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WESTFIELD GROUP ANNOUNCES SOLID GROWTH IN OPERATIONAL AND DEVELOPMENT EARNINGS

The Westfield Group (ASX:WDC) today announced its full year results, reporting operational segment earnings for the year ended 31 December 2007 of \$1.79 billion, up 11.6% over the prior year. This represents 96.12 cents per security, an increase of 6.0% on a constant currency basis.

During the year, development gains of \$1.1 billion were achieved on the Group's investment of \$1.3 billion in completed projects, representing an 87% return on cost. After expenses of \$220 million, development segment earnings for the year were \$889 million.

The distribution for the year was \$1.98 billion, solely from operational segment earnings and income hedging. The distribution represents 106.5 cents per security, which is in line with forecast.

Westfield Group Managing Directors, Peter Lowy and Steven Lowy, said: "We are pleased with our result and the Group's operations continue to be underpinned by consistent growth in operating and development earnings. The fundamental drivers of the business are a well positioned, high quality, globally diversified shopping centre portfolio combined with a strong financial position and an experienced management team."

Net profit under AIFRS for the year was \$3.44 billion.

During the year, the Group strengthened its financial position raising approximately \$7.4 billion from property transactions and the issuance of equity. The Group also extended US\$6.6 billion of syndicated bank facilities. At year end, the Group had total assets of \$52.3 billion, gearing of 31.7% and available liquidity of \$7.7 billion.

Revaluation of completed developments during the year generated a valuation uplift of \$1.1 billion. The valuation uplift from the existing portfolio was \$1.0 billion, giving a total portfolio valuation uplift for the year of \$2.1 billion.

Operating highlights for the year from the Group's 118 shopping centres across Australia, the United States, the United Kingdom and New Zealand include:

- Comparable shopping centre net operating income growth of 4.4%
- Portfolio leased at 97.5%
- Strong leasing activity with over 4,800 lease deals completed, representing approximately 902,000 square metres of retail space.

Total retail sales for the year in the Australian portfolio increased 5.9% (comparable 6.0%). In New Zealand total retail sales increased 7.9% (comparable 3.5%) and in the United States portfolio, sales for the year increased 3.1% with comparable sales up 1.2%. In the United Kingdom, the retail sales statistics show growth for the year of 4.3% with comparable sales up 2.2%.

“Whilst it is apparent that retail sales growth in Australia is stronger than our other markets, a trend that has been consistent across the portfolio during the year is the strong sales results from those centres that have recently benefited from expansion and redevelopment”, Steven Lowy said.

In 2007 the Group completed \$1.9 billion of major development projects (WDC investment - \$1.3 billion) with a weighted average development yield of approximately 9.3%. These included the opening of 5 major projects across 4 countries in a 4 week period, with one of these being the Group’s first development in the United Kingdom at Derby.

Currently there are 12 major projects under construction at a forecast investment of \$5.9 billion (WDC share - \$4.0 billion). This includes \$1.5 billion of developments commenced during the year.

In addition, the Group is planning to commence in excess of \$10 billion of new development projects over the coming years. These include landmark projects at Stratford in London, World Trade Center in New York and Sydney CBD.

The future projects are expected to generate long term ungeared internal rates of return on invested capital in the range of 12% - 15%, providing substantial value creation for securityholders.

Outlook

The Westfield Group’s quality global portfolio, with high occupancy levels and long term leases based on minimum contracted rents, generates strong and stable cash flows that have been resilient through economic cycles. Combined with the Group’s strong financial position and value creating development programme, the Westfield Group is well positioned to deliver sustainable income and capital growth.

The Group expects to deliver in 2008 similar growth in operational earnings per security, on a constant currency basis.

The distribution for 2008 is forecast at 106.5 cents per security, being solely from operational segment earnings and income hedging.

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The Westfield Group (ASX Code: WDC) is an internally managed, vertically integrated, shopping centre group undertaking ownership, development, design, construction, funds/asset management, property management, leasing and marketing activities and employing in excess of 5,000 staff worldwide. It has investment interests in 118 shopping centres across Australia, the United States, the United Kingdom and New Zealand, encompassing almost 23,000 retail outlets. With a total value of assets under management of approximately A\$63 billion, the Westfield Group is the largest retail property group in the world by equity market capitalisation.

westfield.com

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