

Westfield



WESTFIELD GROUP
HALF YEARLY REPORT

6 MONTHS TO 30 JUNE

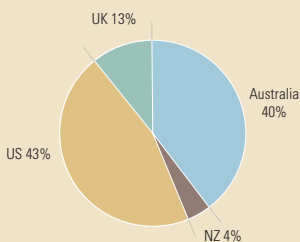
2005

Portfolio Summary*

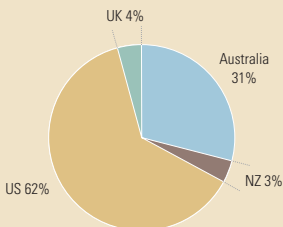
	Australia	NZ	US	UK	Total
Centres	42	11	68	8	129
Retail Outlets	10,000	1,200	9,400	900	21,500
Lettable Area (million sqm)	3.3	0.3	6.5	0.4	10.5
Total Investment Value (billion)	A\$18.9	NZ\$2.0	US\$15.6	£2.7	A\$47.8

* Includes additional properties acquired since 30 June 2005.

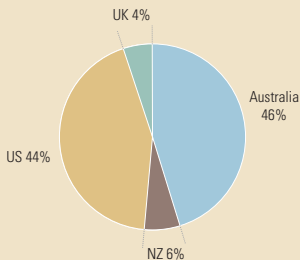
Assets Owned & Under Management



Gross Lettable Area



Retail Outlets



Cover: The recently completed development at **Westfield Bondi Junction** in Sydney's eastern suburbs. With a lettable area of approximately 105,000 square metres, the centre has in excess of 370 retail outlets including David Jones, Myer, Target, Woolworths, Coles, a Greater Union cinema complex as well as two office towers.

Report to Securityholders



I am pleased to present this Half Year Report to securityholders covering the consolidated results of the Westfield Group for the six months ended 30 June 2005 as well as an overview of the Group's operations for the half year.

The Westfield Group announced its first result under the new International Financial Reporting Standards (A-IFRS), reporting a net profit of \$1,534.5 million for the six months to 30 June 2005. Net property income, before revaluations, amounted to \$1,169 million. The distribution for the period was \$873.6 million, representing 51.07 cents per stapled security.

The distribution is in line with forecasts contained in the Explanatory Memorandum (dated 25 May 2004) for the merger of Westfield Holdings, Westfield Trust and Westfield America Trust, completed in July 2004.

These results reflect the underlying strength and stability of the Group's earnings which is largely attributable to the high quality of the Group's shopping centre portfolio in established markets around the world.

The Group's shopping centre operations in all markets continued to perform well during the half year. Specialty retail sales continue to show positive signs in the United States, Australian and New Zealand markets with the United Kingdom remaining relatively flat. In particular, in the United States, the Group has reported strong performances on both the East and West coasts.

Leasing also continues to be strong in all markets with Australia, New Zealand and the United Kingdom at almost full occupancy. In the United States the portfolio is currently 93.5% leased compared to 92.5% at the same time last year.

At 30 June 2005, the Westfield Group had interests in 126 shopping centres with a value of approximately \$46.3 billion. The centres accommodate 20,900 retailers and comprise 10.2 million square metres of retail space.

Other highlights for the period include:

- Commencement of 5 additional developments with an aggregate project cost of \$1.5 billion. The Group's current development program with 17 projects under construction for an aggregate project cost of \$6.7 billion (Westfield Group share: \$4.1 billion), is larger than at any time in the Group's history.
- Acquisition of \$1.2 billion of shopping centre assets:
 - \$650 million in Australia;
 - US\$320 million in the United States; and
 - £65 million in the United Kingdom.
- Gross value of investments under management increased by 10.5% to \$46.3 billion. The increased value of the Group's shopping centre portfolio has been driven by revaluations, the acquisition of new properties and the completion of redevelopments.
- Further diversification of the Group's debt funding sources with a debut issue in the Eurobond market raising the equivalent of A\$2.35 billion.

OUTLOOK

It has been another positive period for the Group with the strong operating results, ongoing development, acquisition and financing transactions undertaken over the last six months further strengthening the platform for future income and capital growth. The directors are therefore confident in reconfirming the distribution forecasts contained in the Explanatory Memorandum for the periods to 30 June 2006 as well as the financial year distribution forecast to 31 December 2005 of 106.5 cents per stapled security.



