

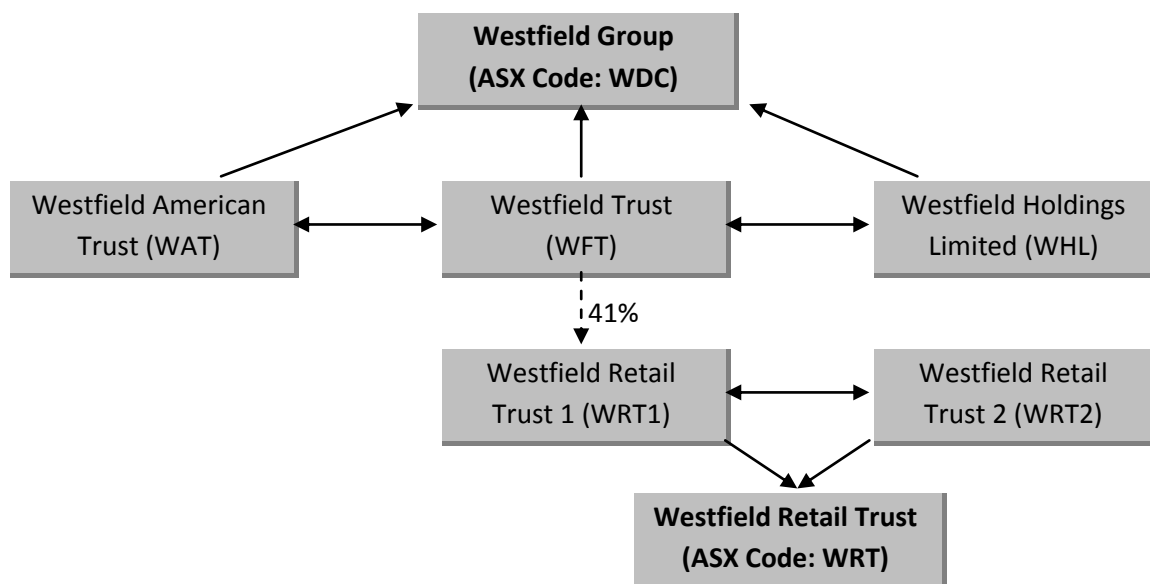
## WESTFIELD SPIN OFF OR DEMERGER FACT SHEET

### OVERVIEW

This Fact Sheet outlines the recommended procedures to process Westfield Retail Trust (WRT) Spin Off or Demerger transactions from Westfield Group (WDC) within Class Super.

To access the Westfield Demerger Calculator, click on **Class Help > User Guide > Table of Contents > 16.5 Creation of Westfield Retail Trust from Westfield Group Demerger or Spin Off.**

### BACKGROUND



Westfield Group (WDC) listed on ASX is a stapled security made up of:

- 1 Unit in Westfield American Trust (WAT)
- 1 Unit in Westfield Trust (WFT)
- 1 Share in Westfield Holdings Limited (WHL)

On **December 20, 2010**, Westfield restructured its business by spinning off Westfield Retail Trust (WRT) as a new ASX listed entity, which focuses on shopping centres in Australia and New Zealand. The remaining Westfield Group business will continue to build, own and operate shopping centres on a global basis.

This is achieved through the following capital restructure:

- All WDC holders will receive in-specie distribution of units in WRT1 and WRT2 on a 1:1 basis.
- WRT1 and WRT2 (issued at \$0.000000043 per unit) will be stapled together to become WRT.
- The value of Westfield Trust (WFT) immediately before the transfer time is equal to the net asset value as at 30 June 2010 of \$7.82 (100%).
- The value of WRT1 unit immediately after the transfer time is equal to the pro forma net asset value per WRT1 unit of \$3.20 (41%).
- The value of WFT unit immediately after the transfer time is \$4.62 (59%).

## WORKED EXAMPLE

To get transactions correctly recorded in Class Super, follow the recommended steps set out below.

### STEP 1: Create Westfield Retail Trust as a New Security

Click on **Investment > New Investment Account**, type **WRT** in **Common Code** and click on Search; locate **Westfield Retail Trust (WRT)**, double click to open this **Maintain Investment Account** window:

Maintain Investment Account

Code: WRT

Holding Reference: [dropdown] Quick Add

Holding Description: Westfield Retail Trust - Units Fully Paid Stapled Security

Security Issue: WRT ...

