



17 August 2011



Westfield Group (WDC)
Half Year Result

30 June 2011

Disclaimer

This release contains forward-looking statements, including statements regarding future earnings and distributions. These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, and which may cause actual results to differ materially from those expressed in the statements contained in this release. You should not place undue reliance on these forward-looking statements. These forward-looking statements are based on information available to us as of the date of this presentation. Except as required by law or regulation (including the ASX Listing Rules) we undertake no obligation to update these forward-looking statements

Note: All currency figures within this presentation are presented in Australian dollars unless otherwise stated

2011 Half Year Result – Key Metrics

Key Metrics ¹	(\$m)	Comparable % Change	Per Security
Property Income	997	+6 %	
Management & Development Income	111	+50 %	
EBIT ²	990	+11 %	
AIFRS Profit	651		
Operational Segment Earnings	850		36.9 cents
Funds From Operations	733		31.8 cents
Distribution	557		24.2 cents
Return on Contributed Equity	11.4%		

¹ All numbers are on a proportionately consolidated basis and all movements are based on prior comparative period on a constant currency basis adjusting for the impact of the capital distribution to Westfield Retail Trust (WRT) in December 2010

² On an FFO basis refer to slide 13

2011 Half Year Result – Key Metrics (continued)

Balance Sheet	\$
Total Assets	37,154 m
Net Debt	14,722 m
Gearing	36.1% ¹
Available Liquidity	3,500 m

Development Profile		Total	WDC Share
Work in Progress		\$4.5 bn	\$3.6 bn
Cost to Complete			\$0.9 bn
Forecast Starts	2011	\$750 m – \$1.0 bn	\$400 m – \$500 m
	2012	\$1.25 bn – \$1.5 bn	\$500 m – \$700 m
	2013	\$1.25 bn – \$1.5 bn	\$500 m – \$700 m

¹ On a proforma look through basis including repayment by WRT of the Westfield Sydney loan and the proceeds from the sale of 50% of Stratford

2011 Half Year Result – Highlights

- First results since restructure of WDC, with the creation of Westfield Retail Trust (WRT)
 - AIFRS Statutory Net Profit: \$651 million
 - Funds from Operations (FFO): \$733 million or 31.8 cents per security
 - Distribution: \$557 million or 24.2 cents per security
 - Property Income: +6%
 - Property Management and Development income: +50%
- Continued improvement in the United States and United Kingdom with conditions remaining solid in Australia/New Zealand
 - Positive comparable specialty sales growth in each region
 - Australia: +1.8%
 - New Zealand: +1.0%
 - United States: +6.0%
 - United Kingdom (Westfield London): +20.0%
- Continued progress on development activity
 - Excellent progress at Stratford City (UK), Sydney (NSW) and Carindale (QLD)
 - Completed \$160 million of redevelopments including Belconnen (ACT)
 - Commenced \$320 million redevelopment of Fountain Gate (VIC)
- On track to achieve full year 2011 results in line with forecast of:
 - FFO: 64 – 65 cents per security
 - Distribution: 48.4 cents per security

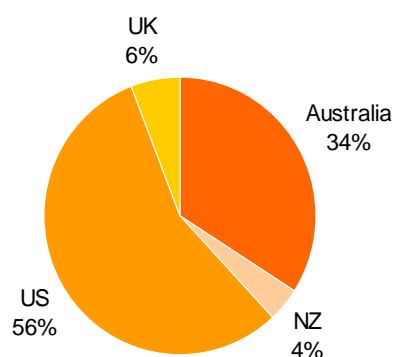
2011 Half Year Result – Highlights

- Continued implementation of long term strategy
 - Recycle capital into high return and growth opportunities through strategic acquisitions and developments in existing and new markets
 - WDC restructure and establishment of WRT in December 2010
 - World Trade Center (New York)
 - Expansion of global platform into Brazil
 - Acquisition of strategic Milan development site
- These opportunities already funded from joint venturing of both Westfield Sydney and Stratford City

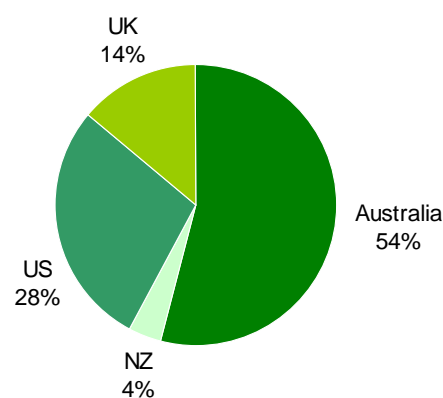
Portfolio Summary as at 30 June 2011

	United States	Australia	United Kingdom	New Zealand	Total
Centres	55	44	8	12	119
Retail Outlets	8,899	11,995	1,278	1,715	23,887
GLA (million sqm)	5.9	3.6	0.6	0.4	10.5
WDC Asset Value (billion) ¹	US\$15.7	\$12.4	£3.5	NZ\$1.5	\$33.4
Asset value – JV partner interests (billion)	US\$2.2	\$19.1	£1.9	NZ\$1.5	\$25.2
Assets Under Management (billion) ² (AUM)	US\$17.9	\$31.5	£5.4	NZ\$3.0	\$58.6
WDC Share of AUM	88%	39%	65% ³	50%	57%

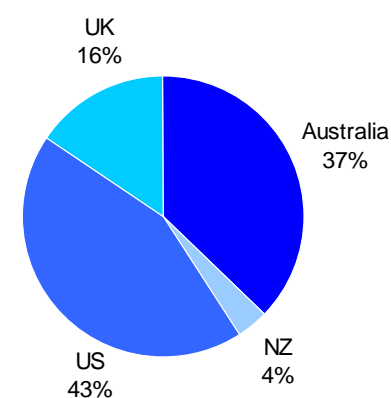
Gross Lettable Area



Assets Under Management



WDC Asset Value



¹ WDC share of shopping centre assets including construction in progress and assets held for redevelopment

² WDC and joint venture share of shopping centre assets including construction in progress and assets held for redevelopment and inventory

³ Stratford included at 100% – post the completion of the sale, WDC share of AUM in the UK will be 50%

Shopping Centre Operating Performance

	Portfolio Leased ¹ (%)	Specialty Occupancy Cost ¹ (%)	Specialty Retail Sales (Yr to 30 Jun)	Retail Sales Growth (%) ²	Lease Deals Completed ² (Number/Area)	Average Specialty Store Rent		Comparable NOI Growth ² (%)
						Amount ¹	Growth ³ (%)	
Australia & New Zealand	> 99.5	18.4	\$9,779 psm NZ\$7,910 psm	Aus: 1.8 ⁴ NZ: 1.0 ⁴	1,576 199,445 sqm	\$1,444 psm NZ\$1,048 psm	4.3	4.6
United States	92.0 ⁵	15.7	US\$429 ⁶ psf	6.0 ⁶	850 2,170,857 sqf	US\$60.59 ⁷ psf	2.7	1.2
United Kingdom	98.5	n/a	n/a	20.0 ⁸	204 105,553 sqm	£ 804 psm	(3.6)	8.1
Group	96.7				2,630 506,677 sqm			3.2

¹ As at 30 June 2011

² 6 months to 30 June 2011

³ 30 June 2011 compared to 30 June 2010

⁴ Comparable Speciality shop sales

⁵ Excludes temporary leasing of in-line space representing an additional 3.9% of area

⁶ On a per square foot basis for shops < 10,000 sqf

⁷ Based on total rent (excluding taxes) for shops < 20,000 sqf

⁸ Westfield London

Current Development Activity

- Projects currently under construction with an estimated total cost of \$4.5 billion (WDC share \$3.6 billion¹)
- \$2.7 billion has been incurred to date with \$0.9 billion cost to complete (WDC share)

	No. of Projects	Project Investment	Investment Yield ²	Anticipated Completion
United Kingdom	1	£1,450 m	7.0 – 7.5%	Sept 2011
Australia ³	3	\$1,820 m	8.0 – 8.5%	2011 – 2012
Small Projects Programme	n/a	\$520 m	8.5 – 10.0%	2011 – 2013
Total		\$4.5 bn		

- Successfully completed the \$125 million redevelopment at Belconnen (ACT)
- Projects commenced in the first half of 2011:
 - Westfield Fountain Gate (VIC) \$320 million
 - Small Projects Programme \$250 million

¹ Westfield Sydney included at 50% share. Stratford included at 100% share – with an agreement to sell 50% share at £871.5 million

² Stabilised Income/Project Investment. Excludes design, development and construction profit and management fees earned by WDC

³ Includes Westfield Sydney, Carindale and Fountain Gate

Stratford City Development Update



Sydney City Development



Major Development Opportunities

- The Group is undertaking pre-development activity on approximately \$11 billion of future development opportunities, including:

United States

- Century City (California)
- Garden State Plaza (New Jersey)
- Montgomery (Maryland)
- UTC (California)
- Valley Fair (California)
- West Valley (California)
- World Trade Center (New York)

Australia & New Zealand

- Chermside (QLD)
- Marion (SA)
- Miranda (NSW)
- Mt Gravatt (QLD)
- Newmarket (NZ)
- North Lakes (QLD)
- Tea Tree Plaza (SA)
- Tuggerah (NSW)

UK/Europe

- Bradford (UK)
- London (UK)
- Milan (Italy)
- Nottingham (UK)
- Stratford City (UK)

- Target unlevered internal rates of return of between 12% to 15% on WDC's invested capital
- WDC earns development, design and construction income from joint venture projects
- Forecast development starts of between \$1.25 billion and \$1.5 billion per annum for 2012 and 2013

Funds From Operations and Development Gains

\$ million	Jun '11 Actual	Jun '10 % Change	% Change (currency adjusted)
Net Property Income			
- Australia and New Zealand	418		8% ¹
- United States	492		1%
- United Kingdom	87		36%
Total Net Property Income	997	(2)%¹	6%¹
Property management income	53	83%	
Project income	58	23%	
Gross Income	1,108	1%	10%
Overheads	(118)	5%	
EBIT	990	2%	11%
Net Interest	(133)		
Interest on other financial liabilities	(59)		
Currency derivatives	(14)		
Earnings before tax	784		
Tax	(42)		
Minority interest	(9)		
Funds from operations	733	31.8	
Development gains	39	1.7	
Funds from operations plus development gains	772	33.5	
<i>Weighted average number of securities</i>		2,303.1	
Return on Contributed Equity²	11.4%		

¹ Compared to the 6 months ended 30 June 2010 adjusted for distribution of assets to Westfield Retail Trust in December 2010

² Return on Contributed Equity is calculated as FFO divided by \$12.9 billion of contributed equity after adjusting for the distribution on the establishment of WRT (refer note 16b of Appendix 4D)

Property Income

\$ million	Jun '11 Local Currency	Jun '10 Local Currency (Actual)	% Change	Jun '10 Proforma ¹	% Change	Currency Adjusted Proforma ¹	% Change
Property Income (FFO basis)							
- Australia and New Zealand							
Revenue	539	980		506			
Expenses	(121)	(220)		(119)			
Net Property Income (A\$)	418	760	(45)%	387	8%		
- United States							
Revenue	744	743					
Expenses	(236)	(240)					
Net Property Income (US\$)	508	503	1%				
- United Kingdom							
Revenue	75	60					
Expenses	(19)	(19)					
Net Property Income (£)	56	41	36%				
Total Net Property Income (A\$)	997	1,392	(28)%	1,019	(2)%	937	6%

¹ Compared to the 6 months ended 30 June 2010 in local currency and excluding NOI relating to assets distributed to WRT in December 2010

AIFRS Income Statement

\$ million	6 months to Jun '11	6 months to Jun '10
Property revenue	937	1,666
Contribution from equity accounted investments ¹	377	165
Property management income	53	29
Project income	58	47
Total Income	1,425	1,907
Property expenses and outgoings	(281)	(461)
Overheads	(108)	(120)
EBIT	1,036	1,326
Property revaluations	47	349
Financing costs	(115)	(307)
Currency derivatives	(14)	16
Interest on other financial liabilities	(59)	(57)
Mark to market of derivatives, preference shares and Property Linked Notes	(180)	(224)
Profit before tax and capital items	715	1,103
Tax expense	(35)	(38)
Deferred tax expense	(20)	(99)
Minority interests	(9)	(5)
Profit after tax	651	961

¹ Includes equity accounted property revaluations of \$102m (30/6/10 \$51m). Total Group property revaluations of \$149m (30/6/10 \$400m)

Balance Sheet¹

\$ million	30 Jun '11	31 Dec '10
Cash	251	267
Property investments		
- Shopping centres	30,131	30,542
- Construction in progress	1,550	1,209
- Assets held for redevelopment	831	1,023
Total Property investments	32,512	32,774
Inventory and work in progress	901	806
Other assets	3,490	3,390
Total assets	37,154	37,237
Interest bearing liabilities		
- Current	1,510	952
- Non-current	13,375	13,503
Finance lease liabilities	88	89
Deferred tax	1,641	1,657
Other liabilities	2,267	2,590
Total liabilities²	18,881	18,791
Net Assets	18,273	18,446
Minority interest ³	(1,992)	(1,920)
Net Assets attributable to the Westfield Group	16,281	16,526

¹ The balance sheet has been prepared on a proportional basis. The net investment in equity accounted entities of \$8,735m (31/12/10 \$8,660m) has been allocated to individual assets and liabilities

² Excludes \$1,720m (31/12/10 \$1,643m) of convertible preference securities & Property Linked Note liabilities that the Westfield Group considers as equity given their economic characteristics

³ Comprises \$1,720m (31/12/10 \$1,643m) of convertible preference securities & Property Linked Note liabilities and \$272m (31/12/10 \$277m) relating to the minority interests in Carindale and Derby

Property Investments

- Change in value of gross property investments

\$ billion	6 months Jun '11
Gross property investments opening balance	32.8
Revaluations	0.1
Capital expenditure	0.5
Exchange rate impact	(0.9)
Gross property investments closing balance	32.5

- Estimated yield for each region:

	30 Jun '11		31 Dec '10		30 Jun '10	
	Range	Weighted Avg	Range	Weighted Avg	Range	Weighted Avg
Australia	5.1 – 8.0%	6.0%	5.1 – 8.0%	6.0%	5.3 – 8.0%	6.1%
New Zealand	6.8 – 8.6%	7.5%	6.8 – 8.6%	7.4%	6.8 – 8.6%	7.4%
United Kingdom	5.5 – 8.0%	5.9%	5.5 – 8.0%	5.9%	5.5 – 8.0%	5.9%
United States	5.5 – 9.8%	6.4%	5.5 – 9.8%	6.5%	6.0 – 9.8%	6.7%

Financial Position

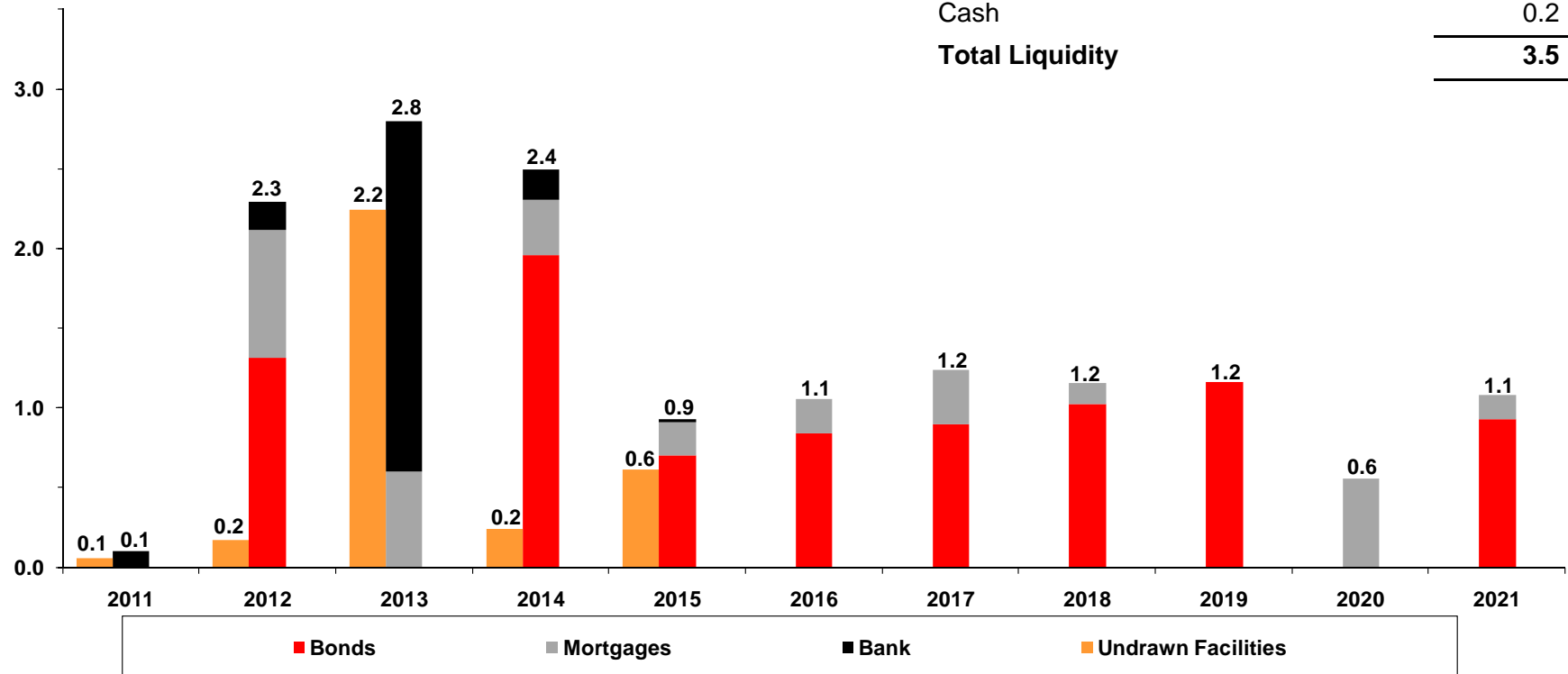
- Strong balance sheet and liquidity position
 - Gearing is 36.1% (on a look through basis) adjusted for the Westfield Sydney loan to WRT and the sale of 50% of Westfield Stratford
 - Unadjusted gearing of 39.7% (on a look through basis)
 - Available liquidity at 30 June of \$3.5 billion provided by committed banking facilities and cash
- Continued access to debt markets – \$2.0 billion raised or extended since January 2011:
 - US\$1.0 billion 144A bond issue
 - \$1.0 billion of new and extended bilateral facilities and secured mortgages
- Average term of fixed rate debt and interest rate hedging is 5.6 years
- Average term of bonds and mortgages at 4.9 years and bank facilities at 1.9 years
- Percentage of fixed rate debt is 78%
- Common borrowing structure for all unsecured, unsubordinated lenders who rank pari passu irrespective of the jurisdiction of the borrower

