

Westfield Group

Presentation on
International Financial Reporting Standards.

Restatement of results for the six month period to
31 December 2004.

19 July 2005

The logo for Westfield, featuring the word "Westfield" in a red, stylized, cursive font.

Agenda



- Introduction
- Key Differences Impacting Accounts
- Summary Income Statement
- Summary Balance Sheet
- Summary Cash Flow and Distribution
- Conclusion

Appendix 1

A-IFRS Accounting

Income Statement – detailed explanation of A-IFRS adjustments

Balance Sheet – detailed explanation of A-IFRS adjustments

Cash Flow Statement – detailed explanation of A-IFRS adjustments

Derivatives – Interest rate hedging

Derivatives – Balance sheet and currency hedging

Appendix 2

A-IFRS Transitional Issues

Summary Income Statement - Transitional Period

Summary Balance Sheet – Transitional Period

Introduction



- The Westfield Group will report under Australian equivalents of International Financial Reporting Standards (“A-IFRS”) for the first time for the half year results to 30 June 2005. This will include restating the reported A GAAP financial statements for the half year period to 31 December 2004 to A-IFRS.
- The application of A-IFRS does not impact the Westfield Group’s:
 1. Business strategy and underlying business operations;
 2. Net cash flows;
 3. Debt obligation calculations in a material way; and
 4. Current distribution forecasts.

Introduction



- The adoption of A-IFRS may cause increased income statement and balance sheet volatility primarily from:
 - property revaluations;
 - mark to market of derivatives that do not qualify for hedge accounting; and
 - deferred taxes.

Key Differences Impacting Accounts

- The key differences between reported A GAAP and A-IFRS that impact the Westfield Group financial statements include:
 - Revaluation of property investments, through the income statement.
 - Mark to market of derivatives that do not qualify for hedge accounting, through the income statement.
 - Provision for potential taxes that may be payable by taxable entities in the Westfield Group on sale of investment property and for income tax on mark to market gains, however it should be noted that the Group is a long term holder of property investments and therefore these taxes are unlikely to be crystallised.
 - Amortisation of tenant allowances over the life of the lease, through the income statement.
 - Reclassification of certain minority interests as debt and related distributions as interest expense.
 - Mark to market of conversion value of convertible notes/ preference shares, through the income statement.
 - Head lease commitments are included on balance sheet as assets and liabilities.

Summary Income Statement



6 months ended 31 December 2004

A\$ million

	Reported A GAAP	Property Revaluation	Mark to Market of non qualifying interest rate and currency derivatives and preference shares	Deferred Tax	Other	A-IFRS (unaudited)
EBIT	1,169	2,758	170	(460)	5	3,642
Interest	(255)	-	(367)	-	(38)	(660)
Profit before tax	914	2,758	(197)	(460)	(33)	2,982
Tax expense	(45)	-	-	(377)	-	(422)
Minority interests	(36)	(7)	-		32	(11)
Profit after tax	833	2,751	(197)	(837)	(1)	2,549
Basic EPS (cents)	49.49					151.97

Note: Refer Appendix for Income Statement with detailed explanation of A-IFRS adjustments.

Summary Balance Sheet



As at 31 December 2004

A\$ million	Reported A GAAP	Mark to Market of non qualifying interest rate and currency derivatives and preference shares	Deferred Tax	Paid in value of minority interest reclassified to debt	Other	A-IFRS (unaudited)
Cash	236	-	-	-	-	236
Property investments	27,707	-	-	-	57	27,764
Net investment in equity accounted entities	3,790	(5)	(458)	-	-	3,327
Other assets	2,548	(127)	-	-	(5)	2,416
Total assets	34,281	(132)	(458)	-	52	33,743
Borrowings	14,058	524	-	444	112	15,138
Deferred tax liabilities	177	-	1,130	-	-	1,307
Other liabilities	1,543	(226)	-	-	-	1,317
Minority interests	652	-	-	(534)	-	118
Total liabilities	16,430	298	1,130	(90)	112	17,880
Net assets	17,851	(430)	(1,588)	90	(60)	15,863
NTA (\$ per security)	10.61					9.46

Note: Refer Appendix for Balance Sheet with detailed explanation of A-IFRS adjustments.

