

# Westfield Group

Results Presentation

Half Year Result ended 30 June 2005

*Note: All figures within this presentation are presented in Australian dollars and on an A-IFRS basis unless otherwise stated*

**31 August 2005**

The logo for Westfield, featuring a large, stylized red 'W' followed by the word 'Westfield' in a red, cursive script font.

# Highlights for six months to 30 June 2005



- Strong underlying operating performance from our portfolios in Australia, New Zealand, the United States and the United Kingdom
- Distribution of A\$874 million (51.07 cents per security in line with forecasts within the Explanatory Memorandum)
- Commenced 5 new projects with a total project cost of A\$1.5 billion resulting in the largest ever development program under construction across the Westfield Group
  - 17 projects with a total project cost of A\$6.7 billion currently under construction (Westfield Group share A\$4.1 billion)
- Announced the acquisition of interests in approximately A\$2.0 billion of additional property assets – Westfield Group interest of A\$1.2 billion represented by:
  - A\$650 million in Australia
  - US\$320 million in the United States
  - £65 million in the United Kingdom
- Increased gross value of investments under management by 10.5% from A\$41.9 billion to A\$46.3 billion
- Debut debt issue in the Eurobond market raising equivalent to A\$2.35 billion
- Continued strong operational performance supports the full year distribution forecast of 106.5 cents per security

# Financial Highlights



<b>Income Statement</b>	<b>6 months to 30 June '05</b>	
Profit after tax (A\$ million)	1,535	
Distribution (A\$ million)	874	
Distribution per security (cents)	51.07	
<b>Balance Sheet</b>	<b>At 30 June '05</b>	<b>At 31 Dec '04</b>
Gross Property Investments (A\$ million)	37,977	34,952
Net Assets (A\$ million)	17,138	16,241
NTA (A\$ per security)	9.99	9.68
Adjusted NTA (A\$ per security) <sup>1</sup>	11.28	10.61
Gearing (%) <sup>2</sup>	39.8	38.4
Net debt to total market capitalisation (%)	34.0	33.5
Equity market capitalisation (A\$ billion)	30.6	27.7

<sup>1</sup> Excludes all adjustments required under the new accounting regime

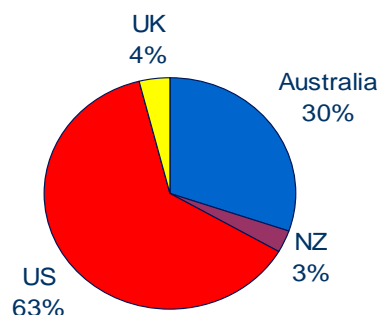
<sup>2</sup> As calculated and documented under the Westfield Group bond offerings

# Portfolio Summary as at 30 June '05

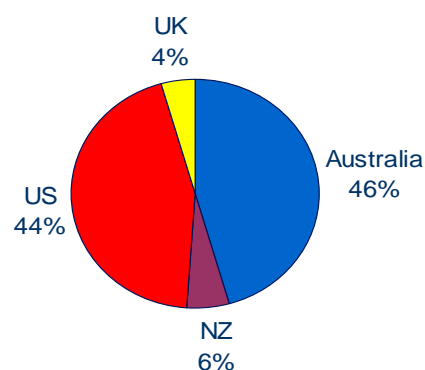


	Australia	NZ	US	UK	Total <sup>1</sup>
Centres	40	11	67 <sup>2</sup>	8	126
Retail Outlets	9,500	1,200	9,300	900	20,900
GLA (million sqm)	3.1	0.3	6.4	0.4	10.2
Asset Value (billion)	A\$17.1	NZ\$1.7	US\$15.1	£1.8	A\$42.8 <sup>3</sup>

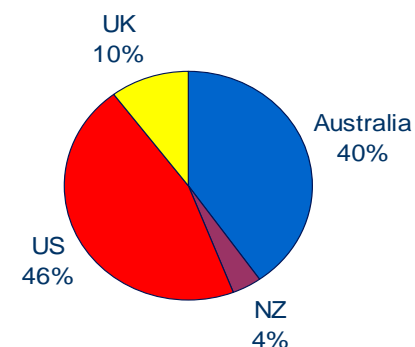
**Gross Lettable Area**



**Retail Outlets**



**Assets Owned & Under Management**



<sup>1</sup> Excludes acquisition of Sunrise Mall, Penrith and Woden completed post balance date

<sup>2</sup> Excludes 9 US airport retail concession agreements

<sup>3</sup> Excludes work in progress and redevelopment projects

# Operational Review



- Retail Sales Overview
- Shopping Centre Operating Performance
- Global Development Activity

# Retail Sales Overview<sup>1</sup>



	Period to 30 June 2005			
	12 months \$	Growth	6 months Growth	3 months Growth
<b>Australia</b>				
Majors		2.8%	4.3%	(0.1)%
Specialties	A\$8,917psm	5.7%	3.3%	2.6%
Total	A\$15.8 bn	4.5%	3.9%	1.7%
<b>New Zealand</b>				
Specialties	NZ\$8,754psm	3.0%	1.5%	2.9%
Total	NZ\$1.6 bn	1.8%	0.9%	1.8%
<b>United States<sup>2</sup></b>				
Specialties	US\$414psf US\$7.0 bn	5.1%	5.7%	5.2%
<b>United Kingdom<sup>3</sup></b>				
	n/a	(0.1)%	(0.9)%	(2.5)%