Facility Maturity Profile at 30 June 2011

Liquidity Summary

	\$ billion
Total Committed Financing Facilities	18.2
Amounts Drawn	(14.9)
Undrawn Financing Facilities	<u>3.3</u>
Cash	0.2
Total Liquidity	<u>3.5</u>

A\$ billion



17 August 2011



Westfield Group
Half Year Result

30 June 2011

Appendices

Funds From Operations

WDC Reporting – FFO

- FFO is calculated from AIFRS profit, adjusted for:
 - Fair value adjustments (revaluations and unrealised mark to market)
 - Deferred tax
 - Real estate depreciation and amortisation
 - Capital and non-recurring items consistent with global industry practice

- FFO includes:
 - Property net income
 - Property and Funds Management net income
 - Development, Design and Construction net income
 - Overhead expense (including Operating, Development and Corporate segment)
 - Interest Expense (i.e. other than interest capitalised to Qualifying Assets in accordance with AIFRS)
 - Tax Expense

Funds From Operations

\$ million	6 months to Jun '11	
AIFRS Profit after tax	651	
Adjusted for:		
Property revaluations and development gains	(149)	
Deferred tax expense	16	
Mark to market of derivatives	78	
Mark to market of other financial liabilities	102	
Real estate depreciation and amortisation	35	
		Cents Per Security
Funds from operations	733	31.8
Development gains	39	1.7
Funds from operations plus development gains	772	33.5
<i>Weighted average number of securities</i>		2,303.1

FFO – Reconciliation to Appendix 4D

\$ million	Appendix 4D		Proportionate		FFO	
	Consolidated (A)	Equity Accounted (B)	Total Profit (A+B = C)	FFO Adjustments (D)	Jun '11 (C+D)	
Net Property Income	<i>4D Note</i>	<i>4D Note</i>	<i>4D Note</i>	<i>4D Note</i>	<i>4D Note</i>	
- Australia and New Zealand	186	13a 225	3d 411	3d 7	418	
- United States	405	13a 62	3d 467	3d 25	492	
- United Kingdom	65	13a 19	3d 84	3d 3	87	
Total Net Property Income	656^a	306^e	3d 962	4 35	997	
Property management income	3a 53 ^b	-	3a 53	-	53	
Project income	3a 58 ^c	-	3a 58	-	58	
Gross Income	767	306	1,073	35	1,108	
Overheads	3a (108) ¹	13a (10) ¹	3a (118)	-	(118)	
EBIT	659	296	955	35	990	
Net Interest	9/13a (196) ^d	13a (18) ¹	9 (214)	4 81	(133)	
Interest on other financial liabilities	(161) ^d	-	(161)	4 102	(59)	
Currency derivatives	(11) ¹	-	(11)	4 (3)	(14)	
Earnings before tax	291	278	569	215	784	
Tax	(55) ¹	(3) ¹	(58)	4 16	(42)	
Minority interest	(9) ¹	-	(9)	-	(9)	
Funds from Operations	227	275	502	231	4	733
Gains from development	47 ¹	102 ¹	149	(110)	3a	39
Funds from operations plus development gains	274	377¹	651¹	121	772	

¹ Refer to Appendix 4D Income Statement

All numbers are from the Appendix 4D Income Statement as follows:

^a Property revenue \$937m less property expenses \$281m = \$656m

^b Property management income \$74m less property management expenses \$21m = \$53m

^c Project income \$347m less project expenses \$289m = \$58m

^d Financing costs \$381m less interest income \$24m = \$357m (\$196m net interest + \$161m interest on other financial liabilities) per note 9

^e Equity accounted property revenue \$405m less property expenses \$99m = \$306m

Operating Statistics

Operating Statistics – Australia and New Zealand

Retail Sales	Period to 30 June 2011			
	Moving Annual Turnover (MAT)	MAT Growth	Comparable Change	
			12 months	6 months
Australia				
Majors			(0.9)%	(1.7)%
Mini Majors			(2.2)%	(1.6)%
Specialties			1.6%	1.8%
Total	\$ 21.6 bn	0.6%	0.2%	0.0%
New Zealand				
Majors			(0.7)%	0.0%
Mini Majors			(2.3)%	(4.0)%
Specialties			1.0%	1.0%
Total	NZ\$ 2.2 bn	0.7%	(0.2)%	(0.2)%

Comparable Change in Retail Sales by Category – Australia

	Period to 30 June 2011	
	12 months	6 months
Majors:		
- Department Stores	(3.9)%	(8.5)%
- Discount Department Stores	(2.1)%	(1.3)%
- Supermarkets	2.1%	2.7%
- Cinemas	(6.7)%	(8.7)%
Mini-Majors	(2.2)%	(1.6)%
Specialties:		
- Fashion	0.7%	1.2%
- Food Catering	2.9%	2.2%
- Food Retail	2.5%	3.2%
- Footwear	3.8%	3.9%
- General Retail	(2.4)%	(3.1)%
- Homewares	(2.8)%	(3.4)%
- Jewellery	1.6%	0.8%
- Leisure	1.9%	0.8%
- Retail Services	3.7%	4.3%

Operating Statistics – United States

Specialty Retail Sales – US\$	Period to:			
	Jun '11	Dec '10	Dec '09	Dec '08
12 month sales (MAT)	6.9 bn	6.7 bn	6.2 bn	6.8 bn
12 month sales per square foot	429	418	394	437
<i>% change on prior year</i>	6.5%	6.1%	(9.5)%	(6.8)%
% change six months on previous year corresponding six months	6.0%			

Change in Specialty Retail Sales by Category – United States

Sales per square foot	Period to 30 June 2011	
	12 months	6 months
Fashion	3.7%	4.3%
Jewellery	8.4%	12.1%
Leisure	16.3%	10.3%
Food retail	3.7%	3.0%
General retail	4.1%	7.4%

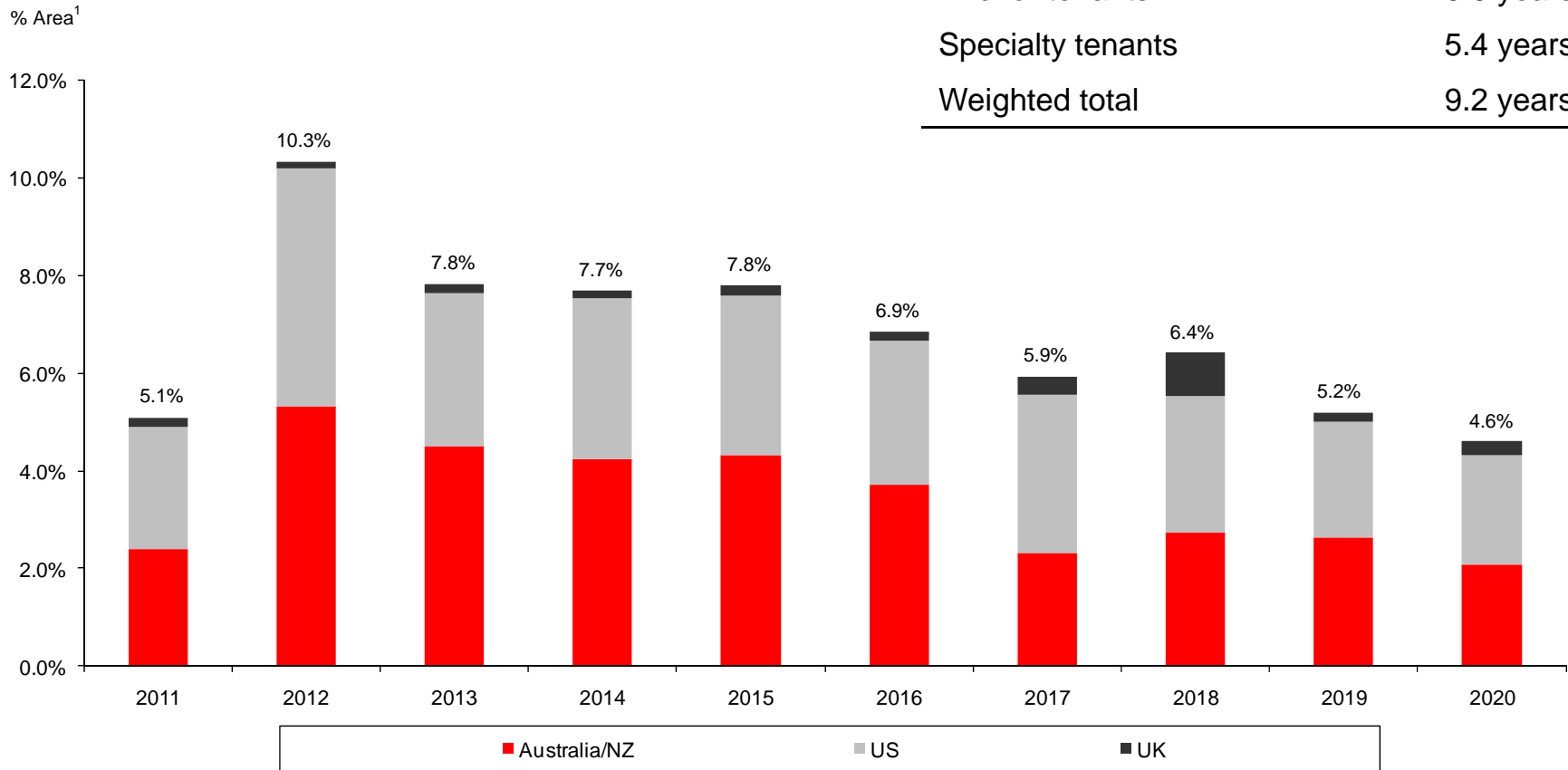
Operating Statistics – United Kingdom

Retail Sales	Period to 30 June 2011	
	12 months	6 months
UK Industry: BRC-KPMG Retail Sales Report		
- Total	2.2%	1.4%
- Comparable	0.3%	0.4%
Westfield London	22.7%	20.0%

Group Lease Expiry Profile

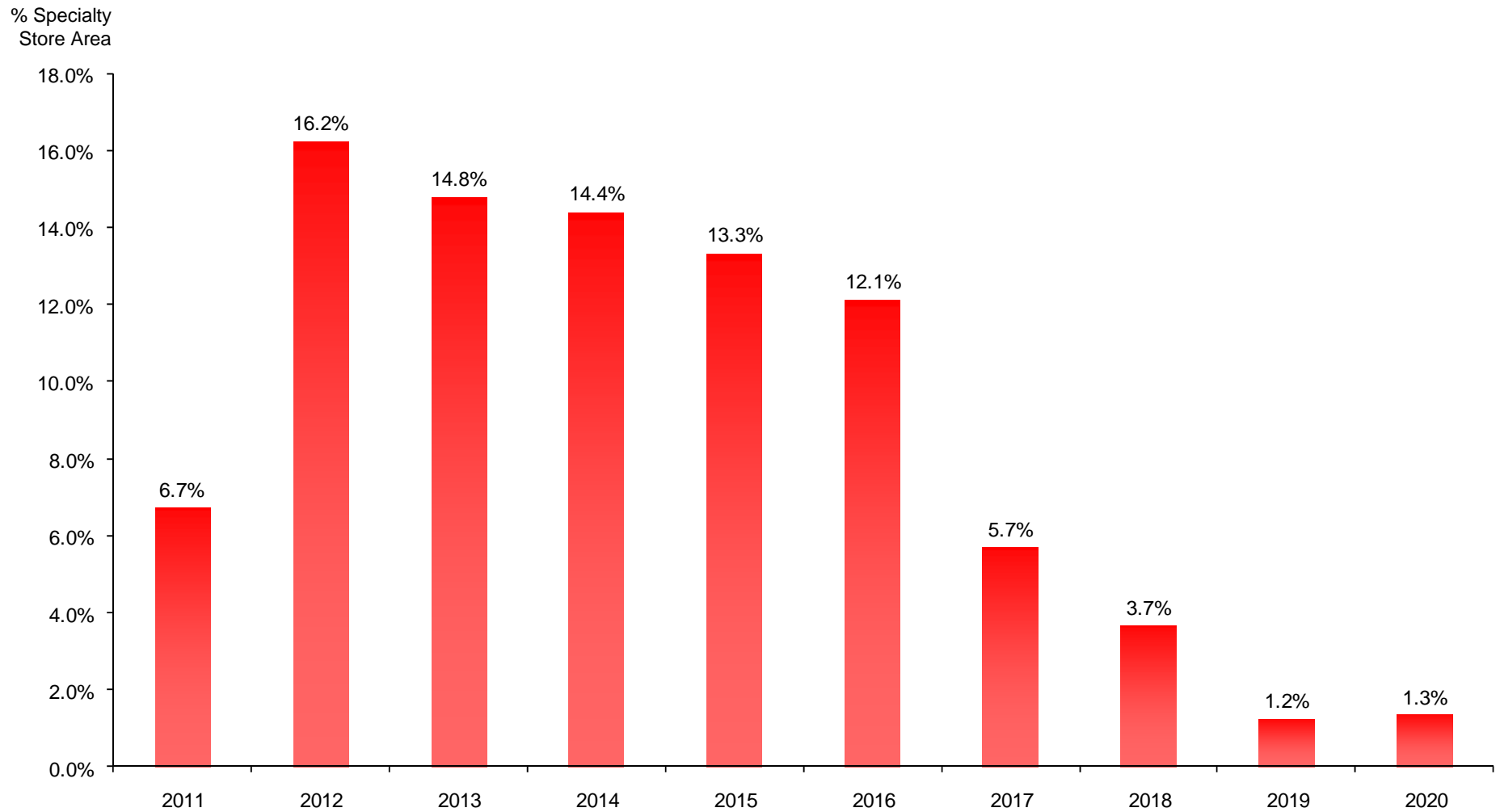
Unexpired Weighted Average Lease Term as at 30 June 2011

Anchor tenants	15.3 years
Specialty tenants	5.4 years
Weighted total	9.2 years

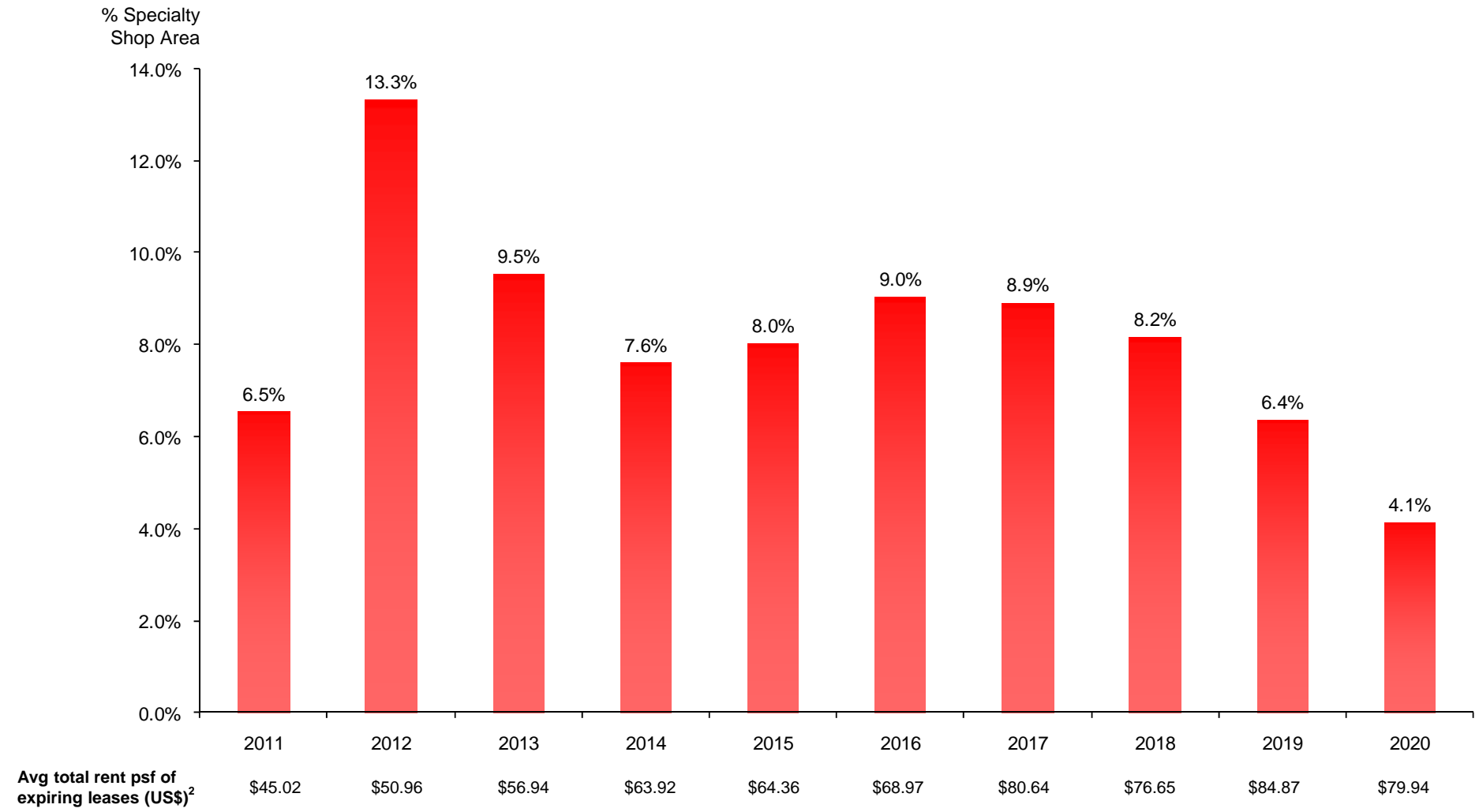


¹ Based upon approximately 7.5 million sqm GLA (excluding US anchor GLA not owned by the Group)

