Westfield Group
Half-Year Financial Report

For the half-year ended 30 June 2007

Appendix 4D
Half-Year Report
under ASX listing rule 4.2A.3

Name of stapled entity
WESTFIELD GROUP

Entities that form the stapled entity	Current reporting period
Westfield Holdings Limited ("WHL") ABN 66 001 671 496	**6 months ended 30 June 2007**
Westfield Trust ("WT") ARSN 090 849 746	Previous reporting period
Westfield America Trust ("WAT") ARSN 092 058 449	**6 months ended 30 June 2006**

Introduction

This half-year report should be read in conjunction with the annual financial report of the Westfield Group as at 31 December 2006. It is also recommended that the half-year financial report be considered together with any public announcements made by the Westfield Group during the 6 months ended 30 June 2007 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

Results for announcement to the market (A$ million)

	6 months 30 Jun 07	**6 months** 30 Jun 06	**Increase / (decrease)**
Revenue and other income* (excluding property revaluation)	**2,046.5**	**1,963.9**	**4.2** %
Property revaluation - consolidated	**902.3**	**2,261.9**	**(60.1)** %
- equity accounted	**284.3**	**432.9**	**(34.3)** %
Total revenue and other income	**3,233.1**	**4,658.7**	**(30.6)** %
Profit from ordinary activities after tax expense attributable to stapled security holders of the Westfield Group (including property revaluation)	**1,973.9**	**3,376.3**	**(41.5)** %

** Primarily rental revenue and third party property management and development revenue.*

Dividend/distributions

	Cents per security	
	WDC Ordinary securities	WDCNA DRP securities
Interim dividend/distributions proposed to be paid on 31 August 2007	53.25	35.89
comprising:		
- dividend in respect of a WHL share	-	-
- distribution in respect of a WT unit (i)	29.00	19.55
- distribution in respect of a WAT unit (i)	24.25	16.34

(i) The aggregate distributions in respect of WT and WAT units are expected to be 50% tax advantaged. The taxable amount in respect of full year aggregated distributions is estimated to include capital gains (discounted by 50%) of 11 cents per unit arising from property disposals made to date during the year.

Record date for determining entitlements to the interim dividend/distributions **5.00 pm** **14 August 2007**

Commentary and analysis of the results for the period ended 30 June 2007 can be found in the attached Westfield Group media release dated 29 August 2007. This media release forms part of the Appendix 4D.

Amounts in this report shown as 0.0 represent amounts less than $50,000 that have been rounded.

WESTFIELD GROUP
INCOME STATEMENT
for the half-year ended 30 June 2007

	Note	30 Jun 07 $million	30 Jun 06 $million
Revenue and other income			
Property revenue	3	1,592.0	1,688.9
Property revaluation		902.3	2,261.9
Property development and project management revenue		252.3	124.1
Property and funds management income		35.1	25.0
		2,781.7	**4,099.9**
Share of after tax profits of equity accounted entities			
Property revenue		252.6	196.2
Property revaluation		284.3	432.9
Property expenses and outgoings		(72.9)	(56.0)
Interest and tax expense		(23.3)	(21.8)
	11(b)	**440.7**	**551.3**
Profit on disposal of assets	4	0.8	-
Interest income		9.9	7.5
Total revenue and other income		**3,233.1**	**4,658.7**
Expenses			
Property expenses and outgoings		(543.5)	(545.5)
Property development and project management costs		(224.5)	(113.5)
Property and funds management costs		(15.5)	(13.3)
Corporate costs		(17.9)	(14.7)
		(801.4)	**(687.0)**
Goodwill on acquisitions (due to the recognition of deferred tax liabilities) written off		-	(102.6)
Currency derivatives	5	(244.1)	(30.2)
Financing costs	7	(103.8)	(189.8)
Total expenses		**(1,149.3)**	**(1,009.6)**
Profit before tax expense and minority interests		**2,083.8**	**3,649.1**
Tax expense	8	(97.6)	(241.0)
Profit after tax expense for the period		**1,986.2**	**3,408.1**
Less: net profit attributable to minority interests			
- Westfield Trust unit holders ("WT")		(1,039.5)	(2,441.5)
- Westfield America Trust unit holders ("WAT")		(651.2)	(710.2)
- External		(12.3)	(31.8)
Net profit attributable to Members of Westfield Holdings Limited ("Parent Company")		**283.2**	**224.6**
Net profit attributable to stapled security holders of the Westfield Group analysed by amounts attributable to:			
Westfield Holdings Limited security holders		283.2	224.6
Westfield Trust unit holders		1,039.5	2,441.5
Westfield America Trust unit holders		651.2	710.2
Net profit attributable to stapled security holders of the Westfield Group		**1,973.9**	**3,376.3**
		cents	cents
Basic earnings per Westfield Holdings Limited share		**15.86**	**12.77**
Diluted earnings per Westfield Holdings Limited share		**15.76**	**12.73**
Basic earnings per stapled security		**110.58**	**191.89**
Diluted earnings per stapled security		**110.57**	**191.14**

WESTFIELD GROUP
DIVIDEND/DISTRIBUTION STATEMENT
for the half-year ended 30 June 2007

	Note	30 Jun 07 $million	30 Jun 06 $million
Operational segment result (excluding property revaluation) attributable to stapled security holders of the Westfield Group and external minority interests	20	1,284.2	1,302.5
Adjusted for unallocated items relating to the operational segment:			
Net interest expense		(435.9)	(494.1)
Minority interests - external		(12.3)	(31.8)
Revaluation of investment properties included in minority interests - external		7.9	27.7
Operational profit attributable to stapled security holders available for distribution		**843.9**	**804.3**
Other items available for distribution			
Exchange differences in respect of the hedging of offshore operational profit		74.7	82.8
Project profits available for distribution (i)		-	128.0
Distribution from retained earnings / (amount retained)		27.4	(60.9)
Income to be distributed		**946.0**	**954.2**
Weighted average number of stapled securities on issue for the period (ii)		1,776.5	1,750.8
Distributable income per ordinary stapled security (cents)		**53.25**	**54.50**
Distributable income per February Distribution Reinvestment Plan ("DRP") security (cents)		**35.89**	**36.73**
Dividend/distributions paid/proposed (iii)		**946.4**	**955.4**
Weighted average number of stapled securities entitled to distributions at 30 June 2007		1,777.2	1,752.9
Dividend/distributions per ordinary security (cents)		**53.25**	**54.50**
Dividend/distributions per February DRP security (cents)		**35.89**	**36.73**

(i) With effect from 1 July 2006, project profits will no longer be distributed.

(ii) 1,785.1 million (30 June 2006: 1,759.5 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. This includes an adjustment of 8.641 million securities representing the bonus element of the pro-rata entitlement offer, which was completed in July 2007. The weighted average number of stapled securities on issue for the period that are entitled to the dividend and distributions totalling 1,776.5 million (30 June 2006: 1,750.8 million) does not include the bonus element of 8.641 million securities noted above.

(iii) The dividend/distributions proposed of $946.4 million includes a $0.4 million cum-dividend/distribution component in respect of stapled securities that were issued during the period with full dividend/distribution entitlement.

