfield Retail Trust Security</b>	means a Stapled Security comprising one Westfield Retail Trust 1 Unit and one Westfield Retail Trust 2 Unit.
<b>Westfield Trust</b>	means Westfield Trust (ARSN 090 849 746).
<b>Westfield Trust Unit</b>	means a fully paid, ordinary unit in Westfield Trust.
<b>WFD Trust</b>	means WFD Trust (ARSN 168 765 875).

## - SECTION 3 - DEFINITIONS AND INTERPRETATION

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### 3.2 INTERPRETATION

Headings and words in bold are inserted for convenience and do not affect the interpretation of this Second Supplementary Securityholder Booklet and unless the contrary intention appears:

- (a) a reference to an instrument includes any variation or replacement of it;
- (b) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (c) the singular includes the plural and vice versa;
- (d) the word person includes an individual, a firm, a body corporate, an unincorporated association or an authority;
- (e) mentioning anything after includes, including, for example, or similar expressions, does not limit what else might be included;
- (f) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (g) a reference to time is a reference to Australian Eastern Standard Time (AEST), being the time in Sydney, Australia;
- (h) a reference to anything (including any amount) is a reference to the whole and each part of it and a reference to a group of persons is a reference to any one or more of them;
- (i) a reference to a section, part, clause, annexure, exhibit or schedule is a reference to a section, part or clause of, or part, annexure, exhibit or schedule to, the relevant document;
- (j) a reference to \$, A\$ or cents is to Australian currency unless denominated otherwise; and
- (k) words and phrases defined in the Corporations Act have the same meaning in this Second Supplementary Securityholder Booklet.

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