



**Westfield Trust
Financial Report
31 December 2010**

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

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(responsible entity Westfield America Management Limited ABN 66 072 780 619, AFS Licence No 230324)

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Financial Report

WESTFIELD TRUST

For the financial year ended 31 December 2010

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Income Statement

FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	31 Dec 10 \$million	31 Dec 09 \$million
Revenue			
Property revenue	3	1,757.5	1,702.5
		1,757.5	1,702.5
Share of after tax profits of equity accounted entities			
Property revenue		149.2	130.5
Property revaluations		167.0	(32.7)
Property expenses, outgoings and other costs		(39.5)	(34.8)
Net interest expense		(1.2)	(0.1)
	13(a)	275.5	62.9
Expenses			
Property expenses, outgoings and other costs		(450.8)	(438.6)
Property and funds management costs		(16.0)	(16.5)
Corporate costs		(4.5)	(4.7)
		(471.3)	(459.8)
Interest income		18.1	18.3
Gain/(loss) from capital transactions	4	0.4	(8.4)
Currency derivatives and exchange differences		74.0	75.5
Financing costs	6	(499.0)	(177.4)
Dividends from other investments		2.9	1.3
Property revaluations		710.8	(1,037.2)
Profit before tax, non controlling interests and charges in respect of the establishment of the Westfield Retail Trust including transaction and financing costs			
		1,868.9	177.7
Tax (expense)/benefit	7(a)	(205.2)	8.8
Profit after tax, before non controlling interests and charges in respect of the establishment of the Westfield Retail Trust including transaction and financing costs			
		1,663.7	186.5
Charges in respect of the establishment of the Westfield Retail Trust including transaction and financing costs	5	(992.1)	–
Profit after tax for the period			
		671.6	186.5
Less: net profit attributable to non controlling interests		(10.8)	(7.7)
Net profit attributable to members of Westfield Trust (WT)			
		660.8	178.8
		cents	cents
Basic earnings per unit	8	28.63	7.95
Diluted earnings per unit	8	27.77	7.78
		\$million	\$million
Final Distribution proposed	24(a)	415.6	646.2
Interim Distribution paid	24(b)	484.6	637.4
Total Distribution			
		900.2	1,283.6
Weighted average number of units entitled to distribution at 31 December (millions)		2,308.4	2,292.2
		cents	cents
6 months ended 31 December			
Distribution proposed per ordinary unit		18.00	28.00
6 months ended 30 June			
Distribution paid per ordinary unit		21.00	28.00
Distribution paid per DRP unit		–	28.00

Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2010

	31 Dec 10 \$million	31 Dec 09 \$million
Profit after tax for the period	671.6	186.5
Other comprehensive income/(loss)		
<i>Movements in foreign currency translation reserve</i>		
– Net exchange difference on translation of foreign operations	(29.3)	(10.5)
– Accumulated exchange differences on distribution of New Zealand interests to Westfield Retail Trust ⁽ⁱ⁾	(8.5)	–
<i>Movements in asset revaluation reserve</i>		
– Revaluation decrement	(89.2)	–
Total comprehensive income for the period		
	544.6	176.0
Total comprehensive income attributable to:		
– Members of WT	533.8	168.3
– Non controlling interests	10.8	7.7
Total comprehensive income for the period		
	544.6	176.0

⁽ⁱ⁾ The accumulated exchange differences relating to the New Zealand interests distributed to Westfield Retail Trust have been derecognised from foreign currency translation reserve and transferred to the income statement in accordance with AASB 121 The Effects of Changes in Foreign Exchange Rates.

Balance Sheet

AS AT 31 DECEMBER 2010

	Note	31 Dec 10 \$million	31 Dec 09 \$million
Current assets			
Cash and cash equivalents	23(a)	21.3	66.0
Trade debtors		9.1	19.5
Derivative assets	9	79.8	121.3
Receivables	10	3,385.4	2,639.0
Prepayments and deferred costs	11	18.5	17.6
Total current assets		3,514.1	2,863.4
Non current assets			
Investment properties	12	6,157.4	22,133.3
Equity accounted investments	13	6,657.8	1,587.7
Other investments	14	1,055.3	1,144.9
Derivative assets	9	146.0	166.1
Receivables	10	500.0	–
Prepayments and deferred costs	11	28.2	92.5
Total non current assets		14,544.7	25,124.5
Total assets		18,058.8	27,987.9
Current liabilities			
Trade creditors		17.1	50.7
Payables and other creditors	15	1,097.3	1,272.2
Interest bearing liabilities	16	216.6	1,878.1
Tax payable		–	4.1
Derivative liabilities	18	37.9	278.8
Total current liabilities		1,368.9	3,483.9
Non current liabilities			
Interest bearing liabilities	16	3,683.1	4,501.4
Other financial liabilities	17	1,288.0	1,253.6
Deferred tax liabilities	7	–	320.2
Derivative liabilities	18	609.9	386.4
Total non current liabilities		5,581.0	6,461.6
Total liabilities		6,949.9	9,945.5
Net assets		11,108.9	18,042.4
Equity attributable to members of WT			
Contributed equity	19	7,568.0	10,549.7
Reserves	21	(80.7)	46.3
Retained profits	22	3,426.5	7,252.3
Total equity attributable to members of WT		10,913.8	17,848.3
Equity attributable to non controlling interests			
Contributed equity		94.0	94.0
Retained profits		101.1	100.1
Total equity attributable to non controlling interests		195.1	194.1
Total Equity		11,108.9	18,042.4

Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	Comprehensive Income 31 Dec 10 \$million	Movement in Equity 31 Dec 10 \$million	Total 31 Dec 10 \$million	Total 31 Dec 09 \$million
Changes in equity attributable to members of WT					
Opening balance of contributed equity		–	10,549.7	10,549.7	8,196.2
– Capital distribution to Westfield Retail Trust ⁽ⁱ⁾	40	–	(7,280.7)	(7,280.7)	–
Book value of net assets distributed		–	(7,280.7)	(7,280.7)	–
Less: market value adjustment included in current year income statement		–	934.3	934.3	–
Less: accumulated property revaluation gains distributed		–	3,355.8	3,355.8	–
– Issuance of units		–	–	–	1,932.6
Share placement/share purchase plan		–	–	–	463.7
Distribution reinvestment plan		–	–	–	–
– Conversion of options/rights		–	8.9	8.9	–
– Costs associated with the issuance of units		–	–	–	(42.8)
Closing balance of contributed equity		–	7,568.0	7,568.0	10,549.7
Opening balance of reserves		–	46.3	46.3	56.8
– Movements in foreign currency translation reserve ⁽ⁱⁱ⁾	21(a)	(37.8)	–	(37.8)	(10.5)
– Movements in asset revaluation reserve	21(b)	(89.2)	–	(89.2)	–
Closing balance of reserves		(127.0)	46.3	(80.7)	46.3
Opening balance of retained profits		–	7,252.3	7,252.3	8,221.7
– Profit after tax for the period		660.8	–	660.8	178.8
– Accumulated property revaluation gains distributed to Westfield Retail Trust ⁽ⁱ⁾	22	–	(3,355.8)	(3,355.8)	–
– Distributions paid	22	–	(1,130.8)	(1,130.8)	(1,148.2)
Closing balance of retained profits		660.8	2,765.7	3,426.5	7,252.3
Closing balance of equity attributable to members of WT		533.8	10,380.0	10,913.8	17,848.3
Changes in equity attributable to non controlling interests					
Opening balance of equity		–	194.1	194.1	195.8
Total comprehensive income attributable to non controlling interests		10.8	–	10.8	7.7
Distributions paid or provided for		–	(9.8)	(9.8)	(9.4)
Closing balance of equity attributable to non controlling interests		10.8	184.3	195.1	194.1
Total Equity		544.6	10,564.3	11,108.9	18,042.4

⁽ⁱ⁾ The net assets distributed to Westfield Retail Trust amount to \$7,280.7 million of which \$2,990.6 million has been charged to contributed equity, \$3,355.8 million (representing accumulated property revaluation gains) has been charged to retained profits and \$934.3 million has been charged to the income statement. The charge of \$934.3 million represents the difference between the market value and book value of net assets distributed to Westfield Retail Trust.

⁽ⁱⁱ⁾ Movements in foreign currency translation reserve consists of the net exchange loss on translation of foreign operations of \$29.3 million (31 December 2009: loss of \$10.5 million) and the accumulated exchange differences of \$8.5 million relating to the New Zealand interests distributed to Westfield Retail Trust that have been derecognised from the foreign currency translation reserve and transferred to the income statement in accordance with AASB 121 The Effects of Changes in Foreign Exchange Rates.

Cash Flow Statement

FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	31 Dec 10 \$million	31 Dec 09 \$million
Cash flows from operating activities			
Receipts in the course of operations (including GST)		2,049.8	1,924.6
Payments in the course of operations (including GST)		(559.1)	(522.6)
Settlement of income hedging currency derivatives		12.0	13.4
Distributions/dividends received from equity accounted entities and other investments		95.7	88.5
Income and withholding taxes paid		(17.1)	(25.3)
Goods and services taxes paid		(158.0)	(138.2)
Net cash flows from operating activities	23(b)	1,423.3	1,340.4
Cash flows used in investing activities			
Payments of capital expenditure for property investments		(575.2)	(428.0)
Payments for the acquisition of other investments		(6.0)	(436.2)
Proceeds from the sale of property investments and other investments		16.0	62.1
Net outflows for investments in equity accounted entities		(7.7)	(1.3)
Settlement of asset hedging currency derivatives		(286.3)	-
Financing costs capitalised		(118.5)	(97.8)
Cash in shopping centre interests transferred to Westfield Retail Trust	23(c)	(35.9)	-
Cash in shopping centre interests transferred to equity accounted entities		(21.8)	-
Net cash flows used in investing activities		(1,035.4)	(901.2)
Cash flows used in financing activities			
Proceeds from the issuance of units		-	2,396.3
Payment for costs associated with the issuance of units		-	(42.8)
Proceeds from the establishment of Westfield Retail Trust	23(c)	3,500.0	-
Termination of surplus interest rate swaps upon repayment of interest bearing liabilities with the proceeds from the issuance of units		-	(19.3)
Termination of surplus interest rate swaps upon repayment of interest bearing liabilities with the proceeds from the capital restructure		(16.2)	-
Termination of surplus interest rate swaps upon the restructure of Westfield Trust's interest rate hedge portfolio		(15.0)	-
Financing costs excluding interest capitalised		(453.4)	(397.2)
Net (repayments of)/proceeds from interest bearing liabilities		(981.6)	262.2
Interest received		17.5	15.3
Distributions paid		(1,130.8)	(1,148.2)
Distributions paid by controlled entities to non controlling interests		(9.8)	(9.2)
Loans advanced to related entities		(1,342.6)	(1,573.8)
Net cash flows used in financing activities		(431.9)	(516.7)
Net decrease in cash and cash equivalents held		(44.0)	(77.5)
Add opening cash and cash equivalents brought forward		66.0	144.1
Effects of exchange rate changes on cash and cash equivalents		(0.7)	(0.6)
Cash and cash equivalents at the end of the year	23(a)	21.3	66.0

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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 2010 was approved in accordance with a resolution of The Board of Directors of Westfield Management Limited as responsible entity of WT (Responsible Entity) on 16 March 2011.

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

(b) Statement of Compliance

This financial report complies with Australian Accounting Standards and International Financial Reporting Standards 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 2010.

- AASB 3 *Business Combinations* (revised 2008). The revised standard introduces significant changes in the accounting for business combinations occurring after this date. Changes affect the valuation of non controlling interests (previously "minority interests"), the accounting for transaction costs, the initial recognition and subsequent measurement of contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period when an acquisition occurs and future reported results;
- AASB 127 *Consolidated and Separate Financial Statements* (revised 2008). The revised standard requires that a change in the ownership interest of a subsidiary (without a change in control) is to be accounted for as a transaction with owners in their capacity as owners. Therefore such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss in the statement of comprehensive income. Furthermore the revised Standard changes the accounting for losses incurred by a partially owned subsidiary as well as the loss of control of a subsidiary. The changes will affect future acquisitions, changes in, and loss of control of, subsidiaries and transactions with non controlling interests.

In addition to the above, the WT Group has adopted the following amendments to accounting standards as a result of the revision of related standards and the Annual Improvement Projects (for non-urgent changes).

- 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*.

