Westfield Trust Financial Report 31 December 2009

Westfield Management Limited ABN 41 001 670 579
AFSL No. 230329 as responsible entity of **Westfield Trust** ARSN 090 849 746

Directory

Westfield Group
Westfield Holdings Limited
ABN 66 001 671 496

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

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

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Code: WFGPY

Listing
Australian Securities Exchange – WDC

Website
westfield.com/corporate

Mixed Sources
Product group from well-managed forests and other controlled sources
www.fsc.org Cert no. SGS-COC-003898

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Financial Report

WESTFIELD TRUST
For the financial year ended 31 December 2009

Contents

Income Statement

FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	Consolidated 31 Dec 09 $million	Consolidated 31 Dec 08 $million	Parent Entity 31 Dec 09 $million	Parent Entity 31 Dec 08 $million
Revenue					
Property revenue	3	**1,702.5**	1,662.1	**706.7**	668.4
		1,702.5	1,662.1	**706.7**	668.4
Share of after tax profits of equity accounted entities					
Property revenue		**130.5**	125.8	**–**	–
Property revaluations		**(32.7)**	(69.6)	**–**	–
Property expenses and outgoings		**(34.8)**	(36.1)	**–**	–
Net interest expense		**(0.1)**	(2.5)	**–**	–
	12(b)	**62.9**	17.6	**–**	–
Expenses					
Property expenses and outgoings		**(438.6)**	(471.1)	**(178.9)**	(194.0)
Property and funds management costs		**(16.5)**	(17.0)	**(13.8)**	(14.2)
Corporate costs		**(4.7)**	(5.3)	**(3.6)**	(4.8)
		(459.8)	(493.4)	**(196.3)**	(213.0)
Interest income		**18.3**	18.0	**16.8**	13.6
Net (loss)/gain from capital transactions	4	**(8.4)**	15.6	**1.2**	4.3
Currency derivatives and exchange differences		**75.5**	(12.1)	**74.3**	21.5
Financing costs	5	**(177.4)**	(742.7)	**(239.0)**	(571.9)
Distributions/dividends from subsidiaries and other investments		**1.3**	–	**651.6**	628.4
Property revaluations		**(1,037.2)**	(474.8)	**(627.0)**	(417.6)
Profit/(loss) before tax and minority interests		**177.7**	(9.7)	**388.3**	133.7
Tax benefit	6(a)	**8.8**	27.2	**–**	–
Profit after tax for the period		**186.5**	17.5	**388.3**	133.7
Less: net profit attributable to minority interests		**(7.7)**	(14.5)	**–**	–
Net profit attributable to members of Westfield Trust (WT)		**178.8**	3.0	**388.3**	133.7

	Note	cents	cents
Basic earnings per unit	7	**7.95**	0.15
Diluted earnings/(loss) per unit	7	**7.63**	(4.66)

	Note	$million	$million
Final Distribution proposed	23(a)	**646.2**	510.8
Interim Distribution paid	23(b)	**637.4**	549.9
Total Distribution		**1,283.6**	1,060.7
Weighted average number of units entitled to distribution at 31 December (millions)		**2,292.2**	1,955.7

	cents	cents
6 months ended 31 December		
Distribution proposed per ordinary unit	**28.00**	26.00
6 months ended 30 June		
Distribution paid per ordinary unit	**28.00**	28.25
Distribution paid per DRP unit	**28.00**	18.94

Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2009

	Consolidated		Parent Entity	
	31 Dec 09 $million	31 Dec 08 $million	**31 Dec 09 $million**	31 Dec 08 $million
Profit after tax for the period	**186.5**	17.5	**388.3**	133.7
Other comprehensive income				
Movements in foreign currency translation reserve				
– Net exchange difference on translation of foreign operations	**(10.5)**	(77.4)	**–**	–
Movements in asset revaluation reserve				
– Revaluation decrement	**–**	(59.2)	**(220.0)**	(267.3)
Total comprehensive income for the period	**176.0**	(119.1)	**168.3**	(133.6)
Total comprehensive income attributable to:				
– Members of WT	**168.3**	(133.6)	**168.3**	(133.6)
– Minority interests	**7.7**	14.5	**–**	–
Total comprehensive income for the period	**176.0**	(119.1)	**168.3**	(133.6)

Balance Sheet

AS AT 31 DECEMBER 2009

	Note	Consolidated 31 Dec 09 $million	Consolidated 31 Dec 08 $million	Parent Entity 31 Dec 09 $million	Parent Entity 31 Dec 08 $million
Current assets					
Cash and cash equivalents	22(a)	**66.0**	144.1	**26.3**	69.7
Trade debtors		**19.5**	17.4	**6.5**	6.0
Derivative assets	8	**121.3**	35.0	**129.9**	35.0
Receivables	9	**2,639.0**	1,839.6	**3,135.3**	2,034.1
Prepayments and deferred costs	10	**17.6**	11.2	**11.5**	8.1
Total current assets		**2,863.4**	2,047.3	**3,309.5**	2,152.9
Non current assets					
Investment properties	11	**22,133.3**	22,221.7	**8,639.4**	8,643.7
Equity accounted investments	12(a)	**1,587.7**	1,612.3	**–**	–
Other investments	13	**1,144.9**	1,342.3	**13,948.7**	14,107.7
Derivative assets	8	**166.1**	481.3	**186.2**	481.3
Prepayments and deferred costs	10	**92.5**	12.1	**92.5**	12.1
Total non current assets		**25,124.5**	25,669.7	**22,866.8**	23,244.8
Total assets		**27,987.9**	27,717.0	**26,176.3**	25,397.7
Current liabilities					
Trade creditors		**50.7**	51.7	**28.1**	22.0
Payables and other creditors	14	**1,272.2**	1,358.4	**1,015.4**	1,082.6
Tax payable		**4.1**	7.8	**–**	–
Interest bearing liabilities	15	**1,878.1**	1,617.0	**1,616.8**	1,572.2
Other financial liabilities	16	**–**	1.3	**–**	1.3
Derivative liabilities	17	**278.8**	21.1	**278.6**	21.1
Total current liabilities		**3,483.9**	3,057.3	**2,938.9**	2,699.2
Non current liabilities					
Interest bearing liabilities	15	**4,501.4**	5,970.3	**3,748.1**	4,605.4
Other financial liabilities	16	**1,253.6**	1,271.8	**1,253.6**	1,271.8
Deferred tax liabilities	6(b)	**320.2**	386.1	**–**	–
Derivative liabilities	17	**386.4**	361.0	**387.4**	346.6
Total non current liabilities		**6,461.6**	7,989.2	**5,389.1**	6,223.8
Total liabilities		**9,945.5**	11,046.5	**8,328.0**	8,923.0
Net assets		**18,042.4**	16,670.5	**17,848.3**	16,474.7
Equity attributable to members of WT					
Contributed equity	18(b)	**10,549.7**	8,196.2	**10,549.7**	8,196.2
Reserves	20	**46.3**	56.8	**5,072.0**	5,292.0
Retained profits	21	**7,252.3**	8,221.7	**2,226.6**	2,986.5
Total equity attributable to members of WT		**17,848.3**	16,474.7	**17,848.3**	16,474.7
Equity attributable to minority interests					
Contributed equity		**94.0**	94.0	**–**	–
Retained profits		**100.1**	101.8	**–**	–
Total equity attributable to minority interests		**194.1**	195.8	**–**	–
Total Equity		**18,042.4**	16,670.5	**17,848.3**	16,474.7

Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	*Comprehensive income 31 Dec 09 $million*	*Movement in equity 31 Dec 09 $million*	**Consolidated** **31 Dec 09 $million**	31 Dec 08 $million
Changes in equity attributable to members of WT					
Opening balance of contributed equity		–	*8,196.2*	**8,196.2**	8,033.8
– Issuance of units					
Share placement/share purchase plan	18(b)	–	*1,932.6*	**1,932.6**	–
Distribution reinvestment plan	18(b)	–	*463.7*	**463.7**	70.4
– Conversion of options	18(b)	–	–	**–**	92.0
– Costs associated with the issuance of units	18(b)	–	*(42.8)*	**(42.8)**	–
Closing balance of contributed equity		–	*10,549.7*	**10,549.7**	8,196.2
Opening balance of reserves		–	*56.8*	**56.8**	193.4
– Movements in foreign currency translation reserve	20(a)	*(10.5)*	–	**(10.5)**	(77.4)
– Movements in asset revaluation reserve	20(b)	–	–	**–**	(59.2)
Closing balance of reserves		*(10.5)*	*56.8*	**46.3**	56.8
Opening balance of retained profits		–	*8,221.7*	**8,221.7**	9,215.3
– Profit after tax for the period		*178.8*	–	**178.8**	3.0
– Distributions paid	23(b)	–	*(1,148.2)*	**(1,148.2)**	(996.6)
Closing balance of retained profits		*178.8*	*7,073.5*	**7,252.3**	8,221.7
Closing balance of equity attributable to members of WT		*168.3*	*17,680.0*	**17,848.3**	16,474.7
Changes in equity attributable to minority interests					
Opening balance of equity		–	*195.8*	**195.8**	190.4
Total comprehensive income attributable to minority interest		*7.7*	–	**7.7**	14.5
Distributions paid or provided for		–	*(9.4)*	**(9.4)**	(9.1)
Closing balance of equity attributable to minority interests		*7.7*	*186.4*	**194.1**	195.8
Total Equity		*176.0*	*17,866.4*	**18,042.4**	16,670.5

	Note	*Comprehensive income 31 Dec 09 $million*	*Movement in equity 31 Dec 09 $million*	**Parent Entity** **31 Dec 09 $million**	31 Dec 08 $million
Changes in equity attributable to members of WT					
Opening balance of contributed equity		–	*8,196.2*	**8,196.2**	8,033.8
– Issuance of units					
Share placement/share purchase plan	18(b)	–	*1,932.6*	**1,932.6**	–
Distribution reinvestment plan	18(b)	–	*463.7*	**463.7**	70.4
– Conversion of options	18(b)	–	–	**–**	92.0
– Costs associated with the issuance of units	18(b)	–	*(42.8)*	**(42.8)**	–
Closing balance of contributed equity		–	*10,549.7*	**10,549.7**	8,196.2
Opening balance of reserves		–	*5,292.0*	**5,292.0**	5,559.3
– Movements in asset revaluation reserve	20(b)	*(220.0)*	–	**(220.0)**	(267.3)
Closing balance of reserves		*(220.0)*	*5,292.0*	**5,072.0**	5,292.0
Opening balance of retained profits		–	*2,986.5*	**2,986.5**	3,849.4
– Profit after tax for the period		*388.3*	–	**388.3**	133.7
– Distributions paid	23(b)	–	*(1,148.2)*	**(1,148.2)**	(996.6)
Closing balance of retained profits		*388.3*	*1,838.3*	**2,226.6**	2,986.5
Closing balance of equity attributable to members of WT		*168.3*	*17,680.0*	**17,848.3**	16,474.7

Cash Flow Statement

FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	Consolidated 31 Dec 09 $million	Consolidated 31 Dec 08 $million	Parent Entity 31 Dec 09 $million	Parent Entity 31 Dec 08 $million
Cash flows from operating activities					
Receipts in the course of operations (including GST)		**1,924.6**	1,881.3	**780.0**	760.8
Payments in the course of operations (including GST)		**(522.6)**	(517.6)	**(223.0)**	(210.0)
Distributions/dividends received from subsidiaries, equity accounted entities and other investments		**88.5**	85.9	**620.3**	527.2
Income and withholding taxes paid		**(25.3)**	–	**–**	–
Goods and services taxes paid		**(138.2)**	(125.6)	**(52.2)**	(48.0)
Net cash flows from operating activities	22(b)	**1,327.0**	1,324.0	**1,125.1**	1,030.0
Cash flows from investing activities					
Payments of capital expenditure for property investments and subsidiary investments		**(428.0)**	(513.9)	**(314.0)**	(482.6)
Payments for the acquisition of other investments		**(436.2)**	(787.8)	**(388.2)**	(753.1)
Proceeds from the sale of property investments and other investments		**62.1**	53.0	**9.4**	7.0
Net outflows for investments in equity accounted investments		**(1.3)**	(54.8)	**–**	–
Net cash flows used in investing activities		**(803.4)**	(1,303.5)	**(692.8)**	(1,228.7)
Cash flows from financing activities					
Proceeds from the issuance of units		**2,396.3**	70.4	**2,396.3**	70.4
Payment for costs associated with the issuance of units		**(42.8)**	(5.7)	**(42.8)**	(5.7)
Net proceeds from/(repayments of) interest bearing liabilities		**262.2**	144.7	**(1.3)**	1,870.3
Financing costs		**(495.0)**	(484.2)	**(441.1)**	(400.2)
Interest received		**15.3**	12.3	**11.1**	18.5
Distributions paid		**(1,148.2)**	(996.6)	**(1,148.2)**	(996.6)
Distributions paid by controlled entities to minority interests		**(9.2)**	(9.1)	**–**	–
Loans (advanced to)/received from related entities		**(1,560.4)**	1,302.1	**(1,249.7)**	(324.2)
Termination of surplus interest rate swaps upon repayments of interest bearing liabilities with the proceeds from the issuance of units		**(19.3)**	–	**–**	–
Net cash flows (used in)/from financing activities		**(601.1)**	33.9	**(475.7)**	232.5
Net (decrease)/increase in cash and cash equivalents held		**(77.5)**	54.4	**(43.4)**	33.8
Add opening cash and cash equivalents brought forward		**144.1**	90.5	**69.7**	35.9
Effects of exchange rate changes on cash and cash equivalents		**(0.6)**	(0.8)	**–**	–
Cash and cash equivalents at the end of the year	22(a)	**66.0**	144.1	**26.3**	69.7

Index of Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2009

NOTE 1 BASIS OF PREPARATION OF THE FINANCIAL REPORT

(a) Corporate information

This financial report comprising Westfield Trust (WT) and its controlled entities (collectively the WT Group) for the year ended 31 December 2009 was approved in accordance with a resolution of The Board of Directors of Westfield Management Limited as responsible entity of WT (Responsible Entity) on 15 March 2010.

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

(b) Statement of Compliance

This financial report complies with Australian Accounting Standards and International Financial Reporting Standards as issued by the International Accounting Standards board. The accounting policies adopted are consistent with those of the previous financial year except that the WT Group has adopted the following new or amended standards which became applicable on 1 January 2009.

- AASB 7 *Financial Instruments: Disclosures*. This standard requires additional disclosures about fair value measurement and liquidity risk. The additional disclosures are set out in Note 16 and Note 35;
- AASB 8 *Operating Segments*. This standard replaced AASB 114 *Segment Reporting*. The revised presentation of the reportable segments and disclosures are shown in the Note 27;
- AASB 101 *Presentation of Financial Statements*. This requires the separate disclosure of owner and non-owner changes in equity. This is set out in the new Statement of Comprehensive Income;
- AASB 123 *Borrowing Costs*. This standard requires capitalisation of borrowing costs that are directly attributable to a qualifying asset. For the year, the adoption of this standard has no material impact on the financial statements of the WT Group;
- AASB 2008-5 *Amendments to Australian Accounting Standards arising from the Annual Improvements Project*. The principle impact of these amendments is the requirement to carry development projects at fair value. Previously, development projects were carried at the lower of cost or expected net realisable value. For the year, the adoption of this standard has no material impact on the financial statements of the WT Group.

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the WT Group for the year ended 31 December 2009. The impact of these new or amended standards (to the extent relevant to the WT Group) and interpretations are as follows:

- AASB 3 (Revised) *Business Combinations*. The revised standard introduces significant changes to accounting for business combinations including any internal restructures meeting the definition of a business combination. These changes will only impact accounting for business combinations that occur for the WT Group from 1 January 2010;
- AASB 127 (Revised) *Consolidated and Separate Financial Statements*. The revised standard prescribes that a change in the ownership interest of a subsidiary (without a change in control) will not give rise to any gains or losses, or goodwill. The revised standard is applicable to the WT Group from 1 January 2010;
- AASB 9 *Financial Instruments: Classification and measurement*. This standard simplifies the classifications of financial assets into those to be carried at amortised cost and those to be carried at fair value. The standard is applicable to the WT Group from 1 January 2013.

In addition to the above, further amendments to accounting standards have been proposed as a result of the revision of related standards and the Annual Improvement Projects (for non-urgent changes). These amendments set out below:

- AASB 2008-3 *Amendments to the Australian Accounting Standards arising from AASB 3 and AASB 127*;
- AASB 2008-6 *Further Amendments to Australian Accounting Standards arising from the Annual Improvement Project*;
- AASB 2008-8 *Amendments to Australian Accounting Standard – Eligible Hedged Items*;
- AASB 2009-4 and AASB 2009-5 *Amendments to Australian Accounting Standards arising from the Annual Improvement Projects*;
- AASB 2009-8 *Amendments to Australian Accounting Standards – Group Cash-settled Share-based Payment Transactions*;
- AASB 2009-10 *Amendments to Australian Accounting Standards – Classification of Rights Issues*;
- AASB 2009-11 *Amendments to Australian Accounting Standards Arising from AASB 9*;
- AASB 2009-12 *Amendments to Australian Accounting Standards*.

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

(c) Basis of Accounting

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 (the Act) and Australian Accounting Standards and other authoritative announcements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis, except for investment properties, investment properties within equity accounted investments, derivative financial instruments, other investments and other financial liabilities. The carrying values of recognised assets and liabilities that are hedged with fair value hedges and are otherwise carried at cost are adjusted to record changes in the fair values attributable to the risks that are being hedged.