<sup>1</sup> All sales growth figures are reported on a comparable basis

<sup>2</sup> US represents growth in sales per square foot

<sup>3</sup> British Retail Consortium-KPMG retail sales report

# Shopping Centre Operating Performance



	Portfolio Leased <sup>1</sup>	Specialty Occupancy Cost <sup>1</sup>	Lease Deals Completed <sup>2</sup>		Average Specialty Store Rent		Comparable NOI Growth <sup>2</sup>
			Number	Area	Amount <sup>1</sup>	Growth <sup>3</sup>	
<b>Australia &amp; New Zealand</b>	>99.5%	15.3%	1,207	115,134 sqm	A\$1,133 psm NZ\$1,030 psm	5.2%	5.8%
<b>United States</b>	93.5%	13.6%	683	2,104,117 sqft	US\$38.47 psf	3.3%	4.0%
<b>United Kingdom</b>	>99%	n/a	69	23,718 sqm	£494 psm	2.5%	3.2%

<sup>1</sup> As at 30 June 2005

<sup>2</sup> 6 months to 30 June 2005

<sup>3</sup> 30 June 2005 compared to 30 June 2004 – excludes newly acquired centres

# Global Development Activity



- **17 projects under construction as at 30 June 2005 with an estimated total cost of A\$6.7bn – Westfield Group share A\$4.1 billion**

	No. of Projects	Estimated Total Cost	Target Weighted Average Yield <sup>1</sup>
Australia & New Zealand	7	A\$0.9bn	9.6 – 9.9%
United States	8	US\$1.2bn	9.5 – 9.9%
United Kingdom - Derby	1	£0.3bn	8.0 – 8.5%
- White City	1	£1.5bn	5.75 – 6.0%

- **Commenced 5 new projects during the period with an estimated total cost of A\$1.5bn**
  - Liverpool (Aus), Topanga (US), Sarasota (US), Southlake (US) and Derby (UK)
- **Completed two projects during the period costing US\$260m**
  - Franklin Park (US) and Wheaton (US)
- **New projects anticipated to commence each year for the next 3 years – A\$1.5 to A\$2 billion**

<sup>1</sup> Stabilised income/Westfield Group cost

# Global Development Activity

- New projects commenced during the period



	Estimated Total Cost \$ million	Target Yield	Anticipated Completion
<b>Australia &amp; New Zealand</b>			
Liverpool (Sydney, NSW)	A\$200 <sup>1</sup>	9.1 – 9.4%	Qtr 4 '06
<b>United States</b>			
Topanga (Los Angeles, California)	US\$330	9.6 – 9.9%	Qtr 1 '07
Sarasota (Sarasota, Florida)	US\$50	9.6 – 9.9%	Qtr 4 '06
Southlake (Hobart, Indiana)	US\$20	12.1 – 12.4%	Qtr 4 '06
<b>United Kingdom</b>			
Derby	£310 <sup>2</sup>	8.0 – 8.5%	Qtr 1 '08

■ **Other key projects anticipated to commence in the second half:**

- United States - Brandon (US\$50m), Capital (US\$45m) and Southpark (US\$60m)
- Australia/New Zealand - Chermside (A\$180m) and Manukau (NZ\$50m)

<sup>1</sup> Westfield Group share 50% - A\$100m

<sup>2</sup> Westfield Group share 50% - £155m

# Financial Review



- Income Statement
- Distribution Statement
- Balance Sheet
- Property Investments
- Funding

# Income Statement



A\$ million

6 months to  
June '05

Property income	1,437
Contribution from equity accounted investments	151
Property revaluations	1,156
Other income	43
Net profit from asset sales	8
<b>Total Income</b>	<b>2,795</b>
Total expenses	(526)
<b>EBIT</b>	<b>2,269</b>
Financing costs	(272)
Mark to market of derivatives, preference shares and minority interests treated as debt	(278)
<b>Profit before tax</b>	<b>1,719</b>
Tax expense	(172)
Minority interests	(12)
<b>Profit after tax</b>	<b>1,535</b>

# Distribution Statement



A\$ million

	<u>6 months to June '05</u>
<b>Profit after tax</b>	<b>1,535</b>
<i>Less:</i> Property revaluation (net of amortisation of tenant allowances)	(1,200)
Net profit from asset sales	(8)
<i>Add:</i> Project profits distributed	75
Mark to market of derivatives, preference shares and minority interests treated as debt	278
Deferred tax on above adjustments	187
Distribution in respect of cum distribution component of shares issued during the period	<u>7</u>
<b>Distribution</b>	<b><u>874</u></b>
Distribution per security (cents)	51.07