For the year, the adoption of these amended standards 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 2010. The impact of these new or amended standards (to the extent relevant to the WT Group) and interpretations are as follows:

- 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 are set out below:

- AASB 2009-10 *Amendments to Australian Accounting Standards – Classification of Rights Issues* (applicable from 1 February 2010);
- AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9* (applicable from 1 January 2013);

- AASB 2009-12 *Amendments to Australian Accounting Standards* (applicable from 1 January 2011);
- AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements* (applicable from 1 July 2013);
- AASB 2010-3 *Amendments to Australian Accounting Standards arising from the Annual Improvement Project* (applicable from 1 July 2010);
- AASB 2010-4 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* (applicable from 1 January 2011);
- AASB 2010-5 *Amendments to Australian Accounting Standards* (applicable from 1 January 2011);
- AASB 2010-6 *Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets* (applicable from 1 July 2011);
- AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)* (applicable from 1 January 2013);
- AASB 2010-8 *Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets* (applicable from 1 January 2012).

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. The amendment to AASB 2010-8 *Deferred Tax: Recovery of Underlying Assets* (effective date on or after 1 January 2012) was approved on 20 December 2010. Management are in the process of assessing the expected financial impact in the various tax jurisdictions on application of this amendment which is effective in 2012.

(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 (Act), Australian Accounting Standards and other authoritative pronouncements 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 which have been measured at fair value. The carrying values of recognised assets and liabilities that are hedged with fair value hedges and are otherwise carried at cost are adjusted to record changes in the fair values attributable to the risks that are being hedged.

(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 on 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 12: 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 reported 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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Consolidation and classification (continued)

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. Non controlling interests are shown as a separate item in the consolidated financial statements.

In December 2010, the Westfield Group established Westfield Retail Trust (WRT). As a result, the WT Group distributed a 50% interest in a number of its Australia and New Zealand controlled entities to Westfield Retail Trust (refer to Note 40). Where the remaining interests are directly held by the WT Group, the relevant interests are consolidated. Where the remaining interests are held through interposed entities, these entities are equity accounted.

(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, leasing costs and receivables on rental income that have been recorded on a straight line basis.

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 and make reference to market evidence of transaction prices for similar properties. Capitalisation rates in the range of 5.13% to 8.63% have been applied.

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. From time to time during a development project, Directors may commission an independent valuation. 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.

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

On consolidation, exchange differences and the related tax effect on foreign currency loans and cross currency swaps denominated in foreign currencies, which hedge net investments in foreign operations and equity accounted entities 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

The WT Group comprises taxable and non taxable entities. A liability for current and deferred taxation and tax expense is only recognised in respect of taxable entities that are subject to income and potential capital gains tax as detailed below:

- (i) Under current Australian income tax legislation the Australian trusts forming part of the WT Group are not liable for Australian income tax, including capital gains tax, provided that members are presently entitled to the income of the trust as determined in accordance with the WT's constitution. The WT Group's New Zealand entities are subject to New Zealand tax on their earnings. Dividends paid by those entities 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 credit for New Zealand withholding tax deducted from dividends paid by the New Zealand 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.

(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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Leases (continued)

(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 financial instruments 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, 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 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. The fair value of property linked notes is determined by reference to the fair value of the underlying linked property investments.

(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) Distributions of non-cash assets

Distributions of non-cash assets are recorded at market value in the financial statements. The market value of net assets distributed is charged to contributed equity and retained profits. The difference between the carrying amount and the market value of the assets at the time of the distribution is recognised in the Income Statement on the date of settlement.

(q) 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.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2010

	31 Dec 10 \$million	31 Dec 09 \$million
NOTE 3 PROPERTY REVENUE		
Shopping centre base rent and other property income	1,781.1	1,727.9
Amortisation of tenant allowances	(23.6)	(25.4)
	1,757.5	1,702.5

NOTE 4 GAIN/(LOSS) FROM CAPITAL TRANSACTIONS

Asset sales and other		
– proceeds from asset sales	16.0	62.1
– less: carrying value of assets sold	(15.6)	(60.8)
Net fair value loss on the termination of surplus interest rate swaps upon repayment of interest bearing liabilities with the proceeds from the issuance of units	–	(9.7)
	0.4	(8.4)

NOTE 5 CHARGES IN RESPECT OF THE ESTABLISHMENT OF THE WESTFIELD RETAIL TRUST INCLUDING TRANSACTION AND FINANCING COSTS

Market value adjustment on Westfield Retail Trust distribution ^①	(934.3)	–
Exchange differences on distribution of New Zealand interests to Westfield Retail Trust	8.5	–
Net fair value financing cost on the termination of surplus interest rate swaps in respect of the repayment of interest bearing liabilities with the proceeds from Westfield Retail Trust	(12.5)	–
Deferred borrowing costs in respect of the termination of surplus facilities and transaction costs	(53.8)	–
	(992.1)	–

^① The net assets distributed to Westfield Retail Trust amount to \$7,280.7 million of which \$2,990.6 million has been charged to contributed equity, \$3,355.8 million (representing accumulated property revaluation gains) has been charged to retained profits and \$934.3 million has been charged to the income statement. The charge of \$934.3 million represents the difference between the market value and book value of net assets distributed to Westfield Retail Trust.

	31 Dec 10 \$million	31 Dec 09 \$million
NOTE 6 FINANCING COSTS		
Gross financing costs (excluding net fair value gain or loss on interest rate hedges that do not qualify for hedge accounting)		
– interest bearing liabilities	(401.7)	(334.8)
Related party borrowing costs	(94.7)	(89.3)
Financing costs capitalised to construction projects	118.5	97.8
Financing costs	(377.9)	(326.3)
Finance leases interest expense	(3.7)	(2.4)
Net fair value gain on interest rate hedges that do not qualify for hedge accounting	19.4	205.8
Interest expense on other financial liabilities	(75.0)	(72.7)
Net fair value (loss)/gain on other financial liabilities	(34.4)	18.2
Net fair value loss on the termination of surplus interest rate swaps upon the restructure of the WT Group's interest rate hedge portfolio	(27.4)	–
	(499.0)	(177.4)

NOTE 7 TAXATION

	31 Dec 10 \$million	31 Dec 09 \$million
(a) Tax (expense)/benefit		
Current	(17.6)	(27.9)
Deferred	(187.6)	36.7
	(205.2)	8.8

The prima facie tax on profit before tax is reconciled to the income tax (expense)/benefit provided in the income statement as follows:

Profit before tax, non controlling interests and charges in respect of the Westfield Retail Trust including transaction and financing costs	1,868.9	177.7
Charges in respect of the establishment of the Westfield Retail Trust including transaction and financing costs	(992.1)	–
Profit before income tax	876.8	177.7
Prima facie tax expense at 30%	(263.0)	(53.3)
Permanent differences	(2.1)	1.8
Australian trust income not assessable	523.6	60.3
Market value adjustment on Westfield Retail Trust distribution not deductible	(280.3)	–
Change in New Zealand tax legislation removing depreciation deduction	(203.2)	–
Tax on inter-entity transactions	(1.0)	–
Benefit from reduction in tax rate	20.8	–
Tax (expense)/benefit	(205.2)	8.8

(b) Deferred tax liabilities

Tax effect of book value in excess of the tax cost base of investment properties	–	320.2
	–	320.2
	cents	cents

NOTE 8 EARNINGS PER UNIT

(a) Attributable to members of WT

Basic earnings per unit	28.63	7.95
Diluted earnings per unit	27.77	7.78

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

	No. of units	No. of units
Weighted average number of ordinary units used in calculating basic earnings per unit ^①	2,307,806,424	2,249,026,955
Dilutive options	71,572,964	49,497,431
Adjusted weighted average number of ordinary units used in calculating diluted earnings per unit	2,379,379,388	2,298,524,386
	\$million	\$million
Earnings used in calculating basic earnings per unit	660.8	178.8
Adjustment to earnings on options which are considered dilutive	–	–
Earnings used in calculating diluted earnings per unit	660.8	178.8

The weighted average number of converted, lapsed or cancelled potential ordinary units used in diluted earnings per unit was nil (31 December 2009: nil).

^① 2,307.8 million (31 December 2009: 2,249.0 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 2010

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.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	31 Dec 10 \$million	31 Dec 09 \$million
NOTE 9 DERIVATIVE ASSETS			
Current			
Receivables on currency derivatives		79.3	5.7
Receivables on currency derivatives with related entities		-	95.4
Receivables on interest rate derivatives		0.5	15.5
Receivables on interest rate derivatives with related entities		-	4.7
		79.8	121.3
Non Current			
Receivables on currency derivatives		68.2	94.1
Receivables on interest rate derivatives		6.3	16.9
Receivables on interest rate derivatives with related entities		71.5	55.1
		146.0	166.1

NOTE 10 RECEIVABLES

	Note	31 Dec 10 \$million	31 Dec 09 \$million
Current			
Sundry debtors		55.5	85.3
Amount receivable from Westfield Retail Trust	40	442.0	-
Interest bearing loans receivable from related entities	38	1,594.6	593.8
Non interest bearing loans receivable from related entities	38	1,293.3	1,959.9
		3,385.4	2,639.0
Non Current			
Amount receivable from Westfield Retail Trust	40	500.0	-
		500.0	-

NOTE 11 PREPAYMENTS AND DEFERRED COSTS

	Note	31 Dec 10 \$million	31 Dec 09 \$million
Current			
Prepayments and deposits		7.0	13.5
Deferred costs – other		11.5	4.1
		18.5	17.6
Non Current			
Deferred costs – other		28.2	92.5
		28.2	92.5

NOTE 12 INVESTMENT PROPERTIES

	Note	31 Dec 10 \$million	31 Dec 09 \$million
Shopping centre investments		6,012.7	21,416.2
Development projects		144.7	717.1
		6,157.4	22,133.3

Movements in investment properties

	Note	31 Dec 10 \$million	31 Dec 09 \$million
Balance at the beginning of the year		22,133.3	22,221.7
Disposal of properties		(15.2)	(8.2)
Distribution of properties to Westfield Retail Trust		(11,419.3)	-
Transfer to equity accounted investment properties		(5,860.1)	-
Redevelopment costs		735.4	470.5
Net revaluation increment/(decrement)		716.8	(457.9)
Retranslation of foreign operations		(133.5)	(92.8)
Balance at the end of the year ⁽ⁱ⁾		6,157.4	22,133.3

⁽ⁱ⁾ The fair value of investment properties at the end of the year of \$6,157.4 million (31 December 2009: \$22,133.3 million) comprises of investment properties at market value of \$6,153.9 million (31 December 2009: \$22,099.6 million) and ground leases included as finance leases of \$3.5 million (31 December 2009: \$33.7 million).

Independent valuations of all shopping centres are 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 5.13% to 8.63%. Refer to Note 15(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 lease, straight-line rent and revaluation increments and decrements.

NOTE 13 DETAILS OF EQUITY ACCOUNTED INVESTMENTS

(a) Details of WT's aggregate share of equity accounted entities net profit

	31 Dec 10 \$million	31 Dec 09 \$million
Shopping centre base rent and other property income	150.5	131.2
Amortisation of tenant allowances	(1.3)	(0.7)
Property revenue	149.2	130.5
Interest income	0.5	0.4
Revenue	149.7	130.9
Property expenses, outgoings and other costs	(39.5)	(34.8)
Borrowing costs	(1.7)	(0.5)
Expenses	(41.2)	(35.3)
Share of after tax profits of equity accounted entities before property revaluations	108.5	95.6
Property revaluations	167.0	(32.7)
Share in after tax profits of equity accounted entities	275.5	62.9

(b) Details of WT's aggregate share of equity accounted entities assets and liabilities

	31 Dec 10 \$million	31 Dec 09 \$million
Cash	29.8	9.3
Receivables	17.1	5.8
Shopping centre investments	6,912.6	1,603.5
Development projects	67.4	8.7
Other assets	3.2	1.9
Total assets	7,030.1	1,629.2
Payables	(126.5)	(22.0)
Interest bearing liabilities	(10.0)	(19.5)
Deferred tax liabilities	(235.8)	-
Total liabilities	(372.3)	(41.5)
Net assets	6,657.8	1,587.7

(c) Details of WT's aggregate share of equity accounted entities lease commitments

Operating lease receivables

	31 Dec 10 \$million	31 Dec 09 \$million
Future minimum rental revenues under non-cancellable operating retail property leases		
Due within one year	456.7	85.7
Due between one and five years	1,130.4	197.2
Due after five years	711.3	111.6
	2,298.4	394.5

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 13 DETAILS OF EQUITY ACCOUNTED INVESTMENTS (CONTINUED)