(d) Significant accounting judgements, estimates and assumptions

The preparation of the financial report requires management to make judgements, estimates and assumptions. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and other various factors it believes to be reasonable under the circumstances, the results of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements, in particular, Note 2: Summary of significant accounting policies, Note 11: Investment properties and Note 35: Fair value of financial assets and liabilities. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position in future periods.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Listed Property Trust Units

The Westfield Group was established in July 2004 by the stapling of securities of each of Westfield Holdings Limited (WHL), Westfield America Trust (WAT) and WT. The securities trade as one security on the Australian Securities Exchange (ASX) under the code WDC. The stapling transaction is referred to as the "Merger".

(b) Consolidation and classification

The consolidated financial report comprises the financial statements and notes to the financial statements of WT (the Parent Entity), and each of its controlled entities as from the date the Parent Entity obtained control until such time control ceased. The Parent Entity and Subsidiaries are collectively referred to as the economic entity known as the WT Group. Where entities adopt accounting policies which differ from those of the Parent Entity, adjustments have been made so as to achieve consistency within the WT Group.

In preparing the consolidated financial statements all inter-entity transactions and balances, including unrealised profits arising from intra Group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

i) Synchronisation of Financial Year

By an order dated 5 November 2001, made by the Australian Securities and Investment Commission (ASIC) pursuant to subsection 340(1) of the Act, the Directors of the Responsible Entity have been relieved from compliance with subsection 323D(3) of the Act insofar as that subsection requires them to ensure the financial year of the controlled entity Carindale Property Trust (CPT), coincides with the financial year of the Parent Entity.

Notwithstanding that the financial year of CPT ends on 30 June, the consolidated financial statements have been made out so as to include the accounts for a period coinciding with the financial year of the Parent Entity being 31 December.

ii) Joint Ventures

Joint venture operations

The WT Group has significant co-ownership interests in a number of properties through unincorporated joint ventures. These interests are held directly and jointly as tenants in common. The WT Group's proportionate share in the income, expenditure, assets and liabilities of property interests held as tenants in common have been included in their respective classifications in the financial report.

Joint venture entities

The WT Group has significant co-ownership interests in a number of properties through property partnerships or trusts. These joint venture entities are accounted for using the equity method of accounting.

The WT Group and its joint venture entities use consistent accounting policies. Investments in joint venture entities are carried in the consolidated balance sheet at cost plus post-acquisition changes in the WT Group's share of net assets of the joint venture entities. The consolidated income statement reflects the WT Group's share of the results of operations of the joint venture entities.

iii) Associates

Where the WT Group exerts significant influence but not control, equity accounting is applied. The WT Group and its associates use consistent accounting policies. Investment in associates are carried in the consolidated balance sheet at cost plus post-acquisition changes in the WT Group's share of net assets of the associates. The consolidated income statement reflects the WT Group's share of the results of operations of the associate. Where there has been a change recognised directly in the associate's equity, the WT Group recognises its share of any changes and discloses this, when applicable in the consolidated financial statements.

iv) Controlled entities

Where an entity either began or ceased to be a controlled entity during the reporting period, the results are included only from the date control commenced or up to the date control ceased. Minority interests are shown as a separate item in the consolidated financial statements.

(c) Investment properties

The WT Group's investment properties include shopping centre investments and development projects.

i) Shopping centre investments

The WT Group's shopping centre investment properties represent completed centres comprising freehold and leasehold land, buildings and leasehold improvements.

Land and buildings are considered as having the function of an investment and therefore are regarded as a composite asset, the overall value of which is influenced by many factors, the most prominent being income yield, rather than by the diminution in value of the building content due to effluxion of time. Accordingly, the buildings and all components thereof, including integral plant and equipment, are not depreciated.

Initially, shopping centre investment properties are measured at cost including transaction costs. Subsequent to initial recognition, the WT Group's portfolio of shopping centre investment properties are stated at fair value. Gains and losses arising from changes in the fair values of shopping centre investment properties are included in the income statement in the year in which they arise. Any gains or losses on the sale of an investment property are recognised in the income statement in the year of sale. The carrying amount of investment properties also includes components relating to lease incentives and leasing costs.

At each reporting date, the carrying value of the portfolio of shopping centre investment properties are assessed by the Directors and where the carrying value differs materially from the Directors' assessment of fair value, an adjustment to the carrying value is recorded as appropriate.

Independent valuations of shopping centres are prepared annually. The Directors' assessment of fair value of each shopping centre investment property takes into account the annual independent valuation, with updates at year end from independent valuations that were prepared at the half year taking into account any changes in estimated yield, underlying income and valuations of comparable centres. In determining the fair value, the capitalisation of net income method and the discounting of future cash flows to their present value have been used which are based upon assumptions and judgement in relation to future rental income, property capitalisation rate or estimated yield and make reference to market evidence of transaction prices for similar properties.

ii) Development projects

The WT Group's development projects include costs incurred for the current and future redevelopment and expansion of new and existing shopping centre investments. Development projects include capitalised construction and development costs and where applicable, borrowing costs incurred on qualifying developments.

Development projects are carried at fair value based on Directors' assessment of fair value at each reporting date taking into account the expected cost to complete, the stage of completion, expected underlying income and yield of the developments. Any increment or decrement in the fair value of development projects resulting from Directors' assessment of fair value is included in the income statement in the year in which it arises. On completion, development projects are reclassified to shopping centre investments and an independent valuation is obtained.

The assessment of fair value and possible impairment in the fair value of shopping centre investment and development projects are significant estimates that can change based on the WT Group's continuous process of assessing the factors affecting each property.

(d) Other investments

i) Listed investments

Listed investments are designated as assets held at fair value through the income statement. Listed investments in entities are stated at fair values based on their quoted market values. Movements in fair value subsequent to initial recognition are reported as revaluation gains or losses in the income statement.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Other investments (continued)

ii) Unlisted investments

Unlisted investments are designated investments available for sale and are stated at fair value of the WT Group's interest in the underlying assets which approximate fair value. Fair values for unlisted investments are determined using valuation techniques which keep judgemental inputs to a minimum, including the fair value of underlying properties, recent arm's length transactions and reference to market value of similar investments. Gains or losses on available for sale investments are recognised as a separate component of equity until the investment is sold or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement as revaluation gains or losses.

iii) Investments in subsidiaries

Investments in subsidiaries are designated as investments available for sale and are stated at fair value. Fair value is determined based on WT Group's interest in the underlying assets which approximate fair value.

Gains or losses on available for sale investments are recognised as a separate component of equity until the investment is sold or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement as revaluation gains or losses.

(e) Foreign currencies

i) Translation of foreign currency transactions

The functional and presentation currencies of the Parent Entity and its Australian subsidiaries is Australian dollars. The functional currency of the New Zealand entities is New Zealand dollars. The presentation currency of the overseas entities is Australian dollars to enable the consolidated financial statements of the WT Group to be reported in a common currency.

Foreign currency transactions are converted to Australian dollars at exchange rates ruling at the date of those transactions. Amounts payable and receivable in foreign currency at balance date are translated to Australian dollars at exchange rates ruling at that date. Exchange differences arising from amounts payable and receivable are treated as operating revenue or expense in the period in which they arise, except as noted below.

ii) Translation of accounts of foreign operations

The balance sheet of foreign subsidiaries are translated at exchange rates ruling at balance date and the income statement of foreign subsidiaries are translated at average exchange rates for the period. Exchange differences arising on translation of the interests in foreign operations are taken directly to the foreign currency translation reserve.

On consolidation, exchange differences and the related tax effect on loans and cross currency swaps denominated in foreign currencies, which hedge net investments in foreign operations are taken directly to the foreign currency translation reserve.

(f) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the WT Group and can be reliably measured. Rental income from investment properties is accounted for on a straight line basis over the lease term. Contingent rental income is recognised as income in the period in which it is earned. If not received at balance date, revenue is reflected in the balance sheet as a receivable and carried at fair value. Recoveries from tenants are recognised as income in the year the applicable costs are accrued.

Certain tenant allowances that are classified as lease incentives are recorded as part of investment properties and amortised over the term of the lease. The amortisation is recorded against property income.

Where revenue is obtained from the sale of properties, it is recognised when the significant risks and rewards have transferred to the buyer. This will normally take place on unconditional exchange of contracts except where payment or completion is expected to occur significantly after exchange. For conditional exchanges, sales are recognised when these conditions are satisfied.

All other revenues are recognised on an accruals basis.

(g) Expenses

Expenses including rates, taxes and other outgoings, are brought to account on an accruals basis and any related payables are carried at cost. All other expenses are brought to account on an accruals basis.

(h) Taxation

(i) Under current Australian income tax legislation WT is not liable to Australian income tax, including capital gains tax, provided that members are presently entitled to the income of the Trust as determined in accordance with WT's constitution. WT's New Zealand controlled entities are subject to New Zealand tax on their earnings. Dividends paid by those entities to WT are subject to New Zealand dividend withholding tax.

Under current Australian income tax legislation, holders of the stapled securities of the Westfield Group may be entitled to receive a foreign tax offset for New Zealand withholding tax deducted from dividends paid by WT's New Zealand controlled entities to WT.

(ii) Deferred tax is provided on all temporary differences at balance sheet date on the differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply when the asset is realised through continued use or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the balance sheet date. Income taxes related to items recognised directly in equity are recognised in equity and not in the income statement.

(i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST (or equivalent tax in overseas locations) except where the GST incurred on purchase of goods and services is not recoverable from the tax authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable. Receivables and payables are stated with the amounts of GST included.

The net amount of GST payable or receivable to government authorities is included as part of receivables or payables in the balance sheet.

Cash flows are included in the cash flow statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(j) Financing costs

Financing costs include interest, amortisation of discounts or premiums relating to borrowings and other costs incurred in connection with the arrangement of borrowings. Financing costs are expensed as incurred unless they relate to a qualifying asset. A qualifying asset is an asset which generally takes more than 12 months to get ready for its intended use or sale. In these circumstances, the financing costs are capitalised to the cost of the asset. Where funds are borrowed by the WT Group for the acquisition or construction of a qualifying asset, the financing costs are capitalised.

Refer to Note 2(m) for other items included in financing costs.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

(i) Operating leases

The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense on a straight line basis.

Ground rent obligations for leasehold property that meets the definition of an investment property are accounted for as a finance lease.

(ii) Finance leases

Leases which effectively transfer substantially all of the risks and benefits incidental to ownership of the leased item to the WT Group are capitalised at the present value of the minimum lease payments under lease and are disclosed as an asset or investment property.

Capitalised lease assets are depreciated over the shorter of the estimated useful life of the assets and the lease term. Minimum lease payments are allocated between interest expense and reduction of the lease liability.

(l) Contributed equity

Issued and paid up capital is recognised at the fair value of the consideration received by the WT Group. Any transaction costs arising on the issue of ordinary units are recognised directly in equity as a reduction of the proceeds received.

(m) Derivative and other financial instruments

The WT Group utilises derivative financial instruments, including forward exchange contracts, currency and interest rate options, currency and interest rate swaps to manage the risks associated with foreign currency and interest rate fluctuations. Such derivative financial instruments are recognised at fair value.

The WT Group has set defined policies and implemented a comprehensive hedging program to manage interest and exchange rate risks. Derivative instruments are transacted to achieve the economic outcomes in line with the WT Group's treasury policy and hedging program. Derivative instruments are not transacted for speculative purposes. Accounting standards however require compliance with onerous documentation, designation and effectiveness parameters before a derivative financial instrument is deemed to qualify for hedge accounting treatment. These documentation, designation and effectiveness requirements cannot be met in all circumstances. As a result, all derivatives instruments, other than cross currency swaps that hedge net investments in foreign operations, are deemed not to qualify for hedge accounting and are recorded at fair value. Gains or losses arising from the movement in fair values are recorded in the income statement.

The fair value of forward exchange contracts, currency and interest rate options and cross currency swaps are calculated by reference to relevant market rates for contracts with similar maturity profiles. The fair value of interest rate swaps are determined by reference to market rates for similar instruments.

Gains or losses arising on the movements in the fair value of cross currency swaps which hedge net investments in foreign operations are recognised in the foreign currency translation reserve. Where a cross currency swap, or portion thereof, is deemed an ineffective hedge for accounting purposes, gains or losses thereon are recognised in the income statement. On disposal of a net investment in foreign operations, the cumulative gains or losses recognised previously in the foreign currency translation reserve are transferred to the income statement.

The accounting policies adopted in relation to material financial instruments are detailed as follows:

i) Financial assets

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and on hand and short term deposits with an original maturity of 90 days or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and at bank, short term money market deposits and bank accepted bills of exchange readily converted to cash, net of bank overdrafts and short term loans. Bank overdrafts are carried at the principal amount. Interest is charged as an expense as it accrues.

Receivables

Trade and sundry debtors are carried at original invoice amount, less provision for doubtful debts, and are usually due within 30 days. Collectability of trade and sundry receivables is reviewed on an ongoing basis. Individual debts that are determined to be uncollectible are written off when identified. An impairment provision for doubtful debts is recognised when there is evidence that the WT Group will not be able to collect the receivable.

ii) Financial liabilities

Payables

Trade and other payables are carried at amortised cost and due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the WT Group prior to the end of the financial year that are unpaid and arise when the WT Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 60 days.

Interest bearing liabilities

Interest bearing liabilities are recognised initially at the fair value of the consideration received less any directly attributable transaction costs. Subsequent to initial recognition, interest bearing liabilities are recorded at amortised cost using the effective interest rate method.

Interest bearing liabilities are classified as current liabilities where the liability has been drawn under a financing facility which expires within one year. Amounts drawn under financing facilities which expire after one year are classified as non current.

Financing costs for interest bearing liabilities are recognised as an expense on an accruals basis.

Other financial liabilities

Other financial liabilities include property linked notes and convertible notes. Where there is a minimum distribution entitlement and/or the redemption terms include the settlement for cash on redemption, the instrument is classified as a financial liability and is designated as fair value through the income statement.

The fair value of property linked notes are determined by reference to the fair value of the underlying linked property investments. The fair value of convertible notes are determined in accordance with generally accepted pricing models using current market prices in accordance with the terms of each instrument.

(n) Recoverable amount of assets

At each reporting date, the WT Group assesses whether there is any indication that an asset may be impaired. Where an indicator of the impairment exists, the WT Group makes an estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

(o) Earnings per unit

Basic earnings per unit is calculated as net profit attributable to members divided by the weighted average number of ordinary units. Diluted earnings per unit is calculated as net profit attributable to members adjusted for any profit recognised in the period relating to dilutive potential ordinary units and divided by the weighted average number of ordinary units and dilutive potential ordinary units.

(p) Rounding

In accordance with ASIC Class Order 98/0100, the amounts shown in the financial report have, unless otherwise indicated, have been rounded to the nearest tenth of a million dollars. Amounts shown as 0.0 represent amounts less than $50,000 that have been rounded down.

	Consolidated		Parent Entity	
	31 Dec 09 $million	31 Dec 08 $million	**31 Dec 09 $million**	31 Dec 08 $million
NOTE 3 PROPERTY REVENUE				
Shopping centre base rent and other property income	**1,727.9**	1,683.3	**712.4**	676.9
Amortisation of tenant allowances	**(25.4)**	(21.2)	**(5.7)**	(8.5)
	1,702.5	1,662.1	**706.7**	668.4
NOTE 4 NET (LOSS)/GAIN FROM CAPITAL TRANSACTIONS				
Net fair value (loss)/gain on the termination of surplus interest rate swaps upon repayment of interest bearing liabilities with the proceeds from the issuance of units	**(9.7)**	–	**–**	–
Proceeds from asset sales	**62.1**	53.0	**9.4**	7.0
Less: Carrying value of assets sold	**(60.8)**	(37.4)	**(8.2)**	(2.7)
	(8.4)	15.6	**1.2**	4.3
NOTE 5 FINANCING COSTS				
Gross financing costs (excluding net fair value gain/(loss) on interest rate hedges that do not qualify for hedge accounting)				
– Interest bearing liabilities	**(334.8)**	(282.2)	**(59.7)**	(22.9)
– Other financial liabilities	**–**	(15.2)	**–**	(15.2)
Related party borrowing costs	**(89.3)**	(111.0)	**(314.0)**	(281.9)
Financing costs capitalised to construction projects	**97.8**	25.7	**–**	24.7
Financing costs	**(326.3)**	(382.7)	**(373.7)**	(295.3)
Finance leases interest expense	**(2.4)**	(2.1)	**(0.1)**	–
Net fair value gain/(loss) on interest rate hedges that do not qualify for hedge accounting	**205.8**	(439.9)	**189.2**	(358.6)
Net fair value loss on the termination of surplus interest rate swaps	**–**	(34.8)	**–**	(34.8)
Interest expense on other financial liabilities	**(72.7)**	(70.1)	**(72.7)**	(70.1)
Net fair value gain on other financial liabilities	**18.2**	186.9	**18.3**	186.9
	(177.4)	(742.7)	**(239.0)**	(571.9)
NOTE 6 TAXATION				
(a) Tax benefit				
Current – underlying tax	**(27.9)**	(3.5)	**–**	–
Deferred tax – net fair value movements of investment properties	**36.7**	30.7	**–**	–
	8.8	27.2	**–**	–
The prima facie tax on profit before tax is reconciled to the income tax benefit provided in the income statement as follows:				
Accounting profit/(loss) before income tax	**177.7**	(9.7)	**388.3**	133.7
Prima facie tax (expense)/benefit at 30% (31 December 2008: 30%)	**(53.3)**	2.9	**(116.5)**	(40.1)
Permanent differences	**1.8**	5.5	**–**	–
Australian trust income not assessable	**60.3**	18.8	**116.5**	40.1
Tax benefit	**8.8**	27.2	**–**	–
(b) Deferred tax liabilities				
Tax effect of book value in excess of the tax cost base of investment properties	**320.2**	386.1	**–**	–
	320.2	386.1	**–**	–

	Consolidated 31 Dec 09 cents	31 Dec 08 cents

NOTE 7 EARNINGS PER UNIT

(a) Attributable to members of WT

Basic earnings per unit	**7.95**	0.15
Diluted earnings/(loss) per unit	**7.63**	(4.66)

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

	No. of units	No. of units
Weighted average number of ordinary units used in calculating basic earnings per unit[i]	**2,249,026,955**	1,948,483,936
Dilutive options	**95,811,856**	99,112,882
Adjusted weighted average number of ordinary units used in calculating diluted earnings/(loss) per unit	**2,344,838,811**	2,047,596,818

	$million	$million
Earnings used in calculating basic earnings per unit	**178.8**	3.0
Adjustment to earnings on options which are considered dilutive	**–**	(98.4)
Earnings/(loss) used in calculating diluted earnings/(loss) per unit	**178.8**	(95.4)

The weighted average number of converted, lapsed or cancelled potential ordinary units used in diluted earnings per unit was nil (31 December 2008: 3,306,435).