# Balance Sheet



A\$ million

	At 30 June '05	At 31 Dec '04
Cash	603	237
Property investments		
- Shopping centres	29,119	27,011
- WIP and development properties	895	753
Net Investments in equity accounted entities	3,548	3,332
Other assets	2,256	2,542
<b>Total assets</b>	<b>36,421</b>	<b>33,875</b>
Interest bearing liabilities	14,380	12,933
Other financial instruments <sup>1</sup>	1,880	1,125
Finance lease liabilities	104	112
Deferred tax	1,410	1,268
Other liabilities and minority interests	1,509	2,196
<b>Total liabilities</b>	<b>19,283</b>	<b>17,634</b>
<b>Net Assets</b>	<b>17,138</b>	<b>16,241</b>

<sup>1</sup> Includes convertible preference shares that the Westfield Group considers as equity given their economic characteristics

# Property Investments



- 8.9% uplift in the value of gross property investments since 31 December '04

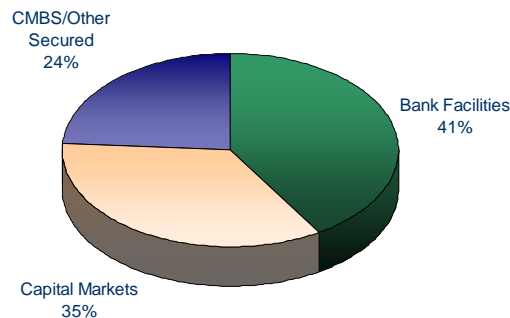
	<b>A\$ billion</b>
Gross property investments including development projects as at 31 December '04	34.9
Revaluations	1.2
Capital expenditure	1.5
Acquisitions	0.4
Disposals	(0.2)
Gross property investments as at 30 June '05 (pre exchange rate impact)	<u>37.8</u>
Exchange rate impact	0.2
<b>Gross property investments including development projects as at 30 June '05</b>	<b><u>38.0</u></b>

- Weighted average cap rates for each region:

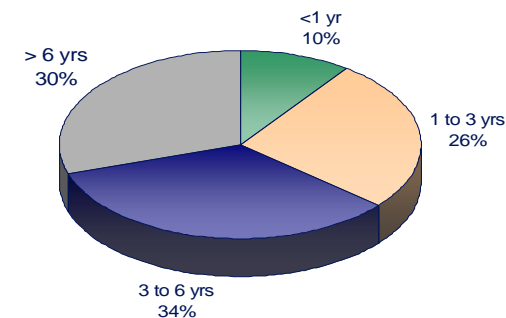
- Australia & New Zealand 6.7%
- United Kingdom 5.2%
- United States 6.9%

- Westfield Group continues to diversify funding sources and lengthen debt maturity profile

Facility Mix - 30 June 2005



Facility Maturity Profile - 30 June 2005



- Raised A\$2.35 billion of debt in Eurobond market comprising: €600 million and £600 million
- Raised A\$568 million of equity during the period
  - A\$260 million through February DRP
  - A\$308 million on conversion of convertible bonds
- Interest Rate Profile as at 30 June 2005
  - Weighted average interest cost of 4.25%
  - Percentage of fixed rate debt is 91% with an average interest rate hedge maturity of 8.2 years

# Appendices



## Appendix I

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## Appendix II – A-IFRS Explanations

# Project Distributions



## ■ Project profits this period

	Westfield Group (A\$m)	External parties (A\$m)	Total (A\$m)
Project expenditure	615	114	729
Project profits distributed	75	16	91

	Including Major Projects	Project Profits (A\$m)
Australia & New Zealand	Parramatta, Tuggerah, Helensvale and Liverpool	33
United States	Topanga, Century City and Chesterfield	45
United Kingdom	Derby	13
Total to 30 June '05		91

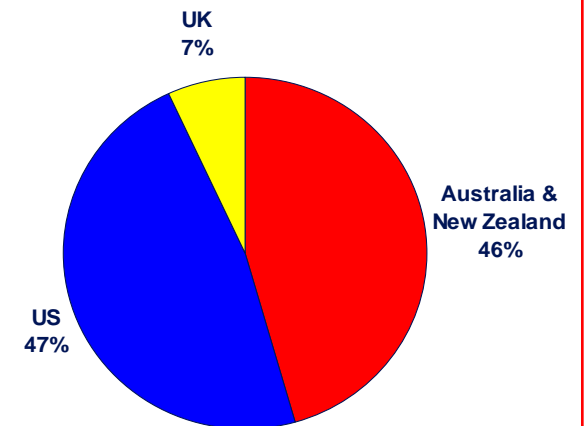
# Geographic Segment Breakdown



## Net Property Income<sup>1</sup>

	6 months to June '05	
	Local currency	A\$m
- Australia & New Zealand		532
- United States	US\$430m	556
- United Kingdom	£33m	81
<b>Total</b>		<b>1,169</b>

## Property Income by Location<sup>1</sup>



<sup>1</sup> Represents Westfield Group's proportional share of net property income from all properties and excluding revaluations