Name of investments	Type of equity	Balance Date	Economic Interest	
			31 Dec 10	31 Dec 09
(d) Equity accounted entities economic interest				
Australian investments ^{(i) (ii)}				
Bondi Junction*	Trust units	31 Dec	50.0%	n/a
Booragoon*	Trust units	31 Dec	12.5%	n/a
Cairns ⁽ⁱⁱ⁾	Trust units	30 Jun	50.0%	50.0%
Chatswood*	Trust units	31 Dec	50.0%	n/a
Doncaster*	Trust units	31 Dec	25.0%	n/a
Fountain Gate*	Trust units	31 Dec	50.0%	n/a
Hornsby*	Trust units	31 Dec	50.0%	n/a
Karrinyup ^{^ (ii)}	Trust units	30 Jun	16.7%	33.3%
Knox*	Trust units	31 Dec	15.0%	n/a
Kotara*	Trust units	31 Dec	50.0%	n/a
Macquarie ^{^ * (iv)}	Trust units	31 Dec	27.5%	5.0%
Mount Druitt ^{^ (ii)}	Trust units	30 Jun	25.0%	50.0%
Mt Gravatt*	Trust units	31 Dec	37.5%	n/a
North Rocks*	Trust units	31 Dec	50.0%	n/a
Pacific Fair ^{^ * (iv)}	Trust units	31 Dec	22.0%	4.0%
Southland ^{^ (ii)}	Trust units	30 Jun	25.0%	50.0%
Sydney Central Plaza*	Trust units	31 Dec	50.0%	n/a
Tea Tree Plaza ^{^ (ii)}	Trust units	30 Jun	31.3%	50.0%
Tuggerah*	Trust units	31 Dec	50.0%	n/a
Warringah Mall*	Trust units	31 Dec	12.5%	n/a
New Zealand investments ^{(i) (ii)}				
Albany*	Shares	31 Dec	50.0%	n/a
Chartwell*	Shares	31 Dec	50.0%	n/a
Downtown*	Shares	31 Dec	50.0%	n/a
Glenfield*	Shares	31 Dec	50.0%	n/a
Manukau*	Shares	31 Dec	50.0%	n/a
Newmarket*	Shares	31 Dec	50.0%	n/a
Pakuranga*	Shares	31 Dec	50.0%	n/a
Queensgate*	Shares	31 Dec	50.0%	n/a
Riccarton*	Shares	31 Dec	50.0%	n/a
Shore City*	Shares	31 Dec	50.0%	n/a
St Lukes*	Shares	31 Dec	50.0%	n/a
WestCity*	Shares	31 Dec	50.0%	n/a

⁽ⁱ⁾ All equity accounted property trusts and companies 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.

⁽ⁱⁱⁱ⁾ In December 2010, the Westfield Group which includes the WT Group as a stapled entity established Westfield Retail Trust. As a result, the WT Group distributed 50% interest in a number of its Australian and New Zealand controlled entities to Westfield Retail Trust. The remaining interest in these entities as denoted by * are equity accounted as the WT Group continues to have significant influence or joint control. Entities denoted by ^ in which an interest had been distributed to Westfield Retail Trust continue to be equity accounted.

^(iv) At 31 December 2009, WT Group's interest in Macquarie was 55%, of which 5% was equity accounted and 50% was proportionately consolidated.

^(v) At 31 December 2009, WT Group's interest in Pacific Fair was 44%, of which 4% was equity accounted and 40% was proportionately consolidated.

NOTE 14 OTHER INVESTMENTS

	31 Dec 10 \$million	31 Dec 09 \$million
Unlisted investments	958.5	1,048.1
Listed investments	96.8	96.8
	1,055.3	1,144.9
Movements in other investments		
Balance at the beginning of the year	1,144.9	1,342.3
Additions	6.0	434.5
Disposals	(0.4)	(52.6)
Net revaluation decrement	(95.2)	(579.3)
Balance at the end of the year	1,055.3	1,144.9

Note

31 Dec 10
\$million

31 Dec 09
\$million

NOTE 15 PAYABLES AND OTHER CREDITORS

Current

Payables and other creditors		352.2	503.2
Non interest bearing loans payable to related entities	38	745.1	769.0
		1,097.3	1,272.2

NOTE 16 INTEREST BEARING LIABILITIES

Current

Unsecured

Bank loans			
– NZ\$ denominated ⁽ⁱ⁾		138.8	–
Notes payable			
– A\$ denominated		–	160.0
– US\$ denominated ⁽ⁱⁱ⁾		–	646.4
Loans from associates of the Responsible Entity	38	77.8	1,010.3
Secured			
Bank loans ^(iv)			
– A\$ denominated loans		–	61.4
		216.6	1,878.1

Non Current

Unsecured

Bank loans			
– US\$ denominated ⁽ⁱ⁾		343.9	388.8
– A\$ denominated ⁽ⁱⁱ⁾		–	407.0
– NZ\$ denominated ⁽ⁱⁱⁱ⁾		398.9	312.5
Notes payable			
– US\$ denominated ⁽ⁱⁱⁱ⁾		1,965.0	2,221.9
– £ denominated ⁽ⁱⁱⁱ⁾		669.5	791.8
– € denominated ^(iv)		245.3	298.7
Finance leases		3.5	33.7
Secured			
Bank loans ^(iv)			
– A\$ denominated		57.0	47.0
		3,683.1	4,501.4

The maturity profile in respect of current and non current interest bearing liabilities is set out below:

Due within one year	216.6	1,878.1
Due between one and five years	2,915.3	2,734.3
Due after five years	767.8	1,767.1
	3,899.7	6,379.5

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 31 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\$6,700.0 million were issued in the US 144A bond market by the Westfield Group. The issues comprised 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 2012, 2014, 2015, 2016, 2018 and 2019 respectively. WT was assigned US\$2,000.0 million comprising US\$1,150.0 million, US\$750.0 million and US\$100.0 million of fixed rate notes maturing 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) Secured liabilities
Current and non current secured liabilities are \$57.0 million (31 December 2009: \$108.4 million). Secured liabilities are borrowings secured by mortgages over properties that have a fair value of \$443.2 million (31 December 2009: \$514.4 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.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 16 INTEREST BEARING LIABILITIES (CONTINUED)

	31 Dec 10 \$million	31 Dec 09 \$million
Financing facilities		
Committed financing facilities available to the WT Group:		
Total financing facilities at the end of the year	10,045.3	13,790.2
Amounts utilised ⁽ⁱ⁾	(3,914.0)	(6,387.4)
Available financing facilities	6,131.3	7,402.8
Cash	21.3	66.0
Financing resources available at the end of the year	6,152.6	7,468.8
Maturity profile of financing facilities		
Maturity profile in respect of the above financing facilities:		
Due within one year	731.7	3,563.0
Due between one year and five years	8,545.8	8,460.1
Due after five years	767.8	1,767.1
	10,045.3	13,790.2

⁽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 property linked notes set out in Note 17. 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 \$6,131.3 million at year end which are included in available financing facilities shown above. These are interest only unsecured multicurrency multioption facilities.

Subsequent to year end, the Westfield Group cancelled \$1.4 billion of financing facilities.

	31 Dec 10 \$million	31 Dec 09 \$million
NOTE 17 OTHER FINANCIAL LIABILITIES		
Non Current		
Property linked notes	1,288.0	1,253.6
	1,288.0	1,253.6
The maturity profile in respect of non current other financial liabilities is set out below:		
Due within one year	-	-
Due between one year and five years	-	-
Due after five years	1,288.0	1,253.6
	1,288.0	1,253.6

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.

31 Dec 10
\$million

31 Dec 09
\$million

NOTE 18 DERIVATIVE LIABILITIES

Current

Payables on currency derivatives	21.2	95.4
Payables on currency derivatives with related entities	-	178.6
Payables on interest rate derivatives	16.7	4.8
	37.9	278.8

Non Current

Payables on currency derivatives	180.9	66.6
Payables on currency derivatives with related entities	377.6	201.9
Payables on interest rate derivatives	50.2	117.9
Payables on interest rate derivatives with related entities	1.2	-
	609.9	386.4

31 Dec 10
No. of units

31 Dec 09
No. of units

NOTE 19 CONTRIBUTED EQUITY

(a) Number of units on issue

Balance at the beginning of the year	2,307,773,663	1,964,771,035
Share placement/share purchase plan	-	282,161,944
Distribution reinvestment plan	-	60,837,808
Conversion of options/rights	1,214,876	2,876
Balance at the end of the year	2,308,988,539	2,307,773,663

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.

	\$million	\$million
(b) Movements in contributed equity attributable to Members of WT		
Balance at the beginning of the year	10,549.7	8,196.2
Share placement/share purchase plan	-	1,932.6
Distribution reinvestment plan	-	463.7
Capital distribution to Westfield Retail Trust		
- Book value of net assets distributed	(7,280.7)	-
- Less: market value adjustment included in current year income statement	934.3	-
- Less: accumulated property revaluation gains distributed	3,355.8	-
Conversion of options/rights	8.9	-
Costs associated with the issuance of units	-	(42.8)
Balance at the end of the year	7,568.0	10,549.7

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2010

		31 Dec 10	31 Dec 10 Weighted average exercise price \$	31 Dec 09	31 Dec 09 Weighted average exercise price \$
	Note	No. of options and rights		No. of options and rights	
NOTE 20 SHARE BASED PAYMENTS					
Options and rights on issue					
– Series F Special options	20(i)	52,500	2.65	52,500	3.46
– Series G1 Special options	20(ii)	277,778	0.93	277,778	1.79
– Series H Special options	20(iii)	11,805,862	1.06	11,805,862	2.03
– Series I Special options	20(iv)	13,260,859	1.02	13,260,859	1.96
– Executive Performance and Partnership Incentive Rights	20(v)	4,401,980	–	4,526,207	–
		29,798,979	1.16	29,923,206	2.10
Movements in options and rights on issue					
Balance at the beginning of the year		29,923,206	2.10	27,787,991	1.52
<i>Movement in Executive performance rights</i>					
– rights issued during the year		159,088		1,630,623	
– adjustment to rights upon the establishment of Westfield Retail Trust ⁽ⁱⁱ⁾		877,030			
– rights exercised during the year		(1,084,304)		(2,876)	
– rights forfeited during the year		(156,902)		(183,685)	
<i>Movement in Partnership incentive rights</i>					
– rights issued during the year		–		691,153	
– adjustment to rights upon the establishment of Westfield Retail Trust ⁽ⁱⁱ⁾		407,039		–	
– rights exercised during the year		(201,540)		–	
– rights forfeited during the year		(124,638)		–	
Balance at the end of the year ⁽ⁱ⁾		29,798,979	1.16	29,923,206	2.10

⁽ⁱ⁾ At 31 December 2010, the 29,798,979 (31 December 2009: 29,923,206) options on issue were convertible to 100,213,836 (31 December 2009: 100,338,063) Westfield Group stapled securities.

⁽ⁱⁱ⁾ As a result of the Westfield Retail Trust transaction, the rights over Westfield Group stapled securities have been increased by applying the adjustment factor of 1.28 to the rights on issue with a vesting date post 15 December 2010. The adjustment factor is calculated using the formula as follows:

(Value of Westfield stapled security post transaction = \$9.7927 + Offer price of stapled units under the offer = \$2.75)/Value of Westfield stapled security post transaction = \$9.7927

(i) Series F Special Options

The WAT Series F Special Option entitles the holder the right to be issued for 157.35 fully paid Westfield Group stapled securities in exchange for either US\$1,000 (\$982.51) 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 2010 and 31 December 2009 there were 52,500 Series F Special Options on issue which are exchangeable for 8,260,875 Westfield Group stapled securities.

WT 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 WT 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 WT 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 Westfield Group 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 2010 and 31 December 2009, there were 277,778 Series G1 Special Options on issue which are exchangeable for 9,628,674 Westfield Group stapled securities.

WT 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 WT 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.

(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 Westfield Group stapled securities. As at 31 December 2010 and 31 December 2009 there were 11,805,862 Series H Special Options on issue which are exchangeable for 35,996,841 Westfield Group stapled securities.

WT 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 WT 37.5% of the value of a WEA common share at the time of exercise.

NOTE 20 SHARE BASED PAYMENTS (CONTINUED)

(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 Westfield Group stapled securities. As at 31 December 2010 and 31 December 2009, there were 13,260,859 Series I Special Options on issue which are exchangeable for 41,925,466 Westfield Group stapled securities.

WT and WHL have each granted 13,260,859 options to the Responsible Entity of WAT to enable WAT to satisfy its obligations to deliver the Westfield Group 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 WT 37.5% of the value of a WEA common share at the time of exercise.