[i] 2,249.0 million (31 December 2008: 1,948.5 million) weighted average number of units on issue for the period has been included in the calculation of basic and diluted earnings per unit as reported in the income statement.

(b) Conversions, calls, subscription or issues after 31 December 2009

There have been no conversions to, calls of, subscriptions for, or issuance of new or potential ordinary units since the reporting date and before the completion of this report.

	Consolidated		Parent Entity	
	31 Dec 09 $million	31 Dec 08 $million	**31 Dec 09 $million**	31 Dec 08 $million

NOTE 8 DERIVATIVE ASSETS

Current				
Receivables on currency derivatives	**5.7**	10.7	**–**	–
Receivables on currency derivatives with related entities	**95.4**	–	**109.6**	10.7
Receivables on interest rate derivatives	**15.5**	24.3	**13.5**	21.4
Receivables on interest rate derivatives with related entities	**4.7**	–	**6.8**	2.9
	121.3	35.0	**129.9**	35.0
Non Current				
Receivables on currency derivatives	**94.1**	203.7	**–**	–
Receivables on currency derivatives with related entities	**–**	153.4	**114.3**	357.1
Receivables on interest rate derivatives	**16.9**	72.6	**0.6**	66.0
Receivables on interest rate derivatives with related entities	**55.1**	51.6	**71.3**	58.2
	166.1	481.3	**186.2**	481.3

NOTE 9 RECEIVABLES

Current				
Sundry debtors	**85.3**	86.4	**57.4**	44.5
Amounts receivable from subsidiaries	**–**	–	**263.7**	232.3
Interest bearing loans receivable from controlled entities	**–**	–	**257.0**	–
Interest bearing loans receivable from related entities	**593.8**	–	**593.8**	–
Non interest bearing loans receivable from related entities	**1,959.9**	1,753.2	**1,963.4**	1,757.3
	2,639.0	1,839.6	**3,135.3**	2,034.1

	Consolidated 31 Dec 09 $million	Consolidated 31 Dec 08 $million	Parent Entity 31 Dec 09 $million	Parent Entity 31 Dec 08 $million
NOTE 10 PREPAYMENTS AND DEFERRED COSTS				
Current				
Prepayments and deposits	**13.5**	8.3	**7.4**	5.2
Deferred costs	**4.1**	2.9	**4.1**	2.9
	17.6	11.2	**11.5**	8.1
Non Current				
Deferred costs	**92.5**	12.1	**92.5**	12.1
	92.5	12.1	**92.5**	12.1
NOTE 11 INVESTMENT PROPERTIES				
Shopping centre investments	**21,416.2**	21,775.5	**8,535.0**	8,546.9
Development projects	**717.1**	446.2	**104.4**	96.8
	22,133.3	22,221.7	**8,639.4**	8,643.7
Movements in investment properties				
Balance at the beginning of the year	**22,221.7**	21,822.2	**8,643.7**	8,453.8
Disposal of properties	**(8.2)**	(2.7)	**(8.2)**	(2.7)
Redevelopment costs	**470.5**	545.8	**51.6**	126.7
Net revaluation (decrement)/increment	**(457.9)**	8.7	**(47.7)**	65.9
Retranslation of foreign operations	**(92.8)**	(152.3)	**–**	–
Balance at the end of the year[(i)]	**22,133.3**	22,221.7	**8,639.4**	8,643.7
[(i)]The fair value of investment properties at the end of the year is comprised of:				
Investment properties at market value	**22,099.6**	22,189.1	**8,637.6**	8,642.0
Add ground leases included as finance leases	**33.7**	32.6	**1.8**	1.7
Fair value of investment properties	**22,133.3**	22,221.7	**8,639.4**	8,643.7

An independent valuation of a shopping centre is conducted annually with the exception of those shopping centres under development. Independent valuations are conducted in accordance with International Valuation Standards Committee for Australian and New Zealand properties. The property capitalisation rates range from 5.25% to 8.63%. Refer to Note 14(a) and (b) of the Westfield Group Financial Report for details of property capitalisation rates by shopping centre.

The independent valuation uses capitalisation of net income method and the discounting of future net cash flows to their present value method.

Investment properties are carried at the Directors' determination of fair value which takes into account annual independent valuations, with updates at year end from independent valuations that were prepared at the half year. The carrying amount of investment properties comprises the original acquisition cost, subsequent capital expenditure, tenant allowances, deferred costs, ground leases and revaluation increments and decrements.

NOTE 12 DETAILS OF EQUITY ACCOUNTED INVESTMENTS

Name of entity	Type of equity	Balance Date	Economic Interest 31 Dec 09	Economic Interest 31 Dec 08	Consolidated Carrying Value 31 Dec 09 $million	Consolidated Carrying Value 31 Dec 08 $million
(a) Equity accounted entities carrying value						
Australian investments[(i)]						
AMP Capital Pacific Fair and Macquarie Shopping Centre Fund	Trust units	31 Dec	**10.0%**	10.0%	**63.7**	67.3
Karrinyup[(ii)]	Trust units	30 Jun	**33.3%**	33.3%	**180.0**	206.7
Mount Druitt[(ii)]	Trust units	30 Jun	**50.0%**	50.0%	**207.3**	211.9
SA Shopping Centre Trust	Trust units	31 Dec	**50.0%**	50.0%	**22.5**	23.1
Southland[(ii)]	Trust units	30 Jun	**50.0%**	50.0%	**581.6**	598.6
Tea Tree Plaza[(ii)]	Trust units	30 Jun	**50.0%**	50.0%	**304.6**	281.6
Cairns[(ii)]	Trust units	30 Jun	**50.0%**	50.0%	**228.0**	223.1
Total equity accounted investments					**1,587.7**	1,612.3

[(i)] All equity accounted property trusts operate solely as retail property investors.

[(ii)] Notwithstanding that the financial year of these investments ends on 30 June, the consolidated financial statements have been made out so as to include the accounts for a period coinciding with the financial year of the Parent Entity being 31 December.

NOTE 12 DETAILS OF EQUITY ACCOUNTED INVESTMENTS (CONTINUED)

	Consolidated 31 Dec 09 $million	Consolidated 31 Dec 08 $million
(b) Details of WT's aggregate share of equity accounted entities net profit		
Property revenue	**130.5**	125.8
Interest income	**0.4**	1.4
Revenue	**130.9**	127.2
Property expenses and outgoings	**(34.8)**	(36.1)
Borrowing costs	**(0.5)**	(3.9)
Expenses	**(35.3)**	(40.0)
Share of after tax profits of equity accounted entities before property revaluations	**95.6**	87.2
Property revaluations	**(32.7)**	(69.6)
Share in after tax profits of equity accounted entities	**62.9**	17.6
(c) Details of WT's aggregate share of equity accounted entities assets and liabilities		
Cash	**9.3**	9.8
Receivables	**5.8**	5.7
Shopping centre investments	**1,603.5**	1,627.5
Development projects	**8.7**	5.8
Other assets	**1.9**	2.9
Total assets	**1,629.2**	1,651.7
Payables	**(22.0)**	(19.9)
Interest bearing liabilities	**(19.5)**	(19.5)
Total liabilities	**(41.5)**	(39.4)
Net assets	**1,587.7**	1,612.3
(d) Details of WT's aggregate share of equity accounted entities lease commitments		
Operating lease receivables		
Future minimum rental revenues under non-cancellable operating retail property leases		
Due within one year	**85.7**	81.2
Due between one and five years	**197.2**	192.5
Due after five years	**111.6**	109.3
	394.5	383.0
(e) Details of WT's aggregate share of equity accounted entities capital expenditure commitments		
Estimated capital expenditure commitments in relation to development projects		
Due within one year	**–**	0.6
	–	0.6

	Consolidated 31 Dec 09 $million	Consolidated 31 Dec 08 $million	Parent Entity 31 Dec 09 $million	Parent Entity 31 Dec 08 $million
NOTE 13 OTHER INVESTMENTS				
Unlisted investments	**1,048.1**	1,245.0	**1,048.1**	1,245.0
Listed investments	**96.8**	97.3	**–**	–
Investments in subsidiaries	**–**	–	**12,900.6**	12,862.7
	1,144.9	1,342.3	**13,948.7**	14,107.7
Movements in other investments				
Balance at the beginning of the year	**1,342.3**	1,168.8	**14,107.7**	13,833.3
Additions	**434.5**	750.9	**640.3**	1,025.2
Disposals	**(52.6)**	(34.7)	**–**	–
Net revaluation decrement	**(579.3)**	(542.7)	**(799.3)**	(750.8)
Balance at the end of the year	**1,144.9**	1,342.3	**13,948.7**	14,107.7
NOTE 14 PAYABLES AND OTHER CREDITORS				
Current				
Payables and other creditors	**503.2**	522.3	**269.8**	256.6
Non interest bearing loans payable to related entities	**769.0**	836.1	**745.6**	826.0
	1,272.2	1,358.4	**1,015.4**	1,082.6

	Consolidated		Parent Entity	
	31 Dec 09 $million	31 Dec 08 $million	**31 Dec 09 $million**	31 Dec 08 $million
NOTE 15 INTEREST BEARING LIABILITIES				
Current				
Unsecured				
Notes payable				
– A$ denominated[(v)]	**160.0**	–	**160.0**	–
– US$ denominated[(ii)]	**646.4**	–	**–**	–
Loans from associates of the Responsible Entity	**1,010.3**	1,572.2	**810.4**	1,572.2
Loans from controlled entities	**–**	–	**646.4**	–
Secured				
Bank loans[(vi)]				
– A$ denominated	**61.4**	44.8	**–**	–
	1,878.1	1,617.0	**1,616.8**	1,572.2
Non Current				
Unsecured				
Bank loans				
– US$ denominated[(i)]	**388.8**	507.5	**–**	–
– £ denominated[(i)]	**–**	159.2	**–**	–
– A$ denominated[(i)]	**407.0**	805.0	**–**	–
– NZ$ denominated[(i)]	**312.5**	1,278.8	**–**	–
Notes payable				
– US$ denominated[(ii)]	**2,221.9**	1,640.9	**–**	–
– £ denominated[(iii)]	**791.8**	921.5	**–**	–
– € denominated[(iv)]	**298.7**	409.6	**–**	–
– A$ denominated[(v)]	**–**	160.0	**–**	160.0
Finance leases	**33.7**	32.6	**1.8**	1.7
Loans from controlled entities	**–**	–	**3,746.3**	4,443.7
Secured				
Bank loans[(vi)]				
– A$ denominated	**47.0**	55.2	**–**	–
	4,501.4	5,970.3	**3,748.1**	4,605.4
The maturity profile in respect of current and non current interest bearing liabilities is set out below:				
Due within one year	**1,878.1**	1,617.0	**1,616.8**	1,572.2
Due between one and five years	**2,734.3**	4,223.7	**2,012.0**	2,886.5
Due after five years	**1,767.1**	1,746.6	**1,736.1**	1,718.9
	6,379.5	7,587.3	**5,364.9**	6,177.6

The WT Group maintains a range of interest bearing liabilities. The sources of funding are spread over various counterparties to minimise credit risk and the terms of the instruments are negotiated to achieve a balance between capital availability and the cost of debt.

Refer Note 30 for details relating to fixed rate debt and derivatives which hedge the floating rate liabilities.

(i) These instruments are subject to negative pledge arrangements which require the Westfield Group to comply with certain minimum financial requirements.

(ii) Notes payable – US$

Guaranteed Senior Notes of US$7,378.7 million were issued in the US 144A bond market by the Westfield Group. The issues comprised US$678.7 million, US$600.0 million, US$2,100.0 million, US$750.0 million, US$900.0 million, US$1,100.0 million and US$1,250.0 million of fixed rate notes maturing 2010, 2012, 2014, 2015, 2016, 2018 and 2019 respectively. WT was assigned US$2,581.8 million comprising US$581.8 million, US$1,150.0 million, US$750.0 million and US$100.0 million of fixed rate notes maturing 2010, 2014, 2015 and 2019 respectively. These notes are subject to negative pledge arrangements which require the Westfield Group to comply with certain minimum financial requirements.

(iii) Notes payable – £

Guaranteed Notes of £600.0 million were issued in the European bond market by the Westfield Group. The issue comprised £600.0 million of fixed rate notes maturing 2017 of which WT was assigned £440.0 million. These notes are subject to negative pledge arrangements which require the Westfield Group to comply with certain minimum financial requirements.

(iv) Notes payable – €

Guaranteed Notes of €560.0 million were issued in the European bond market by the Westfield Group. The issue comprised €560.0 million of fixed rate notes maturing 2012 of which WT was assigned €186.7 million. These notes are subject to negative pledge arrangements which require the Westfield Group to comply with certain minimum financial requirements.

(v) Notes payable – A$

Medium term notes of A$160.0 million were issued in the Australian bond market by WT. The issue comprised A$160.0 million of fixed rate notes maturing 2010. These notes are subject to negative pledge arrangements which require WT to comply with certain minimum financial requirements.

(vi) Secured liabilities

Current and non current secured liabilities are $108.4 million (31 December 2008: $100.0 million). Secured liabilities are borrowings secured by mortgages over properties that have a fair value of $514.4 million (31 December 2008: $524.4 million).

The terms of the debt facilities preclude the properties from being used as security for other debt without the permission of the first mortgage holder. The debt facilities also require the properties to be insured.

NOTE 15 INTEREST BEARING LIABILITIES (CONTINUED)

	Consolidated 31 Dec 09 $million	Consolidated 31 Dec 08 $million
Financing facilities		
Committed financing facilities available to the WT Group:		
Total financing facilities at the end of the year	**13,790.2**	13,176.0
Amounts utilised[(i)]	**(6,387.4)**	(7,601.7)
Available financing facilities	**7,402.8**	5,574.3
Cash	**66.0**	144.1
Financing resources available at the end of the year	**7,468.8**	5,718.4
Maturity profile of financing facilities		
Maturity profile in respect of the above financing facilities:		
Due within one year	**3,563.0**	1,627.2
Due between one year and five years	**8,460.1**	9,829.9
Due after five years	**1,767.1**	1,718.9
	13,790.2	13,176.0

(i) Amounts utilised include borrowings and bank guarantees.

These facilities comprise floating rate secured facilities, fixed and floating rate notes and unsecured interest only floating rate facilities. Certain facilities are also subject to negative pledge arrangements which require the Westfield Group to comply with specific minimum financial requirements. These facilities exclude convertible notes and property linked notes set out in Note 16. Amounts which are denominated in foreign currencies are translated at exchange rates ruling at balance date.

WT as a member of the Westfield Group, is able to draw on financing facilities unutilised by the Westfield Group totalling A$ equivalent $7,402.8 million at year end which are included in available financing facilities shown above. These are interest only unsecured multicurrency multioption facilities.

NOTE 16 OTHER FINANCIAL LIABILITIES

	Note	Consolidated 31 Dec 09 $million	Consolidated 31 Dec 08 $million	Parent Entity 31 Dec 09 $million	Parent Entity 31 Dec 08 $million
Current					
Convertible notes – unsecured		**–**	1.3	**–**	1.3
		–	1.3	**–**	1.3
Non Current					
Property linked notes	(a)	**1,253.6**	1,271.8	**1,253.6**	1,271.8
		1,253.6	1,271.8	**1,253.6**	1,271.8
The maturity profile in respect of current and non current other financial liabilities is set out below:					
Due within one year		**–**	1.3	**–**	1.3
Due between one year and five years		**–**	–	**–**	–
Due after five years		**1,253.6**	1,271.8	**1,253.6**	1,271.8
		1,253.6	1,273.1	**1,253.6**	1,273.1

(a) Property linked notes

The Property Linked Notes (Notes) are designed to provide returns based on the economic performance of the following Westfield Australian super regional and regional shopping centres: Parramatta, Hornsby and Burwood in Sydney, Southland in Melbourne, Tea Tree Plaza in Adelaide and Belconnen in the ACT (collectively the "Westfield centres"). The return under the Notes is based on a proportional interest, in respect of the relevant Westfield centre, as specified in the Note (Reference Property Interest). The coupon is payable semi annually on 15 March and 15 September each year for as long as the Note remains outstanding. The review date for each Note is 31 December 2016 and each fifth anniversary of that date. Redemption events under the Notes include non performance events by the Issuer, changes in tax laws and sale of the relevant Westfield centre. The Notes may also be redeemed by agreement at a Review Date.

The redemption value of a Note is effectively calculated as the market value of the Note holder's Reference Property Interest at the date of redemption and the final coupon (if applicable). On redemption, the obligation to pay the amount due on the Notes, can, in certain circumstances, be satisfied by the transfer of the underlying Reference Property Interest to the Note holder. The Notes are subordinated to all other secured and unsecured debt of the WT Group. The Notes are guaranteed (on a subordinated basis) by WHL and Westfield America Management Limited as responsible entity of WAT. The Notes were initially recorded at fair value and are subsequently remeasured at fair value each reporting period with gains or losses recorded through the income statement. The gains or losses recorded through the income statement are directly related to the revaluation of the relevant Westfield centre. The fair value of the Notes is determined by reference to the fair value of the relevant Westfield centre.