WESTFIELD GROUP

BALANCE SHEET

as at 30 June 2007

	Note	30 Jun 07 $million	31 Dec 06 $million
Current assets			
Cash and cash equivalents		267.4	246.9
Trade receivables		81.6	53.2
Investment properties	9, 19(3)&(4)	1,502.0	149.8
Equity accounted investments	11(c), 19(2)	803.3	-
Derivative assets		254.7	218.8
Receivables		258.3	195.2
Inventories		31.5	20.5
Tax receivable		65.8	18.2
Prepayments and deferred costs		125.4	91.5
Total current assets		**3,390.0**	**994.1**
Non current assets			
Investment properties	9	39,415.1	40,740.1
Equity accounted investments	11(c)	4,795.4	5,410.2
Other investments		111.0	114.9
Derivative assets		1,390.8	983.3
Property, plant and equipment		241.8	242.7
Receivables		65.3	59.6
Deferred tax assets		27.0	33.4
Prepayments and deferred costs		321.6	303.4
Total non current assets		**46,368.0**	**47,887.6**
Total assets		**49,758.0**	**48,881.7**
Current liabilities			
Payables		1,228.2	1,181.6
Interest bearing liabilities	12	1,352.5	1,135.9
Tax payable		43.3	38.0
Derivative liabilities		79.4	42.2
Total current liabilities		**2,703.4**	**2,397.7**
Non current liabilities			
Payables		58.4	71.9
Interest bearing liabilities	12	15,607.6	17,425.8
Other financial liabilities	13	2,996.1	1,997.4
Deferred tax liabilities		2,751.3	2,773.4
Derivative liabilities		639.5	586.2
Total non current liabilities		**22,052.9**	**22,854.7**
Total liabilities		**24,756.3**	**25,252.4**
Net assets		**25,001.7**	**23,629.3**

WESTFIELD GROUP

BALANCE SHEET

as at 30 June 2007

	Note	30 Jun 07 $million	31 Dec 06 $million
Equity attributable to Members of the Westfield Holdings Limited			
Contributed equity	14(b)	943.9	908.1
Reserves		(126.4)	(20.0)
Retained profits		1,057.0	836.8
Total equity attributable to Members of the Westfield Holdings Limited		**1,874.5**	**1,724.9**
Equity attributable to minority interests - Westfield Trust and Westfield America Trust unit holders			
Contributed equity	14(b)	12,332.4	12,026.8
Reserves		558.5	486.2
Retained profits		10,052.1	9,215.1
Total equity attributable to minority interests - Westfield Trust and Westfield America Trust unit holders		**22,943.0**	**21,728.1**
Equity attributable to minority interests - external			
Contributed equity		94.0	94.0
Retained profits		90.2	82.3
Total equity attributable to minority interests - external		**184.2**	**176.3**
Total equity attributable to minority interests		**23,127.2**	**21,904.4**
Total equity		**25,001.7**	**23,629.3**

Equity attributable to stapled security holders of the Westfield Group analysed by amounts attributable to:		
Westfield Holdings Limited security holders	1,874.5	1,724.9
Westfield Trust and Westfield America Trust unit holders	22,943.0	21,728.1
Total equity attributable to stapled security holders of the Westfield Group	**24,817.5**	**23,453.0**

WESTFIELD GROUP

STATEMENT OF CHANGES IN EQUITY

for the half-year ended 30 June 2007

	30 Jun 07 $million	30 Jun 06 $million
Changes in equity attributable to Members of the Westfield Group		
Opening balance of equity at 1 January 2007 (30 June 2006: 1 January 2006)	23,453.0	19,466.4
Contributed equity		
- Dividend/distribution reinvestment plan	263.0	162.3
- Conversion of options	78.4	74.0
Foreign currency translation reserve		
- Net exchange difference on translation of foreign operations (i) (ii)	(34.1)	(231.2)
Retained profits		
- Dividend/distribution paid	(916.7)	(964.7)
Net adjustments recognised directly in equity	(609.4)	(959.6)
Net profit attributable to stapled security holders of the Westfield Group (i) (ii)	1,973.9	3,376.3
Closing balance of equity attributable to Members of the Westfield Group	**24,817.5**	**21,883.1**
Changes in equity attributable to external Minority Interests		
Opening balance of equity attributable to external Minority Interests at 1 January 2007 (30 June 2006: 1 January 2006)	176.3	131.8
Profit after tax expense for the period	12.3	31.8
Dividends/distributions paid or provided for	(4.4)	(4.1)
Closing balance of equity attributable to external Minority Interests	**184.2**	**159.5**
Total Equity	**25,001.7**	**22,042.6**

(i) Total income and expenses for the period attributable to Members of the Westfield Group, including amounts recognised directly in equity, is $1,939.8 million (30 June 2006: $3,145.1 million), being profit after tax expense for the period of $1,973.9 million (30 June 2006: $3,376.3 million) and the net exchange loss on translation of foreign operations of $34.1 million (30 June 2006: loss $231.2 million).

(ii) Total income and expenses for the period attributable to Members of the Westfield Group includes income and expenses attributable to Members of WT and WAT, including amounts recognised directly in equity, of $1,763.0 million (30 June 2006: $2,924.5 million), being profit after tax expense for the period of $1,690.7 million (30 June 2006: $3,151.7 million) and the net exchange gain on translation of foreign operations of $72.3 million (30 June 2006: loss $227.2 million).

WESTFIELD GROUP

CASH FLOW STATEMENT

for the half-year ended 30 June 2007

	30 Jun 07 $million	30 Jun 06 $million
Cash flows from operating activities		
Receipts in the course of operations (including GST)	1,846.6	1,929.8
Payments in the course of operations (including GST)	(767.2)	(788.1)
Settlement of income hedging currency derivatives	74.8	82.8
Dividends/distributions received from equity accounted associates	157.5	105.7
Income and withholding taxes paid	(63.7)	(94.7)
Goods and services taxes paid	(44.5)	(77.3)
Net cash flows from operating activities	**1,203.5**	**1,158.2**
Cash flows from investing activities		
Acquisition of property investments	-	(412.7)
Payments of capital expenditure for property investments	(1,194.7)	(639.1)
Proceeds from the sale of property investments	725.8	564.0
Net payments for investments in equity accounted investments	(143.6)	(77.8)
Payments for the purchases of property, plant and equipment	(14.5)	(15.4)
Net cash flows used in investing activities	**(627.0)**	**(581.0)**
Cash flows used in financing activities		
Proceeds from the issuance of securities	311.5	220.4
Net proceeds from interest bearing liabilities	596.8	815.3
Financing costs	(581.0)	(592.4)
Interest received	9.9	7.2
Settlement of foreign currency loans and balance sheet hedging currency derivatives	17.8	(6.9)
Dividends/distributions paid	(916.7)	(964.7)
Dividends/distributions paid by controlled entities to minority interests	(4.4)	(3.9)
Net cash flows used in financing activities	**(566.1)**	**(525.0)**
Net increase in cash and cash equivalents held	10.4	52.2
Add opening cash brought forward	233.2	171.3
Effects of exchange rate changes on opening cash brought forward	0.1	0.8
Cash and cash equivalents at the end of the period	**243.7**	**224.3**

1_Corporate information

This financial report of the Westfield Group for the half-year ended 30 June 2007 was approved in accordance with a resolution of the Board of Directors of Westfield Holdings Limited ("Parent Company") on 29 August 2007.

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 within 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 full financial report.

The half-year financial report should be read in conjunction with the annual financial report of Westfield Group as at 31 December 2006.

It is also recommended that the half-year financial report be considered together with any public announcements made by the Westfield Group and its controlled entities during the half-year ended 30 June 2007 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

(a)_Basis of accounting

The half-year consolidated financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including AASB 134 "Interim Financial Reporting" and other mandatory professional reporting requirements.

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

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

The half-year consolidated financial report has been prepared using the same accounting policies as used in the annual financial report for the year ended 31 December 2006 except for the changes in accounting policy noted below.

This financial report is presented in Australian dollars.

(b)_Changes in Accounting Policy

Since 1 January 2007 the Group has adopted AASB 7 *Financial Instruments: Disclosures* which is mandatory for annual reporting periods beginning on or after 1 January 2007. Adoption of this Standard did not have any effect on the financial position or performance of the Group. Disclosures required under this standard will be contained in the annual report for the year ended 31 December 2007.

(c)_Comparative information

Where applicable, certain comparative figures are restated in order to comply with the current period's presentation of the financial statements.

(d)_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.

	30 Jun 07 $million	30 Jun 06 $million
3_Property revenue		
Shopping centre base rent and other property income	1,614.4	1,705.6
Tenant allowances amortised	(22.4)	(16.7)
	1,592.0	**1,688.9**
4_Profit on disposal of assets		
Revenue from shopping centre sales	717.5	-
Costs of shopping centre sold	(717.5)	-
Net proceeds from other property sales	0.8	-
	0.8	**-**
5_Currency derivatives		
Gains on income hedging currency derivatives (excluding mark to market of derivatives not qualifying for hedge accounting)	52.4	36.3
Gains on balance sheet hedging currency derivatives (excluding mark to market of derivatives not qualifying for hedge accounting)	8.6	-
Mark to market of derivatives	(305.1)	(66.5)
	(244.1)	**(30.2)**

	30 Jun 07 $million	30 Jun 06 $million
6_Significant items		
Profit before tax and minority interests includes the following significant items. The disclosure of these items is relevant in explaining the financial performance of the business.		
Property revaluation	902.3	2,261.9
Equity accounted property revaluation	284.3	432.9
Profit on disposal of assets	0.8	-
Goodwill on acquisitions (due to the recognition of deferred tax liabilities) written off	-	(102.6)
Mark to market of interest rate hedges that do not qualify for hedge accounting	270.7	228.5
Mark to market of other financial liabilities	70.1	(1.7)
Mark to market of currency derivatives	(305.1)	(66.5)
	1,223.1	**2,752.5**
7_Financing costs		
Gross financing costs (excluding mark to market of interest rate hedges that do not qualify for hedge accounting)		
- Interest bearing liabilities	(430.5)	(418.3)
- Other financial liabilities	(27.9)	(27.2)
Financing costs capitalised to construction projects	72.4	58.5
Financing costs	(386.0)	(387.0)
Finance leases interest expense	(2.9)	(4.5)
Mark to market of interest rate hedges that do not qualify for hedge accounting	270.7	228.5
Interest expense on other financial liabilities	(55.7)	(25.1)
Mark to market of other financial liabilities	70.1	(1.7)
	(103.8)	**(189.8)**
8_Tax expense		
Current - underlying tax	(27.5)	(45.2)
Deferred	(70.1)	(195.8)
	(97.6)	**(241.0)**
The prima facie tax on profit before income tax expense is reconciled to the income tax expense provided in the financial statements as follows:		
Accounting profit before income tax	2,083.8	3,649.1
Prima facie tax expense at 30% (30 June 2006: 30%)	(625.1)	(1,094.7)
WT income not assessable	267.5	729.5
WAT income not assessable	8.5	30.3
Differential of tax rates on US foreign income	131.1	120.3
Differential of tax rates on UK foreign income	4.7	19.5
Goodwill write off not deductible	-	(30.8)
Tax on income eliminated on Group consolidation	(11.1)	(19.5)
Capital items not deductible	-	1.1
Prior year (under) / over provision	(1.2)	1.3
Prior year losses utilised	10.9	-
Benefit of change in tax rates impacting deferred tax liabilities	117.1	-
Other items	-	2.0
Tax expense	**(97.6)**	**(241.0)**

	30 Jun 07 $million	31 Dec 06 $million
9_Investment properties		
Current		
Shopping centre investments	1,438.1	149.8
Redevelopment projects	63.9	-
	1,502.0	**149.8**
Non current		
Shopping centre investments	35,050.5	37,062.7
Redevelopment projects and development properties	4,364.6	3,677.4
	39,415.1	**40,740.1**
10_Details of investment properties		
Consolidated Australian shopping centres	17,544.2	17,819.5
Consolidated New Zealand shopping centres	2,432.4	2,301.8
Consolidated United Kingdom shopping centres	188.6	190.3
Consolidated United States shopping centres	16,323.4	16,900.9
Total consolidated shopping centres (current and non current)	**36,488.6**	**37,212.5**
Equity accounted Australian shopping centres	1,563.2	1,475.9
Equity accounted United Kingdom shopping centres	2,280.1	2,386.1
Equity accounted United States shopping centres	2,786.8	2,739.0
Total equity accounted shopping centres	**6,630.1**	**6,601.0**
	43,118.7	**43,813.5**

			Economic interest		Carrying value	
		Balance	30 Jun 07	31 Dec 06	30 Jun 07	31 Dec 06
Name of entity	Type of equity	Date			$million	$million
11(a)_Equity accounted entities carrying value						
Australian investments (i)						
AMP Wholesale Shopping Centre Trust	Trust units	30 Jun	10.0%	10.0%	67.4	65.2
Cairns	Trust units	30 Jun	50.0%	50.0%	203.6	170.0
Karrinyup	Trust units	30 Jun	25.0%	25.0%	128.0	120.0
Mt Druitt	Trust units	30 Jun	50.0%	50.0%	203.7	196.1
SA Shopping Centre Trust	Trust units	31 Dec	50.0%	50.0%	29.7	29.9
Southland	Trust units	30 Jun	50.0%	50.0%	623.8	589.6
Tea Tree Plaza	Trust units	30 Jun	50.0%	50.0%	298.4	290.5
					1,554.6	**1,461.3**
United Kingdom investments (i)						
Broadmarsh (ii)	Partnership interest	31 Dec	75.0%	75.0%	202.7	212.4
CastleCourt	Partnership interest	31 Dec	50.0%	50.0%	234.8	244.0
Eagle	Partnership interest	31 Dec	50.0%	50.0%	243.8	178.4
Friary	Partnership interest	31 Dec	50.0%	50.0%	99.5	107.1
Merry Hill	Partnership interest	31 Dec	50.0%	50.0%	1,268.3	1,302.6
Royal Victoria Place	Partnership interest	31 Dec	50.0%	50.0%	103.5	106.6
Sprucefield	Shares	31 Dec	50.0%	50.0%	19.8	19.9
Other retail and property investments	Partnership interest	31 Dec	50.0%	50.0%	1.7	2.1
					2,174.1	**2,173.1**
United States investments (i)						
Fashion Square	Partnership units	31 Dec	50.0%	50.0%	178.2	189.8
Garden State Plaza	Partnership units	31 Dec	50.0%	50.0%	548.6	393.0
Montgomery	Partnership units	31 Dec	50.0%	50.0%	218.4	231.5
North Bridge	Partnership units	31 Dec	33.3%	33.3%	86.3	84.4
San Francisco Emporium	Partnership units	31 Dec	50.0%	50.0%	165.9	170.3
UTC	Partnership units	31 Dec	50.0%	50.0%	187.0	193.2
Valencia Town Centre	Partnership units	31 Dec	50.0%	50.0%	65.3	65.1
Valley Fair	Partnership units	31 Dec	50.0%	50.0%	408.5	427.7
Other retail and property investments	Units/shares	31 Dec	46.0%	46.0%	11.8	20.8
					1,870.0	**1,775.8**
Total equity accounted investments					**5,598.7**	**5,410.2**

(i) All equity accounted property partnerships, trusts and companies operate solely as retail property investors.

(ii) The Group has a 75% economic interest in Broadmarsh. The Group has equal representation and voting rights on the Board of Broadmarsh resulting in joint control, and as a consequence, significant influence. Accordingly, Broadmarsh has been accounted for as an associate in accordance with AASB 131: Interest in Joint Ventures.

11(b)_Details of the Westfield Group's aggregate share of equity accounted entities' net profit

	Australia		United Kingdom		United States		Consolidated	
	30 Jun 07	30 Jun 06	30 Jun 07	30 Jun 06	30 Jun 07	30 Jun 06	30 Jun 07	30 Jun 06
	$million	$million	$million	$million	$million	$million	$million	$million
Property revenue	56.9	49.2	80.7	38.8	115.0	108.2	252.6	196.2
Property revaluation	89.4	282.0	7.4	68.3	187.5	82.6	284.3	432.9
Interest income	-	-	1.2	1.3	0.6	-	1.8	1.3
Total revenue	146.3	331.2	89.3	108.4	303.1	190.8	538.7	630.4
Property outgoings	(15.7)	(14.0)	(24.2)	(12.2)	(33.0)	(29.8)	(72.9)	(56.0)
Borrowing costs	(0.8)	(0.7)	5.2	-	(29.0)	(22.4)	(24.6)	(23.1)
Net profit from equity accounted entities before tax expense	129.8	316.5	70.3	96.2	241.1	138.6	441.2	551.3
Income tax expense	-	-	(0.5)	-	-	-	(0.5)	-
Share of net profits of equity accounted entities	**129.8**	**316.5**	**69.8**	**96.2**	**241.1**	**138.6**	**440.7**	**551.3**

11(c)_Details of the Westfield Group's aggregate share of equity accounted entities' assets and liabilities