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

There are 4,401,980 (31 December 2009: 4,526,207) Executive performance and partnership incentive rights on issue as at 31 December 2010. Under the stapling arrangement each of WT, WHL, and WAT are required to issue securities/units on the vesting of an Executive performance or partnership incentive right. At 31 December 2010, the 4,401,980 (31 December 2009: 4,526,207) Executive performance and partnership incentive rights on issue were convertible to 4,401,980 (31 December 2009: 4,526,207) Westfield Group stapled securities.

	31 Dec 10 No. of rights	31 Dec 09 No. of rights
Vesting profile – Executive Performance & Partnership Incentive Rights (Issued to employees of related parties)		
2010	–	1,042,274
2011	2,527,738	2,111,274
2012	1,246,110	1,014,608
2013	424,499	358,051
2014	203,633	–
	4,401,980	4,526,207
	31 Dec 10 \$million	31 Dec 09 \$million

NOTE 21 RESERVES

Foreign currency translation reserve	8.5	46.3
Asset revaluation reserve	(89.2)	–
	(80.7)	46.3

(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 operations and the net investments hedged in these entities.

Balance at the beginning of the year	46.3	56.8
Foreign exchange movement		
– translation of foreign entities	(29.3)	(10.5)
– derecognition of accumulated exchange differences on distribution of net assets to Westfield Retail Trust ⁽ⁱ⁾	(8.5)	–
Balance at the end of the year	8.5	46.3

⁽ⁱ⁾ The accumulated exchange differences relating to the New Zealand interests distributed to Westfield Retail Trust has been derecognised from foreign currency translation reserve and transferred to the income statement in accordance with AASB 121 The Effects of Changes in Foreign Exchange Rates.

(b) Movement in asset revaluation reserve

The asset revaluation reserve is to record unrealised increments and decrements in value of assets held as available for sale.

Balance at the beginning of the year	–	–
Revaluation decrement	(89.2)	–
Balance at the end of the year	(89.2)	–

Notes to the Financial Statements

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	31 Dec 10 \$million	31 Dec 09 \$million
NOTE 22 RETAINED PROFITS		
Movement in retained profits		
Balance at the beginning of the year	7,252.3	8,221.7
Profit after tax attributable to members	660.8	178.8
Accumulated property revaluation gains distributed to Westfield Retail Trust	(3,355.8)	-
Distributions paid	24(b) (1,130.8)	(1,148.2)
Balance at the end of the year	3,426.5	7,252.3
NOTE 23 CASH AND CASH EQUIVALENTS		
(a) Components of cash and cash equivalents		
Cash	21.3	66.0
Total cash and cash equivalents	21.3	66.0
(b) Reconciliation of profit after tax to net cash flows from operating activities		
Profit after tax	660.8	178.8
Property revaluations	(710.8)	1,037.2
Deferred tax expense/(benefit)	187.6	(36.7)
Financing costs	499.0	177.4
Interest income	(18.1)	(18.3)
Share of associate's profit in excess of distribution	(172.2)	24.3
Net (gain)/loss from capital transactions	(0.4)	8.4
Charges in respect of the establishment of the Westfield Retail Trust including transaction and financing costs	992.1	-
Increase in other assets attributable to operating activities	36.5	23.7
Net profit attributable to non controlling interests	10.8	7.7
Currency derivatives and exchange differences	(62.0)	(62.1)
Net cash flows from operating activities	1,423.3	1,340.4
(c) Transfer of shopping centre interests to Westfield Retail Trust		
Assets		
Cash and cash equivalents	35.9	-
Trade debtors	6.7	-
Investment properties	11,419.3	-
Equity accounted investments	656.2	-
Other assets	512.7	-
Total assets	12,630.8	-
Liabilities		
Trade creditors and other payables	134.7	-
Interest bearing liabilities	537.7	-
Deferred tax liabilities	235.7	-
Total liabilities	908.1	-
Net assets	11,722.7	-
Consideration received and receivable		
Loan repaid	3,500.0	-
Loan receivable	942.0	-
	4,442.0	-
Net assets transferred	7,280.7	-
Net cash effect		
Cash consideration received	3,500.0	-
Less: Cash and cash equivalents included in net assets of interests transferred	(35.9)	-
Net cash flows from the interests transferred	3,464.1	-

NOTE 24 DISTRIBUTIONS

(a) Final distribution proposed

	31 Dec 10 \$million	31 Dec 09 \$million
80% estimated tax deferred (31 December 2009: 65% tax deferred)	415.6	646.2
	415.6	646.2

Interim distributions of 21.00 cents were paid on 31 August 2010. Final distributions were paid on 28 February 2011. The record date for the final distributions was 5pm, 14 February 2011.

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 28 February 2011.

(b) Distributions paid during the year

	31 Dec 10 \$million	31 Dec 09 \$million
Distribution in respect of the 6 months to 30 June 2010	484.6	-
Distribution in respect of the 6 months to 31 December 2009	646.2	-
Distribution in respect of the 6 months to 30 June 2009	-	637.4
Distribution in respect of the 6 months to 31 December 2008	-	510.8
Total distribution paid	1,130.8	1,148.2

NOTE 25 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.

	31 Dec 10 \$million	31 Dec 09 \$million
Future minimum rental revenues under non-cancellable operating retail property leases:		
Due within one year	392.6	1,396.2
Due between one and five years	971.7	3,428.0
Due after five years	562.1	2,185.0
	1,926.4	7,009.2

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.

NOTE 26 CAPITAL EXPENDITURE COMMITMENTS

Estimated capital expenditure committed at balance date but not provided for in relation to development projects:

	31 Dec 10 \$million	31 Dec 09 \$million
Due within one year	230.5	313.8
Due between one and five years	114.4	435.3
Due after five years	-	-
	344.9	749.1

NOTE 27 CONTINGENT LIABILITIES

	31 Dec 10 \$million	31 Dec 09 \$million
Performance guarantees	14.3	16.5
Guaranteed borrowings of associates of the Responsible Entity	6,523.2	7,341.6
	6,537.5	7,358.1

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.

Notes to the Financial Statements

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NOTE 28 SEGMENT REPORTING

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

The WT Group's income and expense segment information has been prepared on a proportionate format. The proportionate format presents the net income from equity accounted entities on a gross format whereby the underlying components of net income is disclosed separately as revenues, expenses, revaluations, financing costs and taxes.

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

	Australia		New Zealand		Consolidated	
	31 Dec 10 \$million	31 Dec 09 \$million	31 Dec 10 \$million	31 Dec 09 \$million	31 Dec 10 \$million	31 Dec 09 \$million
Property revenue						
Consolidated	1,516.4	1,462.6	241.1	239.9	1,757.5	1,702.5
Equity accounted	145.4	130.5	3.8	-	149.2	130.5
	1,661.8	1,593.1	244.9	239.9	1,906.7	1,833.0
Property expenses, outgoings and other costs						
Consolidated	(385.4)	(377.3)	(65.4)	(61.3)	(450.8)	(438.6)
Equity accounted	(38.4)	(34.8)	(1.1)	-	(39.5)	(34.8)
	(423.8)	(412.1)	(66.5)	(61.3)	(490.3)	(473.4)
Expenses						
Property and funds management costs	(16.0)	(16.5)	-	-	(16.0)	(16.5)
Corporate costs	(3.9)	(3.8)	(0.6)	(0.9)	(4.5)	(4.7)
	(19.9)	(20.3)	(0.6)	(0.9)	(20.5)	(21.2)
Segment Result	1,218.1	1,160.7	177.8	177.7	1,395.9	1,338.4
Segment revaluations and net gain/(loss) from capital transactions						
Revaluations of properties						
Consolidated	720.4	(841.3)	(9.6)	(195.9)	710.8	(1,037.2)
Equity accounted	167.1	(32.7)	(0.1)	-	167.0	(32.7)
Non controlling interest share of property revaluations	-	1.8	-	-	-	1.8
Net gain/(loss) from capital transactions	-	(8.4)	0.4	-	0.4	(8.4)
	887.5	(880.6)	(9.3)	(195.9)	878.2	(1,076.5)
Currency derivatives and exchange differences					74.0	75.5
Interest income					18.6	18.7
Financing costs					(500.7)	(177.9)
Dividends from other investments					2.9	1.3
Charges in respect of the establishment of WRT including transaction and financing costs					(992.1)	-
Tax benefit					(205.2)	8.8
Non controlling interest					(10.8)	(9.5)
Net profit attributable to members of WT					660.8	178.8
Segment assets						
Segment assets	13,024.6	22,537.1	876.3	2,414.3	13,900.9	24,951.4
Corporate assets					4,157.9	3,036.5
Total segment assets	13,024.6	22,537.1	876.3	2,414.3	18,058.8	27,987.9
Segment liabilities						
Segment liabilities	1,114.4	1,037.9	-	285.0	1,114.4	1,322.9
Corporate liabilities					5,835.5	8,622.6
Total segment liabilities	1,114.4	1,037.9	-	285.0	6,949.9	9,945.5
Other segment information						
Investment in equity accounted entities included in segment assets	5,781.5	1,587.7	876.3	-	6,657.8	1,587.7
Additions to segment non current assets	697.9	857.5	43.5	47.5	741.4	905.0

NOTE 29 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 30 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 Westfield 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 Westfield 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 Westfield 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 objectives.

The Westfield 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 Westfield 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.

Notes to the Financial Statements

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NOTE 31 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. 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 10 \$million	31 Dec 09 \$million
Principal amounts of all interest bearing liabilities:			
Current interest bearing liabilities	16	216.6	1,878.1
Non current interest bearing liabilities	16	3,683.1	4,501.4
Share of equity accounted entities interest bearing liabilities	13(b)	10.0	19.5
Cross currency swaps			
– A\$	32(i)	2,912.5	3,823.7
– £121.1 million (31 December 2009: £121.1 million)	32(i)	184.3	217.9
Foreign currency swaps			
– A\$	32(ii)	289.8	969.9
– US\$ nil (31 December 2009: US\$600.0 million)	32(ii)	–	666.6
– £912.0 million (31 December 2009: £39.0 million)	32(ii)	1,387.7	70.2
Principal amounts subject to interest rate payable exposure		8,684.0	12,147.3
Principal amounts of all interest bearing assets:			
Loans receivable from related entities			
– A\$	10	149.1	–
– £950.0 million (31 December 2009: £330.0 million)	10	1,445.5	593.8
Cross currency swaps			
– US\$2,360.0 million (31 December 2009: US\$2,710.0 million)	32(i)	2,318.7	3,010.8
– €186.7 million (31 December 2009: €186.7 million)	32(i)	245.3	298.8
– NZ\$ nil (31 December 2009: NZ\$429.3 million)	32(i)	–	346.7
Foreign currency swaps			
– A\$	32(ii)	1,463.9	862.2
– US\$ nil (31 December 2009: US\$761.8 million)	32(ii)	–	846.4
– £180.0 million (31 December 2009: nil)	32(ii)	273.9	–
Cash	23(a)	21.3	66.0
Share of equity accounted entities cash	13(b)	29.8	9.3
Amount receivable from Westfield Retail Trust	10,40	500.0	–
Principal amounts subject to interest rate receivable exposure		6,447.5	6,034.0
Principal amounts of net interest bearing liabilities subject to interest rate payable exposure		2,236.5	6,113.3

NOTE 31 INTEREST RATE RISK MANAGEMENT (CONTINUED)

Summary of interest rate positions at balance date (continued)

(i) Interest payable and receivable exposures (continued)

	Note	31 Dec 10 \$million	31 Dec 09 \$million
Principal amounts of fixed interest rate liabilities:			
Fixed rate loans			
– A\$	31(ii)	–	160.0
– €186.7 million (31 December 2009: €186.7 million)	31(ii)	245.3	298.8
– £440.0 million (31 December 2009: £440.0 million)	31(ii)	669.5	791.8
– US\$2,000.0 million (31 December 2009: US\$2,581.8 million)	31(ii)	1,965.0	2,868.3
Fixed rate derivatives			
– A\$	31(ii)	2,599.9	3,304.1
– £413.6 million (31 December 2009: £171.1 million)	31(ii)	629.3	307.9
Interest rate caps			
– A\$	31(iii)	1,700.0	–
Foreign currency swaps			
– A\$	32(ii)	289.8	969.9
– US\$ nil (31 December 2009: US\$600.0 million)	32(ii)	–	666.6
– £912.0 million (31 December 2009: £39.0 million)	32(ii)	1,387.7	70.2
Principal amounts on which interest rate payable exposure has been hedged		9,486.5	9,437.6
Principal amounts of fixed interest rate assets:			
Fixed rate loan receivables			
– £950.0 million (31 December 2009: nil)	10	1,445.5	–
Fixed rate derivatives			
– US\$1,900.0 million (31 December 2009: US\$2,500.0 million)	31(ii)	1,866.8	2,777.5
– €186.7 million (31 December 2009: €186.7 million)	31(ii)	245.3	298.8
Foreign currency swaps			
– A\$	32(ii)	1,463.9	862.2
– US\$ nil (31 December 2009: US\$761.8 million)	32(ii)	–	846.4
– £180.0 million (31 December 2009: nil)	32(ii)	273.9	–
Amount receivable from Westfield Retail Trust	10,40	500.0	–
Principal amounts on which interest rate receivable exposure has been hedged		5,795.4	4,784.9
Principal amounts on which net interest rate payable exposure has been hedged		3,691.1	4,652.7

At 31 December 2010, the WT Group has hedged 165% of its interest payable exposure by way of fixed rate borrowings, interest rate swaps and interest rate options of varying durations (31 December 2009: 76% hedged with floating exposure of \$1,460.6 million payable at an average rate of 5.6% including margin). Changes to the fair value of derivatives due to interest rate movements are set out in Note 31(ii).