	Consolidated		Parent Entity	
	31 Dec 09 $million	31 Dec 08 $million	**31 Dec 09 $million**	31 Dec 08 $million
NOTE 17 DERIVATIVE LIABILITIES				
Current				
Payables on currency derivatives	**95.4**	0.6	**–**	–
Payables on currency derivatives with related entities	**178.6**	–	**274.0**	0.6
Payables on interest rate derivatives	**4.8**	20.5	**4.6**	18.4
Payables on interest rate derivatives with related entities	**–**	–	**–**	2.1
	278.8	21.1	**278.6**	21.1
Non Current				
Payables on currency derivatives	**66.6**	3.9	**–**	–
Payables on currency derivatives with related entities	**201.9**	–	**268.5**	3.9
Payables on interest rate derivatives	**117.9**	330.5	**36.1**	165.9
Payables on interest rate derivatives with related entities	**–**	26.6	**82.8**	176.8
	386.4	361.0	**387.4**	346.6

	Units	Units	**Units**	Units
NOTE 18 CONTRIBUTED EQUITY				
(a) Number of units on issue				
Balance at the beginning of the year	**1,964,771,035**	1,942,195,614	**1,964,771,035**	1,942,195,614
Share placement/share purchase plan	**282,161,944**	–	**282,161,944**	–
Distribution reinvestment plan	**60,837,808**	6,460,687	**60,837,808**	6,460,687
Conversion of options/rights	**2,876**	16,114,734	**2,876**	16,114,734
Balance at the end of the year	**2,307,773,663**	1,964,771,035	**2,307,773,663**	1,964,771,035

Stapled securities have the right to receive declared dividends from WHL and distributions from WAT and WT and, in the event of winding up WHL, WAT and WT, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on stapled securities held.

Holders of stapled securities can vote their shares and units in accordance with the Act, either in person or by proxy, at a meeting of either WHL, WAT and WT (as the case may be). The stapled securities have no par value.

	Consolidated		Parent Entity	
	31 Dec 09 $million	31 Dec 08 $million	**31 Dec 09 $million**	31 Dec 08 $million
(b) Movements in contributed equity attributable to Members of WT				
Balance at the beginning of the year	**8,196.2**	8,033.8	**8,196.2**	8,033.8
Share placement/share purchase plan	**1,932.6**	–	**1,932.6**	–
Distribution reinvestment plan	**463.7**	70.4	**463.7**	70.4
Conversion of options/rights	–	92.0	**–**	92.0
Costs associated with the issuance of units	**(42.8)**	–	**(42.8)**	–
Balance at the end of the year	**10,549.7**	8,196.2	**10,549.7**	8,196.2

	Note	31 Dec 09 No. of options/ rights	31 Dec 09 Weighted average exercise price $	31 Dec 08 No. of options/ rights	31 Dec 08 Weighted average exercise price $
NOTE 19 SHARE BASED PAYMENTS					
Options and rights on issue					
– Series F Special options	19(i)	**52,500**	3.46	52,500	2.71
– Series G1 Special options	19(ii)	**277,778**	1.79	277,778	1.28
– Series H Special options	19(iii)	**11,805,862**	2.03	11,805,862	1.45
– Series I Special options	19(iv)	**13,260,859**	1.96	13,260,859	1.40
– Employee Performance and Incentive Rights	19(v)	**4,526,207**	–	2,390,992	–
		29,923,206	2.10	27,787,991	1.52
Movements in options and rights on issue					
Balance at the beginning of the year		**27,787,991**	1.52	26,168,093	4.10
Movements in Executive options[ii]					
Options exercised during the year					
– extinguished by issuance of new units		**–**	–	(2,415)	–
– extinguished by payment of cash equal to the difference between market value and the exercise price		**–**	–	(90,000)	5.79
– extinguished by issuance of new units for $nil consideration equal to the difference between market value and the exercise price		**–**	–	(147,550)	5.74
Movements in WT 2009 options[iii]					
Options exercised during the year					
– extinguished by issuance of new units		**–**	–	(221,800)	4.99
– extinguished by payment of cash		**–**	–	(300)	4.99
Options lapsed during the year		**–**	–	(1,300)	4.99
Movement in Series G Special options[iv]					
Options lapsed during the year		**–**	–	(307,729)	6.60
Movement in Employee Performance & Incentive Rights issued to employees of Related Parties					
– rights granted during the year		**2,321,776**	–	2,396,883	–
– rights exercised during the year		**(2,876)**	–	–	–
– rights forfeited during the year		**(183,685)**	–	(5,891)	–
Balance at the end of the year[i]		**29,923,206**	2.10	27,787,991	1.52

[i] At 31 December 2009, the 29,923,206 (31 December 2008: 27,787,991) options on issue were convertible to 100,338,063 (31 December 2008: 98,202,847) Westfield Group stapled securities.

[ii] The options and awards issued under the Executive Option Plan were fully extinguished in 2008.

[iii] The WT 2009 options were fully extinguished in 2008.

[iv] The Series G Special Options were fully cancelled in 2008.

(i) Series F Special Options

The WAT Series F Special Option entitles the holder the right to be issued for 157.35 fully paid stapled securities in exchange for either US$1,000 ($1,110.99) or 1 Series F preferred share in Westfield America, Inc. (WEA). The Series F Special Options are exercisable during the period commencing on 1 June 2007 and ending on 1 June 2020. As at 31 December 2009 and 31 December 2008 there were 52,500 Series F Special Options on issue which are exchangeable for 8,260,875 stapled securities.

The Parent Entity and WHL have each granted 52,500 options to the Responsible Entity of WAT to enable WAT to satisfy its obligations to deliver the Westfield Group securities to the holder of the Series F Options on exercise of those options. Where the exercise of a Series F Special Option is satisfied by delivery of US$1,000, WAT must pay the Parent Entity US$375.00 (37.5% of the exercise price). Where the exercise price of the Series F Option is satisfied by the delivery of a Series F Preferred Share, WAT must pay the Parent Entity US$375.00 being 37.5% of US$1,000 (being the value of the Series F Preferred Share under the Option).

(ii) Series G1 Special Options

The WAT Series G1 Special Options are exercisable any time after September 2003 and expire on the date being 10 days prior to the date of termination of WAT. Each Series G1 Special Option entitles the holder to deliver a Series D Cumulative Redeemable Preference Share (Series D CPS) in WEA (or the number of WEA common shares into which a Series D CPS has been converted). On exercise the holder of a Series G1 Special Option will receive 34.6632 stapled securities. The ratio will be appropriately adjusted where, instead of delivering a Series D CPS, the holder delivers the number of WEA common shares into which a Series D CPS has been converted. As at 31 December 2009 and 31 December 2008, there were 277,778 Series G1 Special Options on issue which are exchangeable for 9,628,674 stapled securities.

The Parent Entity and WHL have each granted 277,778 options to the Responsible Entity of WAT to enable WAT to satisfy its obligations to deliver the Westfield Group securities to the holder of the Series G1 Special Options on exercise of those options. Where the exercise of a Series G1 Special Option is satisfied by delivery of a Series D CPS (or common WEA shares into which the Series D CPS has converted) WAT must pay the Parent Entity 37.5% of the value of a Series D CPS (or WEA common shares into which the Preferred Share has converted) at the time of exercise.

NOTE 19 SHARE BASED PAYMENTS (CONTINUED)

(iii) Series H Special Options

The WAT Series H Special Options are exercisable any time after September 2003 and expire on the date being 10 days prior to the date of termination of WAT. The Series H Special Options are exercisable by the holder delivering a common share in WEA. On exercise the holder of a Series H Special Option will receive 3.049065 stapled securities. As at 31 December 2009 and 31 December 2008 there were 11,805,862 Series H Special Options on issue which are exchangeable for 35,996,841 stapled securities.

The Parent Entity and WHL have each granted 11,805,862 options to the Responsible Entity of WAT to enable WAT to satisfy its obligations to deliver stapled securities to the holder of the Series H Special Options on exercise of those options. Where the exercise of a Series H Special Option is satisfied by delivery of a WEA common share WAT must pay the Parent Entity 37.5% of the value of a WEA common share at the time of exercise.

(iv) Series I Special Options

The WAT Series I Special Options are exercisable any time after May 2004 and expire on the date being 10 days prior to the date of termination of WAT. The Series I Special Options are exercisable by the holder delivering a common share in WEA. On exercise the holder of a Series I Special Option will receive 3.161595 stapled securities. As at 31 December 2009 and 31 December 2008, there were 13,260,859 Series I Special Options on issue which are exchangeable for 41,925,466 stapled securities.

The Parent Entity and WHL have each granted 13,260,859 options to the Responsible Entity of WAT to enable WAT to satisfy its obligations to deliver stapled securities to the holder of the Series I Special Options on exercise of those options. Where the exercise of a Series I Special Option is satisfied by delivery of a WEA common share WAT must pay the Parent Entity 37.5% of the value of a WEA common share at the time of exercise.

(v) Employee Performance & Incentive Rights Issued to Employees of Related Parties

There are 4,526,207 (31 December 2008: 2,390,992) Employee Performance and Incentive Rights on issue as at 31 December 2009. Under the stapling arrangement each of WT, WHL and WAT are required to issue securities/units on the vesting of an Employee Performance or Incentive Right. At 31 December 2009, the 4,526,207 (31 December 2008: 2,390,992) Employee Performance and Incentive Rights on issue were convertible to 4,526,207 (31 December 2008: 2,390,992) Westfield Group stapled securities.

	31 Dec 09 No. of rights	31 Dec 08 No. of rights
Vesting profile – Employee Performance & Incentive Rights (Issued to employees of related parties)		
2009	**–**	2,876
2010	**1,042,274**	1,113,968
2011	**2,111,274**	690,640
2012	**1,014,608**	583,508
2013	**358,051**	–
	4,526,207	2,390,992

	Note	Consolidated **31 Dec 09 $million**	Consolidated 31 Dec 08 $million	Parent Entity **31 Dec 09 $million**	Parent Entity 31 Dec 08 $million
NOTE 20 RESERVES					
Foreign currency translation reserve		**46.3**	56.8	**–**	–
Asset revaluation reserve		**–**	–	**5,072.0**	5,292.0
		46.3	56.8	**5,072.0**	5,292.0
(a) Movement in foreign currency translation reserve					
The foreign currency translation reserve is to record net exchange differences arising from the translation of financial statements of foreign controlled entities and the net investments hedged in these entities.					
Balance at the beginning of the year		**56.8**	134.2	**–**	–
Foreign exchange movement					
– translation of foreign entities		**(10.5)**	(77.4)	**–**	–
Balance at the end of the year		**46.3**	56.8	**–**	–
(b) Movement in asset revaluation reserve					
The asset revaluation reserve is to record unrealised increments and decrements in the value of assets held as available for sale.					
Balance at the beginning of the year		–	59.2	**5,292.0**	5,559.3
Revaluation decrement		–	(59.2)	**(220.0)**	(267.3)
Balance at the end of the year		–	–	**5,072.0**	5,292.0
NOTE 21 RETAINED PROFITS					
Movement in retained profits					
Balance at the beginning of the year		**8,221.7**	9,215.3	**2,986.5**	3,849.4
Profit after tax attributable to members		**178.8**	3.0	**388.3**	133.7
Distributions paid	23	**(1,148.2)**	(996.6)	**(1,148.2)**	(996.6)
Balance at the end of the year		**7,252.3**	8,221.7	**2,226.6**	2,986.5

	Consolidated		Parent Entity	
	31 Dec 09 $million	31 Dec 08 $million	**31 Dec 09 $million**	31 Dec 08 $million

NOTE 22 CASH AND CASH EQUIVALENTS

(a) Components of cash and cash equivalents				
Cash	**66.0**	144.1	**26.3**	69.7
Total cash and cash equivalents	**66.0**	144.1	**26.3**	69.7
(b) Reconciliation of profit after income tax to net cash flows from operating activities				
Profit after tax	**178.8**	3.0	**388.3**	133.7
Property revaluations	**1,037.2**	474.8	**627.0**	417.6
Deferred tax benefit	**(36.7)**	(30.7)	**–**	–
Financing costs	**177.4**	742.7	**239.0**	571.9
Interest income	**(18.3)**	(18.0)	**(16.8)**	(13.6)
Share of associate's profit in excess of distribution	**24.3**	68.3	–	–
Net loss/(gain) from capital transactions	**8.4**	(15.6)	**(1.2)**	(4.3)
Increase/(decrease) in other assets attributable to operating activities	**23.7**	72.9	**(36.9)**	(53.8)
Net profit attributable to minority interests	**7.7**	14.5	**–**	–
Currency derivatives and exchange differences	**(75.5)**	12.1	**(74.3)**	(21.5)
Net cash flows from operating activities	**1,327.0**	1,324.0	**1,125.1**	1,030.0

NOTE 23 DISTRIBUTIONS

(a) Final distribution proposed				
65% estimated tax advantaged (31 December 2008: 67% tax advantaged)	**646.2**	510.8	**646.2**	510.8
	646.2	510.8	**646.2**	510.8

Interim distributions of 28.00 cents were paid on 31 August 2009. Final proposed distributions were paid on 26 February 2010. The record date for these distributions was 5pm, 11 February 2010. The Westfield Group Distribution Reinvestment Plan (DRP) was suspended from operation on 2 February 2010. Accordingly the DRP was not in operation for the distribution paid on 26 February 2010.

	Consolidated		Parent Entity	
	31 Dec 09 $million	31 Dec 08 $million	**31 Dec 09 $million**	31 Dec 08 $million
(b) Distributions paid during the year				
Distribution in respect of the 6 months to 30 June 2009	**637.4**	–	**637.4**	–
Distribution in respect of the 6 months to 31 December 2008	**510.8**	–	**510.8**	–
Distribution in respect of the 6 months to 30 June 2008	**–**	549.9	**–**	549.9
Distribution in respect of the 6 months to 31 December 2007	**–**	446.7	**–**	446.7
Total distribution paid	**1,148.2**	996.6	**1,148.2**	996.6

NOTE 24 LEASE COMMITMENTS

Operating lease receivables

Substantially all of the properties owned and leased by WT is leased to third party retailers. Lease terms vary between retailers and some leases include percentage rental payments based on sales revenue.

Future minimum rental revenues under non-cancellable operating retail property leases:				
Due within one year	**1,396.2**	1,383.7	**571.9**	554.7
Due between one and five years	**3,428.0**	3,472.3	**1,384.6**	1,457.6
Due after five years	**2,185.0**	2,382.3	**814.0**	895.7
	7,009.2	7,238.3	**2,770.5**	2,908.0

These amounts do not include percentage rentals which may become receivable under certain leases on the basis of retailer sales in excess of stipulated minimums and do not include recovery of outgoings.

	Consolidated		Parent Entity	
	31 Dec 09 $million	31 Dec 08 $million	**31 Dec 09 $million**	31 Dec 08 $million

NOTE 25 CAPITAL EXPENDITURE COMMITMENTS

Estimated capital expenditure committed at balance date but not provided for in relation to development projects:				
Due within one year	**313.8**	160.7	**–**	–
Due between one and five years	**435.3**	657.1	**–**	–
Due after five years	**–**	–	**–**	–
	749.1	817.8	**–**	–

	Consolidated 31 Dec 09 $million	Consolidated 31 Dec 08 $million	Parent Entity 31 Dec 09 $million	Parent Entity 31 Dec 08 $million
NOTE 26 CONTINGENT LIABILITIES				
Performance guarantees	**16.5**	14.4	**1.4**	0.3
Guaranteed borrowings of controlled entities	**–**	–	**5,067.2**	5,722.4
Guaranteed borrowings of associates of the Responsible Entity	**7,341.6**	10,149.4	**7,341.6**	10,149.4
	7,358.1	10,163.8	**12,410.2**	15,872.1

WT's obligation in respect of performance guarantees may be called on at anytime dependent upon the performance or non performance of certain third parties. From time to time, in the normal course of business, WT is involved in lawsuits. The Directors believe that the ultimate outcome of such pending litigation will not materially affect the results of operations or the financial position of WT.

NOTE 27 SEGMENT INFORMATION

The principal activity of the WT Group is the ownership of shopping centre investments across Australia and New Zealand.