Frank Lowy, AC
Chairman

Group Financial Performance

FINANCIAL HIGHLIGHTS

Net Property Income	\$1,168.7 m
Profit After Tax	\$1,534.5 m
Distribution	\$873.6 m
Earnings per Security	90.36 cents
Distribution per Security	51.07 cents
Total Assets	\$36,420.9 m
Total Liabilities	\$19,283.3 m
Net Assets	\$17,137.6 m
Adjusted Net Tangible Asset per security	\$11.28 ¹
Gearing	39.8% ²

The Group's first result following the introduction of the International Financial Reporting Standards (A-IFRS), reported a net profit of \$1,534.5 million for the six months to 30 June 2005. The distribution of \$873.6 million (51.07 cents per security) is in line with merger forecasts.

It is important to highlight that, due to seasonality, foreign exchange movements and the application of A-IFRS, the results for the 6 months to June 2005 do not directly reflect the underlying operating performance of the Group when compared with the results for the 6 months to December 2004. For example, the impact on the Income Statement of property revaluations (required to be included following the introduction of A-IFRS) are significant in each period (ie. June 2005 - \$1.2 billion and December 2004 - \$2.8 billion).

Earnings per security for the period is 90.36 cents. As a consequence of the introduction of A-IFRS, the Group's earnings per security include non-cash items such as the increase in value of properties in the Group's portfolio, unrealised gains (or losses) on the Group's treasury and hedging instruments and deferred tax on these items. Accordingly these non-cash items do impact the amount which can properly be distributed to Securityholders.

¹ NTA per security after excluding the impact of the application of A-IFRS.

² Gearing as measured under the Group's global bond offerings.

The Group's distribution for the period is 51.07 cents per security and the distribution forecast for the 12 months to 31 December 2005 is confirmed at 106.5 cents per security.

Total assets have increased since 31 December 2004 from \$33.9 billion to \$36.4 billion. During the same period, the gross value of investments under management rose by 10.5% from \$41.9 billion to \$46.3 billion. The increased value of the Group's shopping centre portfolio for the period has been driven by revaluations, the acquisition of new properties and the completion of redevelopments. As a result, the net tangible asset per security at 30 June 2005, excluding the impact of the application of A-IFRS, was \$11.28.

The Group has continued to strengthen its financing structure by further diversifying its funding mix and lengthening its debt maturity profile. During the period, the Group raised the equivalent of A\$2.35 billion from the Eurobond market through its first issue denominated in both Euro and Sterling.

The Group's gearing level at 30 June 2005 (determined using the methodology required under the Group's bond issues), was 39.8%. Based on equity market capitalisation of \$30.6 billion (at 30 June 2005), net debt to total market capitalisation was 34%.

The total distribution for the period of 51.07 cents per stapled security comprises:

- distributions from both Westfield Trust and Westfield America Trust totalling 44.66 cents per security (87.4% of the total distribution) which are tax advantaged to approximately 33.5%; and
- a fully franked dividend from Westfield Holdings of 6.41 cents per security (12.6% of total the distribution).

Group Operating Performance

AUSTRALIA AND NEW ZEALAND

Net Property Income	\$532 m
Group Property Investments	\$15,000 m
Centres	51
Annual Retail Sales	\$17.3 bn
Retail Outlets	10,700
Lettable Area (m sqm)	3.4

The Australian and New Zealand operations contributed net property income of \$532m for the reporting period and represents a comparable mall income growth of approximately 5.8%. This performance reflects the steady retail conditions which prevailed in the reporting period as well as the quality of the portfolios in both regions, with occupancy rates continuing to be in excess of 99.5%.

Retail sales in the Group's 40 Australian centres totalled \$15.8 billion, up 7.8% for the 12 months to 30 June 2005. On a comparable basis, total sales increased 4.5% with specialty store sales up 5.7%. Retail sales at the Group's 11 shopping centres in New Zealand increased 3.3% to NZ\$1.6 billion for the 12 months to 30 June 2005. On a comparable basis, total sales increased 1.8% with specialty store sales up 3.0%.

PROPERTY TRANSACTIONS

During the period the Group announced the acquisition of a 50% interest in Penrith Plaza, Sydney for \$404.3 million (net of acquisition costs and inclusive of project costs to date) as well as a 50% interest in Woden Plaza, Canberra for \$245.3 million (net of acquisition costs). Following the acquisition of these interests, Westfield Group has been appointed manager of both properties effective from 1 July 2005.

DEVELOPMENT PROJECTS

In Australia there are currently 6 projects under construction. The \$60 million redevelopment of Westfield Innaloo in Perth is expected to be finished in the third quarter of 2005. The Group's \$180 million development of Westfield Helensvale on Queensland's Gold Coast is progressing ahead of schedule and is expected to be completed in October 2005. Two other projects are expected to be completed in late

2005 – the \$120 million redevelopment of Westfield Tuggerah, on the NSW Central Coast and the \$65 million upgrade of Westfield Mt Drutt in Sydney. The \$105 million redevelopment of Westfield Parramatta in Sydney is currently scheduled for completion by the second quarter of 2006.