Specialty Lease Expiry Profile – Australia and New Zealand



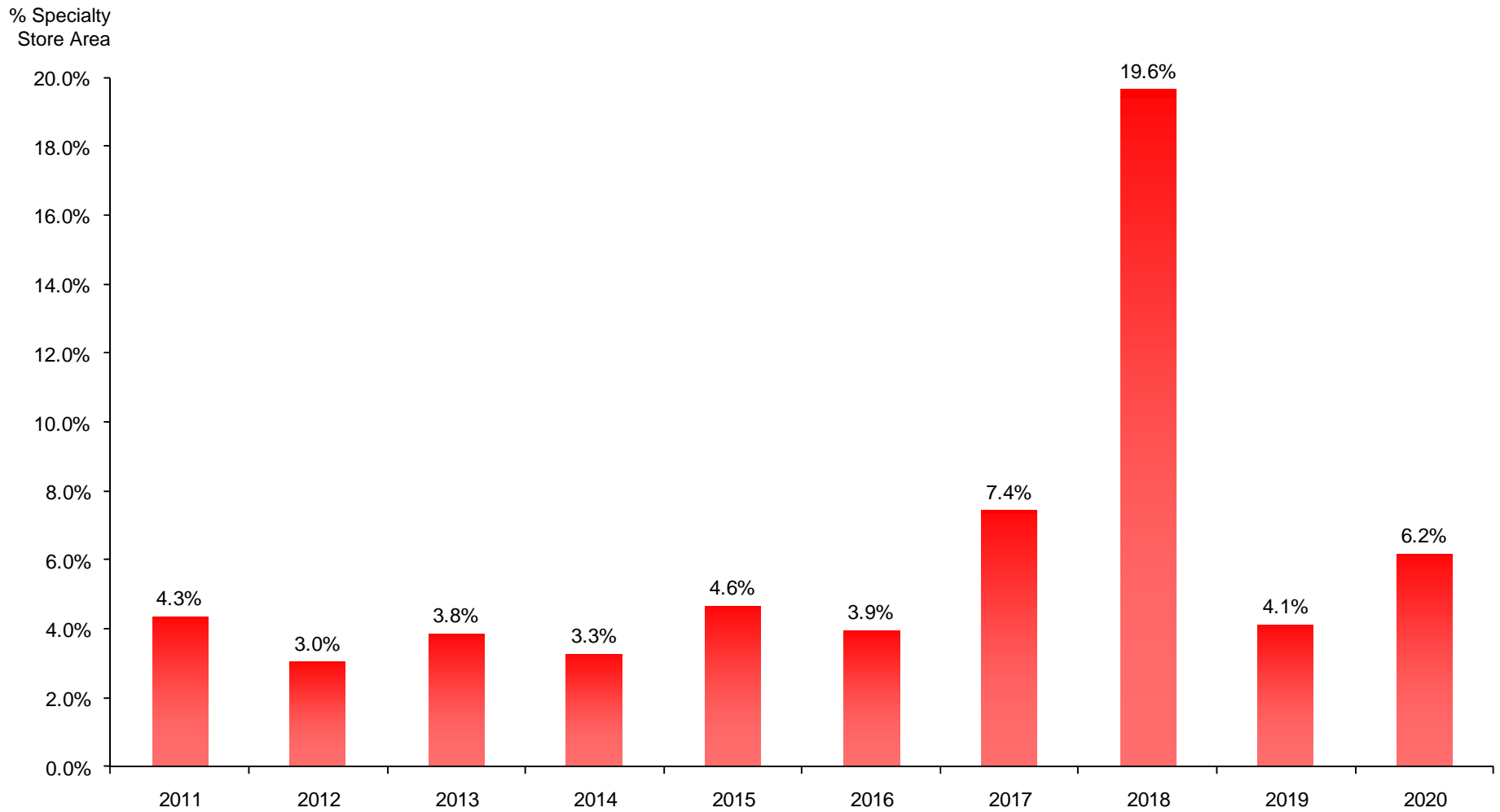
Specialty Lease Expiry Profile – United States¹



¹ For specialty shops < 20,000 sqf

² Total rent (excluding taxes) includes contracted increases in both minimum rent and common area charges

Specialty Lease Expiry Profile – United Kingdom



Supplemental Financial Slides

Income Statement by Business Segment¹

\$ million	6 months to 30 June 2011			
	Operational	Development	Corporate	Total
Property revenue	1,298	43	1	1,342
Property management income	53	-	-	53
Project income	58	-	-	58
Total income	1,409	43	1	1,453
Property expenses and outgoings	(363)	(17)	-	(380)
Overheads	(53)	(46)	(19)	(118)
EBIT	993	(20)	(18)	955
Net interest expense	(61)	(67)	(6)	(134)
Currency derivatives	(14)	-	-	(14)
Mark to market of derivatives	-	-	(77)	(77)
Property revaluations	-	39	110	149
Tax expense	-	-	(42)	(42)
Deferred tax expense	-	-	(16)	(16)
Minority interests	(68) ²	-	(102) ³	(170)
Total segment earnings	850	(48)	(151)	651

¹ The income statement has been prepared on a proportional basis. The net contribution from equity accounted properties of \$377m has been allocated to income and expenses. Property revaluations of \$149m includes equity accounted property revaluations of \$102m

² Carindale Property Trust: \$4m, Derby: \$5m, Property Linked Notes: \$40m and convertible preference securities \$19m

³ Mark to market of \$24m for Property Linked Notes and \$78m relating to convertible preference securities

Operational Earnings¹

\$ million	Jun '11 Actual	Jun '10 Actual	% Change ²	% Change (currency adjusted ^{2,3})
Property revenue	1,298	1,853		
Property management income	53	29		
Project income	58	47		
Total income	1,409	1,929		
Property expenses and outgoings	(363)	(509)		
Overheads	(53)	(52)		
EBIT	993	1,368	(0.8)%	7.9%
Net interest expense	(61)	(293)		
Currency derivatives	(14)	16		
Minority interests	(68) ⁴	(62)		
Operational Earnings	850	1,029		
<i>Operational Earnings per security (cents)</i>	<i>36.90</i>	<i>44.70</i>		
<i>Weighted average number of securities</i>	<i>2,303.1</i>	<i>2,301.9</i>		

¹ The operational earnings have been prepared on a proportional basis. The net contribution from equity accounted properties of \$285m (\$110m Jun 10 currency adjusted and \$119m Jun 10 actual) has been allocated to income and expenses

² Adjusted for the establishment of WRT on 20 December 2010

³ Based on the prior period profit and loss statement retranslated at the current period exchange rates. The average exchange rates are AUD/USD 1.0334(30/06/10 0.8938); AUD/GBP 0.6397 (30/06/10 0.5861); AUD/NZD 1.3292 (30/06/10 1.2680)

⁴ Carindale Property Trust: \$4m Derby: \$5m, Property Linked Notes: \$40m and convertible preference securities: \$19m

Assets Under Management at 30 June 2011

\$ million	Westfield Group			JV Partner Share	Total Assets Under Management
	Consolidated Assets	Equity Accounted Assets	Total		
Shopping centres	20,442	9,689	30,131	24,609	54,740
Construction in progress	1,516	34	1,550	211	1,761
Assets held for development	675	156	831	346	1,177
Property investments	22,633	9,879	32,512	25,166	57,678
Inventories and work in progress	901	-	901	-	901
Property investments 30 Jun 2011	23,534	9,879	33,413	25,166	58,579
Property investments 31 Dec 2010	23,687	9,852	33,539	24,681	58,220

Assets Under Development

\$ million	At 30 June 2011				
	Existing Centre	Construction in Progress	Assets Held for Redevelopment	Inventory	Total
○ Australia & New Zealand	942 ¹	180	195	18	1,335
○ United States	-	205	382	16	603
○ United Kingdom	50	1,165	254	867	2,336
Total	992	1,550	831	901	4,274

¹ Represents the completion of the first stage of Westfield Sydney valued at \$942 million

Operational Segment Borrowings¹

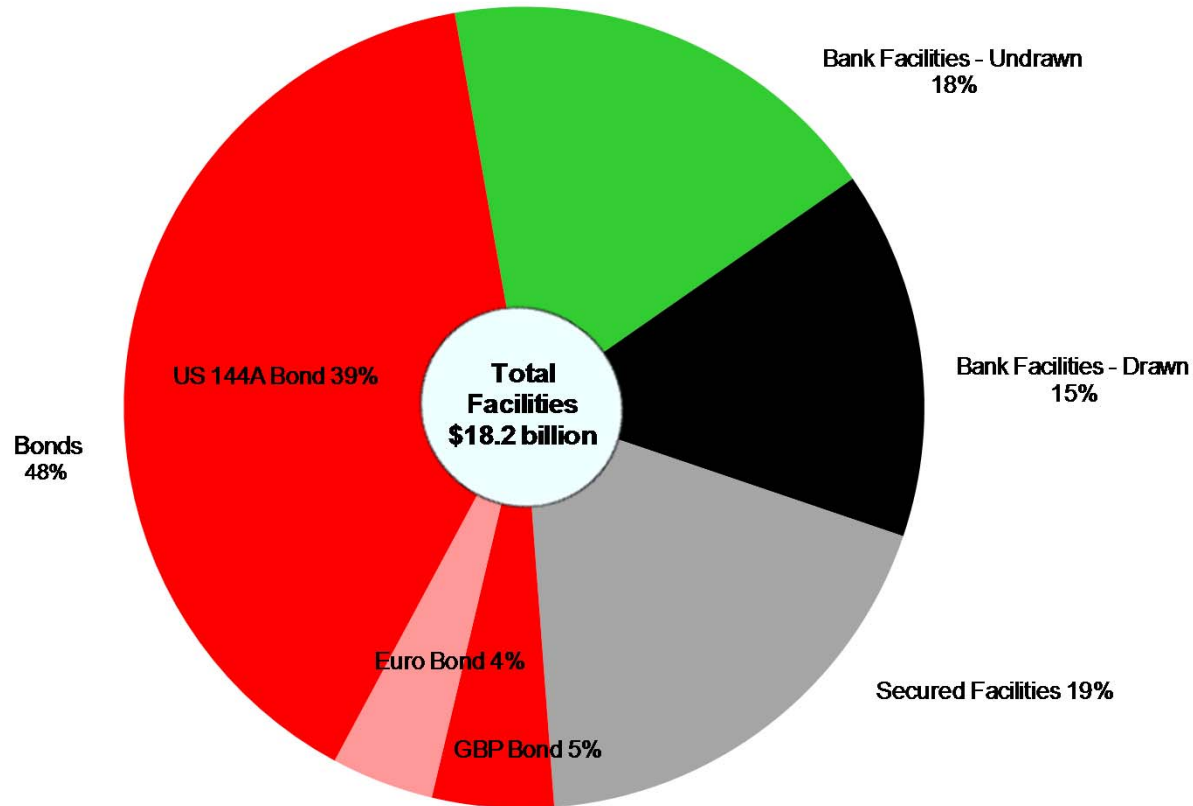
\$ million	At 30 Jun '11	At 31 Dec '10
Interest bearing liabilities	14,885	14,455
Cash	(251)	(267)
Finance lease liabilities	88	89
Total net borrowings	14,722	14,277
Less: Borrowings attributable to assets under development ²	(5,230)	(5,002)
Less: Westfield Sydney loan receivable from WRT	(942)	(942)
Operational segment borrowings	8,550	8,333

¹ On a proportionate basis

² Represents historic cost of investment

Financing Facilities

- Diversified funding base made up of domestic and international bonds, syndicated bank facilities, bilateral bank facilities and secured mortgages



Key Financial Ratios Under the Group's Latest Bond Offering

	Covenant	30 Jun '11
Leverage	<65%	38.4% ¹
Secured Debt	<45%	8.5%
Interest Coverage	>1.5 times	3.3 times ²
Unencumbered Leverage	>125%	228%

¹ Excluding the repayment by WRT of the \$1,082m Westfield Sydney Loan and the sale of 50% of Westfield Stratford, the Leverage ratio would be 42.1%

² Interest cover is calculated on a rolling 12 month basis. Including the impact of realised swap terminations, the Interest Coverage ratio would be 2.9 times

Interest Rate Hedging Profile – Fixed Debt

Outstanding as at Dec	US\$ interest payable		£ interest payable	
	US\$m	Fixed Rate ¹ %	£m	Fixed Rate ¹ %
2011	(10,489.1)	5.87%	(600.0)	5.39%
2012	(9,547.7)	5.89%	(600.0)	5.39%
2013	(9,009.1)	5.92%	(600.0)	5.39%
2014	(6,553.2)	6.03%	(600.0)	5.39%
2015	(5,679.1)	6.09%	(600.0)	5.39%
2016	(4,543.7)	6.20%	(600.0)	5.39%
2017	(4,164.2)	6.23%	-	-
2018	(2,911.3)	5.92%	-	-
2019	(1,647.6)	5.33%	-	-
2020	(1,139.9)	4.65%	-	-

¹ Includes margin

Interest Rate Hedging Profile – Derivatives

Outstanding as at Dec	\$ interest payable		US\$ interest payable		£ interest payable		NZ\$ interest payable		\$ interest receivable		US\$ interest receivable	
	\$m	Fixed Rate ¹ %	US\$m	Fixed Rate ¹ %	£m	Fixed Rate ¹ %	NZ\$m	Fixed Rate ¹ %	\$m	Fixed Rate ¹ %	US\$m	Fixed Rate ¹ %
2011	(50.5)	5.67%	(2,750.0)	1.82%	(1,171.8)	4.90%	(260.0)	4.07%	4,250.0	6.35%	3,250.0	3.29%
2012	(73.0)	5.60%	(2,750.0)	1.82%	(882.5)	4.76%	(260.0)	4.07%	3,086.0	6.28%	2,300.0	3.56%
2013	(313.0)	5.38%	(2,750.0)	1.82%	(882.5)	4.76%	(260.0)	4.07%	1,150.0	6.37%	4,850.0	3.78%
2014	(288.0)	5.38%	(2,750.0)	1.82%	(790.0)	4.75%	(180.0)	4.23%	200.0	6.77%	4,000.0	3.66%
2015	(258.5)	5.36%	-	-	(400.0)	4.97%	(105.0)	4.38%	-	-	1,500.0	3.74%
2016	(3.5)	7.28%	-	-	(50.0)	5.13%	(35.0)	4.53%	-	-	1,500.0	3.74%
2017	(3.5)	7.28%	(1,000.0)	3.94%	(150.0)	5.11%	-	-	-	-	1,500.0	3.74%
2018	-	-	(1,000.0)	3.94%	-	-	-	-	-	-	1,100.0	3.80%
2019	-	-	-	-	-	-	-	-	-	-	500.0	3.77%

¹ Excludes margin

Interest Rate Hedging Profile – Interest Rate Caps

As at Dec	\$ interest payable		US\$ interest payable		NZ\$ interest payable	
	\$m	Strike Rate ¹ %	US\$m	Strike Rate ¹ %	NZ\$m	Strike Rate ¹ %
2011	(1,000.0)	6.53%	(500.0)	1.32%	(240.0)	3.37%
2012	(300.0)	6.60%	-	-	(140.0)	3.68%

¹ Excludes margin

Group Currency Hedging Profile

Maturing during period ended Dec	Forward Exchange Contracts							
	(Sell) US\$m	Contract Rate	Buy US\$m	Contract Rate	(Sell) NZ\$m	Contract Rate	Buy NZ\$m	Contract Rate
2011	(144.5)	0.7765	145.2	0.7771	(187.2)	1.2084	187.2	1.2752
2012	(102.1)	0.8241	102.1	0.9501	(165.3)	1.2172	165.3	1.2697
2013	(160.5)	0.8136	160.5	0.9429	(95.7)	1.2245	95.7	1.2563
2014	(73.4)	0.7869	73.4	0.9139	-	-	-	-

Cross Currency Swap Profile

Maturing during period ended Dec	Cross currency receivable/(payable)			
	\$m	US\$m	£m	€m
H2 2011	653.3	(3.0)	(411.3)	-
2012	(551.4)	47.2	(121.1)	560.0
2014	(269.2)	250.0	-	-
2015	(906.6)	750.0	-	-
	<u>(1,073.9)</u>	<u>1,044.2</u>	<u>(532.4)</u>	<u>560.0</u>