Subsequent to balance date and as a result of the WRT transaction (refer Note 40), the WT Group has terminated A\$650 million of interest rate payable hedges. In addition, WT Group has hedged the interest rate risk that its United Kingdom investments are exposed to.

	31 Dec 10 \$million	31 Dec 09 \$million
Interest rate sensitivity		
The sensitivity of interest expense to changes in floating interest rates is as follows:		(Increase)/decrease in interest expense
	Interest Rate Movement	
	–1.0%	(14.5)
	–0.5%	(7.3)
	0.5%	7.3
	1.0%	14.5

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NOTE 31 INTEREST RATE RISK MANAGEMENT (CONTINUED)

Summary of interest rate positions at balance date (continued)

(ii) Fixed rate debt and interest rate swaps

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

Fixed rate debt and swaps contracted as at the reporting date and outstanding at	Interest rate swaps *		Fixed rate borrowings		Interest rate swaps		Fixed rate borrowings	
	31 Dec 10 Notional principal amount million	31 Dec 10 Average rate	31 Dec 10 Principal amount million	31 Dec 10 Average rate including margin	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
A\$ (payable)/receivable *								
31 December 2009	-	-	-	-	A\$(3,304.1)	6.91%	A\$(160.0)	5.46%
31 December 2010	A\$(2,599.9)	7.18%	-	-	A\$(2,939.9)	7.10%	-	-
31 December 2011	A\$(2,000.4)	7.47%	-	-	A\$(3,565.4)	6.62%	-	-
31 December 2012	A\$(2,322.9)	7.44%	-	-	A\$(3,437.9)	6.89%	-	-
31 December 2013	A\$(1,962.9)	7.74%	-	-	A\$(2,737.9)	7.28%	-	-
31 December 2014	A\$(38.0)	5.80%	-	-	A\$(1,213.0)	6.13%	-	-
31 December 2015	A\$(8.5)	6.65%	-	-	A\$(1,408.5)	6.18%	-	-
31 December 2016	A\$(3.5)	7.28%	-	-	A\$(503.5)	6.26%	-	-
31 December 2017	A\$(3.5)	7.28%	-	-	A\$(503.5)	6.26%	-	-
€ receivable/(payable)								
31 December 2009	-	-	-	-	€186.7	3.58%	€(186.7)	3.58%
31 December 2010	€186.7	3.58%	€(186.7)	3.58%	€186.7	3.58%	€(186.7)	3.58%
31 December 2011	€186.7	3.58%	€(186.7)	3.58%	€186.7	3.58%	€(186.7)	3.58%
£ (payable)/receivable								
31 December 2009	-	-	-	-	£(171.1)	5.12%	£(440.0)	5.39%
31 December 2010	£(413.6)	5.13%	£(440.0)	5.39%	£(413.6)	5.13%	£(440.0)	5.39%
31 December 2011	£(313.6)	5.18%	£(440.0)	5.39%	£(413.6)	5.13%	£(440.0)	5.39%
31 December 2012	£(192.5)	4.99%	£(440.0)	5.39%	£(292.5)	4.99%	£(440.0)	5.39%
31 December 2013	£(192.5)	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 2009	-	-	-	-	US\$2,500.0	4.72%	US\$(2,581.8)	5.71%
31 December 2010	US\$1,900.0	4.83%	US\$(2,000.0)	6.11%	US\$1,900.0	4.83%	US\$(2,000.0)	6.11%
31 December 2011	US\$1,900.0	4.83%	US\$(2,000.0)	6.11%	US\$1,900.0	4.83%	US\$(2,000.0)	6.11%
31 December 2012	US\$1,900.0	4.83%	US\$(2,000.0)	6.11%	US\$1,900.0	4.83%	US\$(2,000.0)	6.11%
31 December 2013	US\$1,900.0	4.83%	US\$(2,000.0)	6.11%	US\$1,900.0	4.83%	US\$(2,000.0)	6.11%
31 December 2014	US\$750.0	2.55%	US\$(850.0)	5.83%	US\$750.0	2.55%	US\$(850.0)	5.83%
31 December 2015	-	-	US\$(100.0)	6.69%	-	-	US\$(100.0)	6.69%
31 December 2016	-	-	US\$(100.0)	6.69%	-	-	US\$(100.0)	6.69%
31 December 2017	-	-	US\$(100.0)	6.69%	-	-	US\$(100.0)	6.69%
31 December 2018	-	-	US\$(100.0)	6.69%	-	-	US\$(100.0)	6.69%

* Refer Note 31(iia) for details of the interest rate swap profile subsequent to balance date.

NOTE 31 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. Changes in fair value have been reflected in the income statement as a component of interest expense. At 31 December 2010, the aggregate fair value is a receivable of \$18.5 million (31 December 2009: payable of \$25.6 million). The change in fair value for the year ended 31 December 2010 was 44.1 million (31 December 2009: \$203.6 million).

Fair value sensitivity

The sensitivity of fair value of interest rate swaps to changes in interest rates is as follows:	Interest Rate Movement	31 Dec 10 \$million	31 Dec 09 \$million
			(Increase)/decrease in interest expense
	-1.0%	(10.3)	(76.3)
	-0.5%	(5.3)	(38.9)
	0.5%	5.4	38.2
	1.0%	11.1	75.7

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.

(iia) Interest rate swaps subsequent to balance date

The WT Group's interest bearing liabilities have been reduced as a result of the WRT transaction (refer Note 40). Accordingly, the WT Group has terminated A\$ payable interest rate hedges. These terminations were transacted over the period December 2010 to January 2011. The positions reported in Note 31(ii) above reflect the position at 31 December 2010. The final positions in respect of the Group's A\$ payable interest rate hedges following these transactions are set out below.

Interest rate swaps contracted as at the reporting date and outstanding at	A\$ payable	
	31 Jan 11 Notional principal amount million	31 Jan 11 Average rate
31 December 2011	A\$(1,550.4)	7.90%
31 December 2012	A\$(1,872.9)	7.78%
31 December 2013	A\$(1,562.9)	7.88%
31 December 2014	A\$(38.0)	5.80%
31 December 2015	A\$(8.5)	6.65%
31 December 2016	A\$(3.5)	7.28%
31 December 2017	A\$(3.5)	7.28%

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NOTE 31 INTEREST RATE RISK MANAGEMENT (CONTINUED)

Summary of interest rate positions at balance date (continued)

(iii) Interest rate caps

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

	Interest rate caps		Interest rate caps	
	31 Dec 10 Notional principal amount million	31 Dec 10 Strike rate	31 Dec 09 Notional principal amount million	31 Dec 09 Strike rate
Interest rate caps contracted as at the reporting date and outstanding at				
A\$ payable				
31 December 2010	A\$(1,700.0)	6.52%	A\$(1,500.0)	6.50%
31 December 2011	A\$(1,700.0)	6.52%	A\$(1,500.0)	6.50%
31 December 2012	A\$(1,700.0)	6.52%	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. Changes in fair value have been reflected in the income statement as a component of interest expense. At 31 December 2010, the aggregate fair value is a payable of \$8.1 million (31 December 2009: \$4.9 million). The change in fair value for the year ended 31 December 2010 was \$3.2 million (31 December 2009: \$4.9 million).

Fair value sensitivity	Interest rate movement	31 Dec 10	31 Dec 09
		\$million	\$million
The sensitivity of fair value of interest rate caps to changes in interest rates is as follows:		(Increase)/decrease in interest expense	
	-1.0%	(3.9)	(8.3)
	-0.5%	(2.5)	(4.9)
	0.5%	4.1	6.9
	1.0%	10.4	15.8

NOTE 32 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.

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	31 Dec 10 million	31 Dec 09 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\$1,158.8	NZ\$2,846.6
NZ\$ borrowings		NZ\$(705.0)	NZ\$(402.8)
NZ\$ cross currency swaps	32(i)	-	NZ\$429.3
NZ\$ denominated net assets		NZ\$453.8	NZ\$2,873.1

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.

Foreign currency sensitivity	A\$/NZ\$ Currency movement	31 Dec 10	31 Dec 09	Gain/(loss) to income statement
		\$million	\$million	
The sensitivity of NZ\$ denominated net assets to changes in the A\$/NZ\$ rate is as follows:				
			Gain/(loss) to foreign currency translation reserve	
	-10 cents	28.6	173.3	- 29.1
	-5 cents	13.7	83.0	- 14.0
	+5 cents	(12.7)	(76.6)	- (12.6)
	+10 cents	(24.5)	(147.4)	- (23.5)

NOTE 32 EXCHANGE RATE RISK MANAGEMENT (CONTINUED)

(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		Amount receivable/(payable)			
	31 Dec 10	31 Dec 09	31 Dec 10 million	31 Dec 10 million	31 Dec 09 million	31 Dec 09 million
£						
Contracts to receive € [Ⓜ] and pay £						
31 December 2009	-	0.6488	-	-	€186.7	£(121.1)
31 December 2010	0.6488	0.6488	€186.7	£(121.1)	€186.7	£(121.1)
31 December 2011	0.6488	0.6488	€186.7	£(121.1)	€186.7	£(121.1)
NZ\$						
Contracts to receive NZ\$ and pay A\$						
31 December 2009	-	1.2774	-	-	A\$(336.0)	NZ\$429.3
31 December 2010	-	1.2774	-	-	A\$(336.0)	NZ\$429.3
31 December 2011	-	1.2774	-	-	A\$(336.0)	NZ\$429.3
31 December 2012	-	1.2774	-	-	A\$(336.0)	NZ\$429.3
31 December 2013	-	1.2774	-	-	A\$(336.0)	NZ\$429.3
31 December 2014	-	1.2800	-	-	A\$(209.8)	NZ\$268.5
31 December 2015	-	1.2800	-	-	A\$(209.8)	NZ\$268.5
31 December 2016	-	1.2800	-	-	A\$(209.8)	NZ\$268.5
31 December 2017	-	1.2800	-	-	A\$(75.0)	NZ\$96.0
US\$						
Contracts to receive US\$ and pay A\$						
31 December 2009	-	0.7770	-	-	A\$(3,487.7)	US\$2,710.0
31 December 2010	0.8103	0.7895	A\$(2,912.5)	US\$2,360.0	A\$(2,406.5)	US\$1,900.0
31 December 2011	0.8103	0.7895	A\$(2,912.5)	US\$2,360.0	A\$(2,406.5)	US\$1,900.0
31 December 2012	0.8035	0.7895	A\$(2,675.7)	US\$2,150.0	A\$(2,406.5)	US\$1,900.0
31 December 2013	0.8035	0.7895	A\$(2,675.7)	US\$2,150.0	A\$(2,406.5)	US\$1,900.0
31 December 2014	0.8273	0.8273	A\$(906.6)	US\$750.0	A\$(906.6)	US\$750.0

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

At 31 December 2010, none of the above described cross currency swaps qualify for hedge accounting treatment. Changes in fair value have been reflected in the income statement. At 31 December 2010, the aggregate fair value is a payable of \$497.1 million (31 December 2009: \$356.5 million). The change in fair value for the year ended 31 December 2010 was \$140.6 million (31 December 2009: \$709.5 million).