Summary Cash Flow and Distribution



6 months ended 31 December 2004

A\$ million

	Reported A GAAP	A-IFRS (unaudited)	Difference
Cash Flow			
Cash flows and interest from operating activities	686	610	(76)
Cash flows used in investing activities	(2,387)	(2,349)	38
Cash flows from financing activities	1,602	1,640	38
Net movement in cash	(99)	(99)	nil
Distribution	876	876	nil

Conclusion



1. There is no impact on the Group's distribution as all A-IFRS adjustments are non cash.
2. The impact on recorded earnings of the non qualifying hedges does not affect the Westfield's Group treasury policy of managing the economic and cash flow risk associated with interest rate and currency movements.
3. There is no material impact to debt covenant calculations.
4. The only significant change to the balance sheet is deferred tax that is recorded on the assumption that the Westfield Group's assets are sold at balance date, however, these amounts are unlikely to be crystallised.
5. The reduction in NTA at 31 December 2004 is primarily due to the recognition of deferred capital gains tax.

- A-IFRS Accounting
- Income Statement – detailed explanation of A-IFRS adjustments
- Balance Sheet – detailed explanation of A-IFRS adjustments
- Cash Flow Statement – detailed explanation of A-IFRS adjustments
- Derivatives – Interest Rate Hedging
- Derivatives – Balance Sheet and Currency Hedging

A-IFRS Accounting



1. First time adoption of Australian Equivalents to International Financial Reporting Standards (AASB 1)

- 1 July 2004 is the opening A-IFRS balance date for the Group
- Brought forward A-IFRS adjustments are booked to retained earnings at 1 July 2004
- Subsequent A-IFRS adjustments are recorded in the income statement for the 6 months ended 31 December 2004
- This presentation assumes the early adoption of AASB 132 and 139 (the required application date is 1 January 2005, optional application date is 1 July 2004)
 - These standards address hedge accounting and the debt or equity classification of financial instruments eg. trust units, preference shares/ units and convertible notes
 - The restatement of the 31 December 2004 results in this presentation assumes:
 - i) The mark to market of non qualifying hedges
 - ii) The reclassification from equity to debt and mark to market of convertible preference shares
 - iii) The trust units in Westfield Trust (“WT”), Westfield America Trust (“WAT”), and Carindale Property Trust (“Carindale”) remain classified as equity

A-IFRS Accounting (cont)



1. First time adoption of Australian Equivalents to International Financial Reporting Standards (AASB 1) (cont)

- There are currently ongoing discussions with regulatory bodies as to whether AASB 132 and AASB 139 can be early adopted whilst maintaining the equity classification of the WT, WAT and Carindale units.
- If agreement cannot be reached, Westfield will not early adopt AASB 132 and 139 but will apply these standards from 1 January 2005 (required application date).
- Under this scenario when the 30 June 2005 results are released, the December 2004 comparatives will exclude i) and ii) noted above and will maintain the equity treatment for the trust units in WT, WAT and Carindale.

A-IFRS Accounting (cont)



2. Investment Property (AASB 140)

a) Revaluations

- Revaluations are no longer recorded through the asset revaluation reserve and the brought forward balance of the asset revaluation reserve at 1 July 2004 is transferred to retained earnings.
- A-IFRS requires revaluations to be recorded in the income statement - this has been included as property income.
- The property portfolio will continue to be independently revalued annually.
- The property revaluations will also give rise to a deferred tax liability for the Westfield Group taxable entities which is included in tax expense (see 4. below).

b) Head Leases

- Head leases on investment property are treated as finance leases. An asset and liability is recorded using the net present value of the minimum lease payments. This results in a gross up of the assets and liabilities of the Group.
- Interest expense with respect to the lease liability is reclassified from expenses (head lease payments) to interest.
- Head leases for equity accounted entities eg. UK investment properties have no impact on the Westfield Group's balance sheet.