Proportionate Balance Sheet 30 June 2011

\$ million	Consolidated	Equity Accounted	Total
Cash	201	50	251
Property investments			
- Shopping centres	20,442	9,689	30,131
- Construction in progress	1,516	34	1,550
- Assets held for redevelopment	675	156	831
Total property investments	22,633	9,879	32,512
Net investment in equity accounted entities	8,735	(8,735)	-
Inventory and work in progress	901	-	901
Other assets	3,459	31	3,490
Total assets	35,929	1,225	37,154
Interest bearing liabilities			
- Current	1,481	29	1,510
- Non-current	12,643	732	13,375
Finance lease liabilities	51	37	88
Deferred tax	1,406	235	1,641
Other liabilities	2,075	192	2,267
Total liabilities¹	17,656	1,225	18,881
Net Assets	18,273	-	18,273
Minority interest ²	1,992	-	1,992
Net Assets attributable to the Westfield Group	16,281	-	16,281

¹ Excludes \$1,720m (31/12/10 \$1,643m) of convertible preference securities & Property Linked Note liabilities that the Westfield Group considers as equity given their economic characteristics

² Comprises \$1,720m (31/12/10 \$1,643m) of convertible preference securities & Property Linked Note liabilities and \$272m (31/12/10 \$277m) relating to Carindale and Derby

Exchange Rates

- Income Statement – average exchange rates for the 6 months to:

	30 Jun 2011	30 Jun 2010	% Change
AUD/USD	1.0334	0.8938	15.6%
AUD/GBP	0.6397	0.5861	9.1%
AUD/NZD	1.3292	1.2680	4.8%

- Balance Sheet – exchange rates as at:

	30 Jun 2011	31 Dec 2010	% Change
AUD/USD	1.0722	1.0178	5.3%
AUD/GBP	0.6697	0.6572	1.9%
AUD/NZD	1.2951	1.3112	(1.2)%

Preliminary Half-Year Report

Under ASX listing rule 4.2A.3 (Appendix 4D)
Westfield Group¹ for 6 months ended 30 June 2011²
Results for announcement to the market

A\$ million	Current	Prior Period	Prior Period	
	Period 6 months 30 Jun 2011	Actual 6 months 30 Jun 2010	Increase/ (Decrease)	Adjusted ⁴ 6 months 30 Jun 2010 (Decrease)
Revenue	1,358.4	1,799.4	(24.5%)	1,360.0 (0.1%)
Earnings before interest, taxes, currency derivatives and property revaluations	955.2	1,305.8	(26.8%)	938.8 1.7%
Net profit after tax attributable to members of the Westfield Group	650.9	960.9	(32.3%)	n/a n/a

The current period revenue and earnings have been impacted by the capital distribution of 50% of the Australian and New Zealand shopping centre portfolio to the Westfield Retail Trust in December 2010. To assist comparison, additional information has been provided whereby the prior period's revenue and earnings have been adjusted for interests in the shopping centres transferred to the Westfield Retail Trust³.

It is recommended that the financial report be considered together with any public announcements made by the Westfield Group during the 6 months ended 30 June 2011 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

¹ Entities that form the stapled entity are Westfield Holdings Limited ABN 66 001 671 496 (WHL), Westfield Trust ARSN 090 849 746 (WT) and Westfield America Trust ARSN 092 058 449 (WAT).

² In accordance with the Australian equivalents to International Financial Reporting Standards (IFRS).

³ In comparing the current year's result to the prior year, it is important to refer to the Explanatory Memorandum Establishment of Westfield Retail Trust dated 3 November 2010.

⁴ Prior period comparative has been adjusted for the impact of the establishment of the Westfield Retail Trust.

Dividends/Distributions

Under ASX listing rule 4.2A.3 (Appendix 4D)
Westfield Group¹ for 6 months ended 30 June 2011
Results for announcement to the market

	Cents Per Security
	WDC Ordinary Securities
Interim dividend/distributions to be paid on 31 August 2011, comprising:	24.20
- Distribution in respect of a WT unit ²	15.20
- Distribution in respect of a WAT unit ²	9.00
- Dividend in respect of a WHL share	-
Record date for determining entitlements to the final dividend/distributions	5:00pm 16 August 2011

¹ Entities that form the stapled entity are Westfield Holdings Limited ABN 66 001 671 496 (WHL), Westfield Trust ARSN 090 849 746 (WT) and Westfield America Trust ARSN 092 058 449 (WAT).

² The aggregate distributions in respect of WT and WAT units is expected to be 60% tax deferred.

Westfield Group

Half-Year Financial Report

For the half-year ended 30 June 2011



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WESTFIELD GROUP

INCOME STATEMENT

for the half-year ended 30 June 2011

	Note	30 Jun 11 \$million	30 Jun 10 \$million
Revenue			
Property revenue	5	937.1	1,665.8
Property development and project management revenue		347.3	89.6
Property and funds management income		74.0	44.0
		1,358.4	1,799.4
Share of after tax profit of equity accounted entities			
Property revenue		404.9	210.6
Property revaluations		102.1	50.9
Property expenses, outgoings and other costs		(99.4)	(61.5)
Overheads		(9.9)	(4.1)
Net interest expense		(18.3)	(31.1)
Tax expense		(2.5)	-
	13(a)	376.9	164.8
Expenses			
Property expenses, outgoings and other costs		(280.7)	(461.0)
Property development and project management costs		(289.2)	(42.5)
Property and funds management costs		(21.0)	(15.0)
Overheads		(107.9)	(120.1)
		(698.8)	(638.6)
Interest income		23.9	7.5
Currency derivatives	6	(11.1)	55.2
Gain from capital transactions	7	-	-
Financing costs	9	(381.0)	(634.1)
Property revaluations		46.4	349.4
Profit before tax and non controlling interests		714.7	1,103.6
Tax expense	10	(55.1)	(137.8)
Profit after tax for the period		659.6	965.8
Profit after tax for the period attributable to:			
- Members of the Westfield Group		650.9	960.9
- External non controlling interests		8.7	4.9
Profit after tax for the period		659.6	965.8

Net profit attributable to members of the Westfield Group analysed by amounts attributable to:		
WHL members	137.2	35.3
WT members	363.0	804.6
WAT members	150.7	121.0
Net profit attributable to members of the Westfield Group	650.9	960.9

	cents	cents
Basic earnings per WHL share	5.96	1.53
Diluted earnings per WHL share	5.94	1.53
Basic earnings per stapled security	28.26	41.74
Diluted earnings per stapled security	28.18	41.28

WESTFIELD GROUP
STATEMENT OF COMPREHENSIVE INCOME
for the half-year ended 30 June 2011

	30 Jun 11 \$million	30 Jun 10 \$million
Profit after tax for the period	659.6	965.8
Other comprehensive income		
<i>Movement in foreign currency translation reserve</i>		
- Net exchange difference on translation of foreign operations	(279.9)	280.0
- Realised and unrealised gain/(loss) on currency loans and asset hedging derivatives which qualify for hedge accounting	116.9	(146.3)
- Deferred tax effect on unrealised gain/(loss) on currency loans and asset hedging derivatives which qualify for hedge accounting	(6.4)	6.3
<i>Movement in employee share plan swaps reserve</i>		
- Gain/(loss) on employee share plan swaps	(12.3)	4.8
- Amount credited/(charged) to income statement	5.4	(1.8)
- Deferred tax effect on employee share plan swaps	2.1	(1.1)
<i>Movement in non controlling interest</i>		
- Net exchange difference on translation of foreign operations	(1.5)	-
Total comprehensive income for the period	483.9	1,107.7

Total comprehensive income attributable to:

- Members of the Westfield Group	476.7	1,102.8
- External non controlling interests	7.2	4.9
Total comprehensive income for the period	483.9	1,107.7

Total comprehensive income attributable to members of the Westfield Group analysed by amounts attributable to:

WHL members ⁽ⁱ⁾	89.9	(215.8)
WT and WAT members ^{(i) (ii)}	386.8	1,318.6
Total comprehensive income attributable to members of the Westfield Group	476.7	1,102.8

⁽ⁱ⁾ For 30 June 2010, amount includes a \$274.1 million charge to WHL and a credit to WAT of \$274.1 million representing the reallocation of the Group's net assets between WHL and WAT following the redemption of units in WAT held by subsidiaries of WHL (Cross Holdings) for nil consideration. These units were not stapled or quoted on the ASX. There was no change to the number of stapled securities on issue in the Westfield Group as a result of the redemption.

⁽ⁱⁱ⁾ Total comprehensive income attributable to members of WT and WAT consists of a profit after tax for the period of \$513.7 million (30 June 2010: \$925.6 million), the net exchange loss on translation of foreign operations of \$126.9 million (30 June 2010: gain of \$118.9 million) and a credit to WAT of nil (30 June 2010: \$274.1 million) representing the reallocation of the Group's net assets.

WESTFIELD GROUP

DIVIDEND/DISTRIBUTION STATEMENT

for the half-year ended 30 June 2011

	Note	30 Jun 11 \$million	30 Jun 10 \$million
Profit after tax attributable to members of the Westfield Group		650.9	960.9
Adjusted for:			
Property revaluations		(148.5)	(400.3)
Amortisation of tenant allowances		35.3	38.4
Net fair value loss on interest rate hedges that do not qualify for hedge accounting		80.4	305.7
Net fair value (gain)/loss on other financial liabilities		101.7	(50.3)
Net fair value gain of currency derivatives that do not qualify for hedge accounting		(2.8)	(39.7)
Net fair value loss on the termination of surplus interest rate swaps upon the restructure of the Group's interest rate hedge portfolio		-	7.6
Deferred tax		15.7	99.4
Gain from capital transactions		-	-
Funds from operations ⁽ⁱ⁾	4(b)(ii)	732.7	921.7
Less: amount retained		(175.3)	(185.1)
Dividend/distributions for the period ⁽ⁱⁱ⁾		557.4	736.6
Dividend/distribution per ordinary stapled security (cents)		24.20	32.00
Weighted average number of stapled securities entitled to distributions		2,303.1	2,301.9
Weighted average number of stapled securities on issue for the period		2,303.1	2,301.9

⁽ⁱ⁾ Equivalent to 31.81 cents operational earnings per stapled security (30 June 2010: 40.04 cents).

⁽ⁱⁱ⁾ The dividend/distribution of \$557.4 million (30 June 2010: \$736.6 million) includes a nil (30 June 2010: nil) cum-dividend/distribution component in respect of stapled securities that were issued during the year with full dividend/distribution entitlement.

WESTFIELD GROUP**BALANCE SHEET**

as at 30 June 2011

	Note	30 Jun 11 \$million	31 Dec 10 \$million
Current assets			
Cash and cash equivalents		201.0	210.1
Trade debtors		33.9	38.8
Derivative assets		340.1	258.7
Receivables		1,315.8	625.4
Inventories and work in progress		901.2	805.8
Tax receivable		16.7	6.3
Prepayments and deferred costs		83.2	102.0
Total current assets		2,891.9	2,047.1
Non current assets			
Investment properties	11	22,633.2	22,922.2
Equity accounted investments	13(b)	8,735.0	8,660.3
Other investments		506.6	521.5
Derivative assets		825.4	939.1
Receivables		-	500.0
Plant and equipment		175.1	193.6
Deferred tax assets		78.5	74.4
Prepayments and deferred costs		83.0	91.8
Total non current assets		33,036.8	33,902.9
Total assets		35,928.7	35,950.0
Current liabilities			
Trade creditors		110.7	130.8
Payables and other creditors		1,087.2	1,176.2
Interest bearing liabilities	14	1,481.7	923.3
Other financial liabilities	15	97.0	98.7
Tax payable		46.0	48.0
Derivative liabilities		77.2	409.1
Total current liabilities		2,899.8	2,786.1
Non current liabilities			
Payables and other creditors		150.4	104.1
Interest bearing liabilities	14	12,693.1	12,807.9
Other financial liabilities	15	1,622.9	1,544.7
Deferred tax liabilities		1,405.8	1,421.5
Derivative liabilities		603.2	482.6
Total non current liabilities		16,475.4	16,360.8
Total liabilities		19,375.2	19,146.9
Net assets		16,553.5	16,803.1

WESTFIELD GROUP

BALANCE SHEET

as at 30 June 2011

	Note	30 Jun 11 \$million	31 Dec 10 \$million
Equity attributable to members of WHL			
Contributed equity	16(b)	1,479.8	1,479.8
Reserves ⁽ⁱ⁾		(756.2)	(709.4)
Retained profits		(84.8)	(106.7)
Total equity attributable to members of WHL		638.8	663.7
Equity attributable to WT and WAT members			
Contributed equity	16(b)	15,701.4	15,701.4
Reserves ⁽ⁱ⁾		(812.6)	(690.7)
Retained profits		753.8	851.7
Total equity attributable to WT and WAT members		15,642.6	15,862.4
Equity attributable to non controlling interests - external			
Contributed equity		205.3	212.5
Reserves		(1.5)	-
Retained profits		68.3	64.5
Total equity attributable to non controlling interests - external		272.1	277.0
Total equity attributable to non controlling interests		15,914.7	16,139.4
Total equity		16,553.5	16,803.1

Equity attributable to members of the Westfield Group analysed by amounts attributable to:		
WHL members	638.8	663.7
WT and WAT members	15,642.6	15,862.4
Total equity attributable to members of the Westfield Group	16,281.4	16,526.1

⁽ⁱ⁾ For 31 December 2010, amount includes a \$274.1 million charge to WHL and a credit to WAT of \$274.1 million representing the reallocation of Westfield Group's net assets between WHL and WAT following the redemption of units in WAT held by subsidiaries of WHL (Cross Holdings) for nil consideration. These units were not stapled or quoted on the ASX. There was no change to the number of stapled securities on issue in the Westfield Group as a result of the redemption.

WESTFIELD GROUP

STATEMENT OF CHANGES IN EQUITY

for the half-year ended 30 June 2011

	<i>Comprehensive Income</i> 30 Jun 11 \$million	<i>Movement in Equity</i> 30 Jun 11 \$million	Total 30 Jun 11 \$million	Total 30 Jun 10 \$million
Changes in equity attributable to members of the Westfield Group				
Opening balance of contributed equity	-	17,181.2	17,181.2	20,171.8
- Movement in contributed equity	-	-	-	-
Closing balance of contributed equity	-	17,181.2	17,181.2	20,171.8
Opening balance of reserves	-	(1,400.1)	(1,400.1)	(855.8)
- Movement in foreign currency translation reserve ^{(i) (ii)}	(169.4)	-	(169.4)	140.0
- Movement in employee share plan benefits reserve ⁽ⁱ⁾	-	5.5	5.5	6.8
- Movement in employee share plan swaps reserve ^{(i) (ii)}	(4.8)	-	(4.8)	1.9
Closing balance of reserves	(174.2)	(1,394.6)	(1,568.8)	(707.1)
Opening balance of retained profits	-	745.0	745.0	4,796.8
- Profit after tax for the period ⁽ⁱⁱⁱ⁾	650.9	-	650.9	960.9
- Dividend/distribution paid	-	(726.9)	(726.9)	(1,081.9)
Closing balance of retained profits	650.9	18.1	669.0	4,675.8
Closing balance of equity attributable to members of the Westfield Group	476.7	15,804.7	16,281.4	24,140.5
Changes in equity attributable to external non controlling interests				
Opening balance of equity	-	277.0	277.0	194.1
Movement in contributed equity	-	(7.2)	(7.2)	-
Movement in foreign currency translation reserve ⁽ⁱⁱ⁾	(1.5)	-	(1.5)	-
Total comprehensive income attributable to external non controlling interests ⁽ⁱⁱ⁾	8.7	-	8.7	4.9
Dividend/distribution paid or provided for	-	(4.9)	(4.9)	(4.9)
Closing balance of equity attributable to external non controlling interests	7.2	264.9	272.1	194.1
Total equity	483.9	16,069.6	16,553.5	24,334.6

Closing balance of equity attributable to:				
- WHL members	89.9	548.9	638.8	748.9
- WT and WAT members	386.8	15,255.8	15,642.6	23,391.6
Closing balance of equity attributable to members of the Westfield Group	476.7	15,804.7	16,281.4	24,140.5

⁽ⁱ⁾ Movement in reserves attributable to members of WT and WAT consists of the net exchange loss on translation of foreign operations of \$126.9 million (30 June 2010: net exchange gain of \$118.9 million) and net credit to the employee share plan benefit reserve of \$5.0 million (30 June 2010: \$6.8 million) and a credit to WAT of nil (30 June 2010: \$274.1 million) representing the reallocation of the Group's net assets. These units were not stapled or quoted on the ASX. There was no change to the number of stapled securities on issue in the Westfield Group as a result of the redemption.

⁽ⁱⁱ⁾ Total comprehensive income for the period amounts to a gain of \$483.9 million (30 June 2010: \$1,107.7 million). The comparative period consists of a gain attributable to external non controlling interests of \$4.9 million, a loss attributable to WHL members of \$215.8 million and a gain attributable to WT and WAT members of \$1,318.6 million.