	Australia 31 Dec 09 $million	Australia 31 Dec 08 $million	New Zealand 31 Dec 09 $million	New Zealand 31 Dec 08 $million	Consolidated 31 Dec 09 $million	Consolidated 31 Dec 08 $million
Revenue						
Property revenue	**1,462.6**	1,419.2	**239.9**	242.9	**1,702.5**	1,662.1
Distributions from other investments	**1.3**	–	**–**	–	**1.3**	–
	1,463.9	1,419.2	**239.9**	242.9	**1,703.8**	1,662.1
Share of after tax profits of equity accounted entities						
Property revenue	**130.5**	125.8	**–**	–	**130.5**	125.8
Property expenses and outgoings	**(34.8)**	(36.1)	**–**	–	**(34.8)**	(36.1)
Net interest expense	**(0.1)**	(2.5)	**–**	–	**(0.1)**	(2.5)
	95.6	87.2	**–**	–	**95.6**	87.2
Expenses						
Property expenses and outgoings	**(377.3)**	(408.7)	**(61.3)**	(62.4)	**(438.6)**	(471.1)
Property and funds management costs	**(16.5)**	(17.0)	**–**	–	**(16.5)**	(17.0)
Corporate costs	**(3.8)**	(4.9)	**(0.9)**	(0.4)	**(4.7)**	(5.3)
	(397.6)	(430.6)	**(62.2)**	(62.8)	**(459.8)**	(493.4)
Segment Result	**1,161.9**	1,075.8	**177.7**	180.1	**1,339.6**	1,255.9
Segment revaluations and net (loss)/gain from capital transactions						
Revaluations of properties						
– Consolidated	**(841.3)**	(306.1)	**(195.9)**	(168.7)	**(1,037.2)**	(474.8)
– Equity accounted	**(32.7)**	(69.6)	**–**	–	**(32.7)**	(69.6)
Minority interest share of property revaluations	**1.8**	(5.3)	**–**	–	**1.8**	(5.3)
Net (loss)/gain from capital transactions	**(8.4)**	15.6	**–**	–	**(8.4)**	15.6
	(880.6)	(365.4)	**(195.9)**	(168.7)	**(1,076.5)**	(534.1)
Currency derivatives and exchange differences					**75.5**	(12.1)
Interest income					**18.3**	18.0
Financing costs					**(177.4)**	(742.7)
Tax benefit					**8.8**	27.2
Minority interest					**(9.5)**	(9.2)
Net profit attributable to members of WT					**178.8**	3.0
Segment assets						
Segment assets	**22,537.1**	22,683.9	**2,414.3**	2,653.9	**24,951.4**	25,337.8
Corporate assets					**3,036.5**	2,379.2
Total segment assets	**22,537.1**	22,683.9	**2,414.3**	2,653.9	**27,987.9**	27,717.0
Segment liabilities						
Segment liabilities	**1,037.9**	1,330.5	**285.0**	79.6	**1,322.9**	1,410.1
Corporate liabilities					**8,622.6**	9,636.4
Total segment liabilities	**1,037.9**	1,330.5	**285.0**	79.6	**9,945.5**	11,046.5
Other segment information						
Investment in equity accounted entities included in segment assets	**1,587.7**	1,612.3	**–**	–	**1,587.7**	1,612.3
Additions to segment non current assets	**857.5**	1,226.5	**47.5**	70.2	**905.0**	1,296.7

NOTE 28 CAPITAL RISK MANAGEMENT

The WT Group seeks to manage its capital requirements to maximise value to members through the mix of debt and equity funding, while ensuring that WT Group entities:

– comply with capital and distribution requirements of their constitutions and/or trust deeds;
– comply with capital requirements of relevant regulatory authorities;
– maintain strong investment grade credit ratings; and
– continue to operate as going concerns.

The WT Group assesses the adequacy of its capital requirements, cost of capital and gearing (i.e. debt/equity mix) as part of its broader strategic plan. The WT Group continuously reviews its capital structure to ensure:

– sufficient funds and financing facilities, on a cost effective basis are available to implement the WT Group's property development and business acquisition strategies;
– adequate financing facilities for unforeseen contingencies are maintained; and
– distributions to members are made within the stated distribution policy.

The WT Group is able to alter its capital mix by issuing new stapled securities and hybrid securities, activating its distribution reinvestment plan, electing to have the distribution reinvestment underwritten, adjusting the amount of distributions paid to members, activating a security buyback program, divesting assets to repay borrowings or adjusting the timing of capital expenditure for its property redevelopment pipeline.

The WT Group also protects its equity in assets by taking out insurance.

NOTE 29 FINANCIAL RISK MANAGEMENT

The WT Group's principal financial instruments comprise cash, receivables, payables, interest bearing liabilities, other financial liabilities, other investments and derivative financial instruments.

The WT Group manages its exposure to key financial risks in accordance with the WT Group's treasury risk management policies. These policies have been established to manage the key financial risks such as interest rate, foreign exchange, counterparty credit and liquidity.

The WT Group's treasury risk management policies are established to identify and analyse the risks faced by the WT Group, to set appropriate risk limits and controls to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the WT Group's activities. The WT Group through its training and procedures, has developed a disciplined and constructive control environment in which relevant treasury and finance personnel understand their roles and obligations in respect of the WT Group's treasury management objective.

The WT Group has an established Board approved risk management framework including policies, procedures, limits and allowed types of derivative financial instruments. The Board has appointed a Board Risk Management Committee comprising four directors. The Board Risk Management Committee reviews and oversees management's compliance with these policies, procedures and limits. The Board Risk Management Committee is assisted in the oversight role by the WT Group's Executive Risk Management Committee and internal audit function.

The WT Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rates, foreign exchange, liquidity and credit risk. The WT Group enters into derivative financial instruments, principally interest rate swaps, interest rate options, cross currency swaps, forward exchange contracts and currency options. The purpose of these transactions is to manage the interest rate and currency risks arising from the WT Group's operations, cash flows, interest bearing liabilities and its net investments in foreign operations. The WT Group seeks to deal only with creditworthy counterparties and these assessments are regularly reviewed. Liquidity risk is monitored through the use of future rolling cash flow forecasts.

NOTE 30 INTEREST RATE RISK MANAGEMENT

The WT Group is exposed to interest rate risk on its borrowings and derivative financial instruments. This risk is managed by the WT Group by maintaining an appropriate mix between fixed and floating rate interest bearing liabilities. Fixed rate debt is achieved either through fixed rate debt funding or through the use of derivative financial instruments approved by the Board. These activities are evaluated regularly to determine that the WT Group is not exposed to interest rate movements that could adversely impact its ability to meet its financial obligations and to comply with its borrowing covenants.

Summary of interest rate positions at balance date

The WT Group has interest risk on borrowings which are typically floating rate debt or notional borrowings entered into under currency derivatives. The exposures at reporting date together with the interest rate risk management transactions are as follows:

(i) Interest payable and receivable exposures

	Note	**31 Dec 09 $million**	31 Dec 08 $million
Principal amounts of all interest bearing liabilities:			
Current interest bearing liabilities	15	**1,878.1**	1,617.0
Non current interest bearing liabilities	15	**4,501.4**	5,970.3
Unsecured convertible notes	16	**–**	1.3
Share of equity accounted entities interest bearing liabilities	12(c)	**19.5**	19.5
Cross currency swaps			
– A$	31(i)	**3,823.7**	3,081.9
– £121.1 million (31 December 2008: £133.0 million)	31(i)	**217.9**	278.5
Foreign currency swaps			
– A$	31(ii)	**969.9**	–
– US$600.0 million (31 December 2008: nil)	31(ii)	**666.6**	–
– £39.0 million (31 December 2008: nil)	31(ii)	**70.2**	–
Principal amounts subject to interest rate payable exposure		**12,147.3**	10,968.5

NOTE 30 INTEREST RATE RISK MANAGEMENT (CONTINUED)

Summary of interest rate positions at balance date (continued)

(i) Interest payable and receivable exposures (continued)

	Note	**31 Dec 09 $million**	31 Dec 08 $million
Principal amounts of all interest bearing assets:			
Loans receivable from related entities			
– £330.0 million (31 December 2008: nil)	9	**593.8**	–
Cross currency swaps			
– US$2,710.0 million (31 December 2008: US$1,360.0 million)	31(i)	**3,010.8**	1,971.9
– €186.7 million (31 December 2008: €200.0 million)	31(i)	**298.8**	409.6
– NZ$429.3 million (31 December 2008: NZ$1,617.5 million)	31(i)	**346.7**	1,352.3
Foreign currency swaps			
– A$	31(ii)	**862.2**	–
– US$761.8 million (31 December 2008: nil)	31(ii)	**846.4**	–
Cash	22(a)	**66.0**	144.1
Share of equity accounted entities cash	12(c)	**9.3**	9.8
Principal amounts subject to interest rate receivable exposure		**6,034.0**	3,887.7
Principal amounts of net interest bearing liabilities subject to interest rate payable exposure		**6,113.3**	7,080.8
Principal amounts of fixed interest rate liabilities:			
Fixed rate loans			
– A$	30(ii)	**160.0**	160.0
– €186.7 million (31 December 2008: €200.0 million)	30(ii)	**298.8**	409.6
– £440.0 million (31 December 2008: £440.0 million)	30(ii)	**791.8**	921.5
– US$2,581.8 million (31 December 2008: US$1,131.8 million)	30(ii)	**2,868.3**	1,641.0
Fixed rate derivatives			
– A$	30(ii)	**3,304.1**	2,501.4
– £171.1 million (31 December 2008: £425.5 million)	30(ii)	**307.9**	891.1
Foreign currency swaps			
– A$	31(ii)	**969.9**	–
– US$600.0 million (31 December 2008: nil)	31(ii)	**666.6**	–
– £39.0 million (31 December 2008: nil)	31(ii)	**70.2**	–
Principal amounts on which interest rate payable exposure has been hedged		**9,437.6**	6,524.6
Principal amounts of fixed interest rate assets:			
Fixed rate derivatives			
– US$2,500.0 million (31 December 2008: US$1,150.0 million)	30(ii)	**2,777.5**	1,667.4
– €186.7 million (31 December 2008: €200.0 million)	30(ii)	**298.8**	409.6
Foreign currency swaps			
– A$	31(ii)	**862.2**	–
– US$761.8 million (31 December 2008: nil)	31(ii)	**846.4**	–
Principal amounts on which interest rate receivable exposure has been hedged		**4,784.9**	2,077.0
Principal amounts on which net interest rate payable exposure has been hedged		**4,652.7**	4,447.6

At 31 December 2009, the WT Group has fixed 76% of its net interest payable exposure by way of fixed rate borrowings and interest rate derivatives of varying durations. The remaining 24% is exposed to floating rates on a principal payable of $1,460.6 million, at an average interest rate of 5.6%, including margin (31 December 2008: 63% hedged with floating exposure of $2,633.2 million at an average rate of 4.7%). Changes to the fair value of the fixed rate borrowings and derivatives due to interest rate movements are set out in Note 30(ii).

		31 Dec 09 $million	31 Dec 08 $million
Interest rate sensitivity The sensitivity of interest expense to changes in floating interest rates is as follows:	Interest rate movement	(Increase)/decrease in interest expense	
	–1.0%	**14.6**	26.3
	–0.5%	**7.3**	13.2
	0.5%	**(7.3)**	(13.2)
	1.0%	**(14.6)**	(26.3)

NOTE 30 INTEREST RATE RISK MANAGEMENT (CONTINUED)

Summary of interest rate positions at balance date (continued)

(ii) Fixed rate debt and interest rate swaps

The WT Group is exposed to interest rate risk on its borrowings and derivative financial instruments. This risk is managed by the WT Group by maintaining an appropriate mix between fixed and floating rate interest bearing liabilities. Fixed rate debt is achieved either through fixed rate debt funding or through the use of derivative financial instruments approved by the Board. These activities are evaluated regularly to ensure that the WT Group is not exposed to interest rate movements that could adversely impact its ability to meet its financial obligations and to ensure compliance with borrowing covenants.

Notional principal or contract amounts of the WT Group's consolidated and share of equity accounted fixed rate debt and interest rate swaps:

	Interest rate swaps		**Fixed rate borrowings**		Interest rate swaps		Fixed rate borrowings	
Fixed rate debt and swaps contracted as at the reporting date and outstanding at	**31 Dec 09 Notional principal amount million**	**31 Dec 09 Average rate**	**31 Dec 09 Principal amount million**	**31 Dec 09 Average rate including margin**	31 Dec 08 Notional principal amount million	31 Dec 08 Average rate	31 Dec 08 Principal amount million	31 Dec 08 Average rate including margin
A$ (payable)/receivable								
31 December 2008	–	–	–	–	A$(2,501.4)	5.57%	A$(160.0)	5.46%
31 December 2009	**A$(3,304.1)**	**6.91%**	**A$(160.0)**	**5.46%**	A$(2,541.4)	6.17%	A$(160.0)	5.46%
31 December 2010	**A$(2,939.9)**	**7.10%**	–	–	A$(2,174.7)	6.32%	–	–
31 December 2011	**A$(3,565.4)**	**6.62%**	–	–	A$(3,000.2)	5.86%	–	–
31 December 2012	**A$(3,437.9)**	**6.89%**	–	–	A$(2,875.2)	6.15%	–	–
31 December 2013	**A$(2,737.9)**	**7.28%**	–	–	A$(2,525.2)	6.45%	–	–
31 December 2014	**A$(1,213.0)**	**6.13%**	–	–	A$(1,763.0)	6.20%	–	–
31 December 2015	**A$(1,408.5)**	**6.18%**	–	–	A$(1,408.5)	6.18%	–	–
31 December 2016	**A$(503.5)**	**6.26%**	–	–	A$(503.5)	6.26%	–	–
31 December 2017	**A$(503.5)**	**6.26%**	–	–	A$(503.5)	6.26%	–	–
€ receivable/(payable)								
31 December 2008	–	–	–	–	€200.0	3.58%	€(200.0)	3.58%
31 December 2009	**€186.7**	**3.58%**	**€(186.7)**	**3.58%**	€200.0	3.58%	€(200.0)	3.58%
31 December 2010	**€186.7**	**3.58%**	**€(186.7)**	**3.58%**	€200.0	3.58%	€(200.0)	3.58%
31 December 2011	**€186.7**	**3.58%**	**€(186.7)**	**3.58%**	€200.0	3.58%	€(200.0)	3.58%
£ (payable)/receivable								
31 December 2008	–	–	–	–	£(425.5)	5.10%	£(440.0)	5.39%
31 December 2009	**£(171.1)**	**5.12%**	**£(440.0)**	**5.39%**	£(425.5)	5.10%	£(440.0)	5.39%
31 December 2010	**£(413.6)**	**5.13%**	**£(440.0)**	**5.39%**	£(425.5)	5.10%	£(440.0)	5.39%
31 December 2011	**£(413.6)**	**5.13%**	**£(440.0)**	**5.39%**	£(425.5)	5.10%	£(440.0)	5.39%
31 December 2012	**£(292.5)**	**4.99%**	**£(440.0)**	**5.39%**	£(292.5)	4.99%	£(440.0)	5.39%
31 December 2013	**£(292.5)**	**4.99%**	**£(440.0)**	**5.39%**	£(292.5)	4.99%	£(440.0)	5.39%
31 December 2014	–	–	**£(440.0)**	**5.39%**	–	–	£(440.0)	5.39%
31 December 2015	–	–	**£(440.0)**	**5.39%**	–	–	£(440.0)	5.39%
31 December 2016	–	–	**£(440.0)**	**5.39%**	–	–	£(440.0)	5.39%
US$ receivable/(payable)								
31 December 2008	–	–	–	–	US$1,150.0	4.71%	US$(1,131.8)	4.71%
31 December 2009	**US$2,500.0**	**4.72%**	**US$(2,581.8)**	**5.71%**	US$1,150.0	4.71%	US$(1,131.8)	4.71%
31 December 2010	**US$1,900.0**	**4.83%**	**US$(2,000.0)**	**6.11%**	US$550.0	5.09%	US$(550.0)	5.09%
31 December 2011	**US$1,900.0**	**4.83%**	**US$(2,000.0)**	**6.11%**	US$550.0	5.09%	US$(550.0)	5.09%
31 December 2012	**US$1,900.0**	**4.83%**	**US$(2,000.0)**	**6.11%**	US$550.0	5.09%	US$(550.0)	5.09%
31 December 2013	**US$1,900.0**	**4.83%**	**US$(2,000.0)**	**6.11%**	US$550.0	5.09%	US$(550.0)	5.09%
31 December 2014	**US$750.0**	**2.55%**	**US$(850.0)**	**5.83%**	–	–	–	–
31 December 2015	–	–	**US$(100.0)**	**6.69%**	–	–	–	–
31 December 2016	–	–	**US$(100.0)**	**6.69%**	–	–	–	–
31 December 2017	–	–	**US$(100.0)**	**6.69%**	–	–	–	–
31 December 2018	–	–	**US$(100.0)**	**6.69%**	–	–	–	–

NOTE 30 INTEREST RATE RISK MANAGEMENT (CONTINUED)

Summary of interest rate positions at balance date (continued)

(ii) Fixed rate debt and interest rate swaps (continued)

The WT Group's interest rate swaps do not meet the accounting requirements to qualify for hedge accounting treatment. Gains or losses arising from changes in fair value have been reflected in the income statement as a component of interest expense. The gain for the year ended 31 December 2009 was $203.6 million (31 December 2008: loss of $469.6 million). At 31 December 2009, the aggregate fair value is a payable of $25.6 million (31 December 2008: $229.1 million).

		31 Dec 09 $million	31 Dec 08 $million
Fair value sensitivity The sensitivity of fair value to changes in interest rates is as follows:	Interest rate movement	(Increase)/decrease in interest expense	
	–1.0%	**(76.3)**	(148.8)
	–0.5%	**(38.9)**	(73.3)
	0.5%	**38.2**	70.8
	1.0%	**75.7**	138.2

All fixed rate borrowings are carried at amortised cost, therefore increases or decreases arising from changes in fair value have not been recorded in these financial statements. The increase in fair value of borrowings for the year ended 31 December 2009 was $962.3 million (31 December 2008: decrease of $642.9 million). The difference between the carrying value and fair value of fixed rate debt at 31 December 2009 is a payable of $148.7 million (31 December 2008: receivable of $813.6 million).

		31 Dec 09 $million	31 Dec 08 $million
Fair value sensitivity The sensitivity of fair value to changes in interest rates is as follows:	Interest rate movement	(Increase)/decrease in fair value of borrowings	
	–1.0%	**(171.6)**	(85.3)
	–0.5%	**(84.4)**	(42.0)
	0.5%	**82.3**	41.4
	1.0%	**162.1**	80.9

(iii) Interest rate caps

The WT Group is exposed to interest rate risk on its borrowings and derivative financial instruments. This risk is managed by the WT Group by maintaining an appropriate mix between fixed and floating rate interest bearing liabilities. Fixed rate debt is achieved either through fixed rate debt funding or through the use of derivative financial instruments approved by the Board. These activities are evaluated regularly to ensure that the WT Group is not exposed to interest rate movements that could adversely impact its ability to meet its financial obligations and to ensure compliance with borrowing covenants.