During the period we also commenced the \$200 million redevelopment of Westfield Liverpool in western Sydney which is anticipated to be complete for opening before Christmas 2006.

In New Zealand, the NZ\$170 million redevelopment of Westfield Queensgate in Wellington is progressing well and is expected to be completed at the end of 2005.

The current target weighted average yield range of the projects under construction in Australia and New Zealand is 9.6% to 9.9%. This reflects the Group's incremental income yield on the Group's project cost.

UNITED KINGDOM

Net Property Income	\$81 m*
Group Property Investments	\$3,351 m
Centres	8
Retail Outlets	900
Lettable Area (m sqm)	0.4

* Net of interest expense.

In the last six months our operations in the United Kingdom have expanded significantly as a consequence of the Group's acquisition of properties as part of the Duelguide transaction. In a subsequent related transaction, the Group has increased its ownership interest in the White City project in London and expanded its role in the development and future management of this landmark asset.

Our expansion strategy in the UK is to focus on the ownership, management and development of major regional shopping centre assets.

During the period, construction commenced on the Group's first development project in the UK - the £310 million redevelopment of The Eagle Centre at Derby.

Group Operating Performance cont'd

Property income for the period from the UK operations was \$81 million. This reflects a full six months contribution from the shopping centres acquired as part of the Duellguide transaction and an overall mall income growth of 3.2%. At 30 June 2005, the portfolio was in excess of 99% leased.

Generally, retail conditions in the United Kingdom remained relatively flat for the six months.

PROPERTY TRANSACTIONS

During the period, the Group acquired a further 25% interest in the super regional shopping centre development project at White City, West London, for £65 million - increasing the Group's interest in the White City centre to 50%.

The Group's total investment in White City is now expected to be in the range of £850 to £870 million including the cost of acquiring Westfield's 50% interest for £130 million, with an initial yield range of 5.75% to 6.0%. The White City project is scheduled for completion in the first half of 2008. With over 150,000 square metres of retail and leisure space, White City will be the largest shopping centre in greater London.

During the period, the Group and its joint venture partner, Hermes, sold the Brunel Centre in Swindon for £130 million (Westfield Group share: £65 million). The Brunel Centre was originally acquired in May 2000 for £104 million (Westfield Group share: £52 million).

UNITED STATES

Net Property Income	\$556 m
Group Property Investments	\$17,304 m
Centres	67
Annual Retail Sales - specialties	US\$7.0 bn
Retail Outlets	9,300
Lettable Area (m sqm)	6.4

The United States operations contributed net property income of \$556 million during the reporting period which represents comparable mall income growth of 4.0%. This result reflects the strong retail conditions in the US, particularly in our East Coast and West Coast regions.

During the 12 months to 30 June 2005, sales per square foot in the Group's US centres increased by 5.1% to US\$414 per square foot.

At June 2005 the portfolio was 93.5% leased, which is ahead of the 92.5% last year. New leases totalling 2.1 million square feet were completed during the six months. New mall shop rents represent a 19.1% increase over expiring rents. The average portfolio rent at June 2005 of US\$38.47 per square foot represents a 3.3% increase over the 6 months to June 2004.

PROPERTY TRANSACTIONS

In the United States, during the reporting period, the Group purchased:

- Chicago Ridge in Chicago, Illinois for US\$108 million at a yield of 8.0%;
- A further 25% interest in Westfield Valencia, Los Angeles, California for US\$69 million at a current yield of 8.1%, taking its interest to 50%; and
- Sunrise Mall in Massapequa, New York for US\$143 million at a yield of 7.9%.

DEVELOPMENT PROJECTS

During the period, the Group completed the US\$120 million redevelopment of Westfield Franklin Park in Toledo, Ohio as well as the US\$140 million redevelopment of Westfield Wheaton in Wheaton, Maryland.

The Group currently has 8 projects under construction in the US portfolio totalling US\$1.2 billion with a target weighted average project yield range of 9.5% – 9.9%. During the period, 3 new projects commenced – the US\$330 million expansion of Westfield Topanga scheduled for completion of the main retail area in the 1st quarter of 2007; the US\$50 million redevelopment of Westfield Sarasota, Florida; and the US\$20 million redevelopment at Westfield Southlake in Indiana. The projects in Florida and Indiana are both due for completion in the 4th quarter of 2006.