Foreign currency sensitivity	A\$/NZ\$ Currency movement	31 Dec 10	31 Dec 09
		\$million	\$million
The sensitivity of cross currency swaps to changes in the A\$/NZ\$ rate is as follows:			Gain/(loss) to income statement
	-10 cents	-	29.1
	-5 cents	-	14.0
	+5 cents	-	(12.6)
	+10 cents	-	(23.5)

Foreign currency sensitivity	A\$/£ Currency movement	31 Dec 10	31 Dec 09
		\$million	\$million
The sensitivity of cross currency swaps to changes in the A\$/£ rate is as follows:			Gain/(loss) to income statement
	-10 pence	(33.1)	(47.8)
	-5 pence	(15.2)	(21.5)
	+5 pence	13.0	18.0
	+10 pence	24.3	33.2

Foreign currency sensitivity	A\$/US\$ Currency movement	31 Dec 10	31 Dec 09
		\$million	\$million
The sensitivity of cross currency swaps to changes in the A\$/US\$ rate is as follows:			Gain/(loss) to income statement
	-10 cents	237.4	351.2
	-5 cents	112.5	164.3
	+5 cents	(102.0)	(146.9)
	+10 cents	(194.8)	(279.1)

Notes to the Financial Statements

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NOTE 32 EXCHANGE RATE RISK MANAGEMENT (CONTINUED)

(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 10	31 Dec 09	31 Dec 10 million	31 Dec 10 million	31 Dec 09 million	31 Dec 09 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)
31 December 2011	0.6230	-	A\$1,463.9	£(912.0)	-	-
	0.6211	-	A\$(289.8)	£180.0	-	-

At 31 December 2010, none of the above described foreign exchange derivatives qualify for hedge accounting treatment. Changes in fair value have been reflected in the income statement. At 31 December 2010, the aggregate fair value is a receivable of \$54.6 million (31 December 2009: \$0.4 million). The change in fair value for the year ended 31 December 2010 was \$54.2 million (31 December 2009: \$0.4 million).

Foreign currency sensitivity	31 Dec 10 \$million		31 Dec 09 \$million	
	The sensitivity of foreign currency swaps 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 of foreign currency swaps to changes in the A\$/£ rate is as follows:	A\$/£ Currency movement	Gain/(loss) to income statement		
	- 10 pence	(199.9)	(15.4)	
	- 5 pence	(91.7)	(6.9)	
	+ 5 pence	78.9	5.8	
	+ 10 pence	147.3	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 Group's 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.

Forward exchange contracts contracted as at the reporting date and maturing during the year ended	Weighted average exchange rate		Amount receivable/(payable)			
	31 Dec 10	31 Dec 09	31 Dec 10 million	31 Dec 10 million	31 Dec 09 million	31 Dec 09 million
NZ\$						
Contracts to buy A\$ and sell NZ\$						
31 December 2010	-	1.1860	-	-	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)
	1.2752	-	A\$(146.8)	NZ\$187.2	-	-
31 December 2012	1.2172	1.2172	A\$135.8	NZ\$(165.3)	A\$135.8	NZ\$(165.3)
	1.2697	-	A\$(130.2)	NZ\$165.3	-	-
31 December 2013	1.2245	1.2245	A\$78.2	NZ\$(95.7)	A\$78.2	NZ\$(95.7)
	1.2563	-	A\$(76.2)	NZ\$95.7	-	-
US\$						
Contracts to buy US\$ and sell A\$						
31 December 2011	0.9027	-	US\$41.5	A\$(46.0)	-	-

At 31 December 2010, none of the above described forward exchange contracts qualify for hedge accounting treatment. Changes in fair value have been reflected in the income statement. At 31 December 2010, the aggregate fair value is a receivable of \$10.1 million (31 December 2009: \$8.8 million). The change in fair value for the year ended 31 December 2010 was \$1.3 million (31 December 2009: \$1.6 million).

NOTE 32 EXCHANGE RATE RISK MANAGEMENT (CONTINUED)

Foreign currency sensitivity	31 Dec 10 \$million		31 Dec 09 \$million	
	The sensitivity of forward exchange contracts to changes in the A\$/NZ\$ rate is as follows:	A\$/NZ\$ Currency movement	Gain/(loss) to income statement	
	- 10 cents	0.2	(42.5)	
	- 5 cents	0.1	(20.3)	
	+ 5 cents	0.2	19.0	
	+ 10 cents	0.3	36.5	
The sensitivity of forward exchange contracts to changes in the A\$/US\$ rate is as follows:	A\$/US\$ Currency movement	Gain/(loss) to income statement		
	- 10 cents	4.5	-	
	- 5 cents	2.1	-	
	+ 5 cents	(1.9)	-	
	+ 10 cents	(3.7)	-	

NOTE 33 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 2010, the aggregate credit risk in respect of derivative financial instruments is \$225.8 million (31 December 2009: \$287.4 million). In accordance with WT Group policy, credit risk is spread among a number of creditworthy counterparties within specified limits. The WT Group had 58% 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.

At 31 December 2010, the WT Group had aggregate credit risk of \$942.0 million (31 December 2009: nil) in respect of the receivable from Westfield Retail Trust (refer Note 40).

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 16.

NOTE 34 INTEREST BEARING LIABILITIES, INTEREST AND DERIVATIVE CASH FLOW MATURITY PROFILE

Interest bearing liabilities and interest	31 Dec 10 \$million		31 Dec 09 \$million	
	Maturity profile of the principal amounts of current and non current interest bearing liabilities (refer Note 16) together with the aggregate future estimated interest thereon, is set out below:			
Due within one year	(295.2)	(1,757.3)		
Due between one and five years	(3,464.8)	(3,144.4)		
Due after five years	(843.7)	(2,560.9)		
	(4,603.7)	(7,462.6)		

Derivatives

Maturity profile of the estimated impact of contracted derivative cash flows in respect of interest and currency, is set out below:

Due within one year	(155.7)	(239.9)
Due between one and five years	87.7	(675.8)
Due after five years	(4.0)	28.5
	(72.0)	(887.2)

Contingent liabilities are set out in Note 27 and are not included in the amounts shown above.

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FOR THE YEAR ENDED 31 DECEMBER 2010

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 10 \$million	31 Dec 09 \$million	31 Dec 10 \$million	31 Dec 09 \$million
Consolidated assets				
Cash and cash equivalents	21.3	66.0	21.3	66.0
Trade debtors ^(a)	9.1	19.5	9.1	19.5
Other investments ^(a)	1,055.3	1,144.9	1,055.3	1,144.9
Receivables	3,385.4	2,639.0	3,385.4	2,639.0
Derivative assets ^(a)	225.8	287.4	225.8	287.4
Consolidated liabilities				
Trade creditors ^(a)	17.1	50.7	17.1	50.7
Payables and other creditors ^(a)	1,097.3	1,272.2	1,097.3	1,272.2
Interest bearing liabilities ^(a)				
– Fixed rate debt	3,088.4	4,267.6	2,879.8	4,118.9
– Floating rate debt	1,010.1	2,257.7	1,019.9	2,260.6
Other financial liabilities ^(a)	1,288.0	1,253.6	1,288.0	1,253.6
Derivative liabilities ^(a)	647.8	665.2	647.8	665.2

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

^(a) These financial assets and liabilities 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

The WT Group uses the following hierarchy for determining and disclosing the fair value of a financial instrument. The valuation techniques comprise:

Level 1: the fair value is calculated using quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: the fair value is estimated using inputs other than quoted prices that are observable, either directly (as prices) or indirectly (derived from prices);

Level 3: the fair value is estimated using inputs that are not based on observable market data.

	31 Dec 10 \$million	Level 1 \$million	Level 2 \$million	Level 3 \$million
Consolidated assets measured at fair value				
Derivative assets				
– Currency derivatives	147.5	–	147.5	–
– Interest rate derivatives	78.3	–	78.3	–
Other investments				
– Listed investments	96.8	96.8	–	–
– Unlisted investments	958.5	–	–	958.5
Consolidated liabilities measured at fair value				
Interest bearing liabilities				
– Fixed rate debt	3,088.4	–	3,088.4	–
– Floating rate debt	1,010.1	–	1,010.1	–
Derivative liabilities				
– Currency derivatives	579.7	–	579.7	–
– Interest rate derivatives	68.1	–	68.1	–
Other financial liabilities				
– Property linked notes	1,288.0	–	–	1,288.0

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

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

	Unlisted investments ^(a) 31 Dec 10 \$million	Property linked notes ^(a) 31 Dec 10 \$million
Level 3 fair value movements		
Balance at the beginning of the year	1,048.1	1,253.6
Additions	–	–
Disposals	(0.4)	–
Net revaluation decrement	(89.2)	34.4
Balance at the end of the year	958.5	1,288.0

^(a) 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.

^(a) 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 17 (a)).

NOTE 36 PARENT ENTITY

The Parent Entity financial information is presented in accordance with the amendments to the Corporations Regulations 2001 and the Corporations Amendment Regulations 2010 (No. 6). Summary data of the Parent Entity is disclosed as follows:

	31 Dec 10 \$million	31 Dec 09 \$million
(a) Assets		
Current assets	3,117.4	3,309.5
Non current assets	14,480.2	22,866.8
Total assets	17,597.6	26,176.3
(b) Liabilities		
Current liabilities	1,165.2	2,938.9
Non current liabilities	5,518.6	5,389.1
Total liabilities	6,683.8	8,328.0
(c) Total equity		
Contributed equity	7,568.0	10,549.7
Reserves	3,189.9	5,072.0
Retained profits	155.9	2,226.6
Total equity	10,913.8	17,848.3
(d) Comprehensive income		
Profit after tax for the period	82.3	388.3
Other comprehensive income / (loss)	451.5	(220.0)
Total comprehensive income for the period	533.8	168.3
(e) Contingent liabilities		
Performance guarantees	0.3	1.4
Guaranteed borrowings of controlled entities	3,761.5	5,067.2
Guaranteed borrowings of associates of the Responsible Entity	6,523.2	7,341.6
	10,285.0	12,410.2

NOTE 37 AUDITOR'S REMUNERATION

	31 Dec 10 \$000	31 Dec 09 \$000
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	2,120	2,318
– Assurance and compliance services	156	40
– Other services	46	20
	2,322	2,378
Amounts received or due and receivable by Affiliates of the auditors of the Parent Entity for:		
– Audit or review of the financial reports	212	175
	2,534	2,553

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NOTE 38 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 apply to the WT Group. 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

Key Management Personnel of the entity

Details of Key Management Personnel are disclosed in Note 39.

Other Related Parties

On 20 December 2010, the Westfield Group established the Westfield Retail Trust. Westfield Retail Trust is considered to be a related party of the WT Group as the Westfield Group companies are the responsible entities of the Westfield Retail Trust and manage the shopping centres held by Westfield Retail Trust.

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 Peter Lowy and Mr Steven Lowy.

The Lowy Institute for International Policy is considered to be a related party of the Westfield Group. This is due to this entity being under the control or significant influence of certain Directors of the Westfield Group, being either Mr Frank Lowy, Mr Peter Lowy or Mr Steven Lowy.

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

(i) Transactions with Key Management Personnel of the entity

The Westfield Group owns two aircraft for business use by its executives. One is located in Australia and the other is located in the United States. During the year, the Lowy family hired the aircraft (when the aircraft was not required for Westfield Group business use) and were charged by the Westfield Group. The rates used for determining the amounts charged for aircraft usage were reviewed by an independent expert and determined to be at an arm's length rate. Amounts charged to the Lowy family totalled \$462,190 (31 December 2009: \$163,868) during the period, and were payable on seven day terms.

(ii) 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 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 commercial arm's length rates. During the period the Westfield Group incurred costs amounting to \$1,694,551 (31 December 2009: \$1,445,041) 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 \$430,851 (31 December 2009: \$741,530) 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 \$93,459 (31 December 2009: \$205,795) 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 \$429,584 (31 December 2009: \$345,913) 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 \$3,914 (31 December 2009: \$14,634) for rental accommodation owned by LFG.

During the period the Westfield Group charged The Lowy Institute amounts totalling \$72,937 (31 December 2009: nil) for design and construction services.

During the period the Westfield Group charged LFG \$421,077 (31 December 2009: \$286,640) for service costs in relation to the provision of communication and security 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 payable/receivable with the following related parties:

Nature	Type	2010	2009
Owing to LFG	Current payable	\$2,598	nil
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.

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 2010 was \$87.6 million (31 December 2009: \$83.8 million) of which \$7.6 million (31 December 2009: \$7.3 million) was payable to associates of the Responsible Entity at 31 December 2010.

Manager's service charge

The Manager's service charge expensed and payable for the year ended 31 December 2010 was \$16.0 million (31 December 2009: \$16.5 million) of which \$1.4 million (31 December 2009: \$1.5 million) was payable to associates of the Responsible Entity at 31 December 2010.