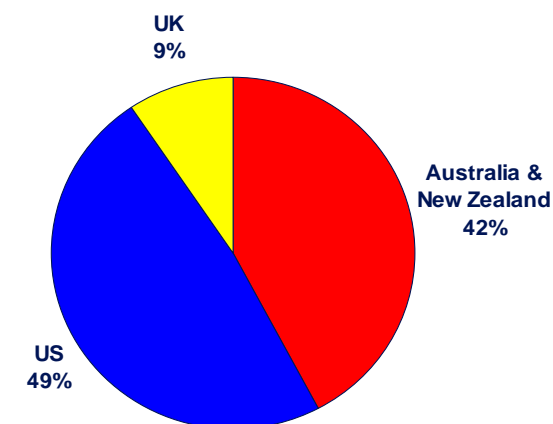
# Geographic Segment Breakdown



## Gross Property Investments<sup>1</sup> – Westfield Group Share

	At 30 June '05 <sup>2</sup>	
	Local currency	A\$m
Shopping Centres:		
- Australia & New Zealand		15,000
- United States	US\$13,175m	17,304
- United Kingdom	£1,410m	3,351
		<b>35,655</b>
WIP and Development Properties		2,322
<b>Total</b>		<b>37,977</b>

## Shopping Centre Investments by Location



<sup>1</sup> Includes A\$6,537m being Westfield Group's share of equity accounted shopping centre investments (Aust. & NZ = A\$893m, US = A\$2,293m and UK = A\$3,351m)

<sup>2</sup> Excludes Penrith and Woden transacted for \$650m and Sunrise Mall transacted for US\$143m post balance date

# Reconciliation of Property Investments

A\$ million

## Property investments as at 30 June 2005

	Westfield Group Interest	Equity Accounted JV Share	Total	JV Partner Share	Investments Under Management
Gross property investments	29,118	6,537	35,655	7,152	42,807
Development projects <sup>1</sup>	895	1,427	2,322	1,217	3,539
	<b>30,013</b>	<b>7,964</b>	<b>37,977</b>	<b>8,369</b>	<b>46,346</b>
Less JV debt & working capital		4,416	4,416		
<b>Westfield Accounts</b>	<b>30,013</b>	<b>3,548</b>	<b>33,561</b>		

<sup>1</sup> Includes work in progress and development properties

# Property Acquisitions



- Since the beginning of the year Westfield Group has announced the acquisition of interests in a further A\$2.0 billion of property - Westfield Group interest of approximately A\$1.2 billion
  - **Australia & New Zealand**
    - 50% interest in Penrith Plaza, Sydney for A\$405 million net of acquisition costs
    - 50% interest in Woden Plaza, Canberra for A\$245 million net of acquisition costs
  - **United Kingdom**
    - Further 25% interest in super regional shopping centre development project White City, London for £65m increasing total interest to 50%
  - **United States**
    - Chicago Ridge in Chicago, Illinois for US\$108 million
    - Additional 25% interest in Valencia, Los Angeles for US\$69 million, total interest now 50%
    - Sunrise Mall in Massapequa, New York for US\$143 million

# Current Projects

- Australia & New Zealand – Approx A\$0.9 billion



Current Major Projects	Estimated Total Cost <sup>1</sup> A\$ million	Target Yield Range <sup>2</sup>	Anticipated Completion
Innaloo (Perth)	60	10.3 – 10.6%	Qtr 3 '05
Helensvale (Gold Coast)	180 <sup>3</sup>	11.9 – 12.2%	Qtr 4 '05
Tuggerah (Sydney)	120	9.1 – 9.4%	Qtr 4 '05
Queensgate (Wellington)	NZ 170	8.8 – 9.1%	Qtr 4 '05
Mt Druitt (Sydney)	65 <sup>4</sup>	8.4 – 8.7%	Qtr 4 '05
Parramatta (Sydney)	105	8.3 – 8.6%	Qtr 2 '06
Liverpool (Sydney)*	200 <sup>5</sup>	9.1 – 9.4%	Qtr 4 '06

\* Project commenced within the period to 30 June 2005

<sup>1</sup> Includes project profits except projects commenced after 1 January 2005 and joint ventures

<sup>2</sup> Calculated as set out in Slide 26

<sup>3</sup> Westfield Group share 50% - \$90m

<sup>4</sup> Westfield Group share 50% - \$32.5m

<sup>5</sup> Westfield Group share 50% - \$100m

# Current Projects

- United States - Approx US \$1.2 billion



Current Major Projects	Estimated Total Cost <sup>1</sup> US \$million	Target Yield Range <sup>2</sup>	Anticipated Completion
Gateway (Lincoln, Nebraska)	30	11.9 – 12.2%	Qtr 4 '05
Chesterfield (St Louis, Missouri)	70	11.0 – 11.3%	Qtr 1 '06
Connecticut Post (Milford, Connecticut)	130	9.4 – 9.7%	Qtr 2 '06
Century City (Los Angeles, California)	150	11.0 – 11.3%	Qtr 4 '06
San Francisco (San Francisco, California)	440 <sup>3</sup>	8.5 – 9.0%	Qtr 4 '06
Sarasota (Sarasota, Florida)*	50	9.6 – 9.9%	Qtr 4 '06
Southlake (Hobart, Indiana)*	20	12.1 – 12.4%	Qtr 4 '06
Topanga (Los Angeles, California)*	330	9.6 – 9.9%	Qtr 1 '07 Qtr 4 '08