The largest project undertaken by the Group in the US – the US\$440 million redevelopment of San Francisco Center in downtown San Francisco, California, is continuing on schedule with completion anticipated for 4th quarter 2006. Westfield's share of this development is US\$220 million.

Note: All amounts quoted in Australian dollars unless otherwise stated.

Abridged Consolidated Financial Statements

In the following Financial Statements we have provided a summary of the Income Statement, Statement of Proposed Distribution, Balance Sheet and Cash Flow Statement prepared under International Financial Reporting Standards (A-IFRS) for the six months ended 30 June 2005.

The full financial Statements of Westfield Group, comprising Westfield Holdings Limited and its controlled entities can be viewed on our website at **www.westfield.com** or requested from Westfield Group Investor Relations on +61 2 9358 7877.

We wish to point out that as the merger to form the Westfield Group occurred in July 2004, there are no comparable results for the Group in respect of the half year ended 30 June 2004. In addition, due to seasonality, foreign exchange movements and the application of A-IFRS, the results for the six months ended 30 June 2005 do not directly reflect the underlying operating performance of the Group when compared with the results for the six months ended 31 December 2004. Accordingly, no comparatives have been included in the abridged Consolidated Financial Statements of the Westfield Group appearing on pages 10 through 13 of this Half Year Report.

Income Statement

FOR THE HALF YEAR ENDED 30 JUNE 2005*

	A\$ M
Property Income	1,437
Contribution from equity accounted investments	92
Property revaluations (including equity accounted properties)	1,215
Other net income and net profit from asset sales	51
Total Income	2,795
Property and corporate expenses	(476)
Goodwill on acquisitions (due to the recognition of deferred tax liabilities)	(50)
EBIT	2,269
Financing costs	(272)
Mark to market of derivatives and preference shares	(278)
Total financing costs	(550)
Profit before tax	1,719
Tax expense: current	(35)
Tax expense: deferred	(137)
Total tax expense	(172)
Minority interest	(12)
Profit after tax	1,535
Earnings per security (cents)	90.36

* No comparatives have been provided as explained on page 9.

Statement of Proposed Distribution

FOR THE HALF YEAR ENDED 30 JUNE 2005*

	A\$ M
Profit after tax	1,535
Less:	
- Property revaluation (net of minority interests and amortisation of tenant allowances)	(1,200)
- Other	(1)
Add:	
- Project profits distributed	75
- Mark to market of derivatives and preference shares	278
- Deferred tax	137
- Goodwill on acquisitions (due to the recognition of deferred tax liabilities)	50
Distribution	874
Distribution per security (cents)	51.07

* No comparatives have been provided as explained on page 9.

Balance Sheet

AS AT 30 JUNE 2005*

	A\$ M
Cash	603
Property investments	
- Shopping centres	29,119
- WIP and development properties	895
Net investments in equity accounted entities	3,548
Other assets	2,256
Total assets	36,421
Interest bearing liabilities	14,380
Other financial instruments	1,880
Finance lease liabilities	104
Deferred tax	1,410
Other liabilities and minority interests	1,509
Total liabilities	19,283
Net assets	17,138

* No comparatives have been provided as explained on page 9.

Cash Flow Statement

FOR THE HALF YEAR ENDED 30 JUNE 2005*

	A\$ M
<i>Cash flows from operating activities</i>	
Cash flows from trading activities	1,145
Income tax, withholding tax and goods and services tax paid	(143)
Net cash flows from operating activities	1,002
<i>Cash flows from investing activities</i>	
Acquisition of property investments	(284)
Payments for capital expenditure of property investments	(592)
Proceeds from the sale of property investments	43
Payments for purchases of property, plant and equipment	(12)
Net cash flows used in investing activities	(845)
<i>Cash flows from financing activities</i>	
Proceeds from the issues of securities	568
Net proceeds from interest bearing liabilities	835
Net financing costs	(425)
Dividends/distributions paid	(873)
Other	92
Net cash flows from financing activities	197
Net increase in cash and cash equivalents held	354
Add opening cash and cash equivalents brought forward	221
Effects of exchange rate changes on opening cash	(1)
Cash and cash equivalents at the end of the year	574

* No comparatives have been provided as explained on page 9.

Other Investor Information

eCOMMUNICATIONS

You can now elect to receive your securityholder communications by email as 'eCommunications'.

You can choose to receive this half year report, the annual reports, notices of meetings and distribution statements by email. You will receive securityholder communications as soon as they are released as well as helping the environment by reducing the amount of paper used to publish documents.