Reimbursement of expenses

Reimbursement of expenses to associates of the Responsible Entity was \$83.7 million (31 December 2009: \$80.6 million) for the year ended 31 December 2010.

Construction contracts

During the year, amounts paid (excluding GST) to associates of the Responsible Entity for construction contracts amounted to \$590.5 million (31 December 2009: \$350.9 million).

NOTE 38 RELATED PARTY DISCLOSURES (CONTINUED)

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

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\$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.
- ii) 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\$762.7 million. The cross currency swap has a start date of June 2009 and continues until June 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\$236.9 million. The cross currency swap has a start date of February 2010 and continues until November 2012.

The interest expense for the year in respect of cross currency swaps with WAT was \$70.6 million (31 December 2009: \$49.3 million).

Foreign currency contracts with WAT

- i) WT and WAT entered into a foreign currency contract on 27 May 2009. WT paid US\$600.0 million to WAT in exchange for WAT paying A\$791.2 million to WT. The foreign currency contract matured on 15 November 2010 and the gain from the contract was \$184.5 million.
- ii) WT and WAT entered into a foreign currency contract on 4 November 2010. WT paid A\$3.5 million to WAT in exchange for WAT paying US\$3.5 million to WT. The foreign currency contract matured on 5 November 2010 and the loss from the contract was \$12,357.

Foreign currency contracts with WHL entities

- i) WT and a WHL entity entered into foreign currency contracts during the year. WT paid net £55.8 million to the WHL entity in exchange for the WHL entity paying net A\$98.4 million to WT. The foreign currency contracts matured during the year and the net gain from the contracts was \$1.3 million.
- ii) WT and a WHL entity entered into foreign currency contracts during the year. WT paid net US\$1.4 million to the WHL entity in exchange for the WHL entity paying net A\$1.4 million to WT. The foreign currency contracts matured during the year and the net loss from the contracts was \$1,672.
- iii) WT and a WHL entity entered into a foreign currency contract during the year. WT paid €100,000 to the WHL entity in exchange for the WHL entity paying A\$134,860 to WT. The foreign currency contract matured during the year and the net gain from the contract was \$856.

Loans to/from WHL

During the year, WT had a non-interest bearing loan to WHL. The balance of this loan at year end is \$1,293.3 million receivable (31 December 2009: \$1,959.9 million).

During the year, WT had interest and non-interest bearing loans from WHL. The balance of these loans at year end is \$822.9 million payable (31 December 2009: \$1,443.6 million), with accrued interest payable of \$78,432 (31 December 2009: \$2.3 million). The interest expense for the year in respect of the interest-bearing loan from WHL was \$23.1 million (31 December 2009: \$21.6 million)

Loans to/from WAT

During the year, WT advanced a loan to WAT. The balance of this loan at year end is \$149.1 million receivable (31 December 2009: \$112.4 million payable) with accrued interest of \$0.8 million receivable (31 December 2009: \$0.7 million payable). Interest accrues on this loan on a quarterly basis based on a floating rate. The net interest income for the year in respect of the loan to WAT was \$6.1 million (31 December 2009: \$15.7 million expense).

Loans to Westfield UK Finance Limited (WUKFIN)

During the year, WT advanced loans to WUKFIN. The balance of these loans at year end was \$1,445.5 million receivable (31 December 2009: \$593.8 million) with accrued interest of \$0.8 million receivable (31 December 2009: \$1.5 million). 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 \$1.4 million (31 December 2009: \$12.4 million).

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(ii) above.

NOTE 39 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
F G Hilmer	Non-executive Director
D M Gonski	Non-executive Director
S P Johns	Non-executive Director
M R Johnson	Non-executive Director (appointed on 27 May 2010)
P Lowy	Group Managing Director
S Lowy	Group Managing Director
P H Goldsmith	Non-executive Director
J McFarlane	Non-executive Director
B Schwartz	Non-executive Director
J Sloan	Non-executive Director
G H Weiss	Non-executive Director (retired on 27 May 2010)

The appointments of Mr M R Johnson and the retirement of Dr G H Weiss occurred during the 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 Group.

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

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. 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 Personnel is set by the Remuneration Committee of WHL.

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NOTE 40 ESTABLISHMENT OF WESTFIELD RETAIL TRUST

(a) Overview

On 3 November 2010, the Westfield Group which includes the WT Group as a stapled entity, announced a restructuring whereby \$7.3 billion of capital was proposed to be distributed to its security holders through the creation of a new separately listed property trust – Westfield Retail Trust (WRT).

The restructure was approved by the Westfield Group's security holders on 9 December 2010 and implemented on 20 December 2010. Full details of the restructure proposal were provided in the Explanatory Memorandum (EM) and Product Disclosure Statement (PDS) issued to the Westfield Group's security holders in November 2010.

As a result of the restructuring, WRT owns half of the WT Group's interests in Australia and New Zealand retail shopping centres (excluding Westfield Carindale and Cairns) representing gross asset value of \$12.1 billion to WRT, offset by \$0.4 billion of liabilities and \$4.4 billion paid and payable to the WT Group. As at 31 December 2010, the WT Group received \$3.5 billion from WRT with the remaining balance disclosed as \$442.0 million current and \$500.0 million non current receivables.

The \$4.4 billion received and receivable by the WT Group from WRT has been and will be applied to retire the WT Group's interest bearing liabilities and to extend new loans to related entities within the Westfield Group. As a result of this WT Group has terminated its interest rate hedges in respect of the borrowings retired and new loans extended. The fair value of excess swaps terminated and the deferred borrowing costs written off amounted to a financing cost of \$66.3 million and has been recognised as a charge to the income statement under the heading "Charges in respect of the establishment of the Westfield Retail Trust including transaction and financing costs".

(b) Accounting for WT Group – post restructure

The effective date of the restructure for accounting purposes was 21 December 2010 being the date WRT stapled units were destapled from the Westfield Group.

The restructure has been accounted for as a distribution of non-cash assets in accordance with AASB Interpretation 17 'Distributions of non-cash assets to Owners'. The fair value of the distribution as determined by the initial offer price of WRT units has been charged to the contributed equity and retained profits. The difference between the market value and book value of assets distributed amounting to \$934.3 million has been recognised as a charge to the income statement under the heading "Charges in respect of the establishment of the Westfield Retail Trust including transaction and financing costs".

Comparatives for the year ended 31 December 2009 have not been restated.

Following implementation of the restructure, 15 Australian and all 12 New Zealand properties that were previously consolidated have now been equity accounted. Certain equity accounted investments where WT Group continues to have significant influence or joint control continue to be equity accounted. Further details of these entities are set out in Notes 13 and Note 41.

(c) WT Group – after establishment of WRT

WT Group as a member of the stapled Westfield Group and WRT are partners in the ownership of 54 Australian and New Zealand shopping centres and will maintain a close ongoing relationship having regard to Westfield Group's property management and development roles as well as the provision by Westfield Group of corporate services to WRT. In addition, WT Group and WRT have also agreed to, where possible, cooperate on future retail property acquisition and growth opportunities in Australia and New Zealand together.

(d) Arrangements with WRT

The primary arrangements between WT Group and WRT are summarised as follows:

- WT Group and WRT will directly and indirectly co-own the properties including properties where there are existing third party joint venture partners;
- the WT Group and WRT will co-operate to source new investment opportunities in Australia and New Zealand.

Various agreements have been entered into in order to manage and develop this relationship. A detailed summary of the agreements is set out in section 10 of the PDS. The following is a high level summary only. These comprise:

(i) Co-operation Deed

The co-operation deed governs the relationship between the WT Group and WRT in connection with any new investment opportunities to acquire an interest in a retail property or a retail development site in Australia or New Zealand. The deed also provides the WT Group with rights in relation to certain properties in circumstances where the WT Group wishes to dispose of its interest. Further, WT Group agrees not to dispose of its shareholdings in the WRT responsible entities for as long as they are the WRT responsible entities.

(ii) Co-ownership arrangements

The co-ownership arrangements will be regulated by co-ownership agreements, Unitholder agreements and Shareholder agreements. In general terms, these agreements have the following features:

- proportionate sharing of income and expenses;
- the establishment of committees having proportionate representation and voting rights to deal with major decisions and the resolution of disputes;
- pre-emptive rights in relation to dealings with specified exceptions; and
- remedies where defaults in obligations occur.

(iii) Westfield Sydney arrangements

On 20 December 2010, the WT Group advanced \$942.0 million under the Westfield Sydney facility to WRT in order to fund the acquisition of 50% interest in Westfield Sydney. There are two separate loans comprising \$500.0 million at an interest rate of 6.75% repayable seven days after practical completion of the development and an interest free loan of \$442.0 million repayable on demand.

The net balance of the loan at year end is disclosed as \$442.0 million current receivable and \$500.0 million non current receivables (refer to Note 10) with interest accrued of \$1.0 million receivable.

NOTE 41 DETAILS OF CONTROLLED ENTITIES AND EQUITY ACCOUNTED ENTITIES

Name of entity	31 Dec 10 – Interest		31 Dec 09 – Interest	
	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				
Booragoon Investment Trust	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
Karrinyup Investment Trust	100.0	100.0	–	–
Market Street Investment Trust	100.0	100.0	100.0	100.0
Market Street Special Trust	100.0	100.0	100.0	100.0
Southland Investment Trust	100.0	100.0	–	–
Westfield Morley Trust	100.0	100.0	100.0	100.0
Westfield Retail Trust 1 (formerly Westfield Sub Trust C)	–	–	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 I	100.0	100.0	100.0	100.0
Westfield Sub Trust J	100.0	100.0	100.0	100.0
Westfield (NZ) Trust (formerly Westfield Sub Trust No.2)	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	5.0	5.0	10.0	10.0
Bondi Junction Trust ⁽ⁱ⁾	50.0	50.0	100.0	100.0
Booragoon Trust	50.0	50.0	–	–
CMS General Trust	50.0	50.0	50.0	50.0
CMS Property Trust	50.0	50.0	50.0	50.0
Fountain Gate Trust ⁽ⁱ⁾	50.0	50.0	100.0	100.0
Karrinyup Trust	50.0	50.0	–	–
Kotara Trust	50.0	50.0	–	–
KSC Trust	16.7	16.7	33.3	33.3
Market Street Property Trust ⁽ⁱ⁾	50.0	50.0	100.0	100.0
Mount Druitt Shopping Centre Trust	25.0	25.0	50.0	50.0
SA Shopping Centre Trust	31.3	31.3	50.0	50.0
Southland Trust	25.0	25.0	50.0	50.0
Tea Tree Plaza Trust	31.3	31.3	50.0	50.0
VIC Shopping Centre Trust ⁽ⁱ⁾	50.0	50.0	100.0	100.0
WD Trust ⁽ⁱ⁾	50.0	50.0	100.0	100.0
WestArt Trust ⁽ⁱ⁾	50.0	50.0	100.0	100.0
Westfield Chatswood Trust ⁽ⁱ⁾	50.0	50.0	100.0	100.0
Westfield Northgate Trust ⁽ⁱ⁾	50.0	50.0	100.0	100.0
Westfield North Rocks Trust	50.0	50.0	–	–
Westfield Services Trust	50.0	50.0	–	–
Westfield Shoppingtown Property Trust ⁽ⁱ⁾	62.5	62.5	100.0	100.0
Westfield Sub Trust H ⁽ⁱ⁾	50.0	50.0	100.0	100.0
Westfield Sub Trust K ⁽ⁱ⁾	50.0	50.0	100.0	100.0
Westfield Tuggerah Trust ⁽ⁱ⁾	50.0	50.0	100.0	100.0
Westmyer Nominees Pty Limited	50.0	50.0	50.0	50.0

⁽ⁱ⁾ Previously consolidated controlled entities

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NOTE 41 DETAILS OF CONTROLLED ENTITIES EQUITY ACCOUNTED ENTITIES (CONTINUED)