	Australia		United Kingdom		United States		Consolidated	
	30 Jun 07	31 Dec 06	30 Jun 07	31 Dec 06	30 Jun 07	31 Dec 06	30 Jun 07	31 Dec 06
	$million	$million	$million	$million	$million	$million	$million	$million
Cash	11.1	13.0	81.6	41.0	18.9	39.4	111.6	93.4
Receivables	5.1	4.4	32.5	5.5	11.0	15.9	48.6	25.8
Shopping centre investments	1,563.2	1,475.9	2,280.1	2,386.1	2,786.8	2,739.0	6,630.1	6,601.0
Redevelopment projects	6.9	2.3	441.5	365.2	71.8	85.3	520.2	452.8
Other investments	-	-	-	-	11.8	22.0	11.8	22.0
Other assets	8.1	4.4	10.6	7.5	40.0	39.2	58.7	51.1
Total assets	**1,594.4**	**1,500.0**	**2,846.3**	**2,805.3**	**2,940.3**	**2,940.8**	**7,381.0**	**7,246.1**
Payables	(21.8)	(20.7)	(78.0)	(41.0)	(27.4)	(41.7)	(127.2)	(103.4)
Deferred tax	-	-	(5.2)	(5.7)	-	-	(5.2)	(5.7)
Interest bearing liabilities	(18.0)	(18.0)	(589.0)	(585.5)	(1,042.9)	(1,123.3)	(1,649.9)	(1,726.8)
Total liabilities	**(39.8)**	**(38.7)**	**(672.2)**	**(632.2)**	**(1,070.3)**	**(1,165.0)**	**(1,782.3)**	**(1,835.9)**
Net assets	**1,554.6**	**1,461.3**	**2,174.1**	**2,173.1**	**1,870.0**	**1,775.8**	**5,598.7**	**5,410.2**
Current	-	-	803.3	-	-	-	803.3	-
Non current	1,554.6	1,461.3	1,370.8	2,173.1	1,870.0	1,775.8	4,795.4	5,410.2
Net assets	**1,554.6**	**1,461.3**	**2,174.1**	**2,173.1**	**1,870.0**	**1,775.8**	**5,598.7**	**5,410.2**

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

	Australia		United Kingdom		United States		Consolidated	
	30 Jun 07	31 Dec 06	30 Jun 07	31 Dec 06	30 Jun 07	31 Dec 06	30 Jun 07	31 Dec 06
	$million	$million	$million	$million	$million	$million	$million	$million
Estimated capital expenditure commitments								
Due within one year	-	-	92.9	166.0	58.8	61.9	151.7	227.9
Due between one and five years	-	-	-	-	-	-	-	-
	-	**-**	**92.9**	**166.0**	**58.8**	**61.9**	**151.7**	**227.9**

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

Performance guarantees	-	-	65.1	17.4	2.1	2.3	67.2	19.7
	-	**-**	**65.1**	**17.4**	**2.1**	**2.3**	**67.2**	**19.7**

	30 Jun 07 $million	31 Dec 06 $million
12_Interest bearing liabilities		
Current		
Unsecured		
Bank overdraft	23.7	13.7
Bank loans	11.8	15.0
Notes payable		
- US$	587.8	633.2
- A$	55.0	271.6
Secured		
Bank loans	674.2	202.4
	1,352.5	**1,135.9**
Non current		
Unsecured		
Bank loans	4,074.7	4,578.2
Commercial paper	40.0	19.8
Notes payable		
- US$	4,232.8	4,559.3
- £	1,414.4	1,490.7
- €	952.2	1,000.8
- A$	500.0	543.8
Finance leases	85.9	92.1
Secured		
Bank loans	4,307.6	5,141.1
	15,607.6	**17,425.8**
The maturity profile in respect of current and non current interest bearing liabilities is set out below:		
Due within one year	1,352.5	1,135.9
Due between one and five years	9,233.3	9,654.6
Due after five years	6,374.3	7,771.2
	16,960.1	**18,561.7**
13_Other financial liabilities		
Property linked notes	1,316.3	-
Convertible notes - unsecured	342.5	398.8
Convertible redeemable preference shares/units	1,029.5	1,276.5
Other redeemable preference units	307.8	322.1
	2,996.1	**1,997.4**

	30 Jun 07 Number	31 Dec 06 Number
14_Contributed Equity		
14(a)_Number of securities on issue		
Balance at the beginning of the year	1,765,884,521	1,742,314,625
Dividend/distribution reinvestment plan	11,532,131	18,311,724
Securities issued on exercise of options	3,558,488	5,258,172
Balance at the end of the period for Westfield Group (i)	**1,780,975,140**	**1,765,884,521**

(i) The Westfield Executive Share Option Plan Trust holds 5,869,425 (31 December 2006: 5,869,425) stapled securities in the Group, which have been consolidated and eliminated in accordance with the accounting standards.

Stapled securities have the right to receive dividends from the Parent Company and distributions from WT and WAT and, in the event of winding up of 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 Corporations Act and the relevant constituent documents, either in person or by proxy, at a meeting of either the Parent Company, WT and WAT (as the case maybe).

	30 Jun 07 $million	31 Dec 06 $million
14(b)_Amount of contributed equity		
of the Parent Company	943.9	908.1
of WT and WAT	12,332.4	12,026.8
of the Westfield Group	**13,276.3**	**12,934.9**
Balance at the beginning of the year	12,934.9	12,519.4
Dividend reinvestment plan	263.0	321.8
Conversion of options	78.4	93.7
Balance at the end of the period	**13,276.3**	**12,934.9**

	30 Jun 07 $million	30 Jun 06 $million
15_Dividends/Distributions		
15(a)_Interim dividend/distribution proposed		
Parent Company: Nil cents per share (30 Jun 06: Nil cents per share)	-	-
WT: 29.00 cents per unit (i) (30 Jun 06: 29.17 cents per unit, 53.0% tax advantaged)	515.4	511.4
WAT: 24.25 cents per unit (i) (30 Jun 06: 25.33 cents per unit, 46.0% tax advantaged)	431.0	444.0
Westfield Group 53.25 cents (30 June 06: 54.50 cents) per stapled security	**946.4**	**955.4**

Distributions proposed are to be paid on 31 August 2007. The record date for these distributions was 14 August 2007.

(i) The aggregate distributions in respect of WT and WAT units are expected to be 50% tax advantaged. The taxable amount in respect of full year aggregated distributions is estimated to include capital gains (discounted by 50%) of 11 cents per unit arising from property disposals made to date during the year.

	30 Jun 07 $million	30 Jun 06 $million
15_Dividends/Distributions (continued)		
15(b)_Dividends/Distributions paid during the period		
Dividend/distribution in respect of the six months to 31 December 2006		
Parent Company 3.64 cents per share, 60% franked	64.2	-
WT 18.96 cents per unit, 53.0% tax advantaged	334.2	-
WAT 29.40 cents per unit, 46.0% tax advantaged	518.3	-
Dividend/distribution in respect of the six months to 31 December 2005		
Parent Company 4.09 cents per share, 100% franked	-	71.1
WT 22.04 cents per unit, 21.3% tax advantaged	-	383.1
WAT 29.37 cents per unit, 45.3% tax advantaged	-	510.5
	916.7	**964.7**

Dividends paid by the Parent Company have been franked at the corporate tax rate of 30%.

	30 Jun 07 $	31 Dec 06 $
16_Net tangible asset backing		
Net tangible asset backing per security	**13.93**	**13.28**

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 1,780,975,140 (31 December 2006: 1,765,884,521).

	30 Jun 07 $million	31 Dec 06 $million
17_Capital expenditure commitments		
Estimated capital expenditure commitments		
Due within one year	1,699.1	1,625.0
Due between one and five years	818.9	1,209.7
	2,518.0	**2,834.7**
18_Contingent liabilities		
Performance guarantees	458.1	470.2
Special tax assessment municipal bonds	48.4	64.9
	506.5	**535.1**

From time to time 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.

19_Events after the Balance Sheet date

19(1)_Pro-rata Entitlement Offer

During July 2007 the Group issued 155.378 million stapled securities for cash consideration totalling $3,029.9 million pursuant to a 2 for 23 pro-rata entitlement offer at $19.50 per security. The cost of the offer was approximately $43 million.

The bonus element of the offer is 8.641 million securities. This has been included in the number of stapled securities used in the calculation of basic and diluted earnings per stapled securities for both the current and the prior periods.

The securities issued under the pro-rata entitlement offer are not entitled to the dividend/distributions payable for the period ended 30 June 2007.

19(2)_UK Wholesale Fund

Since the end of the half year, the Group established the Westfield UK Shopping Centre Fund ("WUKSCF"), a £530 million wholesale fund which acquired a 25% interest in four of the Group's shopping centres (Belfast, Derby, Merry Hill and Tunbridge Wells) located in the United Kingdom. The Group will continue to hold a 25% interest in the properties.