Issue Description: Westfield Retail Trust - Units Fully Paid Stapled Security

Market Code: Listed Securities Market

Security Type: Trust Units

Issue Type: Trust Units

Currency: AUD

In-House Asset:

Asset Pool: Default Pool Maintain Asset Pools

Reporting Category Overrides

Enable Editing of Reporting Categories

GL Investment Classification: Units In Listed Unit Trusts

Tax Return Classification: Aust Managed Funds Listed Trusts

Capital Gain Classification: Shares & Units

Market Type: Listed Securities Market

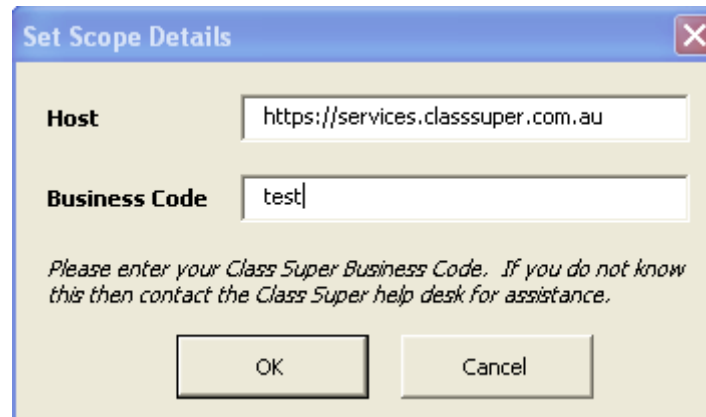
Click on **Activate** to activate WRT.

## Step 2: Work out the cost base for Westfield Retail Trust

Class Super has developed a **Westfield Demerger Calculator** (see Help > User Guide > 16.5) to assist users to estimate the cost base of WRT and remaining cost base for WDC.

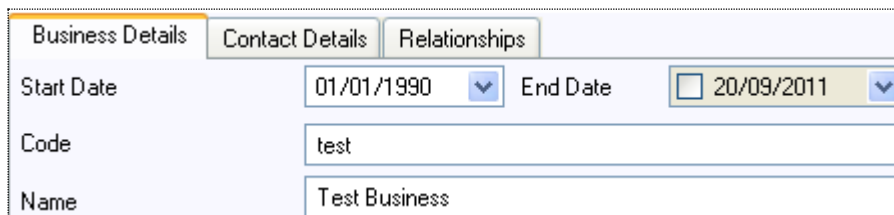
The following are the instructions on how to use this Westfield Demerger Calculator:

- Click on  to set your Business Code, and then click **OK**.




The 'Set Scope Details' dialog box has a title bar with a close button. It contains two text input fields: 'Host' with the value 'https://services.classsuper.com.au' and 'Business Code' with the value 'test'. Below the fields is a message: 'Please enter your Class Super Business Code. If you do not know this then contact the Class Super help desk for assistance.' At the bottom are 'OK' and 'Cancel' buttons.

This Business Code can be found through **Business > Maintain Business**. In this example, the Business Code is "test".



The 'Business Details' form has three tabs: 'Business Details', 'Contact Details', and 'Relationships'. The 'Business Details' tab is active. It contains fields for 'Start Date' (01/01/1990), 'End Date' (20/09/2011), 'Code' (test), and 'Name' (Test Business).

- Enter your Class Super **User ID** and **Password** to retrieve all Westfield Group (WDC) holdings list from your **Business**. These are the same details as your normal Class Super login.

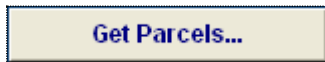


The 'Class Super - Password Required' dialog box has a title bar with a close button. It contains a message: 'Please enter your Class Super User ID and Password. If you do not know these contact the Class Super help desk for assistance.' Below the message are two text input fields: 'Host' with the value 'https://services.classsuper.com.au' and 'Business' with the value 'test'. A 'Set Business Code...' button is located to the right of the 'Business' field. Below these are fields for 'User ID' (support@classsuper.com.au) and 'Password' (\*\*\*\*\*). At the bottom are 'OK' and 'Cancel' buttons.


