



## Westfield Group 2008 Tax Return Guide

This Tax Return Guide has been prepared for general information only. Accordingly, this information should not be relied upon as taxation advice. Each member's particular circumstances are different and we recommend you contact your accountant or taxation adviser.

Distributions from the Westfield Group comprise dividends paid by Westfield Holdings and distributions from Westfield Trust and Westfield America Trust (the Trusts). Under Australian tax law, members of the Trusts include in their assessable income their proportionate share of the taxable income (including net capital gains) of the Trusts.

### 2008 Distributions

The dividends/distributions reflected in the Westfield Group 2008 Tax Statement and Tax Summary are as follows:

- > Westfield Group dividend/distribution paid as at 31 August 2007; and
- > Westfield Group dividend/distribution paid as at 29 February 2008.

The Tax Statement and Tax Summary cover all the distributions paid to members by Westfield Holdings, Westfield Trust and Westfield America Trust during the period 1 July 2007 to 30 June 2008. Please note that the year end of Westfield Trust and Westfield America Trust for taxation purposes is 31 December. Accordingly, the distribution for the six months ended 30 June 2008 (as an interim distribution for the calendar year to 31 December 2008) that is to be paid in August 2008 should be included in your 2009 Tax Return. Dividends paid by Westfield Holdings are taxable in the income year in which they are paid.

### 2008 Capital Gains

For the 2008 tax year, Westfield Trust derived capital gains in respect of the sale of part of its interest in Westfield Parramatta and Westfield Doncaster and the disposal of certain sundry properties. In accordance with the provisions of the Constitution of Westfield Trust, the Responsible Entity of the Trust determined to retain 100% of the capital profits in respect of these transactions. These profits have been retained to assist in funding the Trust's future operations and investments which are expected to derive additional income for the Trust.

Even though the capital profits were retained by the Trust under Australian tax law members of the Trust must include in their assessable income their proportionate share of the Trust's net capital gains.

Further, as the capital profits were retained by the Trust and not distributed to members, there is no CGT concession amount in respect of the 2008 distribution.

### 2008 CFC Income

Westfield Trust disposed of certain sundry properties in New Zealand. Broadly, as the capital gains were not subject to tax in New Zealand they are attributed to members of Westfield Trust under Australia's Controlled Foreign Companies Rules in 2008. These amounts are shown in the Tax Statement and Tax Summary as CFC Income.

### Pro-rata Entitlement Offer

In June 2007, the Group raised \$3.0 billion of equity from a Pro-rata Entitlement Offer further details of which are contained in Other important information on page 4.

### Important Information for Australian Resident Members Completing Your 2008 Tax Return

The information in this Tax Return Guide has been prepared to assist Australian resident individual members of the Westfield Group to complete their 2008 Tax Returns. It does not apply to company, trust or superannuation fund members. If you are an individual lodging an Australian Tax Return, Question 12 of the Tax Return and Questions 13, 18, 19 and 20 of your Tax Return Supplementary Section should be completed.

The information on your Tax Statement and the notes in this Tax Return Guide will help you to answer these questions. Please note that any other income or capital gains which you have derived should be added to the relevant amounts you have received from the Westfield Group and the total income for each category should be included in your Tax Return. You must report all of the assessable amounts in your Tax Return. The tax deferred amounts of the Trusts' distributions are generally not assessable for income tax purposes. They, will however, reduce the capital gains tax (CGT) cost base of your units. If your cost base is reduced to nil, you will have a capital gain to the extent the tax deferred amounts exceed your cost base.

This document does not constitute financial product advice, in particular it is not intended to influence you in making a decision in relation to financial products. You should obtain professional advice before taking any action in relation to this document, for example from your taxation adviser or financial adviser.

## Steps to complete your Tax Return

### **Question 12 - Dividends - Tax Return**

You should include at this question the franked amount and unfranked amount of dividends paid by Westfield Holdings and the franking credits attached to these dividends. The amount of TFN withholding tax deducted from your dividends (if any) should also be included.

### **Question 13 - Trust Distributions - Tax Return (Supplementary Section)**

You should include at this question the Australian interest income and the other Australian taxable income amounts of your Trust distributions. The net capital gain and foreign income amounts of the Trusts' distributions are disclosed at Questions 18 and 20 respectively. The amount of TFN withholding tax deducted from your distributions from the Trusts (if any) should also be included at this question.

### **Question 18 - Capital Gains - Tax Return (Supplementary Section)**

You should include at this question the net capital gain amount of the distributions from Westfield Trust.

#### **General Information**

The assessable amount of your distribution for the income year ended 30 June 2008 includes discounted capital gains. Westfield Trust elected to apply the "discount method" to determine the amount of the net capital gain to include in its taxable income. Accordingly, you may also be able to apply the discount method in respect of these gains (shown as "Discounted capital gains" on your Tax Summary).

#### **Tax Return Disclosures**

You should answer **"YES" at Label G** on your Tax Return.

You should follow the steps in the instructions to Question 18 of the TaxPack 2008 (Supplementary Section) to determine the amount of the net capital gain to include in your Tax Return. If you require any general information or guidance on the calculation of capital gains, including details of the "discount method", you should consult the following Australian Taxation Office publications: "Personal Investor's Guide to Capital Gains Tax"; or "Guide to Capital Gains Tax". Alternatively, you should consult your professional tax adviser.

### **Question 19 - Foreign Entities - Tax Return (Supplementary Section)**

You should include at this question the CFC Income amount of the distributions from Westfield Trust and answer **"Yes" at Label I** on your Tax Return.

### **Question 20 - Foreign Source Income - Tax Return (Supplementary Section)**

You should include at this question the foreign source income amounts of the distributions from the Trusts.

Assessable foreign source income is the sum of all the foreign income and the foreign tax credit amounts.

Follow the steps in the instructions to Question 20 of the TaxPack 2008 (Supplementary Section) to calculate the amount of other net foreign source income you should include in your Tax Return. The details of the classes of foreign income are shown on your 2008 Tax Summary.

As foreign tax has been paid on the foreign source income amounts of the distribution from Westfield America Trust, you may be entitled to a foreign tax credit to the value of the amount shown on your Tax Statement. You should obtain a copy of the booklet "How to Claim a Foreign Tax Credit" from the Australian Taxation Office and follow the steps set out in the booklet. Please note that for the purposes of calculating foreign tax credits the modified passive income is included with passive income.

Australian resident members will generally be able to claim a foreign tax credit for the lesser of:

- a) the amount of foreign tax paid (the Foreign Tax Credit amount shown on your Tax Statement); and
- b) the Australian tax payable on the net foreign source income.



## Other important information\*

### General Capital Gains Tax (CGT) matters

In July 2004, the Merger of Westfield Holdings, Westfield Trust and Westfield America Trust was implemented by way of a stapling of the securities of these entities. This means that shares in Westfield Holdings and units in Westfield Trust and Westfield America Trust can only be traded together as Westfield Group stapled securities (ASX code: WDC). For Australian tax purposes, however, the securities remain as separate assets. Each Westfield Group stapled security comprises three separate assets for Australian CGT purposes (1 Westfield Holdings share, 1 Westfield Trust unit and 1 Westfield America Trust unit).

For CGT purposes you need to apportion the cost of each stapled security and the proceeds on sale of each stapled security over the separate assets that make up the stapled security. This apportionment should be done on a reasonable basis.

One possible method of apportionment is on the basis of the relative net tangible assets of the individual entities.

Set out below, for your records, are the relative net tangible assets (NTAs) of the entities in the Westfield Group as at each reporting date since 30 June 2006. This NTA Table is updated each six months following the release of Westfield Group financial statements.

### Relative Net Tangible Assets (NTA) of entities in Westfield Group

|                         | 30-Jun-06 | 31-Dec-06 | 30-Jun-07 | 31-Dec-07 |
|-------------------------|-----------|-----------|-----------|-----------|
| Westfield Holdings      | 8.02%     | 7.38%     | 7.54%     | 8.07%     |
| Westfield Trust         | 54.90%    | 58.43%    | 59.22%    | 62.46%    |
| Westfield America Trust | 37.08%    | 34.19%    | 33.24%    | 29.47%    |

Access to the NTA Table since the Westfield Group was formed in July 2004 is available at:  
<http://westfield.com/corporate/investor-services/wdc-securityholding-information/taxation-information.html>

### CGT Implications of the Tax Deferred Amount of Distributions from the Trusts

The tax deferred amount of distributions made by the Trusts will reduce your cost base in the units of each Trust. This reduction will apply in calculating any capital gain or capital loss on disposal of the units for CGT purposes. In addition, a capital gain is realised (even if you do not sell your units) if the sum of the tax deferred amounts received exceeds the cost base of the units at the end of the income year. The booklets "Guide to Capital Gains Tax" or "Personal Investor's Guide to Capital Gains Tax" which are available from the Australian Taxation Office, provide details of the calculations required.

Distribution Payment History Schedules showing the tax deferred amounts of distributions made by Westfield Trust and Westfield America Trust, along with Westfield Holdings Dividend information are included in the 2008 Tax Statement mailing.

Access to updated Distribution Payment History Schedules are also available at:  
<http://westfield.com/corporate/investor-services/wdc-securityholding-information/distribution-information/distribution-history.html>

### Members Who Have Disposed of Securities During the June 2008 Financial Year

If you have disposed of any of your Westfield Group stapled securities during the past financial year, you may have made a capital gain or loss. You should obtain a copy of the booklet "Personal Investor's Guide to Capital Gains Tax" or alternatively, "Guide to Capital Gains Tax" from the Australian Taxation Office and/or consult your professional tax adviser.

\* Other important applicable information for Australian Resident Members.

## Discount Capital Gains Adjustments for Companies and Complying Superannuation Entities

You should seek your own taxation advice in relation to Discount capital gains adjustments for companies and complying superannuation entities, however you may wish to refer to the following additional information.

**Companies** are not entitled to any CGT discount under the taxation legislation. Details of the capital gains are shown on the Tax Summary.

**Complying Superannuation Entities** are entitled to a discount of one-third of the gross amount of discount capital gains. Details of the capital gains are shown on the Tax Summary.

*If you have further tax questions in relation to your investment in Westfield Group stapled securities, we recommend that you consult your own tax adviser or professional adviser.*

## Westfield Pro-rata Entitlement Offer - Position for Retail Investors

The Westfield Group raised \$3.0 billion of equity in July 2007 via a Pro-rata Entitlement Offer. Securities issued under the Offer had an initial cost base of \$19.50, including those issued under the Retail Bookbuild.

A summary of the taxation implications for Westfield Pro-rata Entitlement Offer is contained in section 8 of the Prospectus and Product Disclosure Statement for the Offer. The summary can be located on our website at <http://westfield.com/corporate/investor-services/frequent-questions/tax-statements-2007.html>

## ENQUIRIES

Computershare Investor Services Pty Limited on 1300 132 211 (Toll Free) or +61 3 9415 4070 (International callers).  
Westfield Group Investor Relations on 1800 222 242 (Free Call) or +61 2 9358 7877 (International callers).