WESTFIELD GROUP

CASH FLOW STATEMENT

for the half-year ended 30 June 2011

	30 Jun 11 \$million	30 Jun 10 \$million
Cash flows from operating activities		
Receipts in the course of operations (including sales tax)	1,276.9	1,912.7
Payments in the course of operations (including sales tax)	(674.8)	(796.9)
Settlement of income hedging currency derivatives	3.1	19.3
Dividends/distributions received from equity accounted associates	217.0	114.4
Income and withholding taxes paid	(25.3)	(18.5)
Sales tax paid	(34.7)	(31.5)
Net cash flows from operating activities	762.2	1,199.5
Cash flows used in investing activities		
Payments of capital expenditure for property investments	(369.4)	(577.8)
Payments for the acquisition of property investments	-	(17.9)
Proceeds from the sale of property investments	3.9	3.1
Net outflows for investments in equity accounted entities	(54.9)	(80.6)
Payments for the purchases of plant and equipment	(15.7)	(15.0)
Financing costs capitalised	(101.1)	(147.6)
Settlement of asset hedging currency derivatives	46.2	(17.5)
Net cash flows used in investing activities	(491.0)	(853.3)
Cash flows used in financing activities		
Termination of surplus interest rate swaps in respect of the repayment of interest bearing liabilities with the proceeds from the WRT capital restructure	(261.6)	-
Termination of surplus interest rate swaps upon the restructure of Westfield Group's interest rate hedge portfolio	(66.4)	(52.5)
Net proceeds from interest bearing liabilities	1,020.5	1,190.9
Financing costs excluding interest capitalised	(235.5)	(408.9)
Interest received	5.2	7.5
Dividends/distributions paid	(726.9)	(1,081.9)
Dividends/distributions paid by controlled entities to non controlling interests	(12.1)	(4.9)
Net cash flows used in financing activities	(276.8)	(349.8)
Net decrease in cash and cash equivalents held	(5.6)	(3.6)
Add opening cash and cash equivalents brought forward	185.6	173.0
Effects of exchange rate changes on opening cash and cash equivalents brought forward	2.9	1.8
Cash and cash equivalents at the end of the period ⁽ⁱ⁾	182.9	171.2

⁽ⁱ⁾ Cash and cash equivalents comprises cash \$201.0 million (30 June 2010: \$198.2 million) net of bank overdraft \$18.1 million (30 June 2010: \$27.0 million).

WESTFIELD GROUP

NOTES TO THE FINANCIAL STATEMENTS

for the half-year ended 30 June 2011

1 Corporate information

This financial report of the Westfield Group for the half-year ended 30 June 2011 was approved on 17 August 2011, in accordance with a resolution of the Board of Directors of Westfield Holdings Limited (**Parent Company**).

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

2 Basis of preparation of the financial report

The half-year financial report does not include all notes of the type normally included in the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the annual financial report.

The half-year financial report should be read in conjunction with the annual financial report of Westfield Group as at 31 December 2010.

It is also recommended that the half-year financial report be considered together with any public announcements made by the Westfield Group during the half-year ended 30 June 2011 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

(a) Basis of accounting

The half-year financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 "Interim Financial Reporting".

The half-year financial report has been prepared on a historical cost basis, except for investment properties, investment properties within equity accounted investments, derivative financial instruments, financial assets at fair value through profit and loss and other financial liabilities. The carrying values of recognised assets and liabilities that are hedged with fair value hedges and are otherwise carried at cost are adjusted to record changes in the fair values attributable to the risks that are being hedged.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

The half-year financial report has been prepared using the same accounting policies as used in the annual financial report for the year ended 31 December 2010 except for the changes required due to amendments to the accounting standards noted below.

This financial report is presented in Australian dollars.

(b) New accounting standards and interpretations

Certain Australian Accounting Standards and Interpretations have been issued or amended but are not yet effective and have not been adopted by the Group for the period ended 30 June 2011. The impact of these new or amended standards (to the extent relevant to the Group) and interpretations are set out below:

- AASB 2010-8 *Amendments to Australian Accounting Standards - Deferred Tax: Recovery of Underlying Assets* (effective from 1 January 2012)

This amendment requires deferred tax to be determined on the basis that the asset is disposed of, rather than the asset being retained and tax recognised through the continued use of the asset. The final amount of tax actually paid on the disposal of any of the Group's assets may be lower, depending on the structure of the sale.

The Group has estimated that based on current capital gains tax rates an additional amount of approximately \$1.3 billion would be required to be charged against retained earnings on the implementation of the amended standard.

- IFRS 10 *Consolidated Financial Statements* (effective from 1 January 2013)

This standard broadens the situations where an entity is likely to be considered to control another entity and includes new guidance for determining control of an entity. This is likely to lead to some entities that are currently being equity accounted to be consolidated into the Group's financial results when they are restated on application of this accounting standard. As this standard was only announced in May 2011, the Group is currently working through the structure in order to establish which assets/entities may be consolidated.

- IFRS 11 *Joint Arrangements* (effective from 1 January 2013)

This standard uses the principle of control in IFRS 10 to define joint control and removes the option to account for jointly controlled entities using the proportionate consolidation method. Joint ventures that give the joint venture parties a right to the net assets is accounted for using the equity method. Joint operations that give the joint venture parties a right to the underlying assets and obligations is accounted for by recognising the share of those assets and obligations. The Group is currently assessing the impact of this standard.

- IFRS 12 *Disclosure of Interests in Other Entities* (effective from 1 January 2013)

This standard introduces new disclosures about judgements made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non-controlling interests. The Group is currently assessing the impact of this standard.

- IFRS 13 *Fair value measurement* (effective from 1 January 2013)

This standard establishes a single source of guidance for determining the fair value of assets and liabilities. The Group is currently assessing the impact of this standard.

WESTFIELD GROUP

NOTES TO THE FINANCIAL STATEMENTS

for the half-year ended 30 June 2011

2 Basis of preparation of the financial report (continued)

(c) Rounding

In accordance with ASIC Class Order 98/0100, the amounts shown in the financial report have, unless otherwise indicated, 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.

3 Segmental reporting

Operating segments

The Group's operating segments are as follows:

a) The Group's operational segment comprises the property investment and property and project management segments.

(i) Property investments

Property investments segment includes net property income from existing shopping centres and completed developments, revaluation of existing centres and other operational expenses. A geographic analysis of net property investment income is also provided.

(ii) Property and project management

Property and project management segment includes external fee income from third parties, primarily property management and development fees, and associated business expenses.

b) Development

The Group has a global program to redevelop its shopping centres and to develop new shopping centres. The development segment includes revaluation of redevelopments and development projects, and associated development expenses. It also includes income and expenses on properties held for future redevelopment and inter-segmental transactions.

c) Corporate

The corporate business unit includes unallocated corporate entity expenses.

Transactions such as the change in fair value of financial instruments, impact of currency hedging, interest income, financing costs, taxation, gain from capital transactions and the corporate business unit are not allocated to the above segments and are included in order to facilitate a reconciliation to the Group's net profit attributable to its members.

The Group's operating segments' income and expenses as well as the details of segment assets and liabilities have been prepared on a proportionate format. The proportionate format presents the net income from and net assets in equity accounted properties on a gross format whereby the underlying components of net income and net assets are disclosed separately as revenues, expenses, assets and liabilities.

The proportionate format is used by management in assessing and understanding the performance and results of operations of the Group as it allows management to observe and analyse revenue and expense results and trends on a portfolio-wide basis. Management of the Group considers that, given that the assets underlying both the consolidated and the equity accounted components of the statutory income statement are similar (that is, Australian, New Zealand, United Kingdom and United States shopping centres), 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 centres and only reflecting their performance as a single item of profit or loss, as the statutory format requires.

WESTFIELD GROUP

NOTES TO THE FINANCIAL STATEMENTS

for the half-year ended 30 June 2011

3_Segmental reporting (continued)

A_Income and expenses

	Operational		Development	Corporate	Total
	Property investment	Property and project management			
30 June 2011	\$million	\$million	\$million	\$million	\$million
Revenue					
Property revenue	1,297.7	-	42.6	1.7	1,342.0
Property development and project management revenue	-	347.3	-	-	347.3
Property and funds management income	-	74.0	-	-	74.0
	1,297.7	421.3	42.6	1.7	1,763.3
Expenses					
Property expenses, outgoings and other costs	(363.2)	-	(16.9)	-	(380.1)
Property development and project management costs	-	(289.2)	-	-	(289.2)
Property and funds management costs	-	(21.0)	-	-	(21.0)
Overheads	(39.3)	(13.0)	(46.0)	(19.5)	(117.8)
	(402.5)	(323.2)	(62.9)	(19.5)	(808.1)
Segment result	895.2	98.1	(20.3)	(17.8)	955.2
Segment revaluations					
Revaluation of properties and development projects	18.3	-	28.1	-	46.4
Equity accounted-revaluation of properties and development projects	91.0	-	11.1	-	102.1
Non controlling interests share of property revaluations	-	-	-	-	-
	109.3	-	39.2	-	148.5
Inter-segmental transactions					
Transfer of completed developments			142.0		142.0
Carrying value of developments transferred			(142.0)		(142.0)
	-	-	-	-	-
Currency derivatives	(13.9)			2.8	(11.1)
Gain from capital transactions					-
Interest income					24.6
Financing costs					(400.0)
Tax expense					(57.6)
Non controlling interests					(8.7)
Net profit attributable to members of the Westfield Group ⁽ⁱ⁾					650.9
B_Assets and liabilities					
Cash	250.8	-	-	-	250.8
Shopping centre investments	29,140.1	-	991.1	-	30,131.2
Development projects and construction in progress	-	-	2,381.4	-	2,381.4
Inventories and work in progress	-	901.2	-	-	901.2
Other assets	983.2	41.1	942.0	-	1,966.3
Group assets - unallocated					1,523.1
Total segment assets	30,374.1	942.3	4,314.5	-	37,154.0
Segment liabilities	1,193.8	110.9	75.0	-	1,379.7
Group liabilities - unallocated					19,220.8
Total segment liabilities	1,193.8	110.9	75.0	-	20,600.5
Total segment net assets	29,180.3	831.4	4,239.5	-	16,553.5
Equity accounted associates included in segment assets	9,721.0	-	239.3	-	9,960.3
Equity accounted associates included in - segment liabilities	192.8	-	-	-	192.8
- unallocated					1,032.5
Additions to segment non current assets	15.7	-	407.2	-	422.9

⁽ⁱ⁾ Net profit attributable to members of the Westfield Group was \$650.9 million. Net profit after tax for the period which includes profit attributable to non controlling interests of \$8.7 million was \$659.6 million.

WESTFIELD GROUP

NOTES TO THE FINANCIAL STATEMENTS

for the half-year ended 30 June 2011

3_Segmental reporting (continued)

C_Geographic information - Total revenue

30 June 2011	Australia & New Zealand	United Kingdom	United States	Total
	\$million	\$million	\$million	\$million
Property revenue	506.1	109.6	682.0	1,297.7
Property development revenue	26.1	3.4	13.1	42.6
Property development and project management revenue	248.1	95.1	4.1	347.3
Property and funds management revenue	56.1	5.2	12.7	74.0
Other	-	-	-	1.7
Total revenue	836.4	213.3	711.9	1,763.3

D_Geographic information - Net property income

Shopping centre base rent and other property income	539.2	118.0	720.1	1,377.3
Amortisation of tenant allowances	(7.0)	(3.3)	(25.0)	(35.3)
Property revenue	532.2	114.7	695.1	1,342.0
Property expenses, outgoings and other costs	(120.7)	(31.0)	(228.4)	(380.1)
Net property income	411.5	83.7	466.7	961.9

E_Geographic information - Property investment assets and non current assets

Property investment assets	12,656.7	3,050.9	14,666.5	30,374.1
Non current assets	13,458.2	4,258.3	14,348.4	32,064.9
Group non current assets				971.9
Total non current assets	13,458.2	4,258.3	14,348.4	33,036.8

WESTFIELD GROUP
NOTES TO THE FINANCIAL STATEMENTS

for the half-year ended 30 June 2011

3_Segmental reporting (continued)

F_Reconciliation of segmental results

The Group's operating segments' income and expenses as well as the details of segment assets and liabilities have been prepared on a proportionate format. The composition of the Group's consolidated and equity accounted details are provided below:

30 June 2011	Consolidated	Equity Accounted	Total
	\$million	\$million	\$million
Revenue			
Property revenue	937.1	404.9	1,342.0
Property development and project management revenue	347.3	-	347.3
Property and funds management income	74.0	-	74.0
	1,358.4	404.9	1,763.3
Expenses			
Property expenses, outgoings and other costs	(280.7)	(99.4)	(380.1)
Property development and project management costs	(289.2)	-	(289.2)
Property and funds management costs	(21.0)	-	(21.0)
Overheads	(107.9)	(9.9)	(117.8)
	(698.8)	(109.3)	(808.1)
Segment result	659.6	295.6	955.2
Segment revaluations			
Revaluation of properties and development projects	46.4	-	46.4
Equity accounted-revaluation of properties and development projects	-	102.1	102.1
Non controlling interests share of property revaluations	-	-	-
	46.4	102.1	148.5
Currency derivatives	(11.1)	-	(11.1)
Gain from capital transactions	-	-	-
Interest income	23.9	0.7	24.6
Financing costs	(381.0)	(19.0)	(400.0)
Tax expense	(55.1)	(2.5)	(57.6)
Non controlling interests	(8.7)	-	(8.7)
Net profit attributable to members of the Westfield Group	274.0	376.9	650.9
Assets			
Cash	201.0	49.8	250.8
Shopping centre investments	20,442.0	9,689.2	30,131.2
Development projects and construction in progress	2,191.2	190.2	2,381.4
Inventories and work in progress	901.2	-	901.2
Other assets	1,935.2	31.1	1,966.3
Group assets - unallocated	1,523.1	-	1,523.1
Total segment assets	27,193.7	9,960.3	37,154.0
Liabilities			
Segment liabilities	1,186.9	192.8	1,379.7
Group liabilities - unallocated	18,188.3	1,032.5	19,220.8
Total segment liabilities	19,375.2	1,225.3	20,600.5
Total segment net assets	7,818.5	8,735.0	16,553.5

WESTFIELD GROUP

NOTES TO THE FINANCIAL STATEMENTS

for the half-year ended 30 June 2011

3_Segmental reporting (continued)

A_Income and expenses

	Operational		Development	Corporate	Total
	Property investment	Property and project management			
	\$million	\$million	\$million	\$million	\$million
30 June 2010					
Revenue					
Property revenue	1,853.0	-	21.6	1.8	1,876.4
Property development and project management revenue	-	89.6	-	-	89.6
Property and funds management income	-	44.0	-	-	44.0
	1,853.0	133.6	21.6	1.8	2,010.0
Expenses					
Property expenses, outgoings and other costs	(509.4)	-	(13.1)	-	(522.5)
Property development and project management costs	-	(42.5)	-	-	(42.5)
Property and funds management costs	-	(15.0)	-	-	(15.0)
Overheads	(44.7)	(7.0)	(55.0)	(17.5)	(124.2)
	(554.1)	(64.5)	(68.1)	(17.5)	(704.2)
Segment result	1,298.9	69.1	(46.5)	(15.7)	1,305.8
Segment revaluations					
Revaluation of properties and development projects	349.4	-	-	-	349.4
Equity accounted-revaluation of properties and development projects	50.9	-	-	-	50.9
Non controlling interests share of property revaluations	-	-	-	-	-
	400.3	-	-	-	400.3
Inter-segmental transactions					
Transfer of completed developments			-		-
Carrying value of developments transferred			-		-
	-	-	-	-	-
Currency derivatives	15.5			39.7	55.2
Gain from capital transactions					-
Interest income					7.7
Financing costs					(665.4)
Tax expense					(137.8)
Non controlling interests					(4.9)
Net profit attributable to members of the Westfield Group ⁽ⁱ⁾					960.9

⁽ⁱ⁾ Net profit attributable to members of the Westfield Group was \$960.9 million. Net profit after tax for the period which includes profit attributable to non controlling interests of \$4.9 million was \$965.8 million.