- A Warning Message will pop up to show how many WDC holdings have been retrieved.



This will create an extra Tab called Holdings, which will list all WDC holdings in your business, by Brand Code and Fund Code. It will also create a **Dropdown List** of WDC holdings next to the



button in the **WRT Cost Base** worksheet.

- When you have selected your WDC Holdings in the **Dropdown List** for the relevant Brand and Fund, click on  to retrieve all the parcels associated with this WDC Holdings. It will also trigger you to resubmit your Class Super **User ID** and **Password** details, click **OK** to proceed.
- It will retrieve all the WDC parcels from the Class Super Holding Accountings for a relevant Brand and Fund; it will pre-populate the Date of Acquisition, Units Held, Original Cost Base, and any Tax Deferred Adjustments. In this example, the Calculator has produced the following table:

Data from Class Super Asset Register			
	i01	2a	(f)
Date of Acquisition	Units Held	Original Cost Base	Tax Deferred Adjustments
<b>(From Class Super)</b>			
20/09/2007	50	\$ 1,078.49	\$ 61.01
17/04/2008	200	\$ 3,895.45	\$ 184.74
27/02/2009	13	\$ 133.12	\$ 12.00
31/08/2009	10	\$ 120.40	\$ 2.79
14/09/2009	200	\$ 2,619.95	\$ 55.89
7/05/2010	500	\$ 5,879.00	\$ 139.73
	973	\$ 13,726.41	\$ 456.16

- The Calculator will use the following steps from Westfield Instruction Sheet **“How to determine your cost base in Westfield Retail Trust Stapled Units”** to estimate the cost base of WRT:
  1. Determine your holding of Westfield Group stapled securities on the record date for the Capital Distribution – 17 December 2010.
  2. Determine the cost base as at 20 December 2010 of the Westfield Trust unit, which is a component part of each Westfield Group stapled security held. This will involve:
    - a. Determining the original cost base of each Westfield Group stapled security held.
    - b. Apportioning the original cost base of the Westfield Group stapled security between the Westfield Trust unit component, the Westfield America Trust unit component and the

Westfield Holdings Limited share component. This should be done on a reasonable basis and could be done using the relative net tangible assets (“NTAs”) of the individual entities at the time of acquisition of the Westfield Group stapled securities. The relative NTAs for each 6 month period are available on the [Westfield Group Website](#)

- c. Reducing the amount apportioned to each Westfield Trust unit by any tax deferred distributions received from Westfield Trust between your original acquisition date and 20 December 2010.
3. Your adjusted cost base in each Westfield Trust unit is 59% of its cost base determined under step 2.
4. Your cost base in each WRT1 unit is 41% of the cost base of the corresponding Westfield Trust unit.

In this example, the Calculator has produced the following table:

Data From Westfield Website					
	(i)	(j)	(k)	(l)	(m)
NTA Date	WFT NTA %	# adj	Σ WDC tax def.	Σ WAT tax def.	Σ WFT tax def.
<b>(Lookup Calculations)</b>					
30/06/2007	59.22%	6	90.01	40.61	49.40
31/12/2007	62.46%	5	307.34	127.30	180.04
31/12/2008	65.72%	3	12.25	5.30	6.95
30/06/2009	71.32%	2	5.73	2.19	3.54
30/06/2009	71.32%	2	114.56	43.74	70.82
31/12/2009	74.59%	1	101.68	14.87	86.80

**Please Note:** For CGT purposes, WRT2 was issued with a cost base of 0.000000043, i.e. nil for this exercise. So, the cost base of WRT is predominately attributed by the cost base of WRT1.