*Franklin Park and Wheaton completed during the period*

*\* Projects commenced within the period to 30 June 2005*

<sup>1</sup> *Includes project profits except projects commenced after 1 January 2005 and joint ventures*

<sup>2</sup> *Calculated as set out in Slide 26*

<sup>3</sup> *Westfield Group share 50% - US\$220m*

# Current Projects

- United Kingdom - Approx £1.8 billion



<b>Current Major Projects</b>	<b>Estimated Total Cost<sup>1</sup> £ million</b>	<b>Target Yield Range<sup>2</sup></b>	<b>Anticipated Completion</b>
Derby*	310 <sup>3</sup>	8.0 – 8.5%	Qtr 1 '08
White City	1,440 – 1,480 <sup>4</sup>	5.75 – 6.0%	Qtr 2 '08

\* Project commenced within the period to 30 June 2005

<sup>1</sup> Includes project profits except projects commenced after 1 January 2005 and joint ventures

<sup>2</sup> Calculated as set out in Slide 26

<sup>3</sup> Westfield Group share 50% - £155 million

<sup>4</sup> Westfield Group share 50% - £720-740 million

# Project Yield Reconciliation



## Theoretical Example

### ■ 100% Owned Property

	Income \$m	Cost \$m	Yield
<b>Post merger basis</b>	<b>10.5</b>	<b>88.5</b>	<b>11.9%</b>
(-) Management fee (net of direct overheads)	(0.5)		
(+) Project profits <sup>1</sup>		11.5	
<b>Pre merger basis</b>	<b>10.0</b>	<b>100.0</b>	<b>10.0%</b>

### ■ Jointly Owned Property

	Income \$m	Cost \$m	Yield
<b>Post merger basis – Westfield Group 50% share</b>	<b>11.0</b>	<b>88.5</b>	<b>12.4%</b>
(-) Management fee (net of direct overheads)	(0.5)		
(+) Project profits <sup>1</sup>		11.5	
(-) J/V share of management fee (net of direct overheads)	(0.5)		
<b>Pre merger basis – Westfield Group share @ 50%</b>	<b>10.0</b>	<b>100.0</b>	<b>10.0%</b>
<b>– 100%</b>	<b>20.0</b>	<b>200.0</b>	<b>10.0%</b>

<sup>1</sup> Project profits assumes 13% EBIT margin which includes design & engineering, development and leasing fees and construction margin.

# Comparable Specialty Retail Sales Growth by Region



	Period to 30 June 2005		
	12 months	6 months	3 months
<b>Australia</b>			
- NSW & ACT	2.6%	1.2%	0.9%
- VIC	6.2%	2.5%	1.1%
- QLD	10.0%	6.9%	6.4%
- SA	9.6%	4.8%	3.5%
- WA	6.0%	6.0%	5.9%
<b>Total Australia</b>	<b>5.7%</b>	<b>3.3%</b>	<b>2.6%</b>
<b>New Zealand</b>	<b>3.0%</b>	<b>1.5%</b>	<b>2.9%</b>
<b>United States</b>			
- East Coast	6.4%	6.4%	5.0%
- Mid West	2.5%	2.6%	1.5%
- West Coast	5.8%	6.8%	7.1%
<b>Total United States</b>	<b>5.1%</b>	<b>5.7%</b>	<b>5.2%</b>

# Comparable Retail Sales Growth by Category - Australia



## Period to 30 June 2005

	12 months	6 months	3 months
Department Stores	1.7%	5.4%	(2.2)%
Discount Dept. Store	4.1%	3.6%	(1.9)%
Supermarkets	1.4%	1.7%	(0.2)%
Mini Majors	6.7%	4.6%	3.3%
Cinemas	(3.8)%	(10.4)%	(12.6)%
Fashion	7.1%	3.8%	2.8%
Food Catering	5.7%	3.2%	4.0%
Food Retail	4.6%	4.1%	4.6%
Footwear	3.2%	5.0%	5.1%
General Retail	5.3%	4.3%	4.4%
Homewares	2.1%	1.6%	(0.2)%
Jewellery	4.3%	2.7%	4.0%
Leisure	1.0%	(2.9)%	(5.2)%
Retail Services	11.8%	7.6%	8.0%
<b>Specialties</b>	<b>5.7%</b>	<b>3.3%</b>	<b>2.6%</b>
<b>TOTAL</b>	<b>4.5%</b>	<b>3.9%</b>	<b>1.7%</b>

# Comparable Retail Sales Growth by Category - United States



	Period to 30 June 2005		
	12 months	6 months	3 months
Women's ready to wear	3.7%	5.3%	5.7%
Men's Fashion	0.7%	1.4%	2.4%
Unisex	8.9%	10.0%	9.0%
Jewellery	0.6%	1.7%	3.0%
Leisure:			
– Music	3.0%	3.6%	(0.1)%
– Electronics	21.3%	22.8%	19.9%
– Cellular phones	(0.3)%	(10.3)%	(12.3)%
– Books	(1.3)%	(1.6)%	(3.3)%
– Sports specialties	1.9%	3.2%	0.2%
Restaurant	3.4%	2.4%	2.4%
Food Court	3.1%	2.2%	2.4%
Theatres	(0.5)%	(3.3)%	(8.0)%