B_Assets and liabilities

31 December 2010

Cash	267.2	-	-	-	267.2
Shopping centre investments	29,549.2	-	992.0	-	30,541.2
Development projects and construction in progress	-	-	2,232.7	-	2,232.7
Inventories and work in progress	-	805.8	-	-	805.8
Other assets	896.2	24.1	942.0	-	1,862.3
Group assets - unallocated					1,527.6
Total segment assets	30,712.6	829.9	4,166.7	-	37,236.8
Segment liabilities	1,324.9	54.6	56.3	-	1,435.8
Group liabilities - unallocated					18,997.9
Total segment liabilities	1,324.9	54.6	56.3	-	20,433.7
Total segment net assets	29,387.7	775.3	4,110.4	-	16,803.1
Equity accounted associates included in segment assets	9,669.0	-	278.1	-	9,947.1
Equity accounted associates included in - segment liabilities	238.5	-	-	-	238.5
- unallocated					1,048.3
Additions to segment non current assets	241.1	-	1,368.5	-	1,609.6

WESTFIELD GROUP

NOTES TO THE FINANCIAL STATEMENTS

for the half-year ended 30 June 2011

3_Segmental reporting (continued)

C_Geographic information - Total revenue

	Australia & New Zealand	United Kingdom	United States	Total
	\$million	\$million	\$million	\$million
30 June 2010				
Property revenue	965.1	94.0	793.9	1,853.0
Property development revenue	2.9	6.2	12.5	21.6
Property development and project management revenue	12.1	76.0	1.5	89.6
Property and funds management revenue	21.4	6.2	16.4	44.0
Other	-	-	-	1.8
Total revenue	1,001.5	182.4	824.3	2,010.0

D_Geographic information - Net property income

Shopping centre base rent and other property income	979.9	102.5	832.4	1,914.8
Amortisation of tenant allowances	(11.9)	(0.5)	(26.0)	(38.4)
Property revenue	968.0	102.0	806.4	1,876.4
Property expenses, outgoings and other costs	(220.4)	(33.2)	(268.9)	(522.5)
Net property income	747.6	68.8	537.5	1,353.9

E_Geographic information - Property investment assets and non current assets

31 December 2010

Property investment assets	12,303.9	3,071.6	15,337.1	30,712.6
Non current assets	13,606.8	4,190.9	15,022.9	32,820.6
Group non current assets				1,082.3
Total non current assets	13,606.8	4,190.9	15,022.9	33,902.9

WESTFIELD GROUP

NOTES TO THE FINANCIAL STATEMENTS

for the half-year ended 30 June 2011

3_Segmental reporting (continued)

F_Reconciliation of segmental results

The Group's operating segments' income and expenses as well as the details of segment assets and liabilities have been prepared on a proportionate format. The composition of the Group's consolidated and equity accounted details are provided below:

	Consolidated \$million	Equity Accounted \$million	Total \$million
30 June 2010			
Revenue			
Property revenue	1,665.8	210.6	1,876.4
Property development and project management revenue	89.6	-	89.6
Property and funds management income	44.0	-	44.0
	1,799.4	210.6	2,010.0
Expenses			
Property expenses, outgoings and other costs	(461.0)	(61.5)	(522.5)
Property development and project management costs	(42.5)	-	(42.5)
Property and funds management costs	(15.0)	-	(15.0)
Overheads	(120.1)	(4.1)	(124.2)
	(638.6)	(65.6)	(704.2)
Segment result	1,160.8	145.0	1,305.8
Segment revaluations			
Revaluation of properties and development projects	349.4	-	349.4
Equity accounted-revaluation of properties and development projects	-	50.9	50.9
Non controlling interests share of property revaluations	-	-	-
	349.4	50.9	400.3
Currency derivatives	55.2	-	55.2
Gain from capital transactions	-	-	-
Interest income	7.5	0.2	7.7
Financing costs	(634.1)	(31.3)	(665.4)
Tax expense	(137.8)	-	(137.8)
Non controlling interests	(4.9)	-	(4.9)
Net profit attributable to members of the Westfield Group	796.1	164.8	960.9
31 December 2010			
Cash	210.1	57.1	267.2
Shopping centre investments	20,917.6	9,623.6	30,541.2
Development projects and construction in progress	2,004.6	228.1	2,232.7
Inventories and work in progress	805.8	-	805.8
Other assets	1,824.0	38.3	1,862.3
Group assets - unallocated	1,527.6	-	1,527.6
Total segment assets	27,289.7	9,947.1	37,236.8
Segment liabilities	1,197.3	238.5	1,435.8
Group liabilities - unallocated	17,949.6	1,048.3	18,997.9
Total segment liabilities	19,146.9	1,286.8	20,433.7
Total segment net assets	8,142.8	8,660.3	16,803.1

WESTFIELD GROUP

NOTES TO THE FINANCIAL STATEMENTS

for the half-year ended 30 June 2011

Note	30 Jun 11 cents	30 Jun 10 cents
4 Earnings per security		
4(a) Summary of earnings and funds from operations per security		
	28.26	41.74
	28.18	41.28
	31.81	40.04
	31.72	39.96

4(b) Income data

4(b)(i) Earnings

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

	\$million	\$million
Earnings used in calculating basic earnings per stapled security ⁽ⁱ⁾	650.9	960.9
Adjustment to earnings on options which are considered dilutive	-	(8.8)
Earnings used in calculating diluted earnings per stapled security	650.9	952.1

⁽ⁱ⁾ Refer to the income statement for details of the profit after tax attributable to members of the Westfield Group.

4(b)(ii) Funds from operations

The following reflects the income data used in the calculations of basic and diluted funds from operations per stapled security:

	\$million	\$million
Funds from operations used in calculating basic funds from operations per stapled security	732.7	921.7
Adjustment to funds from operations on options which are considered dilutive	-	-
Funds from operations used in calculating diluted funds from operations per stapled security	732.7	921.7

Reconciliation of profit after tax to funds from operations

Profit after tax attributable to members of the Westfield Group		650.9	960.9
Property revaluations		(46.4)	(349.4)
Equity accounted property revaluations	13(a)	(102.1)	(50.9)
Net fair value loss on interest rate hedges that do not qualify for hedge accounting	9	81.5	305.1
Net fair value (gain)/loss on other financial liabilities	9	101.7	(50.3)
Equity accounted - net fair value (gain)/loss on interest rate hedges that do not qualify for hedge accounting	13(a)	(1.1)	0.6
Net fair value gain of currency derivatives that do not qualify for hedge accounting	6	(2.8)	(39.7)
Net fair value loss on the termination of surplus interest rate swaps upon the restructure of the Group's interest rate hedge portfolio	9	-	7.6
Deferred tax	10	19.8	99.4
Equity accounted deferred tax	13(a)	(4.1)	-
Gain from capital transactions	7	-	-
Amortisation of tenant allowances	5	27.8	34.3
Equity accounted amortisation of tenant allowances	13(a)	7.5	4.1
Funds from operations		732.7	921.7

Funds from operations (FFO) is a widely recognised measure of the performance of real estate investment groups by the property industry and is a useful supplemental measure of operating performance. This additional information has been provided to assist in the comparison of the Group's performance with that of other real estate investment groups in Australia and overseas.

The National Association of Real Estate Investment Trusts (NAREIT), a US based representative body for publicly traded real estate companies with an interest in US real estate and capital markets, defines FFO as net income (computed in accordance with the United States Generally Accepted Accounting Principles), excluding gains (or losses) from sales of property plus depreciation and amortisation, and after adjustments for unconsolidated partnerships and joint ventures. Adjustments for unconsolidated partnerships and joint ventures will be calculated to reflect funds from operations on the same basis.

The Group's measure of FFO is based upon this definition adjusted to reflect that the Group's profit after tax and non controlling interests is reported in accordance with the Australian Accounting Standards and International Financial Reporting Standards. In calculating the Group's measure of FFO, property revaluations of consolidated and equity accounted property investments, gains/losses on property sales, net fair value gains or losses on ineffective interest rate hedges and other financial liabilities, deferred tax, gains/losses from capital transactions and amortisation of tenant allowances are excluded from the reported profit after tax and non controlling interests.

WESTFIELD GROUP

NOTES TO THE FINANCIAL STATEMENTS

for the half-year ended 30 June 2011

4 Earnings per security (continued)

4(c) Security data

The following reflects the security data used in the calculations of basic and diluted earnings per stapled security; and basic and diluted funds from operations per stapled security:

	30 Jun 11 No. of securities	30 Jun 10 No. of securities
Weighted average number of ordinary securities used in calculating basic earnings/FFO per stapled security ⁽ⁱ⁾	2,303,119,114	2,301,904,238
Bonus element of security options which are dilutive	7,083,254	4,646,270
Adjusted weighted average number of ordinary securities used in calculating diluted earnings/FFO per stapled security ⁽ⁱⁱ⁾	2,310,202,368	2,306,550,508

⁽ⁱ⁾ 2,303.1 million (30 June 2010: 2,301.9 million) weighted average number of stapled securities on issue for the period has been included in the calculation of basic and diluted earnings per stapled security as reported in the income statement and basic and diluted FFO per stapled security as disclosed in this note.

⁽ⁱⁱ⁾ The weighted average number of converted, lapsed or cancelled potential ordinary securities used in diluted earnings per stapled security was 8,351 (30 June 2010: 28,437).

WESTFIELD GROUP

NOTES TO THE FINANCIAL STATEMENTS

for the half-year ended 30 June 2011

	30 Jun 11 \$million	30 Jun 10 \$million
5_Property revenue		
Shopping centre base rent and other property income	964.9	1,700.1
Amortisation of tenant allowances	(27.8)	(34.3)
	937.1	1,665.8
6_Currency derivatives		
Realised gain/(loss) on income hedging currency derivatives	(13.9)	15.5
Net fair value gain of currency derivatives that do not qualify for hedge accounting	2.8	39.7
	(11.1)	55.2
7_Gain from capital transactions		
Asset sales and other		
- proceeds from asset sales	8.6	3.1
- less: carrying value of assets sold	(8.6)	(3.1)
	-	-
8_Significant items		
The following significant items are relevant in explaining the financial performance of the business.		
Property revaluations	46.4	349.4
Equity accounted property revaluations	102.1	50.9
Gain from capital transactions	-	-
Deferred tax	(19.8)	(99.4)
Net fair value loss on interest rate hedges that do not qualify for hedge accounting	(81.5)	(305.1)
Net fair value loss on the termination of surplus interest rate swaps upon the restructure of the Group's interest rate hedge portfolio	-	(7.6)
Net fair value gain/(loss) on other financial liabilities	(101.7)	50.3
Net fair value gain of currency derivatives that do not qualify for hedge accounting	2.8	39.7
9_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	(237.2)	(456.3)
Financing costs capitalised to construction projects	101.1	147.6
Financing costs	(136.1)	(308.7)
Net fair value loss on interest rate hedges that do not qualify for hedge accounting	(81.5)	(305.1)
Finance leases interest expense	(2.9)	(5.9)
Interest expense on other financial liabilities	(58.8)	(57.1)
Net fair value gain/(loss) on other financial liabilities	(101.7)	50.3
Net fair value loss on the termination of surplus interest rate swaps upon the restructure of the Group's interest rate hedge portfolio	-	(7.6)
	(381.0)	(634.1)

WESTFIELD GROUP

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for the half-year ended 30 June 2011

	30 Jun 11 \$million	30 Jun 10 \$million
10_Tax expense		
Current - underlying tax	(35.3)	(38.4)
Deferred tax	(19.8)	(99.4)
	(55.1)	(137.8)

The prima facie tax on profit before tax is reconciled to the income tax expense provided in the financial statements as follows:

	30 Jun 11 \$million	31 Dec 10 \$million
Profit before income tax	714.7	1,103.6
Prima facie tax expense at 30%	(214.4)	(331.1)
WT income not assessable	92.2	254.0
WAT income not assessable/(deductible)	27.2	(14.7)
Differential of tax rates on US foreign income	(9.4)	22.9
Differential of tax rates on UK foreign income	2.5	4.6
Benefit from reduction in NZ tax rate	-	20.7
Change in NZ tax legislation removing depreciation deduction	-	(174.4)
Deferred tax assets recognised	38.5	28.8
Deferred tax release on the redemption of the WAT units	-	50.0
Prior year over/(under) provision	4.1	(1.6)
Tax on inter-entity transactions	4.2	3.0
Tax expense	(55.1)	(137.8)

	30 Jun 11 \$million	31 Dec 10 \$million
11_Investment properties		
Shopping centre investments	20,442.0	20,917.6
Development projects and construction in progress	2,191.2	2,004.6
	22,633.2	22,922.2

	30 Jun 11 \$million	31 Dec 10 \$million
12_Details of investment properties		
Consolidated Australian shopping centres	6,212.9	6,012.7
Consolidated United Kingdom shopping centres	2,238.8	2,279.9
Consolidated United States shopping centres	11,990.3	12,625.0
Total consolidated shopping centres	20,442.0	20,917.6
Equity accounted Australian shopping centres	5,862.5	5,793.3
Equity accounted New Zealand shopping centres	1,111.9	1,119.3
Equity accounted United Kingdom shopping centres	680.6	692.5
Equity accounted United States shopping centres	2,034.2	2,018.5
Total equity accounted shopping centres	9,689.2	9,623.6
	30,131.2	30,541.2

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, RICS Appraisal and Valuation Standards which are mandatory for Chartered Surveyors for the United Kingdom properties and Uniform Standards of Professional Appraisal Practice for the United States properties. 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 each balance date of independent valuations that were prepared at the previous balance date. The carrying amount of investment properties comprises the original acquisition cost, subsequent capital expenditure, tenant allowances, deferred costs, ground leases, straight-line rent and revaluation increments and decrements.

WESTFIELD GROUP

NOTES TO THE FINANCIAL STATEMENTS

for the half-year ended 30 June 2011

13(a) Details of the Westfield Group's aggregate share of equity accounted entities' net profit

	Australia and New Zealand		United Kingdom		United States		Consolidated	
	30 Jun 11 \$million	30 Jun 10 \$million	30 Jun 11 \$million	30 Jun 10 \$million	30 Jun 11 \$million	30 Jun 10 \$million	30 Jun 11 \$million	30 Jun 10 \$million
Shopping centre base rent and other property income	294.6	66.7	29.2	42.7	88.6	105.3	412.4	214.7
Amortisation of tenant allowances	(4.5)	(0.5)	(0.5)	(0.5)	(2.5)	(3.1)	(7.5)	(4.1)
Property revenue	290.1	66.2	28.7	42.2	86.1	102.2	404.9	210.6
Interest income	0.7	0.2	-	-	-	-	0.7	0.2
Revenue	290.8	66.4	28.7	42.2	86.1	102.2	405.6	210.8
Property expenses, outgoings and other costs	(65.4)	(17.0)	(10.0)	(14.7)	(24.0)	(29.8)	(99.4)	(61.5)
Overheads	(7.7)	(0.6)	(0.8)	(0.7)	(1.4)	(2.8)	(9.9)	(4.1)
Net fair value (loss)/gain on interest rate hedges that do not qualify for hedge accounting	-	-	1.1	(0.6)	-	-	1.1	(0.6)
Borrowing costs	(1.0)	(0.8)	(0.7)	(5.9)	(18.4)	(24.0)	(20.1)	(30.7)
Expenses	(74.1)	(18.4)	(10.4)	(21.9)	(43.8)	(56.6)	(128.3)	(96.9)
Share of profit from equity accounted entities before property revaluations and tax expense	216.7	48.0	18.3	20.3	42.3	45.6	277.3	113.9
Property revaluations	39.6	22.9	-	-	62.5	28.0	102.1	50.9
Share of profit before tax of equity accounted entities	256.3	70.9	18.3	20.3	104.8	73.6	379.4	164.8
Current - underlying tax	(6.4)	-	-	-	(0.2)	-	(6.6)	-
Deferred tax	4.1	-	-	-	-	-	4.1	-
Tax expense	(2.3)	-	-	-	(0.2)	-	(2.5)	-
Share of after tax profit of equity accounted entities	254.0	70.9	18.3	20.3	104.6	73.6	376.9	164.8

13(b) Details of the Westfield Group's aggregate share of equity accounted entities' assets and liabilities

	Australia and New Zealand ⁽ⁱ⁾		United Kingdom		United States		Consolidated	
	30 Jun 11 \$million	31 Dec 10 \$million	30 Jun 11 \$million	31 Dec 10 \$million	30 Jun 11 \$million	31 Dec 10 \$million	30 Jun 11 \$million	31 Dec 10 \$million
Cash	22.1	29.8	19.6	17.4	8.1	9.9	49.8	57.1
Receivables	12.7	17.1	1.5	1.8	1.3	5.3	15.5	24.2
Shopping centre investments	6,974.4	6,912.6	680.6	692.5	2,034.2	2,018.5	9,689.2	9,623.6
Development projects and construction in progress	92.4	77.2	53.3	46.1	44.5	104.8	190.2	228.1
Other assets	4.2	3.2	7.0	5.8	4.4	5.1	15.6	14.1
Total assets	7,105.8	7,039.9	762.0	763.6	2,092.5	2,143.6	9,960.3	9,947.1
Payables	(88.4)	(123.8)	(43.2)	(41.7)	(61.2)	(73.0)	(192.8)	(238.5)
Interest bearing liabilities ⁽ⁱⁱ⁾	(30.2)	(10.0)	(72.6)	(73.6)	(695.1)	(728.9)	(797.9)	(812.5)
Deferred tax liabilities	(234.6)	(235.8)	-	-	-	-	(234.6)	(235.8)
Total liabilities	(353.2)	(369.6)	(115.8)	(115.3)	(756.3)	(801.9)	(1,225.3)	(1,286.8)
Net assets	6,752.6	6,670.3	646.2	648.3	1,336.2	1,341.7	8,735.0	8,660.3

⁽ⁱ⁾ The Group's investment in its New Zealand equity accounted entities is represented by contributed equity of \$343.5 million (31 December 2010: \$339.3 million) and long term loans of \$521.2 million (31 December 2010: \$537.7 million).

⁽ⁱⁱ⁾ Total equity accounted interest bearing liabilities of \$797.9 million (31 December 2010: \$812.5 million) include secured borrowings of \$774.2 million (31 December 2010: \$808.3 million). The aggregate net asset value of equity accounted entities with secured borrowings is \$856.3 million (31 December 2010: \$842.2 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.