The sale of relevant interests in entities holding Belfast, Merry Hill and Tunbridge Wells to WUKSCF were completed in July 2007 and the sale of relevant interests in entities holding Derby is expected within 18 months of the completion of the redevelopment currently underway. The sale price for these interests are consistent with their carrying values recorded in these financial statements.

The Group holds an initial 33.3% interest in WUKSCF, which may be sold to third parties in the future.

19(3)_US Property Transactions

In August 2007, the Group agreed to divest for US$1.04 billion, consistent with their carrying values recorded in these financial statements, four shopping centres located in the St. Louis area. Chesterfield will be sold to CBL & Associates Properties, Inc. ("CBL"). Mid Rivers, South County and West County will be contributed to a new joint venture vehicle managed and controlled by CBL. These transactions are expected to close by mid November 2007.

Contemporaneously, the Group also acquired two shopping centres located in Florida for gross purchase price of approximately US$400 million.

19(4)_Australian Property Transaction

In August 2007, the Group agreed to dispose of a 50% interest in the Westfield Doncaster shopping centre and associated redevelopment to LaSalle Investment Management Inc.'s Asia Property Fund for an aggregate consideration of $738 million.

20_Segment information

Business segment

30 June 2007	Operational (i) $million	Development and new business (ii) $million	Corporate (iii) $million	Consolidated $million
Revenue and other income (excluding property revaluation)				
Property revenue	1,580.5	11.5	-	1,592.0
Property development and project management revenue	252.3	-	-	252.3
Property and funds management income	35.1	-	-	35.1
	1,867.9	**11.5**	**-**	**1,879.4**
Share of after tax profits of equity accounted entities (excluding property revaluation) (v)				
Net operating income	179.3	0.4	-	179.7
Net interest and tax expense	(30.0)	(7.4)	14.1	(23.3)
	149.3	**(7.0)**	**14.1**	**156.4**
Profit on disposal of assets	-	-	0.8	0.8
Total revenue and other income (excluding property revaluation) (iv)	**2,017.2**	**4.5**	**14.9**	**2,036.6**
Expenses				
Property expenses and outgoings	(493.0)	(50.5)	-	(543.5)
Property development and project management costs	(224.5)	-	-	(224.5)
Property and funds management costs	(15.5)	-	-	(15.5)
Corporate overheads	-	-	(17.9)	(17.9)
	(733.0)	**(50.5)**	**(17.9)**	**(801.4)**
Goodwill written off on acquisition of assets	-	-	-	-
Currency derivatives	-	-	(244.1)	(244.1)
Total segment expenses	**(733.0)**	**(50.5)**	**(262.0)**	**(1,045.5)**
Segment result (excluding property revaluation)	**1,284.2**	**(46.0)**	**(247.1)**	**991.1**
Property revaluation (iv)	598.6	303.7	-	902.3
Equity accounted property revaluation (iv)(v)	87.3	197.0	-	284.3
Segment result	**1,970.1**	**454.7**	**(247.1)**	**2,177.7**
Interest income (iv)				9.9
Financing costs				(103.8)
Tax expense				(97.6)
Consolidated profit after tax				**1,986.2**
Segment assets				
Segment assets	42,894.1	4,762.7	-	47,656.8
Group assets				2,101.2
Total segment assets	**42,894.1**	**4,762.7**	**-**	**49,758.0**
Segment liabilities				
Segment liabilities	779.1	438.7	-	1,217.8
Group liabilities				23,538.5
Total segment liabilities	**779.1**	**438.7**	**-**	**24,756.3**
Equity accounted associates included in segment assets				
Investment properties	6,574.0	576.3	-	7,150.3
Interest bearing liabilities	(1,073.6)	(576.3)	-	(1,649.9)
Working capital and deferred tax	98.3	-	-	98.3
Equity accounted associates included in segment assets	5,598.7	-	-	5,598.7
Additions to segment non current assets	74.5	1,329.8	-	1,404.3

(i) Operational segment includes net property income from existing shopping centres and completed developments, revaluation of existing centres, external fee income from third parties (eg. property management and development fees) and other operational expenses.

(ii) Development & new business segment includes revaluation of developments, development expenses, expenses relating to review and assessment of new assets, portfolios & corporate acquisitions, income and expenses on properties held for future redevelopment and the expansion of business activities.

(iii) Corporate segment includes change in value of financial instruments, corporate entity expenses, impact of currency hedging and capital gains and losses.

(iv) Total revenue and other income for the period of $3,233.1 million (30 June 2006: $4,658.7 million) comprises revenue and other income (excluding property revaluation) of $2,036.6 million (30 June 2006: $1,956.4 million), property revaluation of $1,186.6 million (30 June 2006: $2,694.8 million) and interest income of $9.9 million (30 June 2006: $7.5 million).

(v) Total share of after tax profits of equity accounted entities for the period of $440.7 million (30 June 2006: $551.3 million) comprises share of after tax profits of equity accounted entities (excluding property revaluation) of $156.4 million (30 June 2006: $118.4 million) and property revaluation of $284.3 million (30 June 2006: $432.9 million).

20_Segment information (continued)

Business segment

30 June 2006	Operational $million	Development and new business $million	Corporate $million	Consolidated $million
Revenue and other income (excluding property revaluation)				
Property revenue	1,676.0	12.9	-	1,688.9
Property development and project management revenue	124.1	-	-	124.1
Property and funds management income	25.0	-	-	25.0
	1,825.1	**12.9**	**-**	**1,838.0**
Share of after tax profits of equity accounted entities (excluding property revaluation) (v)				
Net operating income	140.2	-	-	140.2
Net interest expense	(36.0)	(4.0)	18.2	(21.8)
	104.2	**(4.0)**	**18.2**	**118.4**
Total revenue and other income (excluding property revaluation) (iv)	**1,929.3**	**8.9**	**18.2**	**1,956.4**
Expenses				
Property expenses and outgoings	(500.0)	(45.5)	-	(545.5)
Property development and project management costs	(113.5)	-	-	(113.5)
Property and funds management costs	(13.3)	-	-	(13.3)
Corporate overheads	-	-	(14.7)	(14.7)
	(626.8)	**(45.5)**	**(14.7)**	**(687.0)**
Goodwill written off on acquisition of assets	-	-	(102.6)	(102.6)
Currency derivatives	-	-	(30.2)	(30.2)
Total segment expenses	**(626.8)**	**(45.5)**	**(147.5)**	**(819.8)**
Segment result (excluding property revaluation)	**1,302.5**	**(36.6)**	**(129.3)**	**1,136.6**
Property revaluation (iv)	2,139.1	122.8	-	2,261.9
Equity accounted property revaluation (iv)(v)	400.5	32.4	-	432.9
Segment result	**3,842.1**	**118.6**	**(129.3)**	**3,831.4**
Interest income (iv)				7.5
Financing costs				(189.8)
Tax expense				(241.0)
Consolidated profit after tax				**3,408.1**

31 December 2006	$million	$million	$million	$million
Segment assets				
Segment assets	43,481.0	3,796.8	-	47,277.8
Group assets				1,603.9
Total segment assets	**43,481.0**	**3,796.8**	**-**	**48,881.7**
Segment liabilities				
Segment liabilities	1,071.3	76.4	-	1,147.7
Group liabilities				24,104.7
Total segment liabilities	**1,071.3**	**76.4**	**-**	**25,252.4**
Equity accounted associates included in segment assets				
Investment properties	6,540.6	513.2	-	7,053.8
Interest bearing liabilities	(1,213.6)	(513.2)	-	(1,726.8)
Working capital and deferred tax	83.2	-	-	83.2
Equity accounted associates included in segment assets	5,410.2	-	-	5,410.2
Additions to segment non current assets	668.4	3,025.7	-	3,694.1

20_Segment information (continued)