# Interest Rate Hedging Profile



## INTEREST HEDGING PROFILE

As at Dec	<u>A\$ interest receivable</u>		<u>US\$ interest payable</u>		<u>£ interest payable</u>		<u>A\$ interest payable</u>	
	A\$ M	Fixed Rate %	US\$ M	Fixed Rate %	£ M	Fixed rate %	A\$ M	Fixed rate %
2005 (Jun)	5,237.5	6.18%	(10,695.9)	4.25%	(828.8)	5.86%	(2,998.4)	6.52%
2005	5,197.5	6.19%	(10,786.5)	4.28%	(1,278.8)	5.45%	(3,592.7)	6.50%
2006	4,249.0	6.61%	(10,054.2)	5.21%	(1,278.8)	5.46%	(3,792.9)	6.67%
2007	3,640.0	6.61%	(9,685.1)	5.35%	(1,278.8)	5.40%	(3,523.2)	6.59%
2008	3,500.0	6.62%	(8,820.0)	5.38%	(1,166.8)	5.47%	(3,498.8)	6.73%
2009	3,500.0	6.62%	(8,016.7)	5.62%	(1,166.8)	5.47%	(3,300.8)	6.76%
2010	3,000.0	6.63%	(6,865.7)	5.81%	(1,073.5)	5.42%	(2,923.7)	6.68%
2011	2,500.0	6.63%	(5,192.6)	5.82%	(1,073.5)	5.42%	(2,241.6)	6.67%
2012	1,750.0	6.63%	(3,750.5)	5.71%	(892.5)	5.43%	(1,822.1)	6.59%
2013	450.0	6.45%	(2,438.2)	5.60%	(892.5)	5.43%	(524.9)	6.30%
2014	200.0	6.24%	(215.4)	5.34%	(600.0)	5.39%	(400.0)	6.14%

# Currency Hedging Profile



## FOREIGN CURRENCY DENOMINATED BALANCE SHEET HEDGING MATURITY PROFILE

Maturing during period ended Dec	Cross currency swap receivable/(payable)				
	A\$ M	US\$ M	£ M	NZ\$ M	EUR M
2005	(71.8)	-	-	96.0	-
2006	98.2	(75.0)	-	-	-
2007	127.9	(75.0)	-	-	-
2008	(94.5)	-	-	112.5	-
2009	862.7	(600.0)	-	-	-
2010	590.2	(425.0)	-	-	-
2011	1,024.3	(630.5)	-	-	-
2012	860.8	(1,105.1)	(133.0)	-	600.0
2013	1,065.2	(769.0)	-	-	-
2014	1,160.0	(833.0)	-	-	-
	<u>5,623.0</u>	<u>(4,512.6)</u>	<u>(133.0)</u>	<u>208.5</u>	<u>600.0</u>

**Note:** To manage the cash flow impact of maturing cross currency swaps the Group has entered into put and call options (“collar”) over US\$4 billion of the Group’s borrowings. The “collar” matures in the six month period ending 31 December 2006 and has an average exchange rate upper limit of AUD = USD 0.7950 and an average exchange rate lower limit of AUD = USD 0.7230.

# Currency Hedging Profile (continued)



## FOREIGN CURRENCY DENOMINATED NET INCOME HEDGING MATURITY PROFILE

Maturing during period ended Dec	<u>Sell US\$ Forward Exchange Contracts</u>		<u>Sell NZ\$ Forward Exchange Contracts</u>	
	US\$ M	Exch Rate	NZ\$ M	Exch Rate
2005 (2 <sup>nd</sup> Half)	(147.8)	0.6341	(69.3)	1.1138
2006	(225.7)	0.6079	(121.5)	1.1224
2007	(228.7)	0.6035	(130.4)	1.1191
2008	(151.4)	0.6353	(104.0)	1.1212
2009	(75.7)	0.6983	(48.2)	1.1184

# Key Financial Ratios



## Financial ratios per the Westfield Group's bond offerings

■ Net debt as a % of net assets	39.8%
■ Secured debt as a % of total assets	13.4%
■ EBITDA to interest expense	4.4 times
■ Unsecured assets as a % of unsecured debt	215%

# Exchange Rates



- Income Statement - average exchange rates for the 6 months to 30 June 2005:
  - AUD/USD 0.7727 (6 months to 31 December 2004: AUD/USD 0.7326)
  - AUD/GBP 0.4125 (6 months to 31 December 2004: AUD/GBP 0.3977)
  - AUD/NZD 1.0792 (6 months to 31 December 2004: AUD/NZD 1.0845)
- Balance Sheet - exchange rates as at 30 June 2005:
  - AUD/USD 0.7614 (31 December 2004: AUD/USD 0.7787)
  - AUD/GBP 0.4207 (31 December 2004: AUD/GBP 0.4038)
  - AUD/NZD 1.0862 (31 December 2004: AUD/NZD 1.0832)