Notional principal of the WT Group's consolidated and equity accounted interest rate caps:

	Interest rate caps		Interest rate caps	
Interest rate caps contracted as at the reporting date and outstanding at	**31-Dec-09 Notional principal amount million**	**31-Dec-09 Strike rate**	31-Dec-08 Notional principal amount million	31-Dec-08 Strike rate
A$ payable				
31 December 2010	**A$(1,500.0)**	**6.50%**	–	–
31 December 2011	**A$(1,500.0)**	**6.50%**	–	–
31 December 2012	**A$(1,500.0)**	**6.50%**	–	–

The WT Group's interest rate caps do not meet the accounting requirements to qualify for hedge accounting treatment. Gains or losses arising from changes in fair value have been reflected in the income statement as a component of interest expense. The loss for the year ended 31 December 2009 was $4.9 million (31 December 2008: nil). At 31 December 2009, the aggregate fair value is a payable of $4.9 million (31 December 2008: nil).

		31 Dec 09 $million	31 Dec 08 $million
Fair value sensitivity The sensitivity of fair value to changes in interest rates is as follows:	Interest rate movement	(Increase)/decrease in interest expense	
	–1.0%	**(8.3)**	–
	–0.5%	**(4.9)**	–
	0.5%	**6.9**	–
	1.0%	**15.8**	–

NOTE 31 EXCHANGE RATE RISK MANAGEMENT

The WT Group is exposed to exchange rate risk on its foreign currency earnings, its distribution, its foreign currency denominated shopping centre assets and other assets. The WT Group manages these exposures by entering into foreign currency derivative instruments and by borrowing in foreign currencies.

NOTE 31 EXCHANGE RATE RISK MANAGEMENT (CONTINUED)

Summary of foreign exchange balance sheet positions at balance date

The WT Group's foreign exchange exposure at reporting date together with the foreign exchange risk management transactions which have been entered into to manage those exposures are as follows:

	Note	Consolidated 31 Dec 09 million	31 Dec 08 million
Foreign currency net investments			
The WT Group had floating currency exposure, after taking into account the effect of foreign exchange derivatives, at reporting date of:			
NZ$ net assets		**NZ$2,846.6**	NZ$3,114.6
NZ$ borrowings		**NZ$(402.8)**	NZ$(1,548.9)
NZ$ cross currency swaps	31(i)	**NZ$429.3**	NZ$1,617.5
NZ$ denominated net assets		**NZ$2,873.1**	NZ$3,183.2

The WT Group's foreign currency net investments are subject to exchange rate risk. Gains and losses arising from changes in fair value of the WT Group's foreign currency denominated shopping centre and other assets together with associated hedging instruments are reflected in the foreign currency translation reserve where the WT Group has satisfied the accounting requirements to qualify for hedge accounting treatment.

Where the WT Group does not satisfy the hedge accounting requirements, the changes in fair value are reflected in the income statement as either foreign exchange gains or losses as appropriate.

		31 Dec 09 $million	31 Dec 08 $million	31 Dec 09 $million	31 Dec 08 $million
Foreign currency sensitivity The sensitivity to changes in the A$/NZ$ rate is as follows:	A$/NZ$ Currency movement	Gain/(loss) to foreign currency translation reserve		Gain/(loss) to income statement	
	–10 cents	**173.3**	119.4	**29.1**	108.4
	–5 cents	**83.0**	57.1	**14.0**	51.8
	+5 cents	**(76.6)**	(52.5)	**(12.6)**	(47.7)
	+10 cents	**(147.4)**	(101.0)	**(23.5)**	(92.3)

(i) Cross currency swaps in respect of the WT Group's foreign currency assets and liabilities

The following table details the cross currency swaps outstanding at reporting date. These contracts do not qualify as hedges of net investments of foreign operations.

Cross currency swaps contracted as at the reporting date and outstanding at	Weighted average exchange rate 31 Dec 09	31 Dec 08	Amount receivable/(payable) 31 Dec 09 million	31 Dec 09 million	31 Dec 08 million	31 Dec 08 million
£						
Contracts to receive €[i] and pay £						
31 December 2008	–	0.6648	–	–	€200.0	£(133.0)
31 December 2009	**0.6488**	0.6648	**€186.7**	**£(121.1)**	€200.0	£(133.0)
31 December 2010	**0.6488**	0.6648	**€186.7**	**£(121.1)**	€200.0	£(133.0)
31 December 2011	**0.6488**	0.6648	**€186.7**	**£(121.1)**	€200.0	£(133.0)
NZ$						
Contracts to receive NZ$ and pay A$						
31 December 2008	–	1.2802	–	–	A$(1,263.5)	NZ$1,617.5
31 December 2009	**1.2774**	1.2801	**A$(336.0)**	**NZ$429.3**	A$(1,225.3)	NZ$1,568.5
31 December 2010	**1.2774**	1.2806	**A$(336.0)**	**NZ$429.3**	A$(1,166.6)	NZ$1,494.0
31 December 2011	**1.2774**	1.2806	**A$(336.0)**	**NZ$429.3**	A$(1,166.6)	NZ$1,494.0
31 December 2012	**1.2774**	1.2804	**A$(336.0)**	**NZ$429.3**	A$(990.9)	NZ$1,268.8
31 December 2013	**1.2774**	1.2816	**A$(336.0)**	**NZ$429.3**	A$(817.8)	NZ$1,048.1
31 December 2014	**1.2800**	1.2834	**A$(209.8)**	**NZ$268.5**	A$(644.6)	NZ$827.3
31 December 2015	**1.2800**	1.2816	**A$(209.8)**	**NZ$268.5**	A$(474.8)	NZ$608.5
31 December 2016	**1.2800**	1.2824	**A$(209.8)**	**NZ$268.5**	A$(304.5)	NZ$390.5
31 December 2017	**1.2800**	1.2843	**A$(75.0)**	**NZ$96.0**	A$(169.7)	NZ$218.0
US$						
Contracts to receive US$ and pay A$						
31 December 2008	–	0.7479	–	–	A$(1,818.4)	US$1,360.0
31 December 2009	**0.7770**	0.7479	**A$(3,487.7)**	**US$2,710.0**	A$(1,818.4)	US$1,360.0
31 December 2010	**0.7895**	0.7461	**A$(2,406.5)**	**US$1,900.0**	A$(737.2)	US$550.0
31 December 2011	**0.7895**	0.7461	**A$(2,406.5)**	**US$1,900.0**	A$(737.2)	US$550.0
31 December 2012	**0.7895**	0.7461	**A$(2,406.5)**	**US$1,900.0**	A$(737.2)	US$550.0
31 December 2013	**0.7895**	0.7461	**A$(2,406.5)**	**US$1,900.0**	A$(737.2)	US$550.0
31 December 2014	**0.8273**	–	**A$(906.6)**	**US$750.0**	–	–

[i] The receive € exposure is matched with a pay € exposure in the income statement.

NOTE 31 EXCHANGE RATE RISK MANAGEMENT (CONTINUED)

(i) Cross currency swaps in respect of the WT Group's foreign currency assets and liabilities (continued)

At 31 December 2009, none of the above described cross currency swaps qualify for hedge accounting and gains or losses arising from changes in fair values have been reflected in the income statement. The loss for the year ended 31 December 2009 was $709.5 million (31 December 2008: gain of $609.1 million). The aggregate fair value of cross currency swaps at 31 December 2009 is a payable of $356.5 million (31 December 2008: receivable of $352.9 million).

		31 Dec 09 million	31 Dec 08 million
Foreign currency sensitivity The sensitivity to changes in the A$/NZ$ rate is as follows:	A$/NZ$ Currency movement	Gain/(loss) to income statement	
	–10 cents	**29.1**	108.4
	–5 cents	**14.0**	51.8
	+5 cents	**(12.6)**	(47.7)
	+10 cents	**(23.5)**	(92.3)
The sensitivity to changes in the A$/£ rate is as follows:	A$/£ Currency movement	Gain/(loss) to income statement	
	–10 pence	**(47.8)**	(73.8)
	–5 pence	**(21.5)**	(32.6)
	+5 pence	**18.0**	26.4
	+10 pence	**33.2**	48.2
The sensitivity to changes in the A$/US$ rate is as follows:	A$/US$ Currency movement	Gain/(loss) to income statement	
	–10 cents	**351.2**	334.4
	–5 cents	**164.3**	154.1
	+5 cents	**(146.9)**	(133.3)
	+10 cents	**(279.1)**	(249.7)

(ii) Other foreign currency derivatives in respect of the WT Group's foreign currency assets and liabilities

The following table details the other financial derivatives in respect of the WT Group's foreign currency assets and liabilities outstanding at reporting date. These contracts do not qualify as hedges of net investments of foreign operations.

Foreign currency swaps contracted as at the reporting date and maturing during the year ended	**Weighted average exchange rate**		**Amount receivable/(payable)**			
	31 Dec 09	31 Dec 08	**31 Dec 09 million**	**31 Dec 09 million**	31 Dec 08 million	31 Dec 08 million
US$						
Contracts to sell US$ and buy A$ 31 December 2010	**0.7583**	–	**A$791.2**	**US$(600.0)**	–	–
Contracts to buy US$ and sell A$ 31 December 2010	**0.7855**	–	**A$(969.9)**	**US$761.8**	–	–
£						
Contracts to sell £ and buy A$ 31 December 2010	**0.5493**	–	**A$71.0**	**£(39.0)**	–	–

NOTE 31 EXCHANGE RATE RISK MANAGEMENT (CONTINUED)

(ii) Other foreign currency derivatives in respect of the WT Group's foreign currency assets and liabilities (continued)

At 31 December 2009, none of the above described foreign exchange derivatives qualify for hedge accounting and gains or losses arising from changes in fair value have been reflected in the income statement. The gain for the year ended 31 December 2009 was $0.4 million (31 December 2008: loss of $5.8 million). The aggregate fair value of other foreign currency derivatives at 31 December 2009 is a receivable of $0.4 million (31 December 2008: nil).

		31 Dec 09 million	31 Dec 08 million
Foreign currency sensitivity The sensitivity to changes in the A$/US$ rate is as follows:	A$/US$ Currency movement	Gain/(loss) to income statement	
	–10 cents	**22.5**	–
	–5 cents	**10.6**	–
	+5 cents	**(9.4)**	–
	+10 cents	**(17.9)**	–
The sensitivity to changes in the A$/£ rate is as follows:	A$/£ Currency movement	Gain/(loss) to income statement	
	–10 pence	**(15.4)**	–
	–5 pence	**(6.9)**	–
	+5 pence	**5.8**	–
	+10 pence	**10.7**	–

(iii) Forward exchange derivatives to hedge the WT Group's foreign currency earnings

These derivatives manage the impact of exchange rate movements on the WT Groups foreign currency denominated earnings and the WT Group's distribution.

The following table details the forward exchange contracts outstanding at reporting date. These mitigate the impact of exchange rate movements on the WT Group's distribution and are ineffective hedges for accounting purposes.

	Weighted average exchange rate		**Amount receivable/(payable)**			
Forward exchange contracts contracted as at the reporting date and maturing during the year ended	**31 Dec 09**	31 Dec 08	**31 Dec 09 million**	**31 Dec 09 million**	31 Dec 08 million	31 Dec 08 million
NZ$						
Contracts to buy A$ and sell NZ$						
31 December 2009	**–**	1.1509	**–**	**–**	A$173.1	NZ$(199.2)
31 December 2010	**1.1860**	1.1860	**A$152.2**	**NZ$(180.5)**	A$152.2	NZ$(180.5)
31 December 2011	**1.2084**	1.2084	**A$154.9**	**NZ$(187.2)**	A$154.9	NZ$(187.2)
31 December 2012	**1.2172**	1.2172	**A$135.8**	**NZ$(165.3)**	A$135.8	NZ$(165.3)
31 December 2013	**1.2245**	1.2245	**A$78.2**	**NZ$(95.7)**	A$78.2	NZ$(95.7)

At 31 December 2009, none of the above described foreign exchange derivatives qualify for hedge accounting and gains or losses arising from changes in fair value have been reflected in the income statement. The loss for the year ended 31 December 2009 was $1.6 million (31 December 2008: gain of $15.7 million). The aggregate fair value of forward exchange contracts at 31 December 2009 is a receivable of $8.8 million (31 December 2008: $10.4 million).

		31 Dec 09 million	31 Dec 08 million
Foreign currency sensitivity The sensitivity to changes in the A$/NZ$ rate is as follows:	A$/NZ$ Currency movement	Gain/(loss) to income statement	
	–10 cents	**(42.5)**	(57.5)
	–5 cents	**(20.3)**	(27.4)
	+5 cents	**19.0**	25.0
	+10 cents	**36.5**	47.3

NOTE 32 CREDIT AND LIQUIDITY RISK MANAGEMENT

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the WT Group. Credit limits have been established to ensure that the WT Group deals only with approved counterparties and that counterparty concentration risk is addressed and the risk of loss is mitigated. Counterparty exposure is measured as the aggregate of all obligations of any single legal entity or economic entity to the WT Group, after allowing for appropriate set offs which are legally enforceable. A maximum credit limit is allocated to each counterparty based on its credit rating. The counterparty credit risk associated with investment instruments is assessed based on its outstanding face value.

At 31 December 2009, the aggregate credit risk in respect of derivative financial instruments is $287.4 million (31 December 2008: $516.3million). In accordance with WT Group policy, credit risk is spread among a number of creditworthy counterparties within specified limits. The WT Group had 82% of its aggregate credit risk spread over two counterparties each with an S&P long term rating of A- or higher. The remainder is spread over counterparties each with less than 10% of the aggregate credit risk and with an S&P long term rating of A or higher.

The WT Group undertakes active liquidity and funding risk management to enable it to have sufficient funds available to meet its financial obligations as and when they fall due, working capital and expected committed capital expenditure requirements. The WT Group prepares and monitors rolling forecasts of liquidity requirements on the basis of expected cash flow.

Interest bearing liabilities, and funding facilities and their maturity profiles are set out in Note 15.

NOTE 33 FINANCIAL RISK – PARENT ENTITY

The Parent Entity's principal financial instruments comprise cash, receivables, payables, interest bearing liabilities, other financial liabilities, other investments and derivative financial instruments.

As a member of the WT Group, the Parent Entity is covered under the same policies and procedures outlined above. Refer to Note 29 for the management of the WT Group's key financial risks.

The Parent Entity is exposed to interest and foreign exchange risk on intercompany loans, other investments and interest and foreign currency derivative financial instruments. These risks are managed on a group basis (refer to Notes 30 and 31).

(i) InterGroup loans payable and receivable

Where the Parent Entity undertakes a borrowing or investment in a foreign currency the exchange risk is mitigated by the Parent Entity entering into an equal and opposite deal with a controlled entity. Hence the foreign exchange and interest exposure in the original transaction is substantially mitigated.

(ii) Other investments

Other investments are designated investments available for sale. Other investments are stated at fair value of the WT Group's interest in the underlying assets which approximate fair value.

Gains or losses on available for sale investments are recognised as a separate component of equity until the investment is sold or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement.

The Parent Entity is exposed to foreign exchange translation risk on its other investments which are denominated in foreign currencies, when assessing recoverable amount. The Parent Entity hedges these items in its own financial statements, and these activities are carried out on a group basis.

NOTE 34 INTEREST BEARING LIABILITIES, INTEREST AND DERIVATIVE CASHFLOW MATURITY PROFILE

	Consolidated		Parent Entity	
	31 Dec 09 $million	31 Dec 08 $million	**31 Dec 09 $million**	31 Dec 08 $million
Maturity profile of the principal amounts of current and non current interest bearing liabilities (refer Note 15) together with the aggregate future estimated interest thereon, and the estimated impact of contracted interest and currency derivative cashflows is set out below:				
Due within one year	**1,997.2**	1,770.7	**1,735.2**	1,724.1
Due between one and five years	**3,820.2**	4,856.6	**3,016.3**	3,230.2
Due after five years	**2,532.4**	2,453.4	**2,546.1**	2,453.3
	8,349.8	9,080.7	**7,297.6**	7,407.6

Contingent liabilities are set out in Note 26 and are not included in the amounts shown above.

NOTE 35 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Set out below is a comparison by category of carrying amounts and fair values of WT's financial instruments.

	Fair value		Carrying amount	
	31 Dec 09 $million	31 Dec 08 $million	**31 Dec 09 $million**	31 Dec 08 $million
Consolidated assets				
Cash and cash equivalents	**66.0**	144.1	**66.0**	144.1
Trade debtors[(i)]	**19.5**	17.4	**19.5**	17.4
Other investments[(ii)]	**1,144.9**	1,342.3	**1,144.9**	1,342.3
Receivables	**2,639.0**	1,839.6	**2,639.0**	1,839.6
Derivative assets[(ii)]	**287.4**	516.3	**287.4**	516.3
Consolidated liabilities				
Trade creditors[(i)]	**50.7**	51.7	**50.7**	51.7
Payables and other creditors[(i)]	**1,272.2**	1,358.4	**1,272.2**	1,358.4
Interest bearing liabilities[(ii)]				
– Fixed rate debt	**4,267.6**	2,318.5	**4,118.9**	3,132.1
– Floating rate debt	**2,257.7**	4,451.9	**2,260.6**	4,455.2
Other financial liabilities[(ii)]	**1,253.6**	1,273.1	**1,253.6**	1,273.1
Derivative liabilities[(ii)]	**665.2**	382.1	**665.2**	382.1
Parent Entity assets				
Cash and cash equivalents	**26.3**	69.7	**26.3**	69.7
Trade debtors	**6.5**	6.0	**6.5**	6.0
Receivables	**3,135.3**	2,034.1	**3,135.3**	2,034.1
Derivative assets	**316.1**	516.3	**316.1**	516.3
Parent Entity liabilities				
Trade creditors	**28.1**	22.0	**28.1**	22.0
Payables and other creditors	**1,015.4**	1,082.6	**1,015.4**	1,082.6
Interest bearing liabilities				
– Fixed rate debt	**4,267.6**	2,318.5	**4,118.9**	3,132.1
– Floating rate debt	**1,245.2**	3,044.2	**1,246.0**	3,045.5
Other financial liabilities	**1,253.6**	1,273.1	**1,253.6**	1,273.1
Derivative liabilities	**666.0**	367.7	**666.0**	367.7

(i) These financial assets and liabilities are not subject to interest rate risk.