To register for this service, please complete the following steps:

1. Go to westfield.com/corporate/investor and choose *Register Your Email*.
2. Enter your SRN/HIN and verify your postcode (inside Australia) or your country of residence (outside Australia).
3. Then scroll down to email address and choose *Amend*.

Your details will be updated at this point and we will then respond by sending you a link to the website to access your eCommunications online.

Remember to please keep us up to date with your email address.

SECURE ACCESS TO YOUR SECURITYHOLDING DETAILS 24 HOURS A DAY

Online: You can go to westfield.com/corporate to access your securityholding information as well as extensive information on the Group including the latest press releases, results announcements, presentations and more.

To view your securityholding, you will need your SRN/HIN and you will be asked to verify your postcode (inside Australia) or your country of residence (outside Australia).

Phone: You can confirm your holding balance, request forms and access distribution and trading information by phoning 1300 132 211, pressing 2. You may be asked to enter your SRN/HIN.

WESTFIELD GROUP DISTRIBUTIONS

Westfield Group Securities: The Westfield Group stapled securities commenced trading on the Australian Stock Exchange on 5 July 2004 under the code 'WDC'.

A Westfield Group stapled security comprises;

- 1 Westfield Holdings share
 - 1 Westfield Trust unit
 - 1 Westfield AmericaTrust unit
- and trade together as one security.

Your interim distribution was paid at the end of August 2005 and your final distribution will be paid at the end of February 2006. To ensure timely receipt of your distribution, please consider the following:

Direct Credit: You can receive your distribution payment efficiently and safely by having it direct credited to your bank account. If you wish to register for direct credit, please complete the form and return it to the registry. A form can be downloaded from westfield.com/corporate/investor or by phoning our registry on 1300 132 211 (Please have your SRN/HIN available for you to quote).

Distribution Reinvestment Plan (DRP): A Westfield Group DRP was introduced in February 2005 and you can elect to participate in the DRP by completing a DRP form. A form can be downloaded from Westfield.com/corporate/investor or by phoning our Registry on 1300 132 211 (please have your SRN/HIN available for you to quote).

Tax File Number (TFN): You are not required by law to provide your Tax File Number, Australian Business Number or Exemption. However, if you do not provide your TFN, ABN or Exemption, withholding tax at the highest marginal rate, currently 48.5% for Australian resident members, may be deducted from distributions paid to you.

If you have not supplied this information and wish to do so, please advise the Registry or your sponsoring broker.

Completion of Forms for Joint Holdings: Instructions from a joint securityholding must be signed by all joint holders. Instructions from a company must be executed by a Director jointly with either another Director or a Company Secretary. A Sole Director who is also the Sole Company Secretary must sign in this capacity. To sign under a Power of Attorney, you must have already lodged this document with the Registry.

Other Investor Information cont'd

COST BASE OF NEW SECURITIES

The information contained in the table below has been provided to assist you in calculating the cost base of any new securities that you may have acquired during the period.

	Westfield Holdings share	Westfield Trust unit	Westfield America Trust unit	TOTAL
Relative Net Tangible Asset per Ordinary Security (ASX Code: WDC) as at 30 June 2005				
Value	\$0.71	\$5.19	\$4.09	\$9.99
%	7.11	51.95	40.94	100
DRP Securities (ASX Code: WDCNA) Issued 28 February 2005				
Cost Base	\$1.54	\$8.30	\$6.80	\$16.64
DRP Securities (ASX Code: WDCNB) Issued 31 August 2005				
Cost Base	\$1.21	\$8.87	\$6.99	\$17.07

CALENDAR OF EVENTS

DATE	EVENT
November 2005	3rd Quarter Operational Review
31 December 2005	Financial Year End
February 2006	Year End Results released Six monthly income distribution paid
March/April 2006	Annual Report released
May 2006	1st Quarter Operational Review Annual General Meeting
30 June 2006	Half Year End
July 2006	Annual Taxation Statements issued
August 2006	Half Year Results released Six monthly income distribution paid

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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Secretaries

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Simon J Tuxen

Auditors

Ernst & Young
The Ernst & Young Centre
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Sydney NSW 2000

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E-mail: investor@au.westfield.com
Website: www.westfield.com/corporate

Principal Share Registry

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Level 3, 60 Carrington Street
Sydney NSW 2000
GPO Box 7045
Sydney NSW 2001
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Facsimile: +61 3 9473 2500
E-mail: webqueries@computershare.com.au
Website: computershare.com

Listing

Australian Stock Exchange – WDC

Website

westfield.com

Westfield

westfield.com

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