Geographic segment

30 June 2007	Australia & New Zealand *$million*	United Kingdom *$million*	United States *$million*	Consolidated *$million*
Revenue and other income (excluding property revaluation)				
Property revenue	815.8	4.9	771.3	1,592.0
Property development and project management revenue	70.6	175.0	6.7	252.3
Property and funds management income	14.2	4.2	16.7	35.1
	900.6	**184.1**	**794.7**	**1,879.4**
Share of after tax profits of equity accounted entities (excluding property revaluation) (ii)				
Net operating income	41.2	56.5	82.0	179.7
Net interest and tax expense	(0.8)	5.9	(28.4)	(23.3)
	40.4	**62.4**	**53.6**	**156.4**
Profit on disposal of assets			0.8	0.8
Total revenue and other income (excluding property revaluation) (i)	**941.0**	**246.5**	**849.1**	**2,036.6**
Expenses				
Property expenses and outgoings	(252.6)	(14.6)	(276.3)	(543.5)
Property development and project management costs	(56.0)	(158.8)	(9.7)	(224.5)
Property and funds management costs	(3.2)	(2.2)	(10.1)	(15.5)
Corporate overheads	(15.7)	(0.3)	(1.9)	(17.9)
	(327.5)	**(175.9)**	**(298.0)**	**(801.4)**
Goodwill written off on acquisition of assets	-	-	-	-
Currency derivatives	(10.2)	-	(233.9)	(244.1)
Total segment expenses	**(337.7)**	**(175.9)**	**(531.9)**	**(1,045.5)**
Segment result (excluding property revaluation)	**603.3**	**70.6**	**317.2**	**991.1**
Property revaluation (i)	539.1	7.3	355.9	902.3
Equity accounted property revaluation (i)(ii)	89.4	7.4	187.5	284.3
Segment result	**1,231.8**	**85.3**	**860.6**	**2,177.7**
Interest income (i)				9.9
Financing costs				(103.8)
Tax expense				(97.6)
Consolidated profit after tax				**1,986.2**
Segment assets				
Segment assets	22,641.0	5,162.4	19,853.4	47,656.8
Group assets				2,101.2
Total segment assets	**22,641.0**	**5,162.4**	**19,853.4**	**49,758.0**
Segment liabilities				
Segment liabilities	508.8	276.5	432.5	1,217.8
Group liabilities				23,538.5
Total segment liabilities	**508.8**	**276.5**	**432.5**	**24,756.3**
Equity accounted associates included in segment assets				
Investment properties	1,570.1	2,721.6	2,858.6	7,150.3
Interest bearing liabilities	(18.0)	(589.0)	(1,042.9)	(1,649.9)
Working capital and deferred tax	2.5	41.5	54.3	98.3
Equity accounted associates included in segment assets	1,554.6	2,174.1	1,870.0	5,598.7
Additions to segment non current assets	339.0	581.6	483.7	1,404.3

(i) Total revenue and other income for the period of $3,233.1 million (30 June 2006: $4,658.7 million) comprises revenue and other income (excluding property revaluation) of $2,036.6 million (30 June 2006: $1,956.4 million), property revaluation of $1,186.6 million (30 June 2006: $2,694.8 million) and interest income of $9.9 million (30 June 2006: $7.5 million).

(ii) Total share of after tax profits of equity accounted entities for the period of $440.7 million (30 June 2006: $551.3 million) comprises share of after tax profits of equity accounted entities (excluding property revaluation) of $156.4 million (30 June 2006: $118.4 million) and property revaluation of $284.3 million (30 June 2006: $432.9 million).

20_Segment information (continued)

Geographic segment

30 June 2006	Australia & New Zealand $million	United Kingdom $million	United States $million	Consolidated $million
Revenue and other income (excluding property revaluation)				
Property revenue	785.0	74.1	829.8	1,688.9
Property development and project management revenue	53.8	26.8	43.5	124.1
Property and funds management income	9.1	1.8	14.1	25.0
	847.9	**102.7**	**887.4**	**1,838.0**
Share of after tax profits of equity accounted entities (excluding property revaluation) (ii)				
Net operating income	35.2	26.6	78.4	140.2
Net interest expense	(0.7)	1.3	(22.4)	(21.8)
	34.5	**27.9**	**56.0**	**118.4**
Total revenue and other income (excluding property revaluation) (i)	**882.4**	**130.6**	**943.4**	**1,956.4**
Expenses				
Property expenses and outgoings	(227.2)	(29.4)	(288.9)	(545.5)
Property development and project management costs	(48.6)	(21.8)	(43.1)	(113.5)
Property and funds management costs	(2.3)	(1.6)	(9.4)	(13.3)
Corporate overheads	(12.8)	-	(1.9)	(14.7)
	(290.9)	**(52.8)**	**(343.3)**	**(687.0)**
Goodwill written off on acquisition of assets	-	(102.6)	-	(102.6)
Currency derivatives	48.1	-	(78.3)	(30.2)
Total segment expenses	**(242.8)**	**(155.4)**	**(421.6)**	**(819.8)**
Segment result (excluding property revaluation)	**639.6**	**(24.8)**	**521.8**	**1,136.6**
Property revaluation (i)	1,762.9	0.9	498.1	2,261.9
Equity accounted property revaluation (i)(ii)	282.0	68.3	82.6	432.9
Segment result	**2,684.5**	**44.4**	**1,102.5**	**3,831.4**
Interest income (i)				7.5
Financing costs				(189.8)
Tax expense				(241.0)
Consolidated profit after tax				**3,408.1**

31 December 2006	$million	$million	$million	$million
Segment assets				
Segment assets	22,355.5	4,748.5	20,173.8	47,277.8
Group assets				1,603.9
Total segment assets	**22,355.5**	**4,748.5**	**20,173.8**	**48,881.7**
Segment liabilities				
Segment liabilities	529.7	187.4	430.6	1,147.7
Group liabilities				24,104.7
Total segment liabilities	**529.7**	**187.4**	**430.6**	**25,252.4**
Equity accounted associates included in segment assets				
Investment properties	1,478.2	2,751.3	2,824.3	7,053.8
Interest bearing liabilities	(18.0)	(585.5)	(1,123.3)	(1,726.8)
Working capital and deferred tax	1.1	7.3	74.8	83.2
Equity accounted associates included in segment assets	1,461.3	2,173.1	1,775.8	5,410.2
Additions to segment non current assets	826.1	1,205.6	1,662.4	3,694.1

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; and
- (ii) give a true and fair view of the financial position as at 30 June 2007 and the performance for the half-year ended on that date.

Made on 29 August 2007 in accordance with a resolution of the Board of Directors.

F P Lowy, AC
Executive Chairman

Professor F G Hilmer, AO
Director

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INDEPENDENT AUDIT REPORT

to the Members of the Westfield Holdings Limited

Report on the Half-Year Financial Report

We have audited the accompanying half year financial report of Westfield Holdings Limited and the entities it controlled during the period, which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the half year then ended, other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the half year financial report in accordance with the Australian Accounting standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* . This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

We performed procedures to assess whether in all material respects the half year financial report presents fairly, in accordance with the *Corporations Act 2001* , including compliance with Accounting Standard AASB 134 "Interim Financial Reporting", and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the consolidated entity's financial position, and of its performance as represented by the results of its operations and cash flows. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have met the independence requirements of the *Corporations Act 2001* . We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

Auditor's Opinion

In our opinion the half year financial report of Westfield Holdings Limited is in accordance with:

(a) the *Corporations Act 2001* , including:

 (i) giving a true and fair view of the consolidated entity's financial position of Westfield Holdings Limited as at 30 June 2007 and of its performance for the half year then ended; and

 (ii) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the *Corporations Regulations 2001* ; and

(b) other mandatory financial reporting requirements in Australia.

Chris Westworth
Partner
Sydney
29 August 2007

Ernst & Young

Liability Limited by a scheme approved under Professional Standards Legislation

WESTFIELD GROUP
DIRECTORS' REPORT

The Directors of Westfield Holdings Limited ("Company") submit their report for the half year ended 30 June 2007.

Directors

The names of the Company's directors in office during the half year and until the date of this report are as below. The Directors were in office for this entire period unless otherwise stated.

F P Lowy, AC	Chairman – Executive Director
D H Lowy, AM	Deputy Chairman – Non-Executive Director
R L Furman	Non-Executive Director
D M Gonski, AC	Non-Executive Director
F G Hilmer, AO	Non-Executive Director
S P Johns	Non-Executive Director
P S Lowy	Managing Director – Executive Director
S M Lowy	Managing Director – Executive Director
J B Studdy, AM	Non-Executive Director (resigned on 2 May 2007)
F T Vincent	Non-Executive Director (resigned on 2 May 2007)
G H Weiss	Non-Executive Director
D R Wills, AO	Non-Executive Director
C M Zampatti, AM	Non-Executive Director

Professor F G Hilmer, AO stepped down as a Deputy Chairman of the Board in April 2007 but continues to serve as the lead independent director.