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

Determination of Fair Value

As at 31 December 2009, the WT Group held the following financial instruments measured at fair value.

The WT Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

	31 Dec 09 $million	**Level 1 $million**	**Level 2 $million**	**Level 3 $million**
Consolidated assets measured at fair value				
Derivative assets				
– Currency derivatives	**195.2**	–	195.2	–
– Interest rate derivatives	**92.2**	–	92.2	–
Other investments				
– Listed investments	**96.8**	96.8	–	–
– Unlisted investments	**1,048.1**	–	–	1,048.1
Consolidated liabilities measured at fair value				
Interest bearing liabilities				
– Fixed rate debt	**4,267.6**	–	4,267.6	–
– Floating rate debt	**2,257.7**	–	2,257.7	–
Derivative liabilities				
– Currency derivatives	**542.5**	–	542.5	–
– Interest rate derivatives	**122.7**	–	122.7	–
Other financial liabilities				
– Property linked notes	**1,253.6**	–	–	1,253.6

NOTE 35 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

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

	Unlisted investments[(i)] 31 Dec 09 $million	Property linked notes[(ii)] 31 Dec 09 $million
Level 3 fair value movements		
Balance at the beginning of the year	**1,245.0**	**1,271.8**
Additions	**390.2**	**–**
Disposals	**–**	**–**
Net revaluation decrement	**(587.1)**	**(18.2)**
Balance at the end of the year	**1,048.1**	**1,253.6**

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

(ii) The fair value of the property linked notes has been determined by reference to the fair value of the relevant Westfield shopping centres (refer Note 16 (a)).

	Consolidated 31 Dec 09 $'000	Consolidated 31 Dec 08 $'000	Parent Entity 31 Dec 09 $'000	Parent Entity 31 Dec 08 $'000
NOTE 36 AUDITOR'S REMUNERATION				
Amounts received or due and receivable by the auditors of the Parent Entity and any other entity in the WT Group for:				
– Audit or review of the financial reports	**2,318**	2,185	**2,239**	1,956
– Assurance and compliance services	**40**	128	**40**	128
– Other services	**20**	–	**20**	–
	2,378	2,313	**2,299**	2,084
Amounts received or due and receivable by Affiliates of the auditors of the Parent Entity for:				
– Audit or review of the financial reports	**175**	174	**–**	–
	175	174	**–**	–
	2,553	2,487	**2,299**	2,084

NOTE 37 RELATED PARTY DISCLOSURES

Information required to be disclosed concerning relationships, transactions and balances with related parties of the Trust is set out in this note unless disclosed elsewhere in this financial report.

The WT Group forms part of the Westfield Group and the related party disclosures for the Westfield Group have the same applicability to it. As such while the related party disclosures below make reference to the Westfield Group, they also relate to the Trust.

(a) Nature of relationship with related parties

(i) Consolidated

Key Management Personnel of the entity

Details of Key Management Personnel are disclosed in Note 38.

Other Related Parties

LFG Holdings Pty Limited, its related entities and other entities controlled by members of the Lowy family (LFG) are considered to be related parties of the Westfield Group. This is due to LFG being under the control or significant influence of certain Directors of the Westfield Group, being Mr Frank Lowy, Mr David Lowy, Mr Steven Lowy and Mr Peter Lowy.

(ii) Parent

Subsidiaries

Details of Parent Entity interests in subsidiaries are disclosed in Note 39.

Key Management Personnel of the entity

Details of Key Management Personnel are disclosed in Note 38.

Other Related Parties

The related parties noted under the consolidated description above are also related parties of the Parent Entity.

NOTE 37 RELATED PARTY DISCLOSURES (CONTINUED)

(b) Transactions and their terms and conditions with related parties

(i) Consolidated

Transactions with Key Management Personnel of the entity

Details of Key Management Personnel is disclosed in Note 38.

The Westfield Group owns two aircrafts for business use by its executives. One is located in Australia and the other is located in the United States. During the year, Mr Peter Lowy (31 December 2008: Mr David Lowy and Mr Peter Lowy) hired the aircraft (when the aircraft is not required for business use) and was charged by the Westfield Group. The rate used for determining the amounts charged for aircraft usage was reviewed by an independent expert and determined to be an arm's length rate. Amounts charged to the Directors totalled $163,868 (31 December 2008: $71,876) during the period, and was payable on seven day terms.

Other Related Parties

The Westfield Group and LFG have entered into arrangements regarding the Westfield Group's business use of LFG aircraft and related expenditure. These arrangements are on arm's length terms and they were reviewed by an independent expert. Details of these arrangements are as follows:

– The Westfield Group entered into arrangements regarding the use of aircraft owned by LFG. The charges for these aircraft were on normal arm's length rates. During the period the Westfield Group incurred costs amounting to $1,445,041 (31 December 2008: $1,655,046) in relation to the use of these aircraft. Amounts charged are payable on 30 day terms.

– The Westfield Group has aircraft operation, maintenance, crew sharing, and hangar facility agreements with LFG. The agreements enable the parties to, where possible, cooperate with each other with a view to enhancing the economy of operation of their respective aircraft through their combined resources and purchasing power, including in relation to the cost of fuel, parts, maintenance, landing, engineering, insurance and aircrew services. During the period the Westfield Group charged LFG $741,530 (31 December 2008: $395,226) in relation to the provision of aircrew, maintenance, and hangar facility to LFG, which were payable on seven day terms. Also during the period, the Westfield Group was charged $205,795 (31 December 2008: $284,747) for use of aircraft crew employed by LFG, which are payable on 30 day terms.

LFG currently subleases premises from the Westfield Group. During the period $345,913 (31 December 2008: $317,005) was charged to LFG covering rental and outgoings with respect to these leases. The leases are on arm's length terms and conditions. Rental is charged monthly and payable on seven day terms.

During the period the Westfield Group paid amounts totalling $14,634 (31 December 2008: $18,134) for rental accommodation owned by LFG.

During the period the Westfield Group charged LFG $286,640 (31 December 2008: $141,300) for service costs in relation to the provision of communication services.

During the period the Westfield Group provided telecommunication and security services to certain Executive Directors necessary for them to fulfil their responsibilities.

At year end the following amounts were recorded in the Westfield Group balance sheet as receivable with the following related parties:

Nature	Type	2009	2008
Owing from LFG	Current receivable	**nil**	nil

No provision for doubtful debts has been recognised or bad debts incurred with respect to amounts payable or receivable from related parties during the period.

(ii) Parent

Subsidiaries

Investments held in subsidiaries are disclosed in Note 39.

The Responsible Entity, a subsidiary of WHL, is considered to be a related party of the Westfield Group.

During the year, WT, WAT and WHL, transacted on normal commercial terms as stapled entities with respect to the following:

(a) Property management fee

(b) Manager's service charge

(c) Reimbursement of expenses

(d) Construction contracts

(e) Rebates

(f) Loans and financial derivatives

Property management fee

The Property management fee for the year ended 31 December 2009 was $83.8 million (31 December 2008: $81.2 million) of which $7.3 million (31 December 2008: $1.4 million) was payable to associates of the Responsible Entity at 31 December 2009.

Manager's service charge

The Manager's service charge expensed and payable for the year ended 31 December 2009 was $16.5 million (31 December 2008: $17.0 million) of which $1.5 million (31 December 2008: $8.1 million) was payable to associates of the Responsible Entity at 31 December 2009.

Reimbursement of expenses

Reimbursement of expenses to associates of the Responsible Entity were $80.6 million (31 December 2008: $74.7 million) for the year ended 31 December 2009.

Construction contracts

During the year, amounts paid (excluding GST) to associates of the Responsible Entity for construction contracts amounted to $350.9 million (31 December 2008: $451.5 million).

Loans and financial derivatives

Cross currency swaps with WAT

WT and WAT entered into the following cross currency swaps with terms, interest and principal amounts as follows:

i) WT receives from WAT, on a semi-annual basis, a commercial fixed rate on a principal of US$600.0 million in exchange for WT paying to WAT, on a semi-annual basis, a commercial fixed rate on a principal of A$804.2 million. The cross currency swap has a start date of November 2004 and continues until November 2010;

ii) WT receives from WAT, on a semi-annual basis, a commercial fixed rate on a principal of US$550.0 million in exchange for WT paying to WAT, on a semi-annual basis, a commercial fixed rate on a principal of A$737.2 million. The cross currency swap has a start date of November 2004 and continues until November 2014;

iii) WT receives from WAT, on a quarterly basis, floating rate on a principal of US$210.0 million in exchange for WT paying to WAT, on a quarterly basis, floating rate on a principal of A$277.0 million. The cross currency swap has a start date of January 2005 and continues until February 2010; and

iv) WT receives from WAT, on a semi-annual basis, a commercial fixed rate on a principal of US$600 million in exchange for WT paying to WAT, on a semi-annual basis, a commercial fixed rate on a principal of A$762.7 million. The cross currency swap has a start date of June 2009 and continues until June 2014.

The interest expense for the year in respect of cross currency swaps with WAT was $49.3 million (31 December 2008: $48.1 million).

Foreign currency swap with WAT

WT and WAT entered into a foreign currency swap on 27 May 2009. WT receives A$791.2 million from WAT in exchange for WT paying US$600.0 million to WAT. The foreign currency swap matures on 15 November 2010.

NOTE 37 RELATED PARTY DISCLOSURES (CONTINUED)

(b) Transactions and their terms and conditions with related parties (continued)

Interest rate swaps with WAT

WT and WAT entered into an A$ interest rate swap on 13 December 2004 for the value of $200.0 million. WT received, on a quarterly basis, a commercial floating rate from WAT and paid to WAT on a quarterly basis, a commercial fixed rate. The interest rate swap had a start date of July 2006 and was terminated in June 2009.

WT and WAT entered into an A$ interest rate swap on 13 July 2007 for the value of $500.0 million. WT received, on a quarterly basis, a commercial floating rate from WAT and paid to WAT on a quarterly basis, a commercial fixed rate. The interest rate swap had a start date of August 2016 and was terminated in June 2009.

WT and WAT entered into an A$ interest rate swap on 13 July 2007 for the value of $350.0 million. WT received, on a quarterly basis, a commercial floating rate from WAT and paid to WAT on a quarterly basis, a commercial fixed rate. The interest rate swap had a start date of November 2013 and was terminated in June 2009.

WT and WAT entered into an A$ interest rate swap on 26 November 2008 for the value of $200.0 million. WT paid, on a quarterly basis, a commercial floating rate to WAT and received from WAT, on a quarterly basis, a commercial fixed rate. The interest rate swap had a start date of April 2009 and was terminated in June 2009.

The net interest expense for the year in respect of the interest rate swaps with WAT was $1.6 million (31 December 2008: income of $2.5 million) and the loss from the termination of interest rate swaps was $1.1 million (31 December 2008: nil).

Loans to/from WHL

During the year WT had advances to/from WHL. The net balance of the loan at year end is $516.3 million receivable (31 December 2008: $244.5 million), with accrued interest payable of $2.3 million (31 December 2008: $2.4 million). The net interest expense for the year in respect of the loan to WHL was $21.6 million (31 December 2008: $27.3 million).

Loans from WAT

During the year, WAT advanced a loan to WT. The balance of the loan at year end is $112.4 million payable (31 December 2008: $893.3 million) with accrued interest of $0.7 million payable (31 December 2008: $4.2 million). Interest accrues on this loan on a quarterly basis based on a floating rate. The interest expense for the year in respect of the loan from WAT was $15.7 million (31 December 2008: $37.4 million).

Loans from a controlled entity of WAT

During the year, a controlled entity of WAT advanced a loan to WT. The balance of the loan at year end is $200.0 million payable (31 December 2008: nil) with accrued interest of $40,995 payable (31 December 2008: nil). Interest accrues on this loan on a quarterly basis based on a floating rate. The interest expense for the year in respect of the loan from the controlled entity of WAT was $40,995 (31 December 2008: nil).

Loans to Westfield UK Finance Limited (WUKFIN)

During the year, WT advanced loans to WUKFIN. The balance of these loans at year end is $593.8 million receivable (31 December 2008: nil) with accrued interest of $1.5 million receivable (31 December 2008: nil). Interest accrues on this loan on a quarterly basis based on a floating rate. The interest income for the year in respect of the loan to WUKFIN was $12.4 million (31 December 2008: nil).

Key Management Personnel of the entity

Details of transactions with Key Management Personnel are disclosed in part b(i) above.

Other Related Parties

Details of transactions with Other Related Parties are disclosed in part b(i) above.

NOTE 38 DETAILS OF KEY MANAGEMENT PERSONNEL

The WT Group forms part of the Westfield Group. The disclosures under the Westfield Group's remuneration policies and practices apply to the WT Group.

The Responsible Entity does not have any employees. Key Management Personnel of the WT Group are paid by related entities within the Westfield Group.

(i) Directors

The Directors of Westfield Management Limited, the Responsible Entity of the WT Group are considered to be Key Management Personnel.

F P Lowy	Executive Chairman
D H Lowy	Deputy Chairman
R L Furman	Non-executive Director
P H Goldsmith	Non-executive Director
D M Gonski	Non-executive Director
F G Hilmer	Non-executive Director
S P Johns	Non-executive Director
P S Lowy	Group Managing Director
S M Lowy	Group Managing Director
J McFarlane	Non-executive Director
B M Schwartz	Non-executive Director (appointed 6 May 2009)
J Sloan	Non-executive Director
G H Weiss	Non-executive Director
C M Zampatti	Non-executive Director (retired 5 May 2009)

The appointments of Mr Brian Schwartz and the retirement of Ms Carla Zampatti occurred during the financial year.

(ii) Other Key Management Personnel

In addition to the Directors noted above, the following Key Management Personnel are responsible for the strategic direction and management of the WT Group.

P K Allen	Group Chief Financial Officer
R R Jordan	Managing Director, Australia and New Zealand

There were no changes to Key Management Personnel between the end of the reporting period and the date the financial report was authorised for issue.

Compensation of Key Management Personnel

The Directors of the Responsible Entity receive remuneration in their capacity as Directors of the Responsible Entity. These amounts are paid directly by WHL, the parent entity of the Westfield Group, of which the Responsible Entity is part of. Other Key Management Personnel are paid by Westfield Limited, a wholly owned subsidiary of WHL.

The Manager's service charge payable by the WT Group to the Responsible Entity covers all costs in relation to the management of the WT Group. The remuneration of the Key Management Personnel is not set by the WT Group nor is it able to be influenced by the WT Group. The remuneration of the Key Management Personel is set by the Remuneration Committee of WHL.

NOTE 39 DETAILS OF CONTROLLED ENTITIES AND EQUITY ACCOUNTED ENTITIES

	31 Dec 09 – Interest		31 Dec 08 – Interest	
Name of entity	**Beneficial Parent Entity %**	**Consolidated or Equity accounted %**	Beneficial Parent Entity %	Consolidated or Equity accounted %
ENTITIES INCORPORATED IN AUSTRALIA				
Parent Entity				
Westfield Trust	**100.0**	**100.0**	100.0	100.0
Consolidated Controlled Entities				
Bondi Junction Trust	**100.0**	**100.0**	100.0	100.0
Cairns Investment Trust – Units	**100.0**	**100.0**	100.0	100.0
Carindale Property Trust	**50.0**	**100.0**	50.0	100.0
Fidele Trust	**100.0**	**100.0**	100.0	100.0
Fountain Gate Trust	**100.0**	**100.0**	100.0	100.0
Market Street Investment Trust	**100.0**	**100.0**	100.0	100.0
Market Street Property Trust	**100.0**	**100.0**	100.0	100.0
VIC Shopping Centre Trust	**100.0**	**100.0**	100.0	100.0
WD Trust	**100.0**	**100.0**	100.0	100.0
WestArt Trust	**100.0**	**100.0**	100.0	100.0
Westfield Chatswood Trust	**100.0**	**100.0**	100.0	100.0
Westfield Morley Trust	**100.0**	**100.0**	100.0	100.0
Westfield Northgate Trust	**100.0**	**100.0**	100.0	100.0
Westfield Shoppingtown Property Trust	**100.0**	**100.0**	100.0	100.0
Westfield Sub Trust C	**100.0**	**100.0**	100.0	100.0
Westfield Sub Trust D	**100.0**	**100.0**	100.0	100.0
Westfield Sub Trust E	**100.0**	**100.0**	100.0	100.0
Westfield Sub Trust F	**100.0**	**100.0**	100.0	100.0
Westfield Sub Trust G	**100.0**	**100.0**	100.0	100.0
Westfield Sub Trust H	**100.0**	**100.0**	100.0	100.0
Westfield Sub Trust I	**100.0**	**100.0**	100.0	100.0
Westfield Sub Trust J	**100.0**	**100.0**	100.0	100.0
Westfield Sub Trust K	**100.0**	**100.0**	100.0	100.0
Westfield Sub-trust No.2	**100.0**	**100.0**	100.0	100.0
Westfield Tuggerah Trust	**100.0**	**100.0**	100.0	100.0
WT Finance (Aust) Pty Limited	**100.0**	**100.0**	100.0	100.0
Equity Accounted Entities				
AMP Capital Pacific Fair and Macquarie Shopping Centre Fund	**10.0**	**10.0**	10.0	10.0
CMS General Trust	**50.0**	**50.0**	50.0	50.0
CMS Property Trust	**50.0**	**50.0**	50.0	50.0
KSC Trust	**33.3**	**33.3**	33.3	33.3
Mount Druitt Shopping Centre Trust	**50.0**	**50.0**	50.0	50.0
SA Shopping Centre Trust	**50.0**	**50.0**	50.0	50.0
Southland Trust	**50.0**	**50.0**	50.0	50.0
Tea Tree Plaza Trust	**50.0**	**50.0**	50.0	50.0
Westmyer Nominees Pty Limited	**50.0**	**50.0**	50.0	50.0