Name of entity	31 Dec 10 – Interest		31 Dec 09 – Interest	
	Beneficial Parent Entity %	Consolidated or Equity accounted %	Beneficial Parent Entity %	Consolidated or Equity accounted %
ENTITIES INCORPORATED IN NEW ZEALAND				
Consolidated Controlled Entities				
Westfield Trust (NZ) Limited	100.0	100.0	100.0	100.0
WT Finance (NZ) Limited	100.0	100.0	100.0	100.0
WT Finance (NZ) No. 2 Limited	100.0	100.0	–	–
Equity Accounted Entities⁽ⁱ⁾				
Abyssinian Holdings Limited	49.5	49.5	99.0	99.0
Albany Shopping Centre (No 2) Limited	50.0	50.0	100.0	100.0
Albany Shopping Centre Limited	50.0	50.0	100.0	100.0
Cedarville Properties Limited	50.0	50.0	100.0	100.0
Chartwell Shopping Centre Limited	50.0	50.0	100.0	100.0
Copthorne Investments Limited	50.0	50.0	100.0	100.0
Downtown Shopping Centre (No 2) Limited	50.0	50.0	100.0	100.0
Downtown Shopping Centre Limited	50.0	50.0	100.0	100.0
Glenfield Mall Limited	50.0	50.0	100.0	100.0
Johnsonville Shopping Centre Limited	50.0	50.0	100.0	100.0
Kroftfield Properties Limited	50.0	50.0	100.0	100.0
Manukau City Centre Limited	50.0	50.0	100.0	100.0
Petavid Investments Limited	50.0	50.0	100.0	100.0
Queensgate Centre Limited	50.0	50.0	100.0	100.0
Redisville Enterprises Limited	50.0	50.0	100.0	100.0
Riccarton Shopping Centre (1997) Limited	50.0	50.0	100.0	100.0
Shore City Centre (1993) Limited	50.0	50.0	100.0	100.0
St Lukes Group (No. 2) Limited	50.0	50.0	100.0	100.0
St Lukes Group (No. 3) Limited	50.0	50.0	100.0	100.0
St Lukes Group Holdings Limited	50.0	50.0	100.0	100.0
St Lukes Group Limited	50.0	50.0	100.0	100.0
St Lukes Square (1993) Limited	50.0	50.0	100.0	100.0
The Plaza Pakuranga Limited	50.0	50.0	100.0	100.0
WestCity Shopping Centre Limited	50.0	50.0	100.0	100.0
Westfield NZ Holdings Limited	50.0	50.0	–	–

⁽ⁱ⁾ Previously consolidated controlled entities

Directors' Declaration


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

- 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;
- in the Directors' opinion, the Financial Statements and notes thereto are in accordance with the Corporations Act 2001, including sections 296 and 297, and the International Financial Reporting Standards issued by the International Accounting Standards Board; and
- they have been provided with the declarations required by section 295A of the Corporations Act 2001 (Cwlth).

Made on 16 March 2011 in accordance with a resolution of the Board of Directors.



F P Lowy AC
Executive Chairman



F G Hilmer AO
Director



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Independent auditor's report to the members of Westfield Trust

Report on the Financial Report

We have audited the accompanying financial report of Westfield Trust (the Trust), which comprises the consolidated balance sheet as at 31 December 2010, the consolidated income statement and statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the Trust and the entities it controlled at the 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 of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 the auditor's 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, the auditor considers 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 complied with 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.

Opinion

In our opinion:

- a. the financial report of Westfield Trust is in accordance with the Corporations Act 2001, including:
 - i giving a true and fair view of the consolidated entity's financial position at 31 December 2010 and of its performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Ernst & Young

Sydney, 16 March 2011

S J Ferguson
Partner

Liability limited by a scheme approved under Professional Standards Legislation.

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 2010 (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 \$660.8 million and a distribution of \$900.2 million for the Financial Year. Basic earnings per unit is 28.63 cents and the distribution per unit is 39.00 cents.

As at 31 December 2010, the Trust had a \$13.2 billion (consolidated properties of \$6.2 billion and share of equity accounted properties of \$7.0 billion) interest in 56 shopping centres, comprising 13,644 retail outlets and approximately 4.0 million square metres of retail space.

The Australian and New Zealand operation contributed net property income of \$1,416.4 million for the Financial Year which includes comparable mall income growth of approximately 4.0%. 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 3.8%.

Retail sales on the WT Group's 44 Australian centres totalled \$21.5 billion for the Financial Year. On a comparable basis, sales increased 0.2% with specialty store sales down 0.4%. Retail sales at the WT Group's 12 centres in New Zealand decreased 0.2% 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, our Sydney City project is progressing well and is scheduled for completion in 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. In addition, the Trust has commenced a \$125 million redevelopment project at Belconnen and \$300 million redevelopment project at Carindale.

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.

Establishment of the Westfield Retail Trust

In December 2010, the Westfield Group implemented a restructuring which resulted in a distribution of \$7.3 billion of capital to its security holders through a new separately listed property trust – Westfield Retail Trust (WRT).

As a result of the restructuring, the Westfield Group and WRT became partners in the ownership of 54 Australian and New Zealand shopping centres.

The restructure is outlined in Note 40 to the financial statements.

Further details of the restructure are contained in the Explanatory Memorandum and Product Disclosure Statement sent to Westfield Group members in November 2010.

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

Proposed changes to Board and management

As announced on 2 March 2011, the Westfield Group is proposing a number of changes to its Board and management, including a decision by the Executive Chairman, Mr Frank Lowy, to assume the role of non-executive Chairman and the appointment of Mr Peter Lowy and Mr Steven Lowy as joint Chief Executive Officers.

Other changes include Mr David Lowy and Mr David Gonski indicating that they do not wish to seek re-election at the next Annual General Meeting (AGM) of Westfield Holdings Limited, the appointment of Mr Brian Schwartz as Deputy Chairman and the proposed appointment of Mr Peter Allen, the current Group Chief Financial Officer of Westfield Group as a director. Mr Allen will stand for election at the upcoming AGM.

All changes will take effect at the AGM to be held on 25 May 2011.

Termination of interest rate hedges

Reference is made to Note 31(ii) and (iia) regarding the termination of interest rate hedges subsequent to the balance date.

Other than the abovementioned events, no matter or circumstance has arisen since the end of the Financial Year that has significantly affected, or may significantly affect, the Trust's operations in future financial years, the results of the Trust's operations in future financial years or 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. In the opinion of the Directors, disclosure of any further information would be likely to result in unreasonable prejudice to the WT Group.

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 distribution for the six months ended 31 December 2009⁽¹⁾, paid 26 February 2010:

– 28.00 cents per unit final distribution for ordinary units	\$646,176,626
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The distribution for the six months ended 30 June 2010⁽²⁾, paid 31 August 2010:

– 21.00 cents per unit interim distribution for ordinary units;	\$484,632,469
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The following final distribution⁽³⁾ was declared for payment to Members with respect to the Financial Year, and paid on 28 February 2011:

– 18.00 cents per unit final distribution for ordinary units	\$415,617,937
--	---------------

⁽¹⁾ 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 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.

⁽²⁾ The Trust distribution of 21.00 cents per ordinary unit formed part of the distribution of 32.00 cents per ordinary WDC stapled security paid on 31 August 2010. 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 18.00 cents per ordinary unit formed part of the distribution of 31.56 cents per ordinary WDC stapled security paid on 28 February 2011. 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.

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 Hilder, Mr R L Furman, Lord P H Goldsmith, Mr D M Gonski, Mr S P Johns, Mr M R Johnson, Mr P S Lowy, Mr S M Lowy, Mr J McFarlane, Mr B M Schwartz, Professor J Sloan and Dr G H Weiss.

The composition of the Board changed during the Financial Year with the retirement of Dr G H Weiss on 27 May 2010 and the appointment of Mr M R Johnson on 27 May 2010.

Biographies of the Directors can be found in the 2010 Westfield Group Annual Report.

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	179,598,386
D H Lowy	
P S Lowy	
S M Lowy	
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
M R Johnson	4,415
J McFarlane	51,951
B M Schwartz	21,110
J Sloan	3,000

Dr G H Weiss retired from the Board on 27 May 2010. On the date of retirement, Dr Weiss held 22,237 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. No options over any issued or unissued units in the Trust or stapled securities in the Westfield Group have been issued to the Directors. None of the Directors hold debentures of the Westfield Group. Details of performance rights granted to other Key Management Personnel are contained in Note 39 to the Financial Statements.

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 in the Trust or the Westfield Group.

4. Options and Unissued Interests

Details of the unissued ordinary units in the Trust under options as at the date of this report are provided in Note 20 in the Notes to the Financial Statements (page 20).

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 Notes 8(b) and 19 in the Notes to the Financial Statements (page 13 and 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 Responsible Entity acts in accordance with the Constitution and the Corporations Act, it remains indemnified out of the assets of the Trust against any losses incurred while acting as Responsible Entity. The auditors of the Trust are in no way indemnified out of the assets of the Trust.

6. Special Rules for Registered Schemes

- \$103.6 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 21,292,045 units as at the end of the Financial Year.
- Details of units issued in the Trust during the Financial Year are set out on Note 19 on page 19.
- No withdrawals were made from the scheme 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), 12, 13 and 14 on pages 9, 14, 15 and 16.
- Details of the number of units in the Trust as at the end of the Financial Year are set out in Note 19 on page 19.

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.



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

In relation to our audit of the financial report of Westfield Trust for the year ended 31 December 2010, 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

Sydney, 16 March 2011

S J Ferguson
Partner

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8.0 Synchronisation of Financial Year

By an order dated 5 November 2001 made by the Australian Securities and Investments Commission, the Directors have been relieved from compliance with the requirement to ensure that the financial year of Carindale Property Trust is synchronised with the financial year of Westfield Trust. Although the financial years of Carindale Property Trust end on 30 June, the financial statements of Westfield 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

16 March 2011

The Corporate Governance Statement for Westfield Trust for the financial year ended 31 December 2010 has been incorporated into the Corporate Governance Statement prepared for the stapled Westfield Group. This Statement can be found in the 2010 Westfield Group Annual Report, after the Directors' Report.

Members' Information

FOR THE YEAR ENDED 31 DECEMBER 2010

Twenty Largest Holders of Stapled Securities in Westfield Group*

	Number of Securities	% of Issued Securities
1. HSBC Custody Nominees (Australia) Limited	701,004,259	30.36
2. J P Morgan Nominees Australia Limited	410,295,835	17.77
3. National Nominees Limited	284,420,575	12.32
4. Cordera Holdings Pty Limited	119,507,561	5.18
5. Citicorp Nominees Pty Limited	110,158,799	4.77
6. AMP Life Limited	35,098,655	1.52
7. Citicorp Nominees Pty Limited <CFS WSLE Property Secs A/C>	33,001,914	1.43
8. JP Morgan Nominees Australia Limited <Cash Income A/C>	29,096,460	1.26
9. Cogent Nominees Pty Limited	19,821,644	0.86
10. Franley Holdings Pty Limited	16,975,434	0.74
11. Mr Frank P Lowy	14,107,391	0.61
12. Bond Street Custodians Limited <ENH Property Securities A/C>	12,595,223	0.55
13. Cogent Nominees Pty Limited <SMP Accounts>	11,688,604	0.51
14. Citicorp Nominees Pty Limited <CFSIL Cwith Property 1 A/C>	10,787,666	0.47
15. RBC Dexia Investor Services Australia Nominees Pty Limited <APN A/C>	10,753,995	0.47
16. Citicorp Nominees Pty Limited <CFSIL CFS WS Indx Prop A/C>	10,470,995	0.45
17. Queensland Investment Corporation	7,462,325	0.32
18. Bond Street Custodians Limited <Property Securities A/C>	7,307,140	0.32
19. Amondi Pty Ltd <W E O P T A/C>	5,869,425	0.25
20. Citicorp Nominees Pty Limited <CISL LPT No 1 Account>	5,572,993	0.24
	1,855,996,893	80.40

* Ordinary shares in Westfield Holdings Ltd were stapled to units in Westfield Trust and Westfield America Trust as part of the Merger.

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	33,132,562	66,867	1.43
1,001 – 5,000	0	0	131,382,729	59,617	5.69
5,001 – 10,000	0	0	48,210,799	6,912	2.09
10,001 – 100,000	52,500	1	78,168,911	3,502	3.39
100,001 and over	27,608,709	3	2,018,093,538	260	87.40
Total	27,661,209	4	2,308,988,539	137,158	100.00

As at 25 February 2011, 5,077 security holders hold 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, Westfield Trust and Westfield America Trust.

Under the stapling arrangements each entity is required to issue securities on the exercise of options in one of the other entities.

* In addition, there are 27,661,209 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. The total number of options on issue at 25 February 2011 is 27,661,209.

** There are 4,387,551 performance rights on issue to a total of 137 Westfield Group employees. Under the stapling arrangement each of Westfield Holdings Limited, Westfield Trust and Westfield America Trust is required to issue securities on the vesting of a performance right.

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
Vanguard Investments Australia Ltd	117,007,468
BlackRock Investment Management (Australia) Limited	147,243,880