Review and results of operations

The Group reported a net profit of $1,973.9 million and a distribution of $946.4 million for the six months to 30 June 2007. Earnings per security is 110.58 cents and a distribution per security of 53.25 cents, representing 50% of the estimated full year distribution.

As at 30 June 2007, the Westfield Group had a $48.1 billion interest in 121 shopping centres with a gross value of approximately $62.6 billion encompassing 22,850 retail outlets.

Key highlights for the period include:

- a 7.4% increase in operational segment earnings attributable to stapled security holders ($844 million from $786 million) over the same period last year, on a constant currency basis;
- close to 100% occupancy in Australia, New Zealand and the United Kingdom. In the United States, the portfolio was 93.5% leased at period end;
- comparable shopping centre net operating income growth of 6.1% in Australia and New Zealand, 2.6% in the United States and 6.7% in the United Kingdom;
- positive growth in specialty retail sales with strong sales in Australia and steady growth reported in New Zealand, the United Kingdom and the United States;
- strong leasing activity with approximately 2,400 lease deals completed globally, representing approximately 359,000 square metres of specialty store space;
- revaluation uplift of $1.2 billion on the Group's property interests, which includes $501 million of value created through development;
- 16 major projects under construction with a forecast investment of $7.2 billion (Westfield Group share: $5.1 billion);
- issuance of $1.3 billion Property linked Notes to global financial institutions; and
- formation of a new joint venture with GIC at Westfield Parramatta in Sydney, Australia for $717.5 million.

Subsequent Events

Subsequent events are detailed in note 19 of the financial report.

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 hundred thousand 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 the Company coincides with the financial year of Carindale Property Trust.

Auditor's independence declaration

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

ERNST & YOUNG

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 2007, 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.

Chris Westworth
Partner
29 August 2007

Ernst & Young

Liability Limited by a scheme approved under Professional Standards Legislation

This Report is made on 29 August 2007 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

Professor F G Hilmer, AO
Director

CORPORATE DIRECTORY

Westfield Group
Westfield Holdings Limited
ABN 66 001 671 496

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

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

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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
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Sydney NSW 2011
Telephone: +61 2 9358 7877
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Website: www.westfield.com/corporate

Principal Share Registry
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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: webqueries@computershare.com.au
Website: www.computershare.com

Listing
Australian Securities Exchange – WDC

Website
westfield.com/corporate

WESTFIELD GROUP

ADDITIONAL INFORMATION

for the half-year ended 30 June 2007

Details of earnings, net assets and distribution by entity

	Earnings		Net assets		
	Total	**per security**	**Total**	**per security**	
	$million	cents	$million	$	%
WHL	283.2	15.86	1,874.5	1.05	7.54
WT	1,039.5	58.24	14,696.9	8.25	59.22
WAT	651.2	36.48	8,246.1	4.63	33.24
Westfield Group	1,973.9	110.58	24,817.5	13.93	100.00

	Distribution proposed for the 6 months to 30 June 2007				
	ASX code: WDC	**per security**	**ASX code: WDCNA**	**per security**	**Total WDC**
	$million	cents	$million	cents	$million
WHL	-	-	-	-	-
WT	513.1	29.00	2.3	19.55	515.4
WAT	429.1	24.25	1.9	16.34	431.0
Westfield Group	942.2	53.25	4.2	35.89	946.4

PROPERTY PORTFOLIO

for the half-year ended 30 June 2007

	Appendix	*30 Jun 07* $million	*31 Dec 06* $million
DETAILS OF PROPERTY PORTFOLIO			
Consolidated Australian shopping centres	1A	17,544.2	17,819.5
Consolidated New Zealand shopping centres	1B	2,432.4	2,301.8
Consolidated United Kingdom shopping centres	1C	188.6	190.3
Consolidated United States shopping centres	1D	16,323.4	16,900.9
Total consolidated shopping centres		**36,488.6**	**37,212.5**
Equity accounted Australian shopping centres	1A	1,563.2	1,475.9
Equity accounted United Kingdom shopping centres	1C	2,280.1	2,386.1
Equity accounted United States shopping centres	1D	2,786.8	2,739.0
Gross value of equity accounted shopping centres (i)		**6,630.1**	**6,601.0**
Total consolidated and equity accounted shopping centres		**43,118.7**	**43,813.5**

(i) The value of the Westfield Group's equity accounted property investments excludes its share of borrowings and net working capital associated with these properties.

PROPERTY PORTFOLIO - AUSTRALIA

for the half-year ended 30 June 2007

Shopping Centre	State	Consolidated or Equity Accounted Interest %	Book value 30 Jun 07 $million	Book value 31 Dec 06 $million	Retail Cap Rate %
Airport West	Victoria	50	144.6	137.1	6.3%
Bay City	Victoria	50	107.2	107.2	6.5%
Belconnen	ACT	100	673.0	647.7	5.3%
Bondi Junction	New South Wales	100	1,935.0	1,933.5	4.5%
Booragoon	Western Australia	25	187.5	181.6	5.5%
Burwood	New South Wales	100	738.0	703.1	5.3%
Carindale	Queensland	50	418.7	403.0	5.5%
Carousel	Western Australia	100	651.7	623.8	5.8%
Chatswood	New South Wales	100	874.6	840.1	5.5%
Chermside	Queensland	100	1,063.4	1,037.7	5.5%
Doncaster	Victoria	100	387.8	387.3	6.8%
Eastgardens	New South Wales	**	n/a	n/a	n/a
Figtree	New South Wales	100	111.6	110.9	7.0%
Fountain Gate	Victoria	100	773.0	738.5	5.8%
Helensvale	Queensland	50	144.1	138.3	6.3%
Hornsby	New South Wales	100	808.2	775.8	5.4%
Hurstville	New South Wales	50	290.2	288.0	6.0%
Innaloo	Western Australia	100	233.0	228.0	6.5%
Knox	Victoria	30	264.6	260.3	5.8%
Kotara	New South Wales	100	284.3	284.2	7.0%
Liverpool	New South Wales	50	429.4	419.1	5.5%
Macquarie	New South Wales	50	410.9	404.2	5.5%
Marion	South Australia	50	455.1	439.0	5.5%
Miranda	New South Wales	50	598.2	579.2	5.3%
Mt Gravatt	Queensland	75	590.9	567.8	5.8%
North Lakes	Queensland	50	57.7	57.7	6.5%
North Rocks	New South Wales	100	84.4	83.7	7.3%
Pacific Fair	Queensland	40	426.5	412.2	5.3%
Parramatta	New South Wales	50	733.1	1,432.1	5.0%
Penrith	New South Wales	50	516.6	498.9	5.3%
Plenty Valley	Victoria	50	13.2	13.1	7.0%
Strathpine	Queensland	100	261.8	257.8	6.5%
Sydney City***	New South Wales	100	1,134.4	1,131.6	6.5%
Tuggerah	New South Wales	100	565.2	551.4	6.0%
Warrawong	New South Wales	100	207.7	204.4	7.3%
Warringah Mall	New South Wales	25	259.8	251.9	5.3%
Westlakes	South Australia	50	157.1	155.6	6.3%

PROPERTY PORTFOLIO - AUSTRALIA
for the half-year ended 30 June 2007

Shopping Centre	State	Consolidated or Equity Accounted Interest %	Book value 30 Jun 07 $million	Book value 31 Dec 06 $million	Retail Cap Rate %
Whitford City	Western Australia	50	256.9	246.8	6.0%
Woden	ACT	50	294.8	286.9	5.8%
Total consolidated centres			**17,544.2**	**17,819.5**	
Cairns	Queensland	50	201.9	168.3	5.3%
Karrinyup	Western Australia	25	127.6	119.7	5.8%
Macquarie	New South Wales	5	40.1	39.4	5.5%
Mt Druitt	New South Wales	50	206.0	199.0	6.5%
Pacific Fair	Queensland	4	42.7	41.2	5.3%
Southland	Victoria	50	623.2	590.1	5.0%
Tea Tree Plaza	South Australia	50	321.7	318.2	5.3%
Total equity accounted centres			**1,563.2**	**1,475.9**	
Total Australian portfolio			**19,107.4**	**19,295.4**	**5.6%**