WESTFIELD GROUP

NOTES TO THE FINANCIAL STATEMENTS

for the half-year ended 30 June 2011

13(c)_Details of the Westfield Group's aggregate share of equity accounted entities' capital expenditure commitments

	Australia and New Zealand		United Kingdom		United States		Consolidated	
	30 Jun 11	31 Dec 10	30 Jun 11	31 Dec 10	30 Jun 11	31 Dec 10	30 Jun 11	31 Dec 10
	\$million	\$million	\$million	\$million	\$million	\$million	\$million	\$million
Estimated capital expenditure commitments in relation to development projects								
Due within one year	88.2	-	-	-	-	-	88.2	-
Due between one and five years	35.0	-	-	-	-	-	35.0	-
	123.2	-	-	-	-	-	123.2	-

13(d)_Details of the Westfield Group's aggregate share of equity accounted entities contingent liabilities

Performance guarantees	7.2	-	30.6	33.0	1.6	1.7	39.4	34.7
	7.2	-	30.6	33.0	1.6	1.7	39.4	34.7

13(e)_Equity accounted entities economic interest

Name of investments	Type of equity	Balance Date	Economic interest	
			30 Jun 11	31 Dec 10
Australian investments ⁽ⁱ⁾				
Bondi Junction	Trust units	31 Dec	50.0%	50.0%
Booragoon	Trust units	31 Dec	12.5%	12.5%
Cairns ⁽ⁱⁱ⁾	Trust units	30 Jun	50.0%	50.0%
Chatswood	Trust units	31 Dec	50.0%	50.0%
Doncaster	Trust units	31 Dec	25.0%	25.0%
Fountain Gate	Trust units	31 Dec	50.0%	50.0%
Hornsby	Trust units	31 Dec	50.0%	50.0%
Karrinyup ⁽ⁱⁱ⁾	Trust units	30 Jun	16.7%	16.7%
Knox	Trust units	31 Dec	15.0%	15.0%
Kotara	Trust units	31 Dec	50.0%	50.0%
Macquarie	Trust units	31 Dec	27.5%	27.5%
Mount Druitt ⁽ⁱⁱ⁾	Trust units	30 Jun	25.0%	25.0%
Mt Gravatt	Trust units	31 Dec	37.5%	37.5%
North Rocks	Trust units	31 Dec	50.0%	50.0%
Pacific Fair	Trust units	31 Dec	22.0%	22.0%
Southland ⁽ⁱⁱ⁾	Trust units	30 Jun	25.0%	25.0%
Sydney Central Plaza	Trust units	31 Dec	50.0%	50.0%
Tea Tree Plaza ⁽ⁱⁱ⁾	Trust units	30 Jun	31.3%	31.3%
Tuggerah	Trust units	31 Dec	50.0%	50.0%
Warringah Mall	Trust units	31 Dec	12.5%	12.5%
New Zealand investments ⁽ⁱ⁾				
Albany	Shares	31 Dec	50.0%	50.0%
Chartwell	Shares	31 Dec	50.0%	50.0%
Downtown	Shares	31 Dec	50.0%	50.0%
Glenfield	Shares	31 Dec	50.0%	50.0%
Manukau	Shares	31 Dec	50.0%	50.0%
Newmarket	Shares	31 Dec	50.0%	50.0%
Pakuranga	Shares	31 Dec	50.0%	50.0%
Queensgate	Shares	31 Dec	50.0%	50.0%
Riccarton	Shares	31 Dec	50.0%	50.0%
Shore City	Shares	31 Dec	50.0%	50.0%
St Lukes	Shares	31 Dec	50.0%	50.0%
WestCity	Shares	31-Dec	50.0%	50.0%

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for the half-year ended 30 June 2011

13(e) Equity accounted entities economic interest (continued)

Name of investments	Type of equity	Balance	Economic interest	
		Date	30 Jun 11	31 Dec 10
United Kingdom investments ⁽ⁱ⁾				
Nottingham ⁽ⁱⁱⁱ⁾	Partnership interest	31 Dec	75.0%	75.0%
Belfast ^(iv)	Partnership interest	31 Dec	33.3%	33.3%
Guildford	Partnership interest	31 Dec	50.0%	50.0%
Merry Hill ^(iv)	Partnership interest	31 Dec	33.3%	33.3%
Tunbridge Wells ^(iv)	Partnership interest	31 Dec	33.3%	33.3%
Sprucefield	Shares	31 Dec	50.0%	50.0%
United States investments ⁽ⁱ⁾				
Fashion Square	Partnership units	31 Dec	50.0%	50.0%
Garden State Plaza	Partnership units	31 Dec	50.0%	50.0%
Montgomery	Partnership units	31 Dec	50.0%	50.0%
San Francisco Emporium	Partnership units	31 Dec	50.0%	50.0%
UTC	Partnership units	31 Dec	50.0%	50.0%
Valencia Town Centre	Partnership units	31 Dec	50.0%	50.0%
Valley Fair	Partnership units	31 Dec	50.0%	50.0%

⁽ⁱ⁾ All equity accounted property partnerships, 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 Company being 31 December.

⁽ⁱⁱⁱ⁾ Westfield Group has a 75% economic interest in Nottingham. Westfield Group has equal representation and voting rights on the Board of Nottingham resulting in joint control. Accordingly, Nottingham has been accounted for in accordance with AASB 131: Interest in Joint Ventures.

^(iv) Westfield Group's 33.3% investment in Belfast, Merry Hill and Tunbridge Wells includes an 8.3% investment held via Westfield Group's one third interest in Westfield UK Shopping Centre Fund.

WESTFIELD GROUP
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for the half-year ended 30 June 2011

	30 Jun 11 \$million	31 Dec 10 \$million
14 Interest bearing liabilities		
Current		
Unsecured		
Bank overdraft	18.1	24.5
Bank loans		
- £ denominated	-	38.0
- NZ\$ denominated	274.1	138.8
Notes payable		
- € denominated	755.1	-
Finance leases	0.8	0.8
Secured ⁽ⁱ⁾		
Bank loans		
- US\$ denominated	65.7	721.2
- £ denominated	367.9	-
	1,481.7	923.3
Non current		
Unsecured		
Bank loans		
- US\$ denominated	1,105.2	1,306.7
- £ denominated	970.6	208.5
- NZ\$ denominated	246.3	398.9
- A\$ denominated	70.0	-
Notes payable		
- US\$ denominated	7,181.5	6,582.8
- £ denominated	895.9	913.0
- € denominated	-	735.2
Finance leases	50.5	51.5
Secured ⁽ⁱ⁾		
Bank loans		
- US\$ denominated	2,095.9	2,180.1
- £ denominated	-	374.2
- A\$ denominated	77.2	57.0
	12,693.1	12,807.9
The maturity profile in respect of current and non current interest bearing liabilities is set out below:		
Due within one year	1,481.7	923.3
Due between one and five years	6,760.9	7,579.7
Due after five years	5,932.2	5,228.2
	14,174.8	13,731.2
⁽ⁱ⁾ Current and non current secured liabilities are \$2,606.7 million (31 December 2010: \$3,332.5 million). Secured liabilities are borrowings secured by mortgages over properties or loans secured over development projects that have a fair value of \$6.9 billion (31 December 2010: \$8.5 billion). 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.		
15 Other financial liabilities		
Current		
Convertible redeemable preference shares	13.0	8.2
Other redeemable preference units	84.0	90.5
	97.0	98.7
Non Current		
Property linked notes	1,305.3	1,288.0
Convertible redeemable preference shares / units	181.2	108.9
Other redeemable preference units	136.4	147.8
	1,622.9	1,544.7

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NOTES TO THE FINANCIAL STATEMENTS

for the half-year ended 30 June 2011

	30 Jun 11 Shares	31 Dec 10 Shares
16 Contributed Equity		
16(a) Number of securities on issue		
Balance at the beginning of the year	2,303,119,114	2,301,904,238
Dividend/distribution reinvestment plan	-	-
Conversion of rights	-	1,214,876
Balance at the end of the period for Westfield Group ⁽ⁱ⁾	2,303,119,114	2,303,119,114

⁽ⁱ⁾ The Westfield Executive Share Option Plan Trust holds 5,869,425 (31 December 2010: 5,869,425) securities in the Group, which have been consolidated and eliminated in accordance with the accounting standards.

Stapled securities have the right to receive declared dividends from the Parent Company and distributions from WT and WAT and, in the event of winding up the Parent Company, WT and WAT, 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 the Parent Company, WT and WAT (as the case maybe). The stapled securities have no par value.

	30 Jun 11 \$million	31 Dec 10 \$million
16(b) Amount of contributed equity		
of the Parent Company	1,479.8	1,479.8
of WT and WAT	15,701.4	15,701.4
of the Westfield Group	17,181.2	17,181.2

Movement in contributed equity attributable to the Westfield Group

Balance at the beginning of the year	17,181.2	20,171.8
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
Balance at the end of the period ⁽ⁱ⁾	17,181.2	17,181.2

⁽ⁱ⁾ In December 2010, the Westfield Group restructured through the establishment of the Westfield Retail Trust by a capital distribution to Westfield Group security holders of \$7,280.7 million of net assets (book value). The contributed equity of the Westfield Group prior to the restructure was \$20,171.8 million.

	30 Jun 11 \$million	30 Jun 10 \$million
17 Dividends/Distributions		
17(a) Interim dividend/distributions for the period		
WHL: Nil cents per share (30 Jun 10: Nil cents per share)	-	-
WT: 15.20 cents per unit ⁽ⁱ⁾ (30 Jun 10: 21.00 cents per unit, 83% tax deferred)	350.1	483.4
WAT: 9.00 cents per unit ⁽ⁱ⁾ (30 Jun 10: 11.00 cents per unit, 27% tax deferred)	207.3	253.2
Westfield Group 24.20 cents (30 June 10: 32.00 cents) per stapled security	557.4	736.6

⁽ⁱ⁾ The aggregate distributions in respect of WT and WAT units are expected to be 60% tax deferred.

Interim dividend/distributions are to be paid on 31 August 2011. The record date for the entitlement to these distributions was 5pm, 16 August 2011. The Westfield Group Distribution Reinvestment Plan (DRP) was suspended from operation on 2 February 2010. Accordingly, the DRP will not be in operation for the distribution payable on 31 August 2011.

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for the half-year ended 30 June 2011

	30 Jun 11 \$million	30 Jun 10 \$million
17_Dividends/Distributions (continued)		
17(b)_Dividends/Distributions paid during the period		
<i>Dividend / distributions in respect of the six months to 31 December 2010</i>		
WHL: 5.00 cents per share 100% franked	115.2	-
WT: 18.00 cents per unit, 83% tax deferred	414.6	-
WAT: 8.56 cents per unit, 27% tax deferred	197.1	-
<i>Dividend / distributions in respect of the six months to 31 December 2009</i>		
WHL: Nil cents per share	-	-
WT: 28.00 cents per unit, 65% tax deferred	-	644.5
WAT: 19.00 cents per unit, 100% tax deferred	-	437.4
	726.9	1,081.9

	30 Jun 11 \$	31 Dec 10 \$
18_Net tangible asset backing		
Net tangible asset backing per security	7.07	7.18

Net tangible asset backing per security is calculated by dividing total equity attributable to members of the Westfield Group by the number of securities on issue. The number of securities used in the calculation of net tangible asset backing is 2,303,119,114 (31 December 2010: 2,303,119,114).

	30 Jun 11 \$million	31 Dec 10 \$million
19_Capital expenditure commitments		
Estimated capital expenditure committed at balance date but not provided for in relation to development projects		
Due within one year	811.6	858.5
Due between one and five years	42.3	133.4
	853.9	991.9

20_Contingent liabilities		
Performance guarantees	447.7	472.0
Special tax assessment municipal bonds	33.5	35.3
	481.2	507.3

The Group's obligation in respect of performance guarantees may be called on at anytime dependant upon the performance or non performance of certain third parties.

From time to time, in the normal course of business, the Westfield Group 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 the Westfield Group.

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NOTES TO THE FINANCIAL STATEMENTS

for the half-year ended 30 June 2011

21_Related party transactions

Westfield Retail Trust (WRT) was established on 20 December 2010 as part of the Westfield Group restructuring approved by the Group's security holders on 9 December 2010. WRT is considered to be a significant related party of the Group as subsidiaries of WHL are the responsible entities and manage the shopping centres held by WRT.

(i)_Amounts charged to the Westfield Retail Trust

During the period, a summary of the payments charged to WRT are as follows:

Nature	30 Jun 11 \$million
Property Management Agreements	
Property management fee (including operational leasing)	22.5
Corporate Services Agreement	
Corporate services costs	11.5
Development Framework Agreements	
Property development progress billings and fees	54.2
Westfield Sydney redevelopment arrangements	
Progress billings under the Project Design and Construction Agreement	140.0
Interest on loan of \$942 million under the Westfield Sydney Facility Agreement and on progress billings	18.7

(ii)_Amounts receivable from the Westfield Retail Trust

As at 30 June 2011, the amounts receivable from WRT are as follows:

Westfield Sydney redevelopment arrangements	
Loan of \$942 million under the Westfield Sydney Facility Agreement	942.0
Progress billings under the Project Design and Construction Agreement	140.0
Interest on loan of \$942 million under the Westfield Sydney Facility Agreement and on progress billings	18.7
Other receivables	
Other shopping centre related charges incurred in the normal course of business	2.1

22_Subsequent Events

On 10 August 2011, the Group announced its entry into Brazil through the strategic acquisition of a 50% interest in Almeida Junior Shopping Centres S.A (Almeida Junior). The Group will invest \$440 million (R\$740 million) and become a 50% owner and active partner in the company to be renamed Westfield Almeida Junior Shopping Centres S.A. This investment includes a direct capital injection into the company of \$240 million (R\$400 million).

On 12 August 2011, the Group announced its intention to expand into continental Europe with an agreement to acquire a 50% interest in a major development site in Milan, Italy. The 50% interest in the joint venture will require a two stage investment of \$160 million (€115 million) with \$90 million (€65 million) invested initially and a further \$70 million (€50 million) to be invested once the development commences. The Group expects to commence the development in 2012/13. The total investment is expected to be in the range of €1 billion to €1.25 billion.

No other significant events have arisen since the end of the financial period.

WESTFIELD GROUP

DIRECTORS' DECLARATION

The Directors of Westfield Holdings Limited (**Company**) declare that:

- (a) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (b) in the Directors' opinion, the Financial Statements and Notes of the consolidated entity:
 - (i) comply with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Act 2001;
 - (ii) give a true and fair view of the financial position as at 30 June 2011 and the performance of the consolidated entity for the half-year ended on that date.

Made on 17 August 2011 in accordance with a resolution of the Board of Directors.



F P Lowy AC
Chairman



F G Hilmer AO
Director

Independent auditor's report to the members of Westfield Holdings Limited

Report on the Half-Year Financial Report

We have audited the accompanying half-year financial report of Westfield Holdings Limited, which comprises the consolidated balance sheet as at 30 June 2011, the consolidated income statement and consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half year.

Directors' Responsibility for the Half- Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001 and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the half-year 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 half-year financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the half-year financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the half-year 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 half-year 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 half-year 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 the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Opinion

In our opinion:

- a. the half-year financial report of Westfield Holdings Limited is in accordance with the Corporations Act 2001, including:
 - i giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its performance for the half-year ended on that date; and
 - ii complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.



S J Ferguson
Partner
Sydney
17 August 2011



Ernst & Young

WESTFIELD GROUP

DIRECTORS' REPORT

The Directors of Westfield Holdings Limited (**Company**) submit the following report for the half-year ended 30 June 2011 (Financial Period).

Directors

The Directors of the Company as at the date of this report are:

F P Lowy AC	Chairman
B M Schwartz AM	Deputy Chairman – Non-Executive Director
P K Allen	Group Chief Financial Officer - Executive Director
I R Atlas	Non-Executive Director
R L Furman	Non-Executive Director
P H Goldsmith QC PC	Non-Executive Director
F G Hilmer AO	Non-Executive Director
S P Johns	Non-Executive Director
M Johnson AO	Non-Executive Director
P S Lowy	Chief Executive Officer - Executive Director
S M Lowy AM	Chief Executive Officer - Executive Director
J McFarlane	Non-Executive Director
J Sloan	Non-Executive Director

On 25 May 2011, at the Annual General Meeting of the Company, the following changes to the Board took effect:

- Mr Frank Lowy assumed the role of non-executive Chairman;
- Mr Peter Lowy and Mr Steven Lowy were appointed joint Chief Executive Officers;
- Mr David Lowy and Mr David Gonski retired from the Board;
- Mr Brian Schwartz was appointed Deputy Chairman; and
- Mr Peter Allen and Ms Ilana Atlas were elected by members to the Board.

Review and results of operations

This is the Group's first half year results since the restructure of the Group with the establishment of the Westfield Retail Trust in December 2010.

The IFRS net profit attributable to the Group for the half year to 30 June 2011 was \$650.9 million (June 2010: \$960.9 million).

The Group's funds from operations (FFO) for the half year were \$732.7 million or 31.8 cents per security.

Distribution for the six months was \$557.4 million or 24.2 cents per security representing 50% of the full year distribution forecast of 48.4 cents per security. The Group will retain \$175.3 million in this half which will be reinvested in future capital activities.

As at 30 June 2011, the Group had assets under management of \$58.6 billion, total assets of \$37.2 billion, interest bearing liabilities of \$15.0 billion and available liquidity of \$3.5 billion.

Key highlights for the period include:

- A 6% increase in comparable net property income and a 50% increase in management and development income;
- IFRS profit includes property revaluation gains of \$149 million of which \$39 million were development gains;
- Net property investment income, in local currency terms (after adjusting for the Group's restructure and transfer of assets to WRT in December 2010) was up 8% in Australia and New Zealand, up 1% in the United States and up 36% in the United Kingdom;
- Portfolio occupancy was 96.7% leased, with the United States portfolio at 92.0%, the United Kingdom at 98.5% and the Australian/New Zealand portfolio at over 99.5%;
- \$4.5 billion of projects under construction with the Group's share being \$3.6 billion.

Subsequent Events

Please refer to Note 22 for significant events since the end of the Financial Period.

Rounding

The Company is of a kind referred to in the Australian Securities and Investments Commission Class Order 98/0100 dated 10 July 1998. Accordingly, amounts in the Directors' Report, the Financial Statements and the Notes thereto have been rounded to the nearest tenth of a million dollars.

Synchronisation of financial year

Carindale Property Trust is a consolidated entity of the Company, and has a financial year ending on 30 June. By an order dated 27 June 2005 made by the Australian Securities and Investments Commission, the Directors of the Company have been relieved from compliance with the requirement to ensure that the financial year of Carindale Property Trust coincides with the financial year of the Company.

WESTFIELD GROUP
DIRECTORS' REPORT (continued)

Auditor's independence declaration

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



Ernst & Young Centre
680 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001
Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
www.ey.com/au

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

In relation to our audit of the financial report of Westfield Holdings Limited for the half year ended 30 June 2011, 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.

S J Ferguson
Partner
17 August 2011

Ernst & Young

Liability Limited by a scheme approved under Professional Standards Legislation

This Report is made on 17 August 2011 in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors.