A-IFRS Accounting (cont)



3. Financial Instruments Recognition and Measurement (AASB 139)

- The Westfield Group has a comprehensive hedging program that is used to manage the economic impact of interest and exchange rate risk.
- Derivatives are not entered into for speculative purposes and the interest and exchange rate hedging is implemented in accordance with the Board approved treasury policy.
- A-IFRS has introduced additional documentation, designation and effectiveness requirements in order for derivatives to qualify for hedge accounting. The cumulative cash flow and income statement impact are the same irrespective of whether the derivative qualifies for hedge accounting.
- Westfield's treasury transactions are undertaken to achieve economic outcomes in line with its treasury policy. The A-IFRS documentation, designation and effectiveness requirements cannot be met in many circumstances. For example, a number of the Group's treasury transactions are managed on a pooled basis and therefore not individually designated for accounting purposes.
- If a hedge qualifies for hedge accounting then the hedge is accounted for when the underlying transaction that it is designated to is completed (i.e. there is no change in accounting compared to reported A GAAP). If a hedge does not qualify for hedge accounting, the hedge is marked to market, with the gains or losses recorded in the income statement in each accounting period.

A-IFRS Accounting (cont)



3. Financial Instruments Recognition and Measurement (cont)

a) *Currency Hedging*

- Forward exchange contracts do not qualify for hedge accounting. Hedge accounting cannot be applied to derivatives entered into to hedge the foreign exchange exposure relating to revenues denominated in a foreign operation's local currency. This includes forward contracts on foreign currency income.
- Forward exchange contracts will be recorded at fair value on the balance sheet with movements in fair value recognised in the income statement as other income.

b) *Interest Rate Hedging*

- The interest on fixed rate loans continues to be effective for hedge accounting purposes.
- The current portfolio of interest rate swaps (including the interest rate swaps hedging the interest exposure on the cross currency swaps) do not qualify for hedge accounting and are recorded at fair value on the balance sheet with movements in fair value being recognised in the income statement as interest expense.

c) *Balance Sheet Hedging*

- Cross currency swaps used to hedge investments in the United States, New Zealand and the United Kingdom qualify for hedge accounting.

A-IFRS Accounting (cont)



4. Income Taxes (AASB 112)

- AASB 112 only applies to taxable entities of the Group. WT is the major property owning entity in the Group which is not a taxable entity.
- Under A-IFRS deferred tax expense is recognised based on the differences between the tax cost base and the book values of the assets and liabilities.
- The impact of adopting A-IFRS is that tax expense is recorded after reflecting the tax impact on current year revaluations and tax depreciation on the Group's investment property that is held through taxable entities.
- Tax expense will also be recorded on the mark to market of derivatives that do not qualify for hedge accounting as they relate to taxable entities.
- The tax rate depends on the tax rate applied in the relevant jurisdiction and applicable to the taxable entity. For example US investment properties held by Westfield America, Inc. ("WEA") are tax effected at the withholding tax rate of 15% (payable on the distribution from WEA to WAT), investment properties held in the UK owned by WHL are tax effected at the corporate rate of 30%.

A-IFRS Accounting (cont)



5. Business Combinations (AASB 3) - Acquisition Accounting

- A-IFRS acquisition accounting is broadly consistent with reported A GAAP (the assets and liabilities of the acquired entity are recorded at fair value) except for the treatment of deferred tax.
- A-IFRS requires deferred tax using the balance sheet liability method to be recorded on acquisition of assets with built in taxable gains. For example the A-IFRS acquisition accounting for Duelguide includes the recognition of deferred tax of \$460 million.
- This may reduce the accounting fair value of the acquired assets and liabilities below the purchase price.
- Any difference between the purchase price and the A-IFRS fair value is charged to the income statement.

A-IFRS Accounting (cont)



6. Financial Instruments: Disclosure and Presentation (AASB 132)

a) Trust Units

- Units in fixed life trusts and/or where there is an unavoidable requirement to distribute income are considered debt under A-IFRS. This would result in the equity of the trust being reclassified to debt and the distributions being reclassified to interest expense.
- WAT and WT have had their constitutions amended following the unit holder vote on 12 May 2005 to remove the finite maximum term. Carindale has also had its constitution amended. This allows the unit holders' funds of the trusts to remain classified as equity.

b) Redeemable Preference Shares/Units and Convertible Notes

- Financial instruments with a minimum distribution entitlement and/or where there is an option to cash out (at either the discretion of the holder or the issuer) are classified as debt. The debt is recorded at fair value with any adjustment reflected through interest expense.
- Distributions on redeemable preference shares have been reclassified to interest expense.
- The impact on the Westfield Group is that minority interests in the United States have been reclassified to debt and their income entitlements reclassified to interest expense.