- This Calculator will only **estimate** the tax deferred adjustment attributable to the Westfield Trust (WFT) based on the information supplied from the Westfield Group website. However, it may not always agree with the actual tax deferred amount processed or recorded in Class Super. You may need to manually increase or decrease this tax deferred adjustment in the column **Over/Under Tax Def WFT Allocation** to adjust the allocation of tax deferred amount to the WFT component of a WDC parcel or leave it blank.
- This Calculator will estimate the cost base of WRT and **Effective Demerger %**. In this example, it produced the following table:

WFT Cost Base Calculations			Demerger Inputs	
2b	(s)	2c	4	(w)
WFT NTA Cost Base	Tax def. attributed to WFT	WFT Adjusted Cost Base	WRT Cost Base	WDC New Cost Base
2a x (i)	(m) + (p)	2b - (s)	41% of 2c	2a - 4
\$ 638.68	\$ 49.40	\$ 589.28	\$ 241.60	\$ 836.89
\$ 2,433.10	\$ 180.04	\$ 2,253.06	\$ 923.76	\$ 2,971.69
\$ 87.49	\$ 6.95	\$ 80.54	\$ 33.02	\$ 100.10
\$ 85.87	\$ 3.54	\$ 82.33	\$ 33.75	\$ 86.65
\$ 1,868.55	\$ 70.82	\$ 1,797.72	\$ 737.07	\$ 1,882.88
\$ 4,385.15	\$ 86.80	\$ 4,298.34	\$ 1,762.32	\$ 4,116.68
	\$ 397.56	\$ 9,101.27	\$ 3,731.52	\$ 9,994.89
Effective Demerger %			27.184982%	

### STEP 3: Process Spin Off or Demerger Wizard Event

You need to process one Spin Off or Demerger Wizard, the data entries may look like the following:

**Spin Off or Demerger Wizard**

Source Holding Account:

Date of Spin Off or Demerger:

Description:

Click the Apply buttons to update the Quantity or Book Cost of the relevant Target Holding Account.  
Click the Update Results button to calculate (or re-calculate) the resulting parcel information for all Holding Accounts.

Target Holding Accounts	Target Quantity	Target Book Cost Percentage
<input type="text" value="Westfield Retail Trust - WRT"/>	<input type="text" value="973.00000"/>	<input type="text" value="27.184982"/>

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Quantity Held at Date of Spin Off or Demerger: 973.00000

Resultant Holding Summary

Code	Resultant Quantity	Resultant Book Cost
WDC	973.00000	\$9,994.88
WRT	973.00000	\$3,731.53

In this example, the **Target Quantity** will be 973, the same quantity as the total units of WDC. The **Target Book Cost Percentage** will be 27.184982%

After clicking on **Apply**, the Parcel Summary may look like the following:

Parcel Summary				
CGT Date	Source Quantity	Source Book Cost	Tax Free	Tax Deferred
20 Sep 2007	50.00000	\$1,078.49	\$0.00	\$61.01
	Remaining	\$785.30	\$0.00	\$61.01
Code	Target Quantity	Target Book Cost	Tax Free	Tax Deferred
WRT	50.00000	\$293.19	\$0.00	\$0.00
CGT Date	Source Quantity	Source Book Cost	Tax Free	Tax Deferred
17 Apr 2008	200.00000	\$3,895.45	\$0.00	\$184.74
	Remaining	\$2,836.47	\$0.00	\$184.74
Code	Target Quantity	Target Book Cost	Tax Free	Tax Deferred
WRT	200.00000	\$1,058.98	\$0.00	\$0.00
CGT Date	Source Quantity	Source Book Cost	Tax Free	Tax Deferred
27 Feb 2009	13.00000	\$133.12	\$0.00	\$12.00
	Remaining	\$96.93	\$0.00	\$12.00
Code	Target Quantity	Target Book Cost	Tax Free	Tax Deferred
WRT	13.00000	\$36.19	\$0.00	\$0.00
CGT Date	Source Quantity	Source Book Cost	Tax Free	Tax Deferred
31 Aug 2009	10.00000	\$120.40	\$0.00	\$2.79
	Remaining	\$87.67	\$0.00	\$2.79
Code	Target Quantity	Target Book Cost	Tax Free	Tax Deferred
WRT	10.00000	\$32.73	\$0.00	\$0.00
CGT Date	Source Quantity	Source Book Cost	Tax Free	Tax Deferred
14 Sep 2009	200.00000	\$2,619.95	\$0.00	\$55.89
	Remaining	\$1,907.72	\$0.00	\$55.89
Code	Target Quantity	Target Book Cost	Tax Free	Tax Deferred
WRT	200.00000	\$712.23	\$0.00	\$0.00
CGT Date	Source Quantity	Source Book Cost	Tax Free	Tax Deferred
07 May 2010	500.00000	\$5,879.00	\$0.00	\$139.73
	Remaining	\$4,280.79	\$0.00	\$139.73
Code	Target Quantity	Target Book Cost	Tax Free	Tax Deferred
WRT	500.00000	\$1,598.21	\$0.00	\$0.00

The **Effective Demerger %** is used to pre-populate the **Target Book Cost** on average cost allocation. You need to then manually change the **Target Book Cost** for each parcel based on the Calculator:

Demerger Inputs	
④	(w)
WRT Cost Base	WDC New Cost Base
41% of ②c	②a - ④
\$ 241.60	\$ 836.89
\$ 923.76	\$ 2,971.69
\$ 33.02	\$ 100.10
\$ 33.75	\$ 86.65
\$ 737.07	\$ 1,882.88
\$ 1,762.32	\$ 4,116.68
\$ 3,731.52	\$ 9,994.89

The revised **Parcel Summary** may look like the following:

Parcel Summary				
CGT Date	Source Quantity	Source Book Cost	Tax Free	Tax Deferred
20 Sep 2007	50.00000	\$1,078.49	\$0.00	\$61.01
	Remaining	\$836.89	\$0.00	\$61.01
Code	Target Quantity	Target Book Cost	Tax Free	Tax Deferred
WRT	50.00000	\$241.60	\$0.00	\$0.00
CGT Date	Source Quantity	Source Book Cost	Tax Free	Tax Deferred
17 Apr 2008	200.00000	\$3,895.45	\$0.00	\$184.74
	Remaining	\$2,971.69	\$0.00	\$184.74
Code	Target Quantity	Target Book Cost	Tax Free	Tax Deferred
WRT	200.00000	\$923.76	\$0.00	\$0.00
CGT Date	Source Quantity	Source Book Cost	Tax Free	Tax Deferred
27 Feb 2009	13.00000	\$133.12	\$0.00	\$12.00
	Remaining	\$100.10	\$0.00	\$12.00
Code	Target Quantity	Target Book Cost	Tax Free	Tax Deferred
WRT	13.00000	\$33.02	\$0.00	\$0.00
CGT Date	Source Quantity	Source Book Cost	Tax Free	Tax Deferred
31 Aug 2009	10.00000	\$120.40	\$0.00	\$2.79
	Remaining	\$86.65	\$0.00	\$2.79
Code	Target Quantity	Target Book Cost	Tax Free	Tax Deferred
WRT	10.00000	\$33.75	\$0.00	\$0.00
CGT Date	Source Quantity	Source Book Cost	Tax Free	Tax Deferred
14 Sep 2009	200.00000	\$2,619.95	\$0.00	\$55.89
	Remaining	\$1,882.88	\$0.00	\$55.89
Code	Target Quantity	Target Book Cost	Tax Free	Tax Deferred
WRT	200.00000	\$737.07	\$0.00	\$0.00
CGT Date	Source Quantity	Source Book Cost	Tax Free	Tax Deferred
07 May 2010	500.00000	\$5,879.00	\$0.00	\$139.73
	Remaining	\$4,116.68	\$0.00	\$139.73
Code	Target Quantity	Target Book Cost	Tax Free	Tax Deferred
WRT	500.00000	\$1,762.32	\$0.00	\$0.00



Click Submit to process this *Spin-Off or Demerger Wizard* event.

**Reference Materials:**

- ATO Class Ruling: **CR 2010/77 Westfield Group - creating a new stapled security**
- Section 6 – **“Tax Information for Westfield Group Securityholders”** of the Explanatory Memorandum in relation to the Establishment of Westfield Retail Trust dated 3 Nov 2010.
- Section 9 – **“Taxation Implications”** of the Product Disclosure Statement for the Westfield Retail Trust Public Offer dated 3 Nov 2010.
- The pamphlet **“How to determine your cost base in Westfield Retail Trust Stapled Units”** issued by Westfield Group in Feb 2011.

**Disclaimer:**

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