## Page Numbers

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### ■ A-IFRS Comparatives

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# Summary of A-IFRS Variances

- Income Statement for the 6mths to 30 June '05



A\$ million

	A GAAP	Property Revaluation	Mark to Market of non qualifying interest rate and currency derivatives and preference shares	Deferred Tax	Other	A-IFRS
<b>EBIT</b>	<b>1,142</b>	<b>1,208</b>	<b>(36)</b>	<b>(50)</b>	<b>5</b>	<b>2,269</b>
Interest	(273)	-	(242)	-	(35)	(550)
<b>Profit before tax</b>	<b>869</b>	<b>1,208</b>	<b>(278)</b>	<b>(50)</b>	<b>(30)</b>	<b>1,719</b>
Tax expense	(43)	-	-	(129)	-	(172)
Minority interests	(31)	(8)	-		27	(12)
<b>Profit after tax</b>	<b>795</b>	<b>1,200</b>	<b>(278)</b>	<b>(179)</b>	<b>(3)</b>	<b>1,535</b>
Basic EPS (cents)	46.7					90.4

# Summary of A-IFRS Variances

## - Balance Sheet as at 30 June '05



A\$ million	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
Cash	603	-	-	-	-	603
Property investments	30,020	-	-	-	(6)	30,014
Net investment in equity accounted entities	4,050	(16)	(486)	-	-	3,548
Other assets	1,811	395	-	-	50	2,256
<b>Total assets</b>	<b>36,484</b>	<b>379</b>	<b>(486)</b>	<b>-</b>	<b>44</b>	<b>36,421</b>
Borrowings	15,207	593	-	460	104	16,364
Deferred tax liabilities	127	-	1,283	-	-	1,410
Other liabilities	980	403	-	-	-	1,383
Minority interests	750	-	-	(624)	-	126
<b>Total liabilities</b>	<b>17,064</b>	<b>996</b>	<b>1,283</b>	<b>(164)</b>	<b>104</b>	<b>19,283</b>
<b>Net assets</b>	<b>19,420</b>	<b>(617)</b>	<b>(1,769)</b>	<b>164</b>	<b>(60)</b>	<b>17,138</b>
NTA (\$ per security)	11.28					9.99

The above adjustments comprise amounts reflected in the Income Statement and cumulative amounts in respect of all prior periods

# Summary of A-IFRS Variances

## - Cash Flow Statement for the 6mths to 30 June '05



A\$ million

	A-IFRS	A GAAP	Difference
Cash flows from operating activities <sup>1</sup>	577	656	(79) <sup>2,3</sup>
Cash flows used in investing activities	(845)	(896)	51 <sup>2</sup>
Cash flows from financing activities	622	594	28 <sup>3</sup>
Net increase in cash	354	354	Nil

1. Operating cash includes net interest paid.
2. The reclassification of \$51 million of tenant allowances expenditure from investing activities to operating activities.
3. The reclassification of \$28 million of distribution payments to minorities from financing activities to operating activities.

# A-IFRS Comparatives

## - Income Statement for the 6mths to 30 June '05



A\$ million

	A-IFRS 6 months to June '05	A GAAP 6 months to June '05	Difference
Property Income	2,593	1,484	1,109 <sup>1</sup>
Contribution from equity accounted investments	151	104	47 <sup>2</sup>
Deferred tax recognised on acquisition of assets	(50)	-	(50) <sup>3</sup>
Business income	27	27	-
Other Income	16	-	16 <sup>4</sup>
Net profit from asset sales	8	8	-
Expenses	(476)	(481)	5 <sup>5</sup>
<b>EBIT</b>	<b>2,269</b>	<b>1,142</b>	<b>1,127</b>
Financing costs:			
- Net interest expense	(330)	(241)	(90) <sup>6</sup>
- Interest on convertible notes/ preference shares/units	(220)	(32)	(188) <sup>7</sup>
<b>Profit before tax</b>	<b>1,719</b>	<b>869</b>	<b>850</b>
Tax expense	(172)	(43)	(129) <sup>8</sup>
Minority interests	(12)	(31)	19 <sup>9</sup>
<b>Profit after tax</b>	<b>1,535</b>	<b>795</b>	<b>740</b>
<b>Basic Earnings per security (cents)</b>	<b>90.4</b>	<b>46.7</b>	<b>43.7</b>

# Notes to the Income Statement



1. Represents \$1,150m property revaluations which is net of \$6m for the amortisation of tenant allowances and reclassification of \$41m of hedge gains to other income.
2. Equity accounted property revaluations of \$58m and unrealised loss on the mark to market of interest rate swaps of \$11m. Refer separate equity accounted income statement on slide 40.
3. Represents the \$50m fair value adjustment arising from the recognition of deferred taxes for the acquisition of an additional 25% interest in White City and an additional 25% interest in Valencia 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 \$16m.
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 \$81m, head lease interest \$5m and interest eliminated on consolidation of the employee share option trust of \$3m.
7. Represents interest on the redeemable preference shares/units of \$27m and the unrealised loss relating to the fair value of the preference shares/units of \$161m.
8. Represents deferred tax on property investment revaluations and tax depreciation of \$128m, WHL's forward contracts \$2m (benefit), interest rate swaps \$7m (benefit), other deferred tax \$18m (expense) and less \$8m on asset sales.
9. Under A-IFRS Carindale is the only minority interest. The adjustment represents \$27m for the reclassification of the US minority interests to interest expense (refer 7. above) less \$8m for Carindale's share of the property revaluation.

# Notes to the Income Statement (continued)

## Equity Accounted Income Statement

A\$ million

	A IFRS	A GAAP	Difference
Property Income	323	265	58 <sup>1</sup>
Total Expenses	(69)	(69)	-
<b>EBIT</b>	<b>254</b>	<b>196</b>	<b>58</b>
Net Interest expense	(101)	(90)	(11) <sup>2</sup>
<b>Profit before tax</b>	<b>153</b>	<b>106</b>	<b>47</b>
Tax expense	(2)	(2)	-
<b>Profit after tax</b>	<b>151</b>	<b>104</b>	<b>47</b>

1. Revaluations of property investments net of amortisation of tenant allowances.
2. Unrealised loss on the mark to market of interest rate swaps of \$11m.

# A-IFRS Comparatives

## - Balance Sheet as at 30 June '05



A\$ million	A-IFRS At 30 June '05	A GAAP At 30 June '05	Difference
Cash	603	603	-
Property investments	30,014	30,020	(6) <sup>1</sup>
Net investment in equity accounted entities	3,548	4,050	(502) <sup>2</sup>
Other assets	2,256	1,811	445 <sup>3</sup>
<b>Total assets</b>	<b>36,421</b>	<b>36,484</b>	<b>(63)</b>
Interest bearing liabilities	14,380	14,380	-
Other financial instruments	1,880	827	1,053 <sup>4</sup>
Finance lease liabilities	104	-	104 <sup>5</sup>
Deferred tax	1,410	127	1,283 <sup>6</sup>
Financial liabilities	425	22	403 <sup>7</sup>
Other liabilities	958	958	-
Minority interests	126	750	(624) <sup>8</sup>
<b>Total liabilities</b>	<b>19,283</b>	<b>17,064</b>	<b>2,219</b>
<b>Net assets</b>	<b>17,138</b>	<b>19,420</b>	<b>(2,282)</b>
Number of Stapled Securities (millions)	1,715.6	1,721.5	(5.9)
NTA (\$ per security)	9.99	11.28	(1.28)

# Notes to the Balance Sheet



1. Represents \$110m of tenant allowances being reclassified (net of accumulated amortisation of \$8m) from property investments to deferred costs and the recognition of head leases of \$104m as property investments.

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2. Includes the recognition of deferred tax on the Duelguide acquisition of \$486m and mark to market of interest rate swaps of \$16m. Refer slide 43 for the equity accounted balance sheet.

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3. Includes recognition of tenant allowances as a deferred cost of \$110m (refer 1. above), recognition of the fair value of forward contracts receivable of \$456m and interest rate swaps payable of \$61m and the consolidation of the employee share option trust \$60m (reduction in other assets).

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4. Includes the WT convertible notes mark to market of \$175m; US convertible redeemable preference shares reclassified from minority interest to debt of \$460m and related mark to market of \$418m.

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5. Recognition of the head lease liability of \$104m (refer 1. above).

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6. Includes deferred tax liability on property investments \$1,360m; deferred tax asset on WHL's forward contracts and interest rate swaps of \$28m; and deferred tax asset on acquisition mark to markets and other adjustments of \$49m.

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7. Represents an increase in the unrealised gain on the forward exchange contracts of \$211m and recognition of the interest payable on interest rate swap mark to markets of \$192m.

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8. Under A-IFRS Carindale is the only minority interest. \$624m relates to the reclassification of the remaining minority interests in the US (the paid in value of \$460m is reclassified to debt in 4. above and \$164m of asset revaluation and other reserves is reallocated to equity attributable to members of WDC).

# Notes to the Balance Sheet (continued)



## Equity Accounted Balance Sheet

A\$ million

	A-IFRS	A GAAP	Difference
Cash	64	64	-
Property investments	7,964	7,957	7 <sup>1</sup>
Other assets	79	74	5 <sup>1</sup>
<b>Total assets</b>	<b>8,107</b>	<b>8,095</b>	<b>12</b>
Interest bearing liabilities	3,302	3,302	-
Finance lease liabilities	12	-	12 <sup>2</sup>
Deferred tax	486	-	486 <sup>3</sup>
Other payables	759	743	16 <sup>4</sup>
<b>Total liabilities</b>	<b>4,559</b>	<b>4,045</b>	<b>514</b>
<b>Net assets</b>	<b>3,548</b>	<b>4,050</b>	<b>(502)</b>

1. Recognition of head leases \$12m less reclassification of tenant allowances to deferred costs of \$5m.
2. Finance lease liability on the head leases of \$12m (refer 1. above).
3. Recognition of deferred tax on acquisition of Duelguide \$486m.
4. Mark to market of interest rate swaps \$16m.