A-IFRS Accounting (cont)



6) Redeemable Preference Shares/Units and Convertible Notes (cont)

- Under A-IFRS the only minority interest remaining will be in relation to Carindale
- All financial instruments that convert to WDC securities whether or not settled in cash are recorded as a financial liability stated at fair value. Fair value is based on the conversion value at balance date.

7. Leases (UIG 115 and AASB 117)

a) Tenant Allowances

- All tenant allowances under A-IFRS are deferred and amortised against rental income over the life of the lease.
- Average life of specialty leases is 5-7 years for Australia and New Zealand, 7-10 years for the United States and 15-20 years for the United Kingdom. Major tenant leases for Australia, New Zealand and the United Kingdom are analysed on a lease by lease basis.
- Tenant allowances prior to the Merger have been included as part of acquisition accounting for WT and WAT.

A-IFRS Accounting (cont)



7. Leases (cont)

b) Tenant Leases

- There is no change in accounting to reported A GAAP
- Leases with fixed rent step ups are required to be straight lined under A-IFRS
- For the United States, this accounting treatment had been applied under reported A GAAP
- For the remainder of the Group's property portfolio, increases are based primarily on CPI or market reviews with minimal fixed rental step ups and therefore no change in accounting compared to reported A GAAP.

8. Consolidation – Special Purpose Entities (AASB 112)

- The Group's Executive Option Plan Trust is required to be consolidated.
- This has the effect of reducing the net assets by approx \$60 million and reduced the reported number of securities on issue by 5.9 million stapled securities.

A-IFRS Accounting (cont)



9. Share Based Payments (AASB 2)

- All executive share based compensation programs are measured at fair value.
- Employee share options that existed before the Merger (2 July 2004) are measured at fair value and amortised as an expense over the period from the grant date to the vesting date. The impact is not material.
- There are no new employee share option schemes since the Merger.
- All deferred incentive programs are expensed in the income statement.

10. Equity Accounted Entities – Accounting Policies

- The equity accounted entities have adopted the same A-IFRS accounting policies as the Westfield Group and the differences noted in 1-9 above are applied as appropriate.

Income Statement

Six months to 31 December '04



A\$ million

	Reported A GAAP 6 months to Dec '04	A-IFRS (unaudited) 6 months to Dec '04	Difference
Property Income	1,517	3,784	2,267 ¹
Contribution from equity accounted investments	104	561	457 ²
Deferred tax recognised on acquisition of assets	-	(460)	(460) ³
Business income	22	22	-
Other Income	-	204	204 ⁴
Net profit from asset sales	31	31	-
Expenses	(505)	(500)	5 ⁵
EBIT	1,169	3,642	2,473
Borrowing costs:			
- Net interest expense	(218)	(380)	(162) ⁶
- Interest on convertible notes/ preference shares/units	(37)	(280)	(243) ⁷
Profit before tax	914	2,982	2,068
Tax expense	(45)	(422)	(377) ⁸
Minority interests	(36)	(11)	25 ⁹
Profit after tax	833	2,549	1,716
Basic Earnings per security (cents)	49.49	151.97	102.48