* Includes office suites where applicable
** Eastgardens is managed by Westfield under a Head Lease
*** Sydney City represents the combined value and performance of Sydney Central Plaza, Centrepoint, Skygarden and Imperial Arcade

PROPERTY PORTFOLIO - NEW ZEALAND APPENDIX 1B
for the half-year ended 30 June 2007

Shopping Centre	Location	Consolidated or Equity Accounted Interest %	Book value at 30 Jun 07 NZ$million	Book value at 31 Dec 06 NZ$million	Retail Cap Rate %
Chartwell	Hamilton	100	143.7	137.1	7.0%
Downtown	Auckland	100	77.7	73.2	7.3%
Glenfield	Auckland	100	185.8	185.7	7.3%
Manukau	Auckland	100	241.3	241.1	7.5%
Newmarket	Auckland	100	277.3	254.7	6.3%
Pakuranga	Auckland	100	119.4	119.3	7.8%
Queensgate	Wellington	100	362.5	350.0	6.2%
Riccarton	Christchurch	100	393.8	378.4	6.1%
Shore City	Auckland	100	150.4	144.8	7.0%
St Lukes	Auckland	100	500.2	483.7	6.1%
WestCity	Auckland	100	223.5	212.8	6.8%
Total New Zealand portfolio in NZ$			**2,675.6**	**2,580.8**	
Exchange rate			1.1000	1.1212	
Total New Zealand portfolio in A$			**2,432.4**	**2,301.8**	**6.6%**

PROPERTY PORTFOLIO - UNITED KINGDOM
for the half-year ended 30 June 2007

Shopping Centre	Location	Consolidated or Equity Accounted Interest %	Book value 30 Jun 07 £million	Book value 31 Dec 06 £million	Retail Cap Rate %
Sprucefield	Northern Ireland	100	80.0	76.6	5.0%
Total consolidated centres in £			**80.0**	**76.6**	
Exchange rate			0.4242	0.4025	
Total consolidated centres in A$			**188.6**	**190.3**	
Broadmarsh	Nottingham	75	67.0	66.5	5.3%
CastleCourt	Belfast	50	158.2	157.5	5.1%
Eagle	Derby	50	86.4	83.3	5.5%
Friary	Guildford	50	76.0	75.0	5.1%
Merry Hill	Birmingham	50	496.3	495.0	5.0%
Royal Victoria Place	Tunbridge Wells	50	83.3	83.1	5.1%
Total equity accounted centres in £			**967.2**	**960.4**	
Exchange rate			0.4242	0.4025	
Total equity accounted centres in A$			**2,280.1**	**2,386.1**	
Total United Kingdom portfolio in £			**1,047.2**	**1,037.0**	
Exchange rate			0.4242	0.4025	
Total United Kingdom portfolio in A$			**2,468.7**	**2,576.4**	**5.1%**

PROPERTY PORTFOLIO - UNITED STATES

for the half-year ended 30 June 2007

Shopping Centre	Market Region	Consolidated or Equity Accounted Interest %	Book value at 30 Jun 07 US$million	Book value at 31 Dec 06 US$million	Retail Cap Rate %
Annapolis	Maryland	100	442.5	442.2	5.9%
Belden Village	Ohio	100	190.1	187.2	6.2%
Brandon	Florida	100	382.1	218.5	6.0%
Capital	Washington	100	202.6	89.2	5.9%
Century City	Los Angeles	100	709.3	699.3	5.1%
Chesterfield	Missouri	100	236.9	237.0	6.7%
Chicago Ridge	Illinois/ Indiana	100	132.6	126.6	7.2%
Citrus Park	Florida	100	271.1	216.2	6.1%
Connecticut Post	Connecticut	100	286.4	283.8	6.5%
Countryside	Florida	100	235.4	246.8	6.4%
Crestwood	Missouri	100	40.3	64.4	n/a
Downtown Plaza	Northern California	100	202.1	206.3	5.5%
Eastland	Los Angeles	100	133.6	126.7	5.9%
Eastridge	North Carolina	100	45.3	47.8	7.0%
Fox Hills	Los Angeles	100	204.2	201.3	6.1%
Fox Valley	Illinois/ Indiana	100	260.5	258.5	6.4%
Franklin Park	Ohio	100	409.2	404.4	5.7%
Galleria at Roseville	Northern California	100	336.0	335.9	6.2%
Gateway	Nebraska	100	144.9	144.9	7.0%
Great Northern	Ohio	100	166.9	166.9	6.6%
Hawthorn	Illinois/ Indiana	100	255.5	241.0	6.4%
Horton Plaza	San Diego	100	384.7	383.9	5.5%
Louis Joliet	Illinois/ Indiana	100	138.5	131.5	6.0%
Mainplace	Los Angeles	100	316.2	283.1	6.1%
Meriden	Connecticut	100	168.5	178.0	7.1%
Mid Rivers	Missouri	100	189.0	188.7	6.0%
Mission Valley	San Diego	100	300.8	300.8	5.9%
North County	San Diego	100	231.0	228.4	7.0%
Oakridge	Northern California	100	410.7	404.9	5.9%
Old Orchard	Illinois/ Indiana	100	416.8	416.7	6.3%
Palm Desert	Los Angeles	100	219.3	219.1	5.6%
Parkway	San Diego	100	347.6	343.7	6.1%
Plaza Bonita	San Diego	100	231.7	231.6	6.1%
Plaza Camino Real	San Diego	100	237.0	233.0	5.6%
Promenade	Los Angeles	100	85.1	84.1	6.4%
San Francisco Centre	Northern California	100	305.2	302.1	5.1%
Santa Anita	Los Angeles	100	418.6	418.6	5.8%
Sarasota	Florida	100	93.7	93.5	7.3%

PROPERTY PORTFOLIO - UNITED STATES

for the half-year ended 30 June 2007

Shopping Centre	Market Region	Consolidated or Equity Accounted Interest %	Book value at 30 Jun 07 US$million	Book value at 31 Dec 06 US$million	Retail Cap Rate %
Solano	Northern California	100	250.1	247.3	5.8%
Southcenter	Washington	100	375.9	375.9	6.8%
South County	Missouri	100	190.1	189.9	6.9%
Southgate	Florida	100	102.1	100.8	6.6%
Southlake	Illinois/ Indiana	100	269.5	266.8	6.7%
Southpark	Ohio	100	314.5	195.1	6.0%
South Shore	New York	100	249.5	246.2	6.7%
Sunrise	New York	100	164.2	161.2	8.1%
Topanga	Los Angeles	100	716.0	715.2	5.4%
Trumbull	Connecticut	100	314.9	313.4	6.4%
Vancouver	Washington	100	149.6	147.4	6.2%
West County	Missouri	100	356.6	356.3	6.0%
West Covina	Los Angeles	100	313.2	308.7	5.9%
Wheaton	Maryland	100	335.00	334.2	6.8%
Total consolidated centres in $US			**13,883.1**	**13,345.0**	
Exchange rate			0.8505	0.7896	
Total consolidated centres in A$			**16,323.4**	**16,900.9**	
Fashion Square	Los Angeles	50.0	147.9	145.5	5.7%
Garden State Plaza	New Jersey	50.0	719.7	539.5	5.2%
Montgomery	Maryland	50.0	248.0	243.8	5.3%
North Bridge	Illinois/ Indiana	33.3	135.7	130.0	6.6%
San Francisco Emporium	Northern California	50.0	308.4	308.0	5.1%
UTC	San Diego	50.0	188.8	183.4	5.7%
Valencia Town Center	Los Angeles	50.0	115.0	111.8	7.2%
Valley Fair	Northern California	50.0	506.7	500.7	5.4%
Total equity accounted centres in $US			**2,370.2**	**2,162.7**	
Exchange rate			0.8505	0.7896	
Total equity accounted centres in A$			**2,786.8**	**2,739.0**	
Total United States portfolio in $US			**16,253.3**	**15,507.7**	
Exchange rate			0.8505	0.7896	
Total United States portfolio in A$			**19,110.2**	**19,639.9**	**6.1%**