F P Lowy AC
Chairman

F G Hilmer AO
Director

DIRECTORY

Westfield Group

Westfield Holdings Limited
ABN 66 001 671 496

Westfield Trust

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

Westfield America Trust

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

Registered Office

Level 24, Westfield Towers
100 William Street
Sydney NSW 2011
Telephone: +61 2 9358 7000
Facsimile: +61 2 9358 7077

United States Office

12th Floor
11601 Wilshire Boulevard
Los Angeles California 90025
Telephone: +1 310 478 4456
Facsimile: +1 310 478 1267

New Zealand Office

Level 2, Office Tower
277 Broadway
Newmarket, Auckland 1023
Telephone: +64 9 978 5050
Facsimile: +64 9 978 5070

United Kingdom Office

6th Floor, MidCity Place
71 High Holborn
London WC1V 6EA
Telephone: +44 20 7061 1400
Facsimile: +44 20 7061 1401

Secretaries

Simon J Tuxen
Maureen T McGrath

Auditors

Ernst & Young
The Ernst & Young Centre
680 George Street
Sydney NSW 2000

Investor Information

Westfield Group
Level 24, Westfield Towers
100 William Street
Sydney NSW 2011
Telephone: +61 2 9358 7877
Facsimile: +61 2 9358 7881
E-mail: investor@au.westfield.com
Website: www.westfield.com/corporate

Principal Share Registry

Computershare Investor Services Pty Limited
Level 3, 60 Carrington Street
Sydney NSW 2000
GPO Box 2975
Melbourne VIC 3001
Telephone: +61 3 9415 4070
Enquiries: 1300 132 211
Facsimile: +61 3 9473 2500
E-mail: web.queries@computershare.com.au
Website: www.computershare.com

ADR Registry

Bank of New York Mellon
Depository Receipts Division
101 Barclay Street
22nd Floor
New York, New York 10286
Telephone: +1 212 815 2293
Facsimile: +1 212 571 3050
Website: www.adrbny.com

Code: WFGPY

Listing

Australian Securities Exchange – WDC

Website

westfield.com/corporate

WESTFIELD GROUP

ADDITIONAL INFORMATION

for the half-year ended 30 June 2011

Details of earnings, net assets and distribution by entity

	Earnings		Net assets		
	Total \$million	per security cents	Total \$million	per security \$	%
WHL	137.2	5.96	638.8	0.28	3.96
WT	363.0	15.76	11,131.3	4.83	68.32
WAT	150.7	6.54	4,511.2	1.96	27.72
Westfield Group	650.9	28.26	16,281.3	7.07	100.00

Distribution for the 6 months to 30 June 2011

	ASX code:	per
	WDC	security
	\$million	cents
WHL	-	-
WT	350.1	15.20
WAT	207.3	9.00
Westfield Group	557.4	24.20

PROPERTY PORTFOLIO

for the half-year ended 30 June 2011

	Appendix	30 Jun 11 \$million	31 Dec 10 \$million
DETAILS OF PROPERTY PORTFOLIO			
Australian shopping centres	1A	12,075.4	11,806.0
New Zealand shopping centres	1B	1,111.9	1,119.3
United Kingdom shopping centres	1C	2,919.4	2,972.4
United States shopping centres	1D	14,024.5	14,643.5
Total consolidated and equity accounted shopping centres		30,131.2	30,541.2
Total shopping centres represented by:			
Consolidated		20,442.0	20,917.6
Equity accounted		9,689.2	9,623.6
Total consolidated and equity accounted shopping centres		30,131.2	30,541.2

PROPERTY PORTFOLIO - AUSTRALIA

for the half-year ended 30 June 2011

Shopping Centre	State	Consolidated	Consolidated	Fair value 30 Jun 11 \$million	Fair value 31 Dec 10 \$million	Estimated	Estimated
		or Equity Accounted Interest 30 Jun 11 %	or Equity Accounted Interest 31 Dec 10 %			Yield 30 Jun 11 %	Yield 31 Dec 10 %
Airport West	Victoria	25.0	25.0	82.8	80.0	7.00%	7.00%
Belconnen	ACT	50.0	50.0	380.0	302.5	6.13%	6.25%
Bondi Junction	New South Wales	50.0	50.0	1,009.6	983.8	5.25%	5.25%
Booragoon	Western Australia	12.5	12.5	108.3	108.7	6.00%	6.00%
Burwood	New South Wales	50.0	50.0	382.6	373.6	6.13%	6.25%
Cairns	Queensland	50.0	50.0	225.6	225.0	6.00%	6.00%
Carindale #	Queensland	50.0	50.0	444.3	443.2	5.75%	5.75%
Carousel	Western Australia	50.0	50.0	416.0	400.0	6.00%	6.00%
Chatswood	New South Wales	50.0	50.0	442.9	440.4	6.00%	6.00%
Chermside	Queensland	50.0	50.0	714.4	697.0	5.50%	5.50%
Doncaster	Victoria	25.0	25.0	356.6	350.0	5.75%	5.75%
Figtree	New South Wales	50.0	50.0	71.0	70.0	7.50%	7.50%
Fountain Gate #	Victoria	50.0	50.0	439.6	439.6	6.00%	6.00%
Geelong	Victoria	25.0	25.0	120.0	115.0	6.25%	6.50%
Helensvale	Queensland	25.0	25.0	90.0	88.6	6.50%	6.50%
Hornsby	New South Wales	50.0	50.0	436.7	431.2	6.00%	6.00%
Hurstville	New South Wales	25.0	25.0	145.0	142.5	7.00%	7.00%
Innaloo	Western Australia	50.0	50.0	132.5	130.0	7.00%	7.00%
Karrinyup	Western Australia	16.7	16.7	90.7	90.8	6.50%	6.50%
Knox	Victoria	15.0	15.0	150.1	150.0	6.35%	6.35%
Kotara	New South Wales	50.0	50.0	360.1	355.0	6.25%	6.25%
Liverpool	New South Wales	25.0	25.0	211.0	208.8	6.25%	6.25%
Macquarie	New South Wales	27.5	27.5	248.5	247.3	6.00%	6.00%
Marion	South Australia	25.0	25.0	277.9	265.0	5.88%	6.00%
Miranda	New South Wales	25.0	25.0	339.2	327.7	5.75%	5.75%
Mt Druitt	New South Wales	25.0	25.0	110.2	108.8	7.00%	7.00%
Mt Gravatt	Queensland	37.5	37.5	326.2	324.4	6.00%	6.00%
North Lakes	Queensland	25.0	25.0	101.2	98.8	6.25%	6.25%
North Rocks	New South Wales	50.0	50.0	58.2	57.0	7.50%	7.50%
Pacific Fair	Queensland	22.0	22.0	220.8	220.0	6.25%	6.25%
Parramatta	New South Wales	25.0	25.0	381.9	377.6	5.75%	5.75%
Penrith	New South Wales	25.0	25.0	268.0	260.0	6.00%	6.00%
Plenty Valley	Victoria	25.0	25.0	70.3	67.5	6.50%	6.50%
Southland	Victoria	25.0	25.0	321.3	307.5	5.90%	6.00%
Strathpine	Queensland	50.0	50.0	137.0	129.0	7.25%	7.50%
Sydney Central Plaza	New South Wales	50.0	50.0	293.0	287.5	6.00%	6.00%
Sydney City #	New South Wales	50.0	50.0	943.5	942.0	⁽ⁱ⁾ 5.13%	5.13%

PROPERTY PORTFOLIO - AUSTRALIA

for the half-year ended 30 June 2011

Shopping Centre	State	Consolidated	Consolidated	Fair value 30 Jun 11 \$million	Fair value 31 Dec 10 \$million	Estimated	Estimated
		or Equity Accounted Interest 30 Jun 11 %	or Equity Accounted Interest 31 Dec 10 %			Yield 30 Jun 11 %	Yield 31 Dec 10 %
Tea Tree Plaza	South Australia	31.3	31.3	209.4	213.7	6.13%	6.00%
Tuggerah	New South Wales	50.0	50.0	317.5	315.5	6.25%	6.25%
Warrawong	New South Wales	50.0	50.0	95.0	94.0	8.00%	8.00%
Warringah Mall	New South Wales	12.5	12.5	137.0	137.0	6.00%	6.00%
Westlakes	South Australia	25.0	25.0	100.0	97.5	6.38%	6.38%
Whitford City	Western Australia	25.0	25.0	142.5	140.0	6.75%	6.75%
Woden	ACT	25.0	25.0	167.0	162.5	6.25%	6.25%
Total Australian portfolio				12,075.4	11,806.0	6.0%	6.0%

Centre currently under redevelopment

⁽ⁱ⁾ Estimated yield of the retail component

PROPERTY PORTFOLIO - NEW ZEALAND

for the half-year ended 30 June 2011

Shopping Centre	Location	Consolidated	Consolidated	Fair value	Fair value	Estimated	Estimated
		or Equity Accounted Interest 30 Jun 11 %	or Equity Accounted Interest 31 Dec 10 %	30 Jun 11 NZ\$million	31 Dec 10 NZ\$million	Yield 30 Jun 11 %	Yield 31 Dec 10 %
Albany	Auckland	50.0	50.0	193.1	192.5	6.75%	6.75%
Chartwell	Hamilton	50.0	50.0	91.1	90.8	8.00%	8.00%
Downtown	Auckland	50.0	50.0	40.3	39.4	8.00%	8.13%
Glenfield	Auckland	50.0	50.0	52.4	54.2	8.63%	8.63%
Manukau	Auckland	50.0	50.0	170.8	170.1	7.50%	7.50%
Newmarket	Auckland	50.0	50.0	121.7	118.3	7.25%	7.23%
Pakuranga	Auckland	50.0	50.0	41.6	41.6	8.50%	8.50%
Queensgate	Wellington	50.0	50.0	162.5	169.0	7.25%	7.13%
Riccarton	Christchurch	50.0	50.0	205.5	232.0	8.00%	7.00%
Shore City	Auckland	50.0	50.0	41.8	41.8	8.38%	8.50%
St Lukes	Auckland	50.0	50.0	225.9	225.4	6.88%	6.88%
WestCity	Auckland	50.0	50.0	93.4	92.5	8.38%	8.38%
Total New Zealand portfolio in NZ\$				1,440.1	1,467.6		
Exchange rate				1.2951	1.3112		
Total New Zealand portfolio in A\$				1,111.9	1,119.3	7.5%	7.4%

PROPERTY PORTFOLIO - UNITED KINGDOM

for the half-year ended 30 June 2011

Shopping Centre	Location	Consolidated	Consolidated	Fair value	Fair value	Estimated	Estimated
		or Equity Accounted Interest 30 Jun 11 %	or Equity Accounted Interest 31 Dec 10 %	30 Jun 11 £million	31 Dec 10 £million	Yield 30 Jun 11 %	Yield 31 Dec 10 %
Belfast	Belfast	* 33.3	* 33.3	62.8	62.8	7.15%	7.15%
Derby	Derby	100.0	** 100.0	409.0	408.3	6.40%	6.40%
Guildford	Guildford	50.0	50.0	48.1	48.1	7.00%	7.00%
Westfield London	London	50.0	50.0	1,025.3	1,025.0	5.50%	5.50%
Merry Hill	Birmingham	* 33.3	* 33.3	269.8	269.9	5.70%	5.70%
Nottingham	Nottingham	75.0	75.0	33.6	32.8	8.00%	8.00%
Sprucefield	Sprucefield	100.0	100.0	65.0	65.0	6.00%	6.00%
Tunbridge Wells	Tunbridge Wells	* 33.3	* 33.3	41.5	41.5	6.75%	6.75%
Total United Kingdom portfolio in £				1,955.1	1,953.4		
Exchange rate				0.6697	0.6572		
Total United Kingdom portfolio in A\$				2,919.4	2,972.4	5.9%	5.9%

* Westfield Group's 33.3% investment in Merry Hill, Belfast and Tunbridge Wells includes an 8.3% investment held via Westfield Group's one third interest in Westfield UK Shopping Centre Fund.

** In 2010, Westfield Group increased its interest in Derby from 33.3% to 66.7%. As a result, Westfield Group has a controlling interest in Derby. 100% interest in this entity has been included in the consolidated financial results and 33.3% is shown as external non controlling interest.

PROPERTY PORTFOLIO - UNITED STATES

for the half-year ended 30 June 2011

Shopping Centre	Market Region	Consolidated	Consolidated	Fair value	Fair value	Estimated	Estimated
		or Equity Accounted Interest	or Equity Accounted Interest			Yield	Yield
		30 Jun 11	31 Dec 10	30 Jun 11	31 Dec 10	30 Jun 11	31 Dec 10
		%	%	US\$million	US\$million	%	%
Annapolis	Maryland	100	100	643.4	643.4	6.02%	6.02%
Belden Village	Ohio	100	100	176.5	176.5	6.82%	6.82%
Brandon	Florida	100	100	388.0	386.0	6.27%	6.40%
Broward	Florida	100	100	168.0	168.0	6.60%	6.60%
Capital	Washington	100	100	160.0	160.0	6.90%	6.90%
Century City	Los Angeles	100	100	735.0	735.0	5.75%	5.75%
Chicago Ridge	Illinois/Indiana	100	100	133.0	133.0	7.31%	7.31%
Citrus Park	Florida	100	100	221.0	217.0	6.73%	6.87%
Connecticut Post	Connecticut	100	100	233.0	233.0	7.34%	7.34%
Countryside	Florida	100	100	191.0	191.0	7.00%	7.00%
Culver City	Los Angeles	100	100	320.9	320.9	6.00%	6.00%
Downtown Plaza	Northern California	100	100	55.0	55.0	8.00%	8.00%
Eastland	Los Angeles	100	100	114.0	114.0	6.50%	6.50%
Eastridge	North Carolina	100	100	44.7	44.7	9.80%	9.80%
Fashion Square	Los Angeles	50	50	138.5	138.5	6.27%	6.27%
Fox Valley	Illinois/Indiana	100	100	193.9	190.0	8.10%	8.50%
Franklin Park	Ohio	100	100	289.0	289.0	7.00%	7.00%
Galleria at Roseville	Northern California	100	100	551.2	551.2	6.00%	6.00%
Garden State Plaza	New Jersey	50	50	699.1	641.7	5.85%	6.19%
Gateway	Nebraska	100	100	103.5	103.5	7.13%	7.13%
Great Northern	Ohio	100	100	144.5	144.5	6.80%	6.80%
Hawthorn	Illinois/Indiana	100	100	195.0	195.0	7.20%	7.20%
Horton Plaza	San Diego	100	100	315.9	316.0	6.42%	6.42%
Louis Joliet	Illinois/Indiana	100	100	115.0	115.0	6.42%	6.42%
Mainplace	Los Angeles	100	100	257.0	263.0	7.30%	7.24%
Meriden	Connecticut	100	100	136.3	136.3	7.58%	7.58%
Mission Valley	San Diego	100	100	296.6	296.6	6.78%	6.78%
Montgomery	Maryland	50	50	231.6	231.6	5.50%	5.50%
North County	San Diego	100	100	226.1	226.1	6.93%	6.93%
Oakridge	Northern California	100	100	352.7	352.7	6.69%	6.69%
Old Orchard	Illinois/Indiana	100	100	506.1	506.1	5.91%	5.91%
Palm Desert	Los Angeles	100	100	170.0	170.0	7.35%	7.35%
Parkway	San Diego	100	100	293.8	293.8	6.30%	6.30%
Plaza Bonita	San Diego	100	100	342.0	342.0	6.70%	6.70%
Plaza Camino Real	San Diego	100	100	161.0	160.0	7.00%	7.02%
Promenade	Los Angeles	100	100	52.5	52.5	7.10%	7.10%
San Francisco	Northern California	*	*	540.5	538.7	5.90%	5.90%
Santa Anita	Los Angeles	100	100	457.0	457.0	6.18%	6.18%

PROPERTY PORTFOLIO - UNITED STATES

for the half-year ended 30 June 2011

Shopping Centre	Market Region	Consolidated	Consolidated	Fair value 30 Jun 11 US\$million	Fair value 31 Dec 10 US\$million	Estimated	Estimated
		or Equity Accounted Interest 30 Jun 11 %	or Equity Accounted Interest 31 Dec 10 %			Yield 30 Jun 11 %	Yield 31 Dec 10 %
Sarasota	Florida	100	100	125.0	125.0	6.40%	6.40%
Solano	Northern California	100	100	192.2	192.2	7.40%	7.40%
South Shore	New York	100	100	165.4	165.4	7.66%	7.66%
Southcenter	Washington	100	100	701.1	701.1	5.90%	5.90%
Southgate	Florida	100	100	103.0	103.0	7.10%	7.10%
Southlake	Illinois/Indiana	100	100	261.0	261.0	6.28%	6.28%
Southpark	Ohio	100	100	262.3	262.3	7.00%	7.00%
Sunrise	New York	100	100	109.0	109.0	6.70%	6.70%
Topanga	Los Angeles	100	100	713.0	713.0	6.34%	6.34%
Trumbull	Connecticut	100	100	328.0	328.0	6.40%	6.40%
UTC	San Diego	50	50	192.9	192.9	6.00%	6.00%
Valencia Town Center	Los Angeles	50	50	186.6	117.4	6.50%	7.20%
Valley Fair	Northern California	50	50	505.0	505.0	5.80%	5.80%
Vancouver	Washington	100	100	141.0	141.0	6.05%	6.05%
West Covina	Los Angeles	100	100	293.7	293.7	6.10%	6.10%
Westland	Florida	100	100	134.0	134.4	6.63%	6.63%
Wheaton	Maryland	100	100	271.5	271.5	7.26%	7.26%
Total United States portfolio in US\$				15,037.0	14,904.2		
Exchange rate				1.0722	1.0178		
Total United States portfolio in A\$				14,024.5	14,643.5	6.4%	6.5%

* Includes San Francisco Centre at 100% and San Francisco Emporium at 50%.