NOTE 39 DETAILS OF CONTROLLED ENTITIES AND EQUITY ACCOUNTED ENTITIES (CONTINUED)

	31 Dec 09 – Interest		31 Dec 08 – Interest	
Name of entity	Beneficial Parent Entity %	Consolidated or Equity accounted %	Beneficial Parent Entity %	Consolidated or Equity accounted %
ENTITIES INCORPORATED IN NEW ZEALAND				
Consolidated Controlled Entities				
Abyssinian Holdings Limited	**99.0**	**99.0**	99.0	99.0
Albany Shopping Centre (No 2) Limited	**100.0**	**100.0**	100.0	100.0
Albany Shopping Centre Limited	**100.0**	**100.0**	100.0	100.0
Cedarville Properties Limited	**100.0**	**100.0**	100.0	100.0
Chartwell Shopping Centre Limited	**100.0**	**100.0**	100.0	100.0
Copthorne Investments Limited	**100.0**	**100.0**	100.0	100.0
Downtown Shopping Centre (No 2) Limited	**100.0**	**100.0**	100.0	100.0
Downtown Shopping Centre Limited	**100.0**	**100.0**	100.0	100.0
Glenfield Mall Limited	**100.0**	**100.0**	100.0	100.0
Johnsonville Shopping Centre Limited	**100.0**	**100.0**	100.0	100.0
Kroftfield Properties Limited	**100.0**	**100.0**	100.0	100.0
Manukau City Centre Limited	**100.0**	**100.0**	100.0	100.0
Petavid Investments Limited	**100.0**	**100.0**	100.0	100.0
Queensgate Centre Limited	**100.0**	**100.0**	100.0	100.0
Redisville Enterprises Limited	**100.0**	**100.0**	100.0	100.0
Riccarton Shopping Centre (1997) Limited	**100.0**	**100.0**	100.0	100.0
Shore City Centre (1993) Limited	**100.0**	**100.0**	100.0	100.0
St Lukes Group (No. 2) Limited	**100.0**	**100.0**	100.0	100.0
St Lukes Group (No. 3) Limited	**100.0**	**100.0**	100.0	100.0
St Lukes Group Holdings Limited	**100.0**	**100.0**	100.0	100.0
St Lukes Group Limited	**100.0**	**100.0**	100.0	100.0
St Lukes Square (1993) Limited	**100.0**	**100.0**	100.0	100.0
The Plaza Pakuranga Limited	**100.0**	**100.0**	100.0	100.0
WestCity Shopping Centre Limited	**100.0**	**100.0**	100.0	100.0
Westfield Trust (NZ) Limited	**100.0**	**100.0**	100.0	100.0
WT Finance (NZ) Limited	**100.0**	**100.0**	100.0	100.0

NOTE 40 SUBSEQUENT EVENTS

There are no significant events since the end of the financial year.

Directors' Declaration

The Directors of Westfield Management Limited, the Responsible Entity of Westfield Trust ("Trust") declare that:

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

(b) in the Directors' opinion, the Financial Statements and notes thereto are in accordance with the Corporations Act 2001, including sections 296 and 297; and

(c) they have been provided with the declarations required by section 295A of the Corporations Act 2001 (Cwlth).

Made on 15 March 2010 in accordance with a resolution of the Board of Directors.

F P Lowy AC
Executive Chairman

F G Hilmer AO
Director

Independent Audit Report

FOR THE MEMBERS OF WESTFIELD TRUST

ERNST & YOUNG

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Independent Audit Report

Independent auditor's report to the members of Westfield Trust

We have audited the accompanying financial report of Westfield Trust (the Trust) which comprises the balance sheet as at 31 December 2009 and the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the Trust and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of Westfield Management Limited, the Responsible Entity of the Trust, are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit we have met the independence requirements of the *Corporations Act 2001*. We have given to the directors of Westfield Management Limited a written Auditor's Independence Declaration, a copy of which is included in the directors' report. In addition to our audit of the financial report, we were engaged to undertake the services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.

Auditor's Opinion

In our opinion:

1. the financial report of Westfield Trust is in accordance with the *Corporations Act 2001*, including:
   i giving a true and fair view of the financial position of Westfield Trust and the consolidated entity at 31 December 2009 and of their performance for the year ended on that date; and
   ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
2. the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Ernst & Young

Ernst & Young

S J Ferguson
Partner

Sydney, 15 March 2010

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Directors' Report

The Directors of Westfield Management Limited (Responsible Entity), the responsible entity of Westfield Trust (Trust) submit the following report for the year ended 31 December 2009 (Financial Year).

In this report, the Trust and its controlled entities are referred to as the WT Group.

1. Operations And Activities

1.1 Review of Operations and Results of Operations

The Trust reported a net profit of $178.8 million and a distribution of $1,283.6 million for the Financial Year. Basic earnings per unit are 7.95 cents and the distribution per unit is 56.00 cents.

As at 31 December 2009, the Trust had a $23.7 billion (consolidated properties of $22.1 billion and share of equity accounted properties of $1.6 billion) interest in 56 shopping centres, comprising 13,470 retail outlets and approximately 4.0 million square metres of retail space.

The Australian and New Zealand operations contributed net property income of $1,359.6 million for the Financial Year which includes comparable mall income growth of approximately 5.9%. This performance reflects the steady retail conditions which prevailed in the year as well as the quality of the portfolios in both regions, with occupancy rates continuing to be in excess of 99% and specialty store retail growth for the year of 3.5%.

Retail sales on the WT Group's 44 Australian centres totalled $21.5 billion for the Financial Year. On a comparable basis, sales increased 2.1% with specialty store sales up 3.3%. Retail sales at the WT Group's 12 centres in New Zealand increased 1.6% to NZ$2.1 billion for the Financial Year. On a comparable basis, specialty store sales were up 0.4% for the Financial Year.

Development projects

In Australia, the Sydney City project is progressing well and is scheduled for completion in 2010/2012. The expected project cost of $1.2 billion includes the $350 million 32,800 sqm office tower that will be anchored by J.P. Morgan. The expected yield remains unchanged at 8.0% – 8.5%.

In New Zealand, the Trust completed the NZ$75 million development at Riccarton in Christchurch.

The current target weighted average yield range for the projects under construction is 8.0% to 8.5%. This reflects the Trust's incremental income yield on the Trust's project cost.

There were no significant changes in the Trust's state of affairs during the Financial Year.

1.2 Principal Activities

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

1.3 Subsequent Events

No matter or circumstance has arisen since the end of the Financial Period that has significantly affected, or may significantly affect:

(i) the Trust's operations in future financial years;

(ii) the results of those operations in future financial years; or

(iii) the Trust's state of affairs in future financial years.

1.4 Future Developments

The likely developments in the Trust's operations in future financial years and the expected results of those operations are described in the Review of Operations and Results of Operations above. Details of the Westfield Group's future developments, business strategy and prospects are outlined in the Chairmans's Review and Managing Directors' Review at pages 4 to 14 of the Westfield Group's Annual Report.

1.5 Environmental Performance

Environmental laws and regulations in force in the various jurisdictions in which the Westfield Group operates are applicable to areas of the Westfield Group's operations and, in particular, to its development, construction and shopping centre management activities. The Westfield Group has in place procedures to identify and comply with such requirements including, where applicable, obtaining and complying with the conditions of relevant authority consents and approvals and the obtaining of any necessary licences. These compliance procedures are regularly reviewed and audited and their application closely monitored.

2. Distributions

The following distributions were paid to Members during the Financial Year:

The distribution for the six months ended 31 December 2008[1], paid 27 February 2009:

– 26.00 cents per unit final distribution for ordinary units	$510,840,469

The distribution for the six months ended 30 June 2009[2], paid 31 August 2009:

– 28.00 cents per unit interim distribution for ordinary units;	
– 28.00 cents per unit interim distribution for ordinary units issued on 27 February 2009 pursuant to the Westfield Group's Distribution Reinvestment Plan	$637,405,678

The following final distribution[3] was declared for payment to Members with respect to the Financial Year, and paid on 26 February 2010:

– 28.00 cents per unit final distribution for ordinary units	$646,176,626

(1) The Trust distribution of 26.00 cents per ordinary unit formed part of the distribution of 53.25 cents per ordinary WDC stapled security paid on 27 February 2009. This distribution is an aggregate of a distribution from the Trust, a dividend from Westfield Holdings Limited and a distribution from Westfield America Trust. The figure reported here only represents that component of the aggregate Westfield Group distribution being the distribution of the Trust.

(2) The Trust distribution of 28.00 cents per ordinary unit and 28.00 cents per February 2009 DRP unit formed part of the distribution of 47.00 cents per ordinary WDC stapled security and 47.00 cents per February 2009 DRP stapled security paid on 31 August 2009. This distribution was an aggregate of a distribution from the Trust and a distribution from Westfield America Trust. No dividend was paid by Westfield Holdings Limited. The figure reported here only represents that component of the aggregate Westfield Group distribution being the distribution of the Trust.

(3) The Trust distribution of 28.00 cents per ordinary unit formed part of the distribution of 47.00 cents per ordinary WDC stapled security paid on 26 February 2010. This distribution is an aggregate of a distribution from the Trust and a distribution from Westfield America Trust. No dividend was paid by Westfield Holdings Limited. The figure reported here only represents that component of the aggregate Westfield Group distribution being the distribution of the Trust.

3. The Directors

The following Directors served on the Board for the Financial Year: Mr F P Lowy, Mr D H Lowy, Professor F G Hilmer, Mr R L Furman, Lord P H Goldsmith, Mr D M Gonski, Mr S P Johns, Mr P S Lowy, Mr S M Lowy, Mr J McFarlane, Mr B M Schwartz, Professor J Sloan, Dr G H Weiss and Ms C M Zampatti.

The composition of the Board changed during the Financial Year with the retirement of Ms Carla Zampatti on 5 May 2009 and the appointment of Mr Brian Schwartz on 6 May 2009.

Biographies of the Directors can be found in the 2009 Westfield Group Annual Report.

3.1 Directors' Relevant Interests

The names of the Directors in office and the relevant interests of each Director in ordinary stapled securities in the Westfield Group as at the date of this report are shown below. Ordinary units in the Trust are stapled to shares in Westfield Holdings Limited and units in Westfield America Trust. The stapled securities trade on the ASX under the code WDC.

Director	Number of Stapled Securities
F P Lowy D H Lowy P S Lowy S M Lowy	179,598,386
R L Furman	50,000
P H Goldsmith	5,000
D M Gonski	243,057
F G Hilmer	205,904
S P Johns	1,512,655
J McFarlane	51,951
B M Schwartz	11,110
J Sloan	3,000
G H Weiss	22,237

Ms Zampatti retired from the Board on 5 May 2009. On the date of retirement, Ms Zampatti held 346,337 ordinary stapled securities in the Westfield Group.

None of the Directors hold options over any issued or unissued units in the Trust or stapled securities in the Westfield Group.

None of the Directors are party to or entitled to a benefit under a contract which confers a right to call for, or be delivered, interests or securities/units in the Trust or the Westfield Group.

None of the Directors hold debentures of the Westfield Group.

4. Options

Details of the unissued ordinary units in the Trust under options as at the date of this report are provided in Note 19 in the Notes to the Financial Statements (page 19).

Details of fully paid ordinary units in the Trust which were issued during or since the end of the Financial Year as a result of the exercise of options over unissued units are provided in Note 19 in the Notes to the Financial Statements (page 19).

5. Indemnities And Insurance Premiums

No insurance premiums were paid during or since the end of the Financial Year out of the assets of the Trust in regards to insurance cover provided to the Responsible Entity or the auditor of the Trust. So long as the officers of the Responsible Entity act in accordance with the Constitution and the Corporations Act, they remain fully indemnified out of the assets of the Trust against any losses incurred while acting on behalf of the Trust. The auditors of the Trust are in no way indemnified out of the assets of the Trust.

6. Special Rules For Registered Schemes

– $100.3 million in fees were paid and payable to the Responsible Entity and its associates out of the assets of the Trust during the Financial Year.

– No units in the Trust were held by the Responsible Entity at the end of the Financial Year. Associates of the Responsible Entity held 21,356,057 units as at the end of the Financial Year. Associates of the Responsible Entity also hold 27,661,209 options in the Trust.

– Details of units issued in the Trust during the Financial Year are set out on Note 18 on page 18.

– No withdrawals were made from the Trust during the Financial Year.

– Details of the value of the Trust's assets as at the end of the Financial Year and the basis for the valuation are set out in Notes 2(c), 2(d), 11, 12 and 13 on pages 9, 14 and 15.

– Details of the number of units in the Trust as at the end of the Financial Year are set out in Note 18 on page 18.

7. Audit

7.1 Audit and Compliance Committee

As at the date of this report, the Responsible Entity had an Audit and Compliance Committee of the Board of Directors.

7.2 Audit Independence

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

As at the date of this report, the Responsible Entity had an Audit and Compliance Committee of the Board of Directors.

7.2 Audit Independence

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

ERNST & YOUNG

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

In relation to our audit of the financial report of Westfield Trust and the consolidated entity for the year ended 31 December 2009 to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Ernst & Young

S J Ferguson
Partner

Sydney, 15 March 2010

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8. Synchronisation Of Financial Year

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

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

F P Lowy AC
Executive Chairman

F G Hilmer AO
Director

15 March 2010

Corporate Governance Statement

The Corporate Governance Statement for Westfield Trust for the financial year ended 31 December 2009 has been incorporated into the Corporate Governance Statement prepared for the Westfield Group. This Statement can be found in the 2009 Westfield Group Annual Report, after the Directors' Report. The Westfield Group's Annual Report is available on the westfield.com/corporate website.

Twenty Largest Holders of Stapled Securities in Westfield Group*

		Number of Securities	% of Issued Securities
1.	HSBC Custody Nominees (Australia) Limited	607,024,396	26.30
2.	J P Morgan Nominees Australia Limited	357,054,790	15.47
3.	National Nominees Limited	299,028,621	12.96
4.	Citicorp Nominees Pty Limited	124,842,096	5.41
5.	Cordera Holdings Pty Limited	119,507,561	5.18
6.	ANZ Nominees Limited <Cash Income A/C>	55,483,704	2.40
7.	Cogent Nominees Pty Limited	36,908,295	1.60
8.	AMP Life Limited	34,122,349	1.48
9.	Citicorp Nominees Pty Limited <CFS WSLE Property Secs A/C>	33,259,489	1.44
10.	Queensland Investment Corporation	18,254,663	0.79
11.	Franley Holdings Pty Limited	16,975,434	0.74
12.	Cogent Nominees Pty Limited <SMP Accounts>	16,532,631	0.72
13.	Mr Frank P Lowy	14,107,391	0.61
14.	RBC Dexia Investor Services Australia Nominees Pty Limited <APN A/C>	12,946,946	0.56
15.	Citicorp Nominees Pty Limited <CFSIL CWLTH Property 1 A/C>	10,626,483	0.46
16.	Citicorp Nominees Pty Limited <CFSIL CFS WS Indx Prop A/C>	8,984,353	0.39
17.	Bond Street Custodians Limited <ENH Property Securities A/C>	8,668,209	0.38
18.	Bond Street Custodians Limited <Property Securities A/C>	8,108,503	0.35
19.	Amondi Pty Ltd <W E O P T A/C>	5,869,425	0.25
20.	Citicorp Nominees Pty Limited <CFS WSLE Geared Shr Fnd A/C>	5,631,207	0.24
		1,793,936,546	77.73

* Ordinary shares in Westfield Holdings Limited are stapled to units in Westfield Trust and Westfield America Trust.

The stapled securities trade on the Australian Securities Exchange under the code WDC.

Voting Rights

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

Westfield Trust & Westfield America Trust – At a meeting of members, on a show of hands, every person present who is a member or representative of a member has one vote, and on a poll, every member present in person or by proxy or attorney and every person who is a representative of a member has one vote for each dollar value of the total interest they have in the respective trusts.

Distribution Schedule

Category	No. of Options*	No. of Option Holders	No. of Stapled Securities**	No. of Security Holders	% of Securities in each Category
1 – 1,000	0	0	37,619,144	75,086	1.62
1,001 – 5,000	0	0	146,927,145	66,713	6.37
5,001 – 10,000	0	0	53,448,100	7,652	2.32
10,001 – 100,000	52,500	1	85,868,731	3,857	3.72
100,001 and over	27,608,709	3	1,983,910,543	287	85.97
Total	**27,661,209**	**4**	**2,307,773,663**	**153,595**	**100.00**

As at 26 February 2010, 4,340 security holders held less than a marketable parcel of quoted securities in the Westfield Group.

The number of options on issue include options on issue by Westfield Holdings Limited and Westfield America Trust. Under the stapling arrangements each entity is required to issue securities/units on the exercise of options in one of the other entities.

* The 27,661,209 represent options on issue to four subsidiaries of Westfield Holdings Limited. Due to the stapling structure of the Westfield Group, these options could not be exercised by these subsidiaries. In addition there are also 4,526,207 performance rights on issue to a total of 156 Westfield Group employees. Under the stapling arrangement each of Westfield Holdings Limited, Westfield Trust and Westfield America Trust is required to issue securities/units on the vesting of a performance right.

** Subsidiaries of Westfield Holdings Limited also hold 83,084,363 units in Westfield America Trust which units are not stapled or quoted. Consequently, there are 2,390,858,026 units in Westfield America Trust on issue.

Substantial Securityholders

The names of the Westfield Group's substantial securityholders and the number of ordinary stapled securities in which each has a relevant interest, as disclosed in substantial shareholding notices given to the Westfield Group, are as follows:

Members of the Lowy family and associates	179,598,386
Commonwealth Bank of Australia	151,483,363
Vanguard Investments Australia Ltd	117,007,468
ING Group (and its related body corporates)	117,485,239
BlackRock Investment Management (Australia) Limited	147,243,880