Notes to the Income Statement

Six months to 31 December '04



1. Represents \$2,296m property revaluations which is net of \$2m for the amortisation tenant allowances; and reclassification of \$29m of hedge gains to other income.
2. Equity accounted property revaluations of \$462m which is net of \$0.2m for the amortisation of tenant allowances; and unrealised loss on the mark to market of interest rate swaps of \$5m. Refer separate equity accounted income statement on slide 27.
3. Represents the \$460m fair value adjustment arising from the recognition of deferred taxes for Duelguide ie. the difference between the tax cost base and acquisition fair value.
4. Increase in other income relates to the unrealised gain on the mark to market on forward exchange contracts of \$204m.
5. Reclassification from operating lease payments to interest expense of \$5m for head leases.
6. Represents the unrealised loss on interest rate hedging contracts of \$156m, head lease interest \$5m and interest eliminated on consolidation of the employee share option Trust of \$1m.
7. Represents interest on the redeemable preference shares/units of \$32m and the unrealised loss relating to the fair value of the preference shares/units of \$211m.
8. Represents deferred tax on property investment revaluations and tax depreciation of \$357m, WHL's forward contracts \$7m (expense), interest rate swaps \$8m (benefit) and other deferred tax \$21m (expense).
9. Under A-IFRS Carindale is the only minority interest. The adjustment represents \$32m for the reclassification of the US minority interests to interest expense (refer 7. above) less \$7m for Carindale's share of the property revaluation.

Notes to the Income Statement

Six months to 31 December '04 (cont)



Equity Accounted Income Statement

A\$ million

	Reported A GAAP	A-IFRS (unaudited)	Difference
Property Income	213	675	462 ¹
Total Expenses	(60)	(59)	1 ²
EBIT	153	616	463
Net Interest expense	(49)	(55)	(6) ³
Profit before tax	104	561	457
Tax expense	-	-	-
Profit after tax	104	561	457

1. Revaluations of property investments net of amortisation of tenant allowances (\$0.2m).
2. Reclassification from operating lease payments to interest expense of \$1m for head leases.
3. Unrealised loss on the mark to market of interest rate swaps of \$5m and interest on head leases of \$1m (refer 2. above).

Balance Sheet

As at 31 December '04



A\$ million

	Reported A GAAP 31 December '04	A-IFRS (unaudited) 31 December '04	Difference
Cash	236	236	-
Property investments	27,707	27,764	57 ¹
Net investment in equity accounted entities	3,790	3,327	(463) ²
Other assets	2,548	2,416	(132) ³
Total assets	34,281	33,743	(538)
Borrowings			
- Interest bearing liabilities	13,774	12,933	(841) ⁴
- Convertible notes / redeemable preference shares	284	2,093	1,809 ⁵
- Finance lease liability	-	112	112 ⁶
Deferred tax liabilities	177	1,307	1,130 ⁷
Other liabilities	1,543	1,317	(226) ⁸
Minority interests	652	118	(534) ⁹
Total liabilities	16,430	17,880	1,450
Net assets	17,851	15,863	(1,988)
Number of Stapled Securities (millions)	1,683.1	1,677.2	(5.9)
NTA (\$ per security)	10.61	9.46	(1.15)

Notes to the Balance Sheet

31 December '04



1. Represents \$55m of tenant allowances (net of amortisation of \$2m) being reclassified from property investments to deferred costs and the recognition of head leases of \$112m as property investments.

2. Includes the recognition of deferred tax on the Duelguide acquisition of \$458m and mark to market of interest rate swaps of \$5m. Refer slide 27 for the equity accounted balance sheet.

3. Includes recognition of tenant allowances as a deferred cost of \$55m (refer 1. above), fair value adjustments reducing the value of financial assets (forward contracts and interest rate swaps) by \$127m and the consolidation of the employee share option trust \$60m (reduction in other assets).

4. Reclassification of the WT convertible notes of \$841m to convertible notes / redeemable preference shares.

5. Includes the WT convertible notes of \$841m reclassified (see 4 above) and related mark to market of \$180m; US convertible redeemable preference shares reclassified from minority interest to debt of \$444m and related mark to market of \$344m.

6. Recognition of the head lease liability of \$112m (refer 1. above).

7. Includes deferred tax liability on property investments \$1,220m (brought forward of \$863m and current period expense of \$357m); and deferred tax asset on WHL's forward contracts and interest rate swaps of \$20m (brought forward of \$19m and current period benefit of \$1m); and deferred tax asset on acquisition mark to markets and other adjustments of \$70m (brought forward \$91m and current period expense of \$21m).

8. Represents a reduction in the unrealised gain on the forward exchange contracts of \$333m and recognition of the interest payable on interest rate swap mark to markets of \$107m.

9. Under A-IFRS Carindale is the only minority interest. \$534m relates to the reclassification of the remaining minority interests in the US (the paid in value of \$444m is reclassified to debt in 5. above and \$90m of asset revaluation and other reserves is reallocated to equity attributable to members of WDC).

Notes to the Balance Sheet

31 December '04 (cont)



Equity Accounted Balance Sheet

A\$ million

	Reported A GAAP	A-IFRS (unaudited)	Difference
Cash	57	57	-
Property investments	7,182	7,193	11 ¹
Other assets	66	72	6 ¹
Total assets	7,305	7,322	17
Borrowings			
- Interest bearing liabilities	3,394	3,394	-
- Finance lease liability	-	17	17 ²
Deferred tax liability	-	458	458 ³
Other payables	121	126	5 ⁴
Total liabilities	3,515	3,995	480
Net assets	3,790	3,327	(463)

1. Recognition of head leases \$17m less reclassification of tenant allowances to deferred costs of \$6m.
2. Finance lease liability on the head leases of \$17m (refer 1. above).
3. Recognition of deferred tax on acquisition of Duelguide \$458m.
4. Mark to market of interest rate swaps \$5m.

Cash Flow Statement

Six month to 31 December '04



A\$ million

	Reported A GAAP	A-IFRS (unaudited)	Difference
Cash flows from operating activities ¹	686	610	(76) ^{2,3}
Cash flows used in investing activities	(2,387)	(2,349)	38 ²
Cash flows from financing activities	1,602	1,640	38 ³
Net decrease in cash	(99)	(99)	Nil

1. Operating cash includes net interest paid.
2. The reclassification of \$38 million of tenant allowances expenditure from investing activities to operating activities.
3. The reclassification of \$38 million of distribution payments to minorities from financing activities to operating activities.

Derivatives - Interest Rate Hedging



A\$ million	Reported A GAAP 31 Dec 04	Reported A GAAP	A-IFRS
INTEREST EXPOSURE			
Interest bearing liabilities:			
- Consolidated net debt	13,538		
- Equity Accounted debt	3,394		
Cross currency swaps - A\$166m, UK£162m (A\$401m), US\$4,367.5m (A\$5,609m)	6,176		
Total	23,108		
HEDGING PROFILE			
Fixed rate loans - A\$1,064m, UK£231m (A\$572m), US\$6,345m (A\$8,149m)	9,785	Qualifies for hedge accounting	Qualifies for hedge accounting
Fixed rate derivatives - A\$2,909m, UK£405m (A\$1,002m), US\$4,098m (A\$5,262m)	9,173	Qualifies for hedge accounting	Does not qualify for hedge accounting
Unhedged (variable rate loans)	4,150		
Total	23,108		
% Hedged for accounting purposes under A-IFRS		82.0%¹	41.4%
% Hedged economically		82.0%¹	82.0%¹
<i>1. Approximately 90% excluding Duelguide debt of approximately UK£800m.</i>			

Derivatives - Balance Sheet and Currency Hedging



Balance Sheet Hedging	Reported	Reported	A-IFRS
A\$ million	A GAAP 31 Dec 04	A GAAP	
Foreign currency denominated Net Assets - UK£236m (A\$584m), US\$4,893m (A\$6,284m), NZ\$1,604m (A\$1,737m)	8,605		
Cross currency swaps – UK£162m (A\$426m), US\$4,367.5m (A\$6,290m), NZ\$(208m) (A\$166m)	6,550	Qualifies for hedge accounting under reported A GAAP and A-IFRS	
Unhedged	2,055		
% Hedged for accounting purposes under A-IFRS		76%	76%
% Hedged economically		76%	76%

Currency Hedging

All Forward exchange contracts do not qualify for hedge accounting. Hedge accounting cannot be applied to derivatives entered into to hedge the foreign exchange exposure relating to revenues denominated in a foreign operation's functional currency.

- A-IFRS Transitional Issues
- Summary Income Statement – Transitional Period
- Summary Balance Sheet – Transitional Period

A-IFRS Transitional Issues



1. As a result of the amendments to the constitution of WAT and WT on 12 May 2005, Trust equity can now continue to be reflected as equity for the six months to 30 June 2005.
2. If the Westfield Group elects to early adopt the standards on hedge accounting and debt or equity classification (the optional application date is 1 July 2004, the required application date is 1 January 2005), the current view from ASIC is that the Trust equity would have to be reflected as debt for the comparative period to 31 December 2004 i.e. for the accounting period prior to that in which the constitutions were amended.
3. In order to avoid having to reflect Trust equity as debt in the comparative period, it is likely that Westfield will not elect to early adopt these two statements.
4. The non election to be an early adopter will however remove from the Income Statement and Balance Sheet the A-IFRS impact of mark to market of non qualifying derivatives and of debt instruments and the reclassification of minority interests to debt, but will allow the Trust units to be reflected as equity.
5. In order for the upcoming results for the 6 months to 30 June 2005 to be compared on a like for like basis with the comparative figures for the 6 months to 31 December 2004, we have provided the illustrative Income Statement and Balance Sheet as shown on slides 6 and 7 which reflects Trust units as equity and also the mark to market of non qualifying derivatives and of debt instruments and the reclassification of minority interests to debt.
6. If no relief is obtained from ASIC on the classification of Trust units as equity in the comparative period, it is likely that we will choose not to early adopt AASB 132 and 139. The Income Statement and Balance Sheet under this scenario are presented in slides 33 and 34.

Summary Income Statement - Transitional Period



6 months ended 31 December 2004

A\$ million	Reported A GAAP	Property Revaluation	Mark to Market of non qualifying interest rate and currency derivatives and preference shares	Deferred Tax	Other	A-IFRS (unaudited)
EBIT	1,169	2,758	-	(460)	5	3,472
Interest	(255)	-	-	-	(6)	(261)
Profit before tax	914	2,758	-	(460)	(1)	3,211
Tax expense	(45)	-	-	(358)	-	(403)
Minority interests	(36)	(141)	-	-	-	(177)
Profit after tax	833	2,617	-	(818)	(1)	2,631
Basic EPS (cents)	49.49					156.86

Note: AASB 132 and 139 does not apply to the transitional period.

Summary Balance Sheet – Transitional Period



As at 31 December 2004

A\$ million	Reported A GAAP	Mark to Market of non qualifying interest rate and currency derivatives and preference shares	Deferred Tax	Paid in value of minority interest reclassified to debt	Other	A-IFRS (unaudited)
Cash	236	-	-	-	-	236
Property investments	27,707	-	-	-	57	27,764
Net investment in equity accounted entities	3,790	-	(458)	-	-	3,332
Other assets	2,548	-	-	-	(5)	2,543
Total assets	34,281	-	(458)	-	52	33,875
Borrowings	14,058	-	-	-	112	14,170
Deferred tax liabilities	177	-	1,092	-	-	1,269
Other liabilities	1,543	-	-	-	-	1,543
Minority interests	652	-	-	-	-	652
Total liabilities	16,430	-	1,092	-	112	17,634
Net assets	17,851	-	(1,550)	-	(60)	16,241
NTA (\$ per security)	10.61					9.68

Note: AASB 132 and 139 does not apply to the transitional period.

Disclaimer



The information provided in this presentation represents our current views of the consequences for the Westfield Group of adopting International Financial Reporting Standards and their Australian equivalents (A-IFRS).

It is in the process of being independently verified or audited and therefore remains subject to change.

It represents our assessment of the impact of the application of A-IFRS to the historical results of the Westfield Group. Changes in the Group's underlying business or its policies may give rise to differences in the application of A-IFRS, or to different accounting or financial results in future periods.

Further, continued development and interpretation of accounting standards by relevant authorities could affect the impact of A-IFRS on the Group's financial results in future periods.

No representation or warranty is made as to the accuracy, completeness or reliability of the information. Any forward looking information in this presentation has been prepared on the basis of a number of assumptions and current expectations regarding future events which may prove to be incorrect. This presentation must not be relied upon as a recommendation or forecast by the Westfield Group. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement.