WESTFIELD HOLDINGS LIMITED

FINANCIAL REPORT 2001

AUSTRALIA NEW ZEALAND UNITED KINGDOM UNITED STATES

WESTFIELD HOLDINGS
FINANCIAL REPORT
2001

WESTFIELD HOLDINGS LIMITED

ACN 001 671 496

WESTFIELD HOLDINGS AND SUBSIDIARIES
STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 30 June 2001

	NOTES	CONSOLIDATED 2001 $000	CONSOLIDATED 2000 $000	PARENT COMPANY 2001 $000	PARENT COMPANY 2000 $000
Revenue from ordinary activities	2	1,266,848	1,455,168	70,474	138,025
Expenses from ordinary activities	3	(1,096,071)	(1,316,933)	(3,477)	(3,474)
Borrowing costs		(67,146)	(47,291)	–	–
Share of net profits of associates and joint venture entities	30	118,046	101,436	–	–
Profit from ordinary activities before income tax expense		**221,677**	**192,380**	**66,997**	**134,551**
Income tax expense relating to ordinary activities	4	(52,570)	(44,053)	(8,176)	(4,850)
Profit from ordinary activities after income tax expense		**169,107**	**148,327**	**58,821**	**129,701**
Increase in asset revaluation reserve	22	–	53,520	–	–
Net exchange difference on translation of financial report of foreign controlled entities	22	13,000	38	–	–
Total revenues, expenses and valuation adjustments attributable to members of Westfield Holdings Limited and recognised directly in equity		**13,000**	**53,558**	**–**	**–**
Total changes in equity other than those resulting from transactions with owners as owners	24	**182,107**	**201,885**	**58,821**	**129,701**
Earnings per share					
– Basic	5	32.06c	28.31c		
– Diluted	5	32.05c	28.13c		

The accompanying Notes form an integral part of this Financial Report.

WESTFIELD HOLDINGS AND SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION

as at 30 June 2001

		CONSOLIDATED		PARENT COMPANY	
	NOTES	2001 $000	2000 $000	2001 $000	2000 $000
Current Assets					
Cash		69,560	23,185	2,829	102
Receivables	6	61,944	64,660	143,239	202,264
Inventories	7	84,979	48,295	–	–
Other	8	81,296	43,558	–	–
Total Current Assets		**297,779**	**179,698**	**146,068**	**202,366**
Non-Current Assests					
Receivables	9	29,350	30,545	98,522	84,894
Investments accounted for using the equity method	10	1,770,038	1,152,417	–	–
Other investments	11	2,867	3,438	1,094,201	884,114
Inventories	12	8,651	8,651	308	308
Plant and equipment	13	91,969	97,782	–	–
Deferred tax assets		32,247	35,249	–	131
Other	14	16,992	12,912	–	–
Total Non-Current Assets		**1,952,114**	**1,340,994**	**1,193,031**	**969,447**
Total Assets		**2,249,893**	**1,520,692**	**1,339,099**	**1,171,813**
Current Liabilities					
Payables	15	209,466	202,893	913,926	738,214
Interest-bearing liabilities	16	–	9,557	–	–
Current tax liabilities		12,393	30,717	2,487	4,425
Provisions	17	46,265	40,460	46,265	40,460
Total Current Liabilities		**268,124**	**283,627**	**962,678**	**783,099**
Non-Current Liabilities					
Payables	18	307,972	113,393	–	–
Interest-bearing liabilities	19	847,217	413,535	–	–
Deferred tax liabilities		72,504	62,348	5,065	–
Provisions	20	8,267	7,908	–	–
Total Non-Current Liabilities		**1,235,960**	**597,184**	**5,065**	**–**
Total Liabilities		**1,504,084**	**880,811**	**967,743**	**783,099**
Net Assets		**745,809**	**639,881**	**371,356**	**388,714**
Equity					
Contributed equity	21	188,379	179,696	163,065	154,382
Reserves	22	112,801	99,801	53,817	53,817
Retained profits	23	444,629	360,384	154,474	180,515
Total Equity	**24**	**745,809**	**639,881**	**371,356**	**388,714**

The accompanying Notes form an integral part of this Financial Report.

WESTFIELD HOLDINGS AND SUBSIDIARIES
STATEMENT OF CASH FLOWS

for the year ended 30 June 2001

	NOTES	CONSOLIDATED 2001 $000	CONSOLIDATED 2000 $000	PARENT COMPANY 2001 $000	PARENT COMPANY 2000 $000
Cashflows from operating activities					
Receipts from customers		1,278,141	1,070,116	77	68
Payments to suppliers and employees		(1,141,181)	(938,646)	(3,972)	(3,480)
Dividends and distributions received		96,478	91,123	43,030	40,701
Income taxes paid		(74,288)	(36,221)	(4,919)	(999)
Goods and services taxes paid		(10,716)	–	–	–
Net Cashflows from operating activities	**38**	**148,434**	**186,372**	**34,216**	**36,290**
Cashflows from investing activities					
Payment for purchases of property, plant and equipment		(34,333)	(15,652)	–	–
Proceeds from sale of property, plant and equipment		36,071	–	–	–
Payment for purchases of equity investments		(374,894)	(191,955)	(210,086)	(32,296)
Proceeds from sale of equity investments		–	805	–	–
Loans repaid by other entities		1,195	7,988	236,379	50,161
Dividends and distributions received		69	68	–	–
Net Cashflows from/(used in) investing activities		**(371,892)**	**(198,746)**	**26,293**	**17,865**
Cashflows from financing activities					
Proceeds from issues of securities (shares, options etc.)		8,683	2,216	8,683	2,216
Proceeds from borrowings		417,647	70,062	–	–
Interest received		2,747	2,841	12,109	12,362
Borrowing costs		(71,302)	(49,760)	–	–
Dividends paid		(79,057)	(68,797)	(79,057)	(68,797)
Net Cashflows from/(used in) financing activities		**278,718**	**(43,438)**	**(58,265)**	**(54,219)**
Net increase/(decrease) in cash held		55,260	(55,812)	2,244	(64)
Add opening cash brought forward		13,628	69,906	102	166
Effects of exchange rate changes on cash		672	(466)	483	–
Cash at end of year	38	**69,560**	**13,628**	**2,829**	**102**

The accompanying Notes form an integral part of this Financial Report.

NOTE 1 – STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

(a) Basis of Preparation and Accounting Policies

This General Purpose Financial Report has been prepared on the basis of historical cost accounting and does not purport to disclose current values except where indicated in respect of the revaluation of non-current assets. The Financial Statements have been drawn up in accordance with the Corporations Act 2001 (Cwlth), applicable Accounting Standards and other mandatory professional reporting requirements, including Urgent Issues Group Consensus Views.

The accounting policies adopted are consistent with those applied in the previous financial year except as otherwise stated.

(b) Consolidation and Classification

The Consolidated Financial Statements comprise the Financial Statements of the chief entity, Westfield Holdings Limited ("Parent Company"), and each of its controlled entities ("subsidiaries") as from the date the Parent Company obtains control until such time control ceases. The Parent Company and subsidiaries are collectively referred to as the economic entity known as the Westfield Holdings Limited Group ("Group"). Subsidiaries are detailed in Note 41. Where entities adopt accounting policies which differ from those of the Group, adjustments have been made so as to achieve consistency with the Group. In preparing the Consolidated Financial Statements all inter-company transactions and balances are eliminated.

By an Order dated 31 May 2000 made by the Australian Securities and Investments Commission pursuant to sub-section 340 (1) of the Corporations Act 2001 (Cwlth), the Directors have been relieved from compliance with sub-section 323D(3) of the Corporations Act 2001 (Cwlth) insofar as that sub-section requires them to ensure that the financial years of United States incorporated subsidiaries Westland Realty, Inc., Westfield Partners, Inc. (formerly Westland Partners, Inc.) and Westland Management, Inc. ("the WRI Group"), coincide with the financial year of Westfield Holdings Limited. The order is applicable for the period commencing 1 July 1999 and ending 30 June 2002.

Notwithstanding that the financial years of the members of the WRI Group end on 31 December, the Consolidated Financial Statements have been made out so as to include accounts of each such member for a period coinciding with the financial year of Westfield Holdings Limited being the year ended 30 June 2001.

(c) Associated Entities

An Associated entity is one over which the Group exercises significant influence but not control. Associated entities are brought to account under the equity method of accounting.

(d) Revenues and expenses from ordinary activities

Revenues from property development and construction are recognised on a percentage completion basis. Stage of completion is assessed by independent quantity surveyors.

Revenue from property and funds management is recognised on an accrual basis, in accordance with the terms of the relevant management contracts.

Expenses are brought to account on an accruals basis.

(e) Foreign Currencies

Foreign currency transactions are converted to Australian dollars at exchange rates ruling at the date of those transactions.

Amounts payable and receivable in foreign currency at balance date are translated to Australian dollars at exchange rates ruling at that date. Exchange differences arising from amounts payable and receivable are treated as operating revenue or expense in the period in which they arise, except as noted below.

Balance sheets of self-sustaining foreign subsidiaries are translated at exchange rates ruling at balance date and profit and loss statements are translated at average exchange rates for the period. Exchange differences arising on translation of the interests in self-sustaining foreign operations are taken directly to the Exchange Fluctuation Reserve. On consolidation, exchange differences on loans denominated in foreign currencies which hedge net investments in self-sustaining foreign operations are taken directly to the Exchange Fluctuation Reserve.

Other exchange differences, costs and premiums on contracts to hedge specific foreign currency denominated transactions, assets or liabilities are brought to account with the underlying transactions, assets or liabilities. Exchange differences, costs and premiums on all other hedge contracts are included as revenue or expense in the period in which the exchange differences arise.

(f) Derivative and Other Financial Instruments

The Group's activities expose it to changes in interest rates and foreign exchange rates. There are policies and limits approved by the Board of Directors in respect of the usage of derivative and other financial instruments to hedge cashflows subject to interest rate and currency risks. Management reports to the Board on a regular basis as to the monitoring of the policies in place.

The accounting policies adopted in relation to material financial instruments are detailed as follows:

Recognised Financial Instruments

(i) Financial Assets

Investments in Listed and Unlisted Securities
Refer Note 1(h) below.

Receivables
Trade debtors are carried at cost, less provision for doubtful debts, and are due within 30 days.

Other Loans
Loans are carried at cost. Interest is credited as income on an accruals basis. Terms and conditions are set out in Note 38.

(ii) Financial Liabilities

Payables
Trade creditors are carried at cost, and are generally payable within 60 days.

Bank and Other Loans
Loans are carried at cost. Interest is charged as an expense on an accruals basis. Terms and conditions are set out in Note 38.

Unrecognised Derivative Financial Instruments

Cross Currency Swaps and Forward Exchange Contracts
The Group enters into cross currency swaps and forward exchange contracts where it agrees to buy or sell specified amounts of foreign currencies in the future at predetermined exchange rates. The objective is to minimise the risk of exchange rate fluctuation in respect of certain of its foreign currency denominated assets, liabilities, revenue and expenses. The value of the cross currency swaps and forward exchange contracts are brought to account in conjunction with the assets and liabilities as recorded on the balance sheet at the end of the financial year, or in conjunction with the revenue and expense in the period to which the hedges relate. Terms and conditions are set out in Note 31.

The Group only enters into derivative financial instruments to hedge certain underlying assets, liabilities, revenue and expenses. The Group does not trade in derivative financial instruments for speculative purposes. The Group continually reviews its exposures and upgrades its treasury policies and procedures. Revenues or expenses arising from changes in the net market values of hedging instruments are matched and brought to account with the carrying values and income streams of the underlying assets or liabilities.

Interest Rate Swaps
The Group enters into interest rate swap agreements that are used to convert certain variable interest rate borrowings to fixed interest rates. The swaps are entered into with the objective of hedging the risk of interest rate fluctuations in respect of underlying borrowings. Net receipts and payments in relation to interest rate swaps are recognised as interest income and interest expense as appropriate on an accruals basis over the life of the hedges. Terms and conditions are set out in Note 31.

Disclosure of Fair Values

Recognised financial assets and liabilities are recorded at balance date at their net fair values. The fair value of unrecognised financial instruments is set out in Note 31.

Applicable market rates, values, prices and terms in respect of derivative and other financial instruments are set out in the notes to these Financial Statements.

(g) Borrowing Costs

Borrowing costs include interest, amortisation of discounts or premiums relating to borrowings and other costs incurred in connection with the arrangement of borrowings. Borrowing costs are expensed as incurred unless they relate to a qualifying asset. A qualifying asset is an asset which generally takes more than 12 months to get ready for its intended use or sale. In these circumstances, the borrowing costs are capitalised to the cost of the asset. Where funds are borrowed by the Group for the acquisition or construction of a qualifying asset, the amount of borrowing costs capitalised are those incurred in relation to that borrowing.

(h) Investments

Investments are carried at fair value. The carrying amount of this class of asset is reviewed annually by the Directors. Where appropriate, the potential effect of any capital gains tax in respect of revalued assets has been taken into account in determining the carrying amount. In line with the Group's principal activities its material investments are in retail property interests. Investments in retail property take the form of interests in retail property owning companies, partnerships, and trusts. Investments in associated entities are accounted for using the equity method and are stated at values based on the Group's equity share of those associates' underlying net asset values, including property asset at fair value.

Fair values are based on independent valuation assessed principally upon the capitalisation of net income of the underlying property assets, which are supported by the discounting future net cash flows to their present value. Listed investments in entities other than associates are stated at fair value of the Group's interest in the underlying assets of such entities. The carrying value of foreign currency denominated investments have been translated into Australian dollars at the exchange rates at balance date.

(i) Property Development Projects and Construction Contracts

Property Development Projects are brought to account at the lower of cost and net realisable value. Where appropriate cost includes the cost of acquisition, development, rates, taxes and financing costs incurred during development provided the resultant carrying value does not exceed the expected recoverable amount. Profits are recognised on property sales upon settlement and after contractual duties are completed.

Work in progress represents the value of work actually completed and is assessed in terms of the contract, and provision made for losses, if any, anticipated. Profits are recognised on unconditional construction contracts when construction has reached the stage when the costs to complete can be reliably estimated. Stage of completion is assessed by independent quantity surveyors.

(j) Income Tax

Tax effect accounting has been adopted, whereby income tax expense has been calculated on pre-tax accounting profits after adjusting for permanent taxation differences. The tax effect of timing differences which occur where items are assessed or deducted for income tax purposes in a period different to that for accounting, where appropriate, is shown in Deferred Tax Liability and Deferred Tax Asset, as applicable, at taxation rates applicable when such timing differences are expected to reverse.

(k) Depreciation and Amortisation

Fixed assets and deferred costs are carried at acquisition costs less depreciation and amortisation. Depreciation and amortisation is applied over the estimated economic life using the straight line method from the date of acquisition or from the time the asset is ready for use. The estimated economic lives of items in the asset class plant and equipment is 3 to 15 years.

(l) Leases

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased property, and operating leases under which the lessor effectively retains all such risks and benefits. Operating lease payments are charged to the profit and loss account in the periods to which they relate.

(m) Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at bank, short term money market deposits and bank accepted bills of exchange readily convertible to cash, net of bank overdrafts and short term loans.

(n) Employee Entitlements

The liability to employees' entitlements to wages, salaries and annual leave is accrued to balance date based on the Group's present obligation to pay resulting from the employees' services provided. The liability to employees' entitlements to long service leave is provided to balance date based on the present values of the estimated future cashflows to be paid by the Group resulting from the employees' services provided.

(o) Recoverable amount

The carrying amount of non-current assets is assessed annually. Where the carrying amount materially differs from fair value an adjustment is made as appropriate.

(p) Segment Reporting

The Group has adopted the revised accounting standard AASB 1005 on Segment Reporting.

(q) Rounding

Pursuant to ASIC Class Order 98/0100, the amounts shown in the Financial Report have, unless otherwise indicated, been rounded to the nearest thousand dollars.

(r) Comparative Figures

Where applicable, certain comparative figures are restated in order to comply with the current year's presentation of the Financial Statements.

	CONSOLIDATED		PARENT COMPANY	
	2001	*2000*	*2001*	*2000*
	$000	*$000*	*$000*	*$000*
NOTE 2 – REVENUE FROM ORDINARY ACTIVITIES				
Revenue from operating activities				
Property development and construction	1,038,189	950,053	–	–
Property and funds management	189,841	156,570	77	68
Revenue from non operating activities				
Interest income				
– Other corporations	2,747	2,833	61	–
– Related corporations	–	–	12,048	12,362
Proceeds on disposal of non current assets	36,071	345,712	–	–
Dividends from subsidiaries	–	–	43,030	125,595
Unrealised foreign exchange gain in respect of subsidiary	–	–	15,258	–
	1,266,848	**1,455,168**	**70,474**	**138,025**

NOTE 3 – EXPENSES FROM ORDINARY ACTIVITIES

	CONSOLIDATED 2001 $000	CONSOLIDATED 2000 $000	PARENT COMPANY 2001 $000	PARENT COMPANY 2000 $000
Costs of materials and supplies	(827,813)	(769,944)	(46)	(52)
Employment expense	(177,611)	(152,220)	(383)	(47)
Corporate overheads	(11,444)	(9,439)	(3,531)	(3,375)
Operating lease rental expense	(28,194)	(26,665)	–	–
Depreciation and amortisation	(15,722)	(12,413)	–	–
Realised foreign exchange gain/(loss)	611	(683)	483	–
Book value of non current assets sold	(35,898)	(345,569)	–	–
	(1,096,071)	**(1,316,933)**	**(3,477)**	**(3,474)**

	CONSOLIDATED		PARENT COMPANY	
	2001 *$000*	*2000* *$000*	*2001* *$000*	*2000* *$000*
NOTE 4 – INCOME TAX				
The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense provided in the financial statements as follows:				
Prima facie tax payable on profit from ordinary activities at 34% (2000: 36%)	(75,370)	(69,257)	(22,779)	(48,438)
Tax effect of permanent differences				
Differential tax rates of foreign operations	28,089	27,936	–	–
Non deductible items charged to revenue	(3,324)	(2,854)	(27)	–
Non assessable items credited to revenue	–	922	–	–
Timing differences not recognised	(2,879)	–	–	–
Prior year overprovision/(underprovision)	914	(800)	–	–
Differential tax rates on dividends from foreign subsidiaries	–	–	–	29,368
Rebateable dividends	–	–	14,630	14,220
Income tax expense attributed to ordinary activities	**(52,570)**	**(44,053)**	**(8,176)**	**(4,850)**
NOTE 5 – EARNINGS PER SHARE				
– Basic	32.06c	28.31c		
– Diluted	32.05c	28.13c		

Basic earnings per share is calculated by dividing the consolidated operating profit after tax by the weighted average number of ordinary shares on issue during the financial year.

Diluted earnings per share is calculated by dividing the consolidated operating profit after tax in respect of the relevant financial period as adjusted for notional income on the proceeds that would arise on issue of potential ordinary shares by the weighted average number of ordinary and potential ordinary shares outstanding during the financial year.

The weighted average number of ordinary shares for the financial year was 527,523,132 shares, (2000: 523,990,666).

Potential ordinary shares includes unexpired options exercisable into ordinary shares. At 30 June 2001 there were 22,535,000 (2000: 24,834,500) unexpired options on issue of which 14,186,079 (2000: 17,130,000) were considered to be dilutive.

	CONSOLIDATED		PARENT COMPANY	
	2001 $000	2000 $000	2001 $000	2000 $000
CURRENT ASSETS				
NOTE 6 – RECEIVABLES				
Trade debtors	62,712	65,210	–	–
Less: Provision for doubtful debts	(768)	(550)	–	–
Amounts due from subsidiaries	–	–	143,239	202,264
	61,944	**64,660**	**143,239**	**202,264**
NOTE 7 – INVENTORIES				
Work in progress	782,516	811,689	–	–
Less: Progress payments received	(654,894)	(713,191)	–	–
Progress payments receivable	(42,643)	(50,203)		
	84,979	**48,295**	**–**	**–**
NOTE 8 – OTHER CURRENT ASSETS				
Dividends and distributions	31,473	26,580	–	–
Sundry debtors	25,636	10,955	–	–
Income tax receivable	16,497	–	–	–
Prepayments	7,690	6,023	–	–
	81,296	**43,558**	**–**	**–**
NON-CURRENT ASSETS				
NOTE 9 – RECEIVABLES				
Loans	29,350	30,545	–	–
Amounts due from subsidiaries	–	–	98,522	84,894
	29,350	**30,545**	**98,522**	**84,894**
NOTE 10 – INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD				
Listed investments	1,221,949	992,221	–	–
Quoted value $1,055.4 M (2000: $811.6 M)				
Unlisted investments	548,089	160,196		
Refer note 30	**1,770,038**	**1,152,417**	**–**	**–**
NOTE 11 – OTHER INVESTMENTS				
Listed investments	2,367	2,362	–	–
Quoted value $2.0 M (2000: $2.4 M)				
Unlisted investments				
– Other investments	500	1,076	500	500
– Investments in subsidiaries	–	–	1,093,701	883,614
	2,867	**3,438**	**1,094,201**	**884,114**

	CONSOLIDATED		PARENT COMPANY	
	2001 *$000*	*2000* *$000*	*2001* *$000*	*2000* *$000*
NOTE 12 – INVENTORIES				
Property development projects	**8,651**	**8,651**	**308**	**308**
NOTE 13 – PLANT AND EQUIPMENT				
At cost	130,256	125,702	–	–
Accumulated depreciation	(38,287)	(27,920)	–	–
	91,969	**97,782**	**–**	**–**
Opening balance	97,782			
Additions	34,333			
Disposal	(35,898)			
Depreciation expense	(13,774)			
Foreign currency translation differences	9,526			
	91,969			
NOTE 14 – OTHER NON-CURRENT ASSETS				
Sundry debtors, deferred costs and prepayments	16,992	12,912	–	–
CURRENT LIABILITIES				
NOTE 15 – PAYABLES				
Trade creditors and accruals	161,214	160,051	–	–
Sundry creditors and accruals	48,252	42,842	464	476
Amounts owing to subsidiaries	–	–	913,462	737,738
	209,466	**202,893**	**913,926**	**738,214**
NOTE 16 – INTEREST-BEARING LIABILITIES				
Bank overdrafts - unsecured	**–**	**9,557**	**–**	**–**
NOTE 17– PROVISIONS				
Dividends on ordinary shares	**46,265**	**40,460**	**46,265**	**40,460**

	CONSOLIDATED		PARENT COMPANY	
	2001 *$000*	*2000* *$000*	*2001* *$000*	*2000* *$000*

NON-CURRENT LIABILITIES

NOTE 18 – PAYABLES

Unrealised foreign exchange differences on derivative financial instruments	301,849	96,413	–	–
Sundry creditors and accruals	6,123	16,980	–	–
	307,972	**113,393**	**–**	**–**

NOTE 19 – INTEREST-BEARING LIABILITIES

Bank loans - unsecured	**847,217**	**413,535**	**–**	**–**

Refer Note 38(d) for terms and conditions in respect of the Group's financing facilities.

NOTE 20 – PROVISIONS

Employee entitlements	**8,267**	**7,908**	**–**	**–**

EQUITY

NOTE 21 – CONTRIBUTED EQUITY

Issued and paid up capital

Fully paid ordinary shares: 528,140,598 ordinary shares (2000: 524,770,598 ordinary shares)	**188,379**	**179,696**	**163,065**	**154,382**

During the financial year 3,370,000 (2000: 1,030,000) ordinary shares were allotted, for cash consideration totalling $8.7 million (2000: $2.2 million), following the exercise of executive incentive scheme options over 3,370,000 (2000: 1,030,000) unissued ordinary shares.

Since the end of the financial year 125,000 ordinary shares were alloted for cash consideration totalling $0.531 million following the exercise of executive incentive scheme options over 125,000 unissued ordinary shares.

Options

Pursuant to the Company's Executive Option Plan established in accordance with the Listing Rules of the Australian Stock Exchange Limited and approved by Shareholders at the 1998 Annual General Meeting, options over 1,660,000 (2000: 7,154,500) unissued ordinary shares were granted for no consideration during the financial year.

The exercise price for the options was set at 105% of the market value of the Company's shares at the time the options were issued. The Company has a policy of not ascribing a value to options granted at or above current market value. Accordingly, no amounts have been recorded in the Statement of Financial Performance in respect of the issue of these options.

NOTE 21 – CONTRIBUTED EQUITY (Continued)

Details of options outstanding as at the date of this report over unissued ordinary shares including their expiry dates and exercise prices, are as follows:

ISSUE DATE	EXPIRY DATE	EXERCISE PRICE PER OPTION	NOTE	NUMBER ON ISSUE 2001	2000
24 August 1995	24 August 2000	$2.322		–	2,095,000
4 September 1995	4 September 2000	$2.552		–	25,000
22 September 1995	22 September 2000	$2.890		–	50,000
2 November 1995	2 November 2000	$2.842		–	900,000
7 December 1995	7 December 2000	$3.310		–	25,000
13 December 1995	13 December 2000	$3.384		–	75,000
14 December 1995	14 December 2000	$3.432		–	125,000
1 April 1996	1 April 2001	$3.834		–	75,000
23 June 1995	21 October 2001	$2.246	1	105,000	105,000
7 November 1996	7 November 2001	$4.248	1	–	125,000
5 December 1996	5 December 2001	$4.438	1	700,000	700,000
6 February 1997	6 February 2002	$4.190	1	325,000	325,000
13 November 1997	13 November 2002	$5.990	1	675,000	750,000
28 November 1997	28 November 2002	$6.070	1	275,000	400,000
5 February 1998	5 February 2003	$7.100	1	175,000	275,000
7 September 1998	1 January 2002	$7.490	1	1,000,000	1,000,000
3 September 1998	3 September 2003	$7.580	1	1,590,000	1,840,000
14 September 1998	14 September 2003	$7.540	1	240,000	240,000
9 June 1999	9 June 2004	$9.450	2*	580,000	580,000
4 August 1999	4 August 2004	$9.990	2*	–	39,500
1 October 1999	1 October 2004	$9.310	2*	1,000,000	1,010,000
1 October 1999	1 October 2004	$9.310	2*	4,175,000	4,250,000
4 November 1999	4 November 2004	$9.820	2*	115,000	115,000
23 December 1999	23 December 2004	$10.080	2*	865,000	935,000
3 February 2000	3 February 2005	$9.160	2*	125,000	125,000
10 April 2000	10 April 2005	$9.320	2*	650,000	650,000
22 May 2000	22 May 2005	$8.740	3*	8,000,000	8,000,000
22 September 2000	22 September 2005	$12.550	2*	940,000	–
1 November 2000	1 November 2005	$13.100	2*	125,000	–
9 November 2000	9 November 2005	$13.460	2*	105,000	–
22 December 2000	22 December 2005	$14.210	2*	70,000	–
30 April 2001	30 April 2006	$13.030	2*	375,000	–
6 August 2001	6 August 2006	$15.050	2*	550,000	–
				22,760,000	**24,834,500**

1 Subject to the rules of the 1993 Executive Incentive Scheme under which these options were granted, the options may be exercised on dates falling 60 days prior to, 30 days prior to, or on, the expiration date shown above.

2 Subject to the rules of the 1998 Executive Option Plan under which these options were granted, 25% of these options may be exercised at any time after the third anniversary of their respective grant dates, 25% of these options may be exercised at any time after the fourth anniversary of the grant dates and the remaining 50% of these options may be exercised on the fifth anniversary of their grant date.

3 These options may be exercised at any time during the period commencing on 22 May 2002 and expiring on 22 May 2005.

* Under the terms of issue, when these options are exercised the Company will issue to the holder of the option the number of new ordinary shares to which the option relates at that time. As an alternative to the issue of those new shares, the Company may procure the transfer to the holder of that number of existing ordinary shares. In lieu of, and in full satisfaction for, the issue or transfer of such ordinary shares to the holder, the Board may also either: (i) pay to the holder an amount equal to the difference between the market value of those shares as at the date of exercise and the exercise price for the options; or (ii) deliver to the holder that number of shares having a market value at the date of exercise equal to the amount determined under (i).

	CONSOLIDATED 2001 $000	CONSOLIDATED 2000 $000	PARENT COMPANY 2001 $000	PARENT COMPANY 2000 $000
NOTE 22 – RESERVES				
Asset Revaluation	62,776	62,776	40,129	40,129
Capital Profits	38,949	38,949	13,688	13,688
Exchange Fluctuation	11,076	(1,924)	–	–
	112,801	**99,801**	**53,817**	**53,817**
Asset Revaluation				
The asset revaluation reserve is used to record unrealised increments and decrements in the value of non current assets				
Balance at the beginning of the year	62,776	9,256	40,129	40,129
Increment on revaluation of investments	–	53,520	–	–
Balance at the end of the year	**62,776**	**62,776**	**40,129**	**40,129**
Capital Profit				
The capital profit reserve is used to accumulate realised capital profits				
Balance at the end of the year	**38,949**	**38,949**	**13,688**	**13,688**
Exchange Fluctuation				
The exchange fluctuation reserve is used to record net exchange differences arising from the translation of self sustaining foreign operations				
Balance at the beginning of the year	(1,924)	(1,962)	–	–
Net translation difference for the year	13,000	38	–	–
Balance at the end of the year	**11,076**	**(1,924)**	**–**	**–**
NOTE 23 – RETAINED PROFITS				
Balance at the beginning of the year	360,384	286,278	180,515	125,035
Net profit for the year	169,107	148,327	58,821	129,701
Dividends provided for or paid	(84,862)	(74,221)	(84,862)	(74,221)
Retained profits at the end of the year	**444,629**	**360,384**	**154,474**	**180,515**

	CONSOLIDATED		PARENT COMPANY	
	2001 $000	2000 $000	2001 $000	2000 $000
NOTE 24 – EQUITY				
Total equity at the beginning of the financial period	639,881	510,001	388,714	331,018
Total changes in equity recognised in the statement of financial performance	182,107	201,885	58,821	129,701
Transactions with owners as owners	8,683	2,216	8,683	2,216
Dividends paid/payable	(84,862)	(74,221)	(84,862)	(74,221)
Equity at the end of the year	**745,809**	**639,881**	**371,356**	**388,714**
NOTE 25 – DIVIDENDS				
(a) Dividends proposed				
(i) Current year final				
60% Franked dividends at 8.76c per share (2000: 7.71c)	46,265	40,460	46,265	40,460
Dividends proposed will be franked at 30% (2000: 34%) and are expected to be paid on 28 September 2001				
(b) Dividends paid during the year				
(i) Current year interim				
60% Franked dividends at 7.27c per share (2000: 6.44c)	38,396	33,751	38,396	33,751
(ii) Previous year final				
60% Franked dividends at 7.71c per share (2000: 6.69c)	40,661	35,038	40,661	35,038
The rate at which paid dividends have been franked is 34% (2000: 36%)				
(c) Dividend Franking				
– franking credits as at the end of the financial year at 30% (2000 34%).	39,964	2,812	787	218
– franking credits arising from the payment of income tax provided in this financial report	13,701	46,647	6,958	8,588
Franking credits available for distributions:	53,665	49,459	7,745	8,806
– franking debits that will arise from the payment of dividends provided.	(27,759)	(24,276)	(27,759)	(24,276)
– franking credits that will arise from payment of dividends by subsidiaries	–	–	45,920	40,653
Franking credits available for future distributions	**25,906**	**25,183**	**25,906**	**25,183**

	CONSOLIDATED		PARENT COMPANY	
	2001 $000	2000 $000	2001 $000	2000 $000
NOTE 26 – LEASE				
Operating lease payments:				
Expenditure contracted but not provided for:				
Due within 1 year	25,256	21,972		
Due between 1 and 5 years	63,539	87,741		
Due after 5 years	50,731	30,976		
	139,526	**140,689**		
Retail property leases	82,878	105,174		
Other operating leases	56,648	35,515		
	139,526	**140,689**		
Operating lease receivables:				
Future minimum rental revenues under non cancellable operating retail property leases are as follows:				
Due within 1 year	21,367	21,412		
Due between 1 and 5 years	39,288	45,507		
Due after 5 years	5,125	5,125		
	65,780	**72,044**		
NOTE 27 – CAPITAL EXPENDITURE COMMITMENTS				
Estimated capital expenditure commitments contracted for at balance date but not provided for:				
Due within 1 year	31,247	19,375	–	–
Due between 1 and 5 years	–	–	–	–
	31,247	**19,375**	**–**	**–**
NOTE 28 – CONTINGENT LIABILITIES				
Performance guarantees	46,962	69,521	–	5,012
Borrowings of subsidiaries	–	–	811,576	410,808
	46,962	**69,521**	**811,576**	**415,820**

During March 2001, as part of the proposed acquisition by Westfield America Trust ("WAT") of the common shares not held by WAT and Westfield Holdings Limited ("WHL"), WAT made a tender offer to aquire an additional 15.4% economic interest in Westfield America, Inc. ("WEA") comprising approximately 16.5 million common shares. As a result of the proposed acquisition, WAT, WEA, WEA's directors and WHL have been named as defendants in substantially similar class action suits. The plaintiffs in these cases represent a class of minority shareholders whose stock in WEA was purchased for US$16.25 per share in cash in connection with the proposed acquisition by WAT. While the allegations contained in each complaint are not identical, the complaints generally assert that the US$16.25 per share paid or to be paid to the minority shareholders is inadequate and does not reflect the value of the assets and future prospects of WEA. On 31 May, 2001 the parties executed a memorandum of understanding providing for settlement of all actions which, if approved in court, will result in the class actions being dismissed. The court entered an order preliminarily approving the settlement and setting a hearing for final approval on 2 October, 2001. The Group believes that neither the settlement nor the litigation will have a material effect on its business.

NOTE 29 – SEGMENTAL INFORMATION

Information by primary geographic segment

	AUSTRALASIA		UNITED KINGDOM		UNITED STATES		GROUP	
	2001	*2000*	*2001*	*2000*	*2001*	*2000*	*2001*	*2000*
	$000	*$000*	*$000*	*$000*	*$000*	*$000*	*$000*	*$000*
SEGMENT REVENUE								
Segment trading revenue	658,664	782,523	7,230	–	562,136	324,100	1,228,030	1,106,623
Equity accounted net profit of associates	–	–	15,162	–	102,884	101,436	118,046	101,436
	658,664	**782,523**	**22,392**	**–**	**665,020**	**425,536**	**1,346,076**	**1,208,059**
Group interest income							2,747	2,833
Proceeds from sale of non-current assets							36,071	345,712
							1,384,894	**1,556,604**
SEGMENT PROFIT								
Segment result before corporate overheads, interest, sale of investments and taxation	127,812	124,401	13,757	–	155,340	122,559	296,909	246,960
Corporate overheads and net interest expense							(75,232)	(54,580)
Tax expense							(52,570)	(44,053)
Consolidated operating profit after tax							**169,107**	**148,327**
SEGMENT ASSETS								
Segment assets	118,406	121,527	573,850	169,317	1,399,510	1,130,733	2,091,766	1,421,577
Corporate assets							158,127	99,115
Consolidated total assets							**2,249,893**	**1,520,692**
SEGMENT LIABILITIES								
Segment liabilities	144,677	170,983	8,888	–	63,941	40,931	217,506	211,914
Corporate liabilities							1,286,578	668,897
Consolidated total assets							**1,504,084**	**880,811**
OTHER SEGMENT INFORMATION								
Investment in equity accounted associates included in segment assets	–	–	548,089	160,772	1,221,949	991,645	1,770,038	1,152,417
Additions to segment non-current assets	10,624	9,683	348,188	148,639	50,415	49,285	409,227	207,607
Depreciation and amortisation	6,273	5,791	765	–	8,684	6,622	15,722	12,413

NOTE 29 – SEGMENTAL INFORMATION (Continued)

Information by secondary business segment

	PROPERTY INVESTMENT		PROPERTY DEVELOPMENT AND CONSTRUCTION		PROPERTY AND FUNDS MANAGEMENT		GROUP	
	2001	2000	2001	2000	2001	2000	2001	2000
	$000	$000	$000	$000	$000	$000	$000	$000
SEGMENT REVENUE								
Segment trading revenue	–	–	1,038,189	950,053	189,841	156,570	1,228,030	1,106,623
Equity accounted net profit of associates	118,046	101,436	–	–	–	–	118,046	101,436
	118,046	**101,436**	**1,038,189**	**950,053**	**189,841**	**156,570**	**1,346,076**	**1,208,059**
Group interest income							2,747	2,833
Proceeds from sale of non current assets							36,071	345,712
							1,384,894	**1,556,604**
SEGMENT ASSETS								
Segment assets	1,806,605	1,184,612	186,365	159,810	98,796	77,155	2,091,766	1,421,577
Corporate assets							158,127	99,115
Consolidated total assets							**2,249,893**	**1,520,692**
OTHER SEGMENT INFORMATION								
Additions to segment non-current assets	375,888	192,733	9,148	5,479	24,191	9,395	409,227	207,607

NOTE 30 – DETAILS OF EQUITY ACCOUNTED ASSOCIATES

(a) Equity accounted entities

NAME OF ENTITY	TYPE OF EQUITY	BALANCE DATE	ECONOMIC INTEREST 2001	ECONOMIC INTEREST 2000	CONSOLIDATED CARRYING VALUE 2001 $000	CONSOLIDATED CARRYING VALUE 2000 $000
Listed Entities						
Westfield America Trust ("WAT")	trust units	31 December	15.5%	22.2%	464,559	360,785
Westfield America, Inc. ("WEA")	common and preferred stock and units	31 December	17.4%	18.3%	757,390	631,436
					1,221,949	**992,221**
Unlisted Entities						
Broadmarsh Retail Limited Partnership ("Broadmarsh")	partnership interest	30 June	75.0%	75.0%	179,331	160,196
Wilmslow No 1 to 6 Limited Partnership ("MEPC Joint Ventures")	partnership interest	30 June	50.0%	–	340,164	–
Two Rivers Limited Partnership ("Two Rivers Retails Park")	partnership interest	30 June	18.8%	–	28,594	–
					548,089	160,196
					1,770,038	**1,152,417**

NOTE 30 – DETAILS OF EQUITY ACCOUNTED ASSOCIATES (Continued)

(i) The interest in Broadmarsh Retail Limited Partnership was acquired on 22 May 2000.

(ii) The interests in the Wilmslow Limited Partnerships were acquired on 28 September 2000, in respect of the purchase of 6 properties from MEPC plc.

(iii) The interest in Two Rivers Limited Partnership was acquired on 14 March 2001.

At June 30 2001 WAT held a 71.1% (2000: 49.7%) economic interest in WEA. The Group's aggregate economic interest in WEA, held directly or indirectly via it's interest in WAT, amounts to 28.5% (2000: 29.3%). (This 28.5% interest comprises 30.1% of WEA's common stock, 20.1% of WEA's preferred stock, all of the WEA Group's preferred units and 43.2% of WEA's warrants convertible to common stock).

During the financial year, WAT and WEA operated solely as retail property investors in the United States. Broadmarsh, MEPC and Two Rivers operated solely as a retail property investors in the United Kingdom.

	CONSOLIDATED	
	2001 *$000*	*2000* *$000*
(b) Details of the Group's aggregate share of equity accounted associates' net profit		
Operating profit	118,046	101,436
Income tax attributable to operating profit	–	–
Share of associate's net profits	**118,046**	**101,436**
(c) Details of the Group's aggregate share of equity accounted associates' assets and liabilities		
Cash	58,438	22,647
Receivables	44,730	12,920
Property investments	3,879,384	2,380,920
Other assets	37,012	35,469
Payables	(142,759)	(89,035)
Interest-bearing liabilities	(2,106,767)	(1,210,504)
Net assets	**1,770,038**	**1,152,417**
(d) Details of the Group's carrying value of investments in equity accounted associates		
Balance at the beginning of the year	1,152,417	730,114
Initial application of the equity method of accounting for partnerships	–	268,733
Additions during the year	374,888	278,334
Disposals during the year	–	(344,707)
Share of net profit for the year	118,046	101,436
Dividends and distributions, net of tax, in respect of the year	(101,244)	(85,691)
Share of revaluation increment for the year	–	53,962
Foreign currency translation differences	225,931	150,236
Carrying value of investments in equity accounted associates	**1,770,038**	**1,152,417**

NOTE 30 – DETAILS OF EQUITY ACCOUNTED ASSOCIATES (Continued)

		CONSOLIDATED 2001 $000	CONSOLIDATED 2000 $000
(e) Details of the Group's aggregate share of equity accounted associates' reserves			
Retained earnings		63,610	46,808
Asset revaluation reserves		97,821	97,821
Exchange fluctuation reserves (net of Group currency hedges)		–	–
(f) The Group's share of capital expenditure commitments, contingent liabilities and lease rentals in respect of equity accounted associates:			
Capital expenditure commitments	due within 1 year	96,937	141,244
	due between 2 to 5 years	55,508	59,221
		152,445	**200,465**
Contingent liabilities - performance guarantees		**96,042**	**39,852**
Lease rental commitments	due within 1 year	1,640	616
	due between 2 to 5 years	6,562	2,465
	due after 5 years	43,219	18,870
		51,421	**21,951**

In addition, four centres in the United Kingdom are subject to headleases granted by local authorities ranging from 120 to 200 years resulting in a commitment to pay the head lessors 5% to 33% of the rental income of the shopping centres.

NOTE 31 – DERIVATIVE FINANCIAL INSTRUMENTS

INTEREST RATES	CONSOLIDATED AMOUNTS PAYABLE/(RECEIVABLE) $000	AVERAGE RATE EXCLUDING MARGINS	AVERAGE REMAINING TERM (IN MONTHS) INCLUDING DELAYED START HEDGES
US dollar, UK pound and Australian dollar notional principal or contract amounts of derivative financial instruments for the hedging of borrowings and interest rate exposures associated with the hedging of exchange rate exposures on the Groups foreign currency assets and liabilities			
US dollar fixed rate payable swaps			
at June 2001	(US 343,000)	6.21%	30
at June 2000	(US 282,000)	6.65%	27
Australian dollar fixed rate receivable swaps			
at June 2001	491,000	6.32%	28
at June 2000	400,000	6.79%	27
UK pound fixed rate payable swaps			
at June 2001	(£40,000)	6.53%	72
at June 2000	(£40,000)	6.53%	84

At 30 June 2001 the aggregate fair value compared to the aggregate book value of the above hedging arrangements amounted to a deficit of $16.1 million

NOTE 31 – DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

	CONSOLIDATED			
EXCHANGE RATES	*2001* A$	*2001* $USD	*2000* A$	*2000* $USD
US Dollars ("USD")				
Contracts to pay US dollars and receive Australian dollars (hedging US dollar denominated net assets)	906,484	(USD 605,960)	906,484	(USD 605,960)
The above contracts mature between 33 and 48 months (2000: 45 and 60 months). At 30 June 2001 the Group's US dollar denominated net assets amounted to		USD 640,039		USD 637,113

EXCHANGE RATES	*2001* A$	*2001* GBP	*2000* A$	*2000* GBP
UK Pound ("GBP")				
Contracts to pay GBP and receive Australian dollars (hedging GBP denominated assets)	426,171	(£162,000)	–	–
The above contracts mature between 51 and 54 months. At 30 June 2001 the Group's GBP denominated net assets amounted to		£174,827		–

	CONSOLIDATED			
FORWARD EXCHANGE CONTRACTS	*2001* *A$000*	*2001* *$000*	*2000* *A$000*	*2000* *$000*
Maturing within 12 months				
Contracts to buy Australian and sell US dollars	71,592 – 76,732	(US 45,700)	78,615 – 82,386	(US 50,500)
Contracts to buy Australian and sell NZ dollars	8,501	(NZ 10,000)	12,098	(NZ 15,000)
Maturing between 12 to 24 months				
Contracts to buy Australian and sell US dollars	49,315 – 53,632	(US 30,000)	71,592 – 76,732	(US 45,700)
Contracts to buy Australian and sell NZ dollars	7,578	(NZ 10,000)	4,338	(NZ 5,400)
Contracts maturing after 24 months				
Contracts to buy Australian and sell US dollars			31,397 – 35,714	(US 20,000)

Differences arising on forward exchange contracts which hedge the Group's foreign currency denominated income is recognised when the underlying foreign currency income is recorded in the financial statements. As at 30 June 2001, the aggregate fair value of the above hedging contracts amounted to a deficit of $8.8 million.

Credit risks

At 30 June 2001 the Group had no significant concentration of credit risk with any single counterparty or groups of counterparties. The counterparties to these derivative financial instruments consist of a number of prime financial institutions.

In accordance with the policies determined by the Board of Directors, credit risk is spread among a number of counterparties. The counterparties to derivative financial instruments consist of a number of prime financial institutions.

	CONSOLIDATED		PARENT COMPANY	
	2001	*2000*	*2001*	*2000*
	$000	*$000*	*$000*	*$000*

NOTE 32 – UNHEDGED FOREIGN CURRENCY MONETARY ITEMS

US dollar denominated net assets	USD 34,079	USD 31,153	USD 52,280	USD 56,191
UK pound denominated net assets	GBP 12,827	–	–	–
Australian dollar equivalent	102,752	51,878	103,015	93,574

NOTE 33 – AUDITORS' REMUNERATION

Amounts received or due and receivable by the auditors of the parent company and any other entity in the economic entity for:				
– Audit or review of the financial report	357	282	30	30
– Other services in relation to the entity	1,001	377	–	–
	1,358	**659**	**30**	**30**
Amounts received or due and receivable by the auditors other than the auditors of the parent company for:				
– Audit or review of the financial report of subsidiary entities	556	94	–	–
– Services in respect of the acquisition of overseas investments	2,194	–	–	–
– Other services	470	46	–	–
	3,220	**140**	**–**	**–**

NOTE 34 – REMUNERATION OF DIRECTORS AND EXECUTIVES

(a) Directors' Remuneration:

Amounts paid or payable in respect of the financial year to Directors (including Executive Directors as asterisked (*) below)	**17,450**	**16,538**	**17,433**	**16,518**
The number of directors of the parent company whose remuneration falls within the following bands:				
$130,000 to $139,999			3	4
$140,000 to $149,999			1	–
$180,000 to $189,999			1	1
$650,000 to $659,999			1	–
$1,050,000 to $1,059,999 *			1	1
$1,600,000 to $1,609,999 *			–	1
$2,100,000 to $2,109,999 *			1	1
$2,590,000 to $2,599,999 *			–	1
$2,970,000 to $2,979,999 *			1	–
$8,460,000 to $8,469,999 *			–	1
$9,930,000 to $9,939,999 *			1	–
			10	**10**

(b) Retirement Benefits:

Aggregate amounts paid by the Group to persons or prescribed superannuation funds in connection with the retirement of Directors or principal executive officers; [such amounts also being included as part of remuneration set out in Notes 34(a) and 34(c)].	449	448	448	446

			CONSOLIDATED 2001 $000	CONSOLIDATED 2000 $000	PARENT COMPANY 2001 $000	PARENT COMPANY 2000 $000

NOTE 34 – REMUNERATION OF DIRECTORS AND EXECUTIVES (Continued)

(c) Executives' Remuneration:

			CONSOLIDATED 2001 $000	CONSOLIDATED 2000 $000	PARENT COMPANY 2001 $000	PARENT COMPANY 2000 $000
Amounts paid or payable in respect of the financial year to Australian Executive Officers, including Executive Directors, whose total income exceeds $100,000 (including Executive Directors as asterisked (*) below)			**70,247**	**65,266**	**70,247**	**65,266**
The number of Australian Executives including Executive Directors of the Group whose remuneration falls within the following bands:						
$100,000	to	$109,999	34	35	34	35
$110,000	to	$119,999	31	34	31	34
$120,000	to	$129,999	35	35	35	35
$130,000	to	$139,999	24	27	24	27
$140,000	to	$149,999	19	19	19	19
$150,000	to	$159,999	17	15	17	15
$160,000	to	$169,999	15	17	15	17
$170,000	to	$179,999	16	7	16	7
$180,000	to	$189,999	14	8	14	8
$190,000	to	$199,999	11	9	11	9
$200,000	to	$209,999	11	3	11	3
$210,000	to	$219,999	6	11	6	11
$220,000	to	$229,999	4	6	4	6
$230,000	to	$239,999	6	4	6	4
$240,000	to	$249,999	6	7	6	7
$250,000	to	$259,999	7	3	7	3
$260,000	to	$269,999	–	4	–	4
$270,000	to	$279,999	2	2	2	2
$280,000	to	$289,999	2	3	2	3
$290,000	to	$299,999	2	5	2	5
$300,000	to	$309,999	5	1	5	1
$310,000	to	$319,999	1	2	1	2
$320,000	to	$329,999	4	3	4	3
$330,000	to	$339,999	1	1	1	1

			CONSOLIDATED 2001	CONSOLIDATED 2000	PARENT COMPANY 2001	PARENT COMPANY 2000

NOTE 34 – REMUNERATION OF DIRECTORS AND EXECUTIVES (Continued)

			CONSOLIDATED 2001	CONSOLIDATED 2000	PARENT COMPANY 2001	PARENT COMPANY 2000
$340,000	to	$349,999	–	2	–	2
$350,000	to	$359,999	1	–	1	–
$360,000	to	$369,999	1	–	1	–
$370,000	to	$379,999	3	2	3	2
$380,000	to	$389,999	2	1	2	1
$410,000	to	$419,999	2	–	2	–
$430,000	to	$439,999	1	1	1	1
$440,000	to	$449,999	1	–	1	–
$450,000	to	$459,999	–	1	–	1
$480,000	to	$489,999	–	1	–	1
$490,000	to	$499,999	1	–	1	–
$520,000	to	$529,999	–	1	–	1
$560,000	to	$569,999	3	–	3	–
$570,000	to	$579,999	–	1	–	1
$580,000	to	$589,999	1	1	1	1
$590,000	to	$599,999	1	–	1	–
$600,000	to	$609,999	–	1	–	1
$630,000	to	$639,999	–	1	–	1
$700,000	to	$709,999	3	1	3	1
$780,000	to	$789,999	–	1	–	1
$1,050,000	to	$1,059,999 *	1	1	1	1
$1,600,000	to	$1,609,999 *	–	1	–	1
$2,100,000	to	$2,109,999 *	1	1	1	1
$2,590,000	to	$2,599,999 *	–	1	–	1
$2,970,000	to	$2,979,999 *	1	–	1	–
$8,460,000	to	$8,469,999 *	–	1	–	1
$9,930,000	to	$9,939,999 *	1	–	1	–
			297	**281**	**297**	**281**

NOTE 35 – ECONOMIC DEPENDENCY

Group entities act as manager of the Westfield Trust and as the property manager and developer of properties in which Westfield Trust directly or indirectly, has an interest. These activities, charged at normal commercial rates, contributed the following amounts to the Group's revenue for the financial year: $20.8 million in respect of management activities (2000: $14.2 million); $51.6 million in respect of property management activities (2000: $43.9 million); and $545.9 in respect of development and construction activities (2000: $684.6 million).

Group entities act as manager of WAT and as manager and adviser of its controlled entity WEA. Group entities also act as the property manager and developer of properties in which, directly or indirectly, WAT and WEA have an interest. These activities, charged at normal commercial rates, contributed the following amounts to the Group's revenue for the financial year: $19.5 million in respect of management activities (2000: $18.3 million); $41.5 million in respect of property management activities (2000: $33.5 million); and $488.4 million in respect of development and construction activities (2000: $262.8 million).

In the United Kingdom, Group entities act as the property manager and developer for Joint Venture entities in which it has an interest. These activities, charged at normal commercial rates, contributed $7.2 million in respect of management activities (2000: Nil) to the Group's revenue for the financial year.

As at 30 June 2001 an aggregate amount of $62.7 million (2000: $63.3 million) was recognised as a current receivable from the entities referred to above.

NOTE 36 – SUPERANNUATION COMMITMENTS

The Group has established accumulation style superannuation funds and plans to provide retirement benefits to its employees in Australia and the United States.

These funds provide benefits based upon the eligible employees' accumulated contributions, investment income earned and, in the case of resignation prior to normal retirement age, length of service. In Australia, the Group is required to make contributions in compliance with the Superannuation Guarantee Charge legislation and may also make additional voluntary contributions on behalf of eligible employees. In the united States the Group has agreed to match the employees' contributions up to a specified amount, or a proportion of the employees' gross salary as prescribed by the relevant plans.

Being accumulation funds, the assets of the funds are at all times sufficient to satisfy all benefits that would be payable in the event of the termination of the funds and voluntary or compulsory termination of employment of each employee.

NOTE 37 – RELATED PARTY DISCLOSURES

Information required to be disclosed concerning relationships, transactions and balances with related parties of the Group is set out in this note unless disclosed elsewhere in these Financial Statements.

(a) Names of Directors

Each person holding the position of Director of the Parent Company at any time during the financial year is listed below:

F P Lowy, AC	Chairman
F G Hilmer, AO	Deputy Chairman
D H Lowy	Deputy Chairman
P S Lowy	Managing Director
S M Lowy	Managing Director
S P Johns	Group Finance Director
R A Ferguson	Non – Executive Director
D M Gonski	Non – Executive Director
D R Wills, AO	Non – Executive Director
C Zampatti, AM	Non – Executive Director

(b) Directors' Securities in the Group

During the financial year:

(i) R A Ferguson acquired 4,300 fully paid ordinary shares in the company pursuant to the exercise of awards under the Non-Executive Directors' Share Acquisition Plan which was established in accordance with the Listing Rules of the Australian Stock Exchange Limited and approved by members of the company at the Annual General meeting held on 12 November 1998.

(ii) F G Hilmer, AO acquired 7,800 fully paid ordinary shares in the company pursuant to the exercise of awards under the Non-Executive Directors' Share Acquisition Plan which was established in accordance with the Listing Rules of the Australian Stock Exchange Limited and approved by members of the company at the Annual General meeting held on 12 November 1998.

(iii) C Zampatti, AM acquired 3,900 fully paid ordinary shares in the company pursuant to the exercise of awards under the Non-Executive Directors' Share Acquisition Plan which was established in accordance with the Listing Rules of the Australian Stock Exchange Limited and approved by members of the company at the Annual General meeting held on 12 November 1998.

NOTE 37 – RELATED PARTY DISCLOSURES (Continued)

The aggregate number of securities in the Group held as at 30 June 2001 directly, indirectly or beneficially by Directors of the Parent Company are set out below:

		ORDINARY SHARES	OPTIONS*
F P Lowy, AC	}		–
D H Lowy	}	159,389,320	1,250,000
P S Lowy	}		1,250,000
S M Lowy	}		1,250,000
R A Ferguson		54,300	–
D M Gonski		155,000	–
F G Hilmer, AO		70,300	–
S P Johns		1,051,800	500,000
D R Wills, AO		15,500	–
C Zampatti, AM		161,790	–

(c) Other Transactions of Directors and Director Related Entities

(i) During the financial year:

(a) an aggregate amount of $116,116 (2000: $82,354) was recognised as income relating to administrative services provided by the Group on commercial terms to, and business usage of assets of the Group on commercial terms by, director related entities of F P Lowy, AC, D H Lowy, P S Lowy and S M Lowy, of which an aggregate amount of $7,740 was recognised as a current receivable from such director related entities as at 30 June 2001 for the usage of such assets;

(b) an aggregate amount of $249,117 (2000: $369,741) was recognised as an expense relating to business usage by the Group on commercial terms of assets owned by director related entities of F P Lowy AC, D H Lowy, P S Lowy and S M Lowy; and

(c) an aggregate amount of $125,067 (2000: $250,072) was recognised as an expense relating to the provision of consultancy services to the Group on commercial terms by a director related entity of D M Gonski.

(ii) During the financial year, in accordance with the Rules of the Westfield Holdings Limited Executive Option Plan ("Option Plan") which was established in accordance with the Listing Rules of Australian Stock Exchange Limited and approved by Members of the Parent Company at its Annual General Meeting on 12 November 1998, an entity in the Group advanced $40,000 to the Trustee of the Westfield Executive Option Plan Trust ("Trust") in order for it to meet its expense obligations during the year (2000; $38,487,000 was advanced in order to facilitate the acquisition of ordinary shares in the Parent Company). Furthermore during the year, the Trustee of the Trust repaid loans amounting to $1,235,000 (2000; $46,475,420) to the Group.

(iii) During the financial year, transactions occurred between the Group and Directors and director related entities which were within normal employee, customer or supplier relationships on terms and conditions no more favourable than those available to other employees, customers or suppliers, being the performance of contracts of employment; the reimbursement of expenses; and the payment of dividends by the Parent Company in respect of ordinary shares held in the Parent Company.

(d) During the financial year, there were transactions on commercial terms between the Parent Company and entities in the wholly-owned Group under which the Parent Company received interest and dividends and paid management fees. The Parent Company also subscribed for capital in entities in the wholly-owned Group.

(e) Acquisition by Westfield America Trust of publicly held common shares in Westfield America, Inc.

The transactions referred to below were outlined in the notice of meeting of the Company held on 29 June 2001. These matters were approved by members of the Company at that meeting.

The Westfield Holdings Limited Group currently has a 28.5% economic interest in Westfield America, Inc. ("**WEA**") comprising a direct holding of 17.4% and an indirect interest of 11.1% via its holding in Westfield America Trust ("**Trust**").

On 15 February 2001, the responsible entity of the Trust ("**Responsible Entity**") announced that it would proceed with an offer to purchase all the outstanding common shares in WEA for US$16.25 cash per common share ("**Offer**"). Excluded from the Offer were common shares owned by the Group.

The Responsible Entity now intends to proceed with a merger between a subsidiary of the Trust and WEA ("**Merger**"). On completion of the Merger, the Trust will come to own all the common shares in WEA (other than those owned by the Westfield Holdings Limited Group and a small number of external shareholders).

NOTE 37 – RELATED PARTY DISCLOSURES (Continued)

Co-operation Agreement

On 15 February 2001, Westfield Holdings Limited ("**WHL**") and the Responsible Entity entered into an agreement ("Co-operation Agreement") pursuant to which WHL agreed that it would prevent its subsidiaries, Westfield American Investments Pty Limited ("**WAIPL**") and Westfield Corporation Inc. ("**WCI**"), that held shares in WEA from participating in the Offer. WHL also agreed to cause its subsidiaries to vote any units in the Trust held by them in favour of the resolutions that were put to meetings of the members of the Trust for the purpose of seeking approvals required in connection with the Offer, the Merger and associated transactions.

WAIPL holds 277,778 Series D Preferred Shares and 11,805,862 common shares in WEA. WCI holds 2,264,210 common shares in WEA.

Amendment to Series D Preferred Shares

Under the Co-operation Agreement, the Responsible Entity agreed that, following completion of the Merger (and in accordance with approval obtained from members of the Company at a meeting held on 29 June 2001), it will cause WEA to amend the terms of the Series D Preferred Shares held by WAIPL ("**WAIPL Preferred Shares**") such that:

(a) The holders of the WAIPL Preferred Shares will be entitled to receive an annual dividend equal to the greater of (i) 9.3% of the liquidation value of the preferred shares, increasing at 1.5% per annum in 2002 and at 3% per annum thereafter (as compared to the current fixed dividend rate of 8.5% per annum on the Series D Preferred Shares) and (ii) the U.S. dollar equivalent of the distribution on the number of ordinary units in WAT into which the WAIPL Preferred Shares are then exchangeable.

(b) Each WAIPL Preferred Share is convertible into 10 common shares of WEA. On conversion, the holders of common shares will be entitled to the same rights as the holders of the common stock of WEA.

(c) Dividends in WEA are payable quarterly. If WEA's or WAT's earnings (before interest and tax) falls below 140% of consolidated fixed charges for any applicable quarter ("**Fixed Charge Coverage Violation**"), the holder of a WAIPL Preferred Share will, for the period being twice the number of quarters to which the Fixed Charge Coverage Violation relates, be entitled to receive a dividend equal to 150% of the dividend that would normally have been payable in respect of the quarter in which the Fixed Charge Coverage Violation occurred.

On 31 August 2002, if the Merger has occurred, WAIPL will have the right to require WEA to redeem a number of WAIPL Preferred Shares or common shares into which a WAIPL Preferred Share converts or a combination thereof, for cash up to US$10,004,000 ("**Cash-Out Right**").

Commencing in 2004 and each year thereafter, WAIPL will have the right to require WEA to redeem up to US$10,004,000 of WAIPL Preferred Shares or common shares into which a WAIPL Preferred Share converts, or a combination thereof (less, in the case of 2004, the amount with respect to which a Cash-Out Right had been exercised) (each, a "**Put Right**"). If WAIPL exercises a Put Right, WEA may elect to redeem the shares subject to that Put Right for cash or such number of units in WAT, the sale of which is sufficient to raise net proceeds for WAIPL equal to the liquidation preference of the WAIPL Preferred Shares and/or the WAIPL Preferred Shares that have been converted into common shares, whichever are subject to the Put Right.

The maximum aggregate amount which may be redeemed pursuant to the exercise of the Cash-Out Right and the Put Rights is US$50,000,040.

Series A, Series B, Series D and Series E Preferred Shares

The Trust holds 940,000 Series A Preferred Shares and 270,000 Series B Preferred Shares in WEA. These preferred shares are not currently convertible into common stock of WEA. Under the Co-operation Agreement the Responsible Entity agreed following the Merger to amend the terms of the Series A and Series B Preferred Shares to be convertible into common stock with terms substantially the same as those of the existing common stock of WEA. The Responsible Entity has also agreed to subordinate the Series A and Series B Preferred Shares to the WAIPL Preferred Shares.

The Trust also holds 416,667 Series D Preferred Shares, 138,889 Series D – 1 Preferred Shares and 477,778 Series E Preferred Shares in WEA. With respect to these preferred shares, following the Merger, the Series D Preferred Shares will be converted into common shares and the terms of the Series D – 1 Preferred Shares and the Series E Preferred Shares will be amended to be substantially the same as common shares of WEA ("**Junior Preferred Share**"). The Junior Preferred Shares will not have preferential rights with respect to dividends, will not have a liquidation preference and will not be redeemable by WEA.

Series G1 and Series H Special Options in the Trust

Following the Merger and in accordance with approval obtained from members at a meeting of the Company held on 29 June 2001, WEA will, in consideration of payment of US$171,051, receive 277,778 Series G1 Special Options in the Trust which will be transferred to WAIPL. A total of 14,709,072 Series H Special Options in the Trust will be issued, of which 11,805,862 will be issued to WAIPL and 2,264,210 to WCI. In consideration of the issue of the Series H Special Options, WAIPL will pay US$83,908 and WCI US$16,092 to the Trust.

A Series G1 Special Option may be exercised at any time after September 2003 or on such earlier date if certain specified events occur. A Series G1 Special Option may be exercised by the holder delivering to the Responsible Entity a WAIPL Preferred Share or the number of WEA common shares into which a WAIPL Preferred Share has been converted.

NOTE 37 – RELATED PARTY DISCLOSURES (Continued)

If a Series G1 Special Option is exercised, 231.0883 ordinary units in the Trust will be issued to the holder of the Series G1 Special Option. The ratio will be appropriately adjusted where, instead of delivering a WAIPL Preferred Share, the holder delivers the number of WEA common shares into which the same have been converted.

A Series H Special Option may be exercised by the holder delivering to the Responsible Entity a WEA common share. If a Series H Special Option is exercised, 20.3271 ordinary units in the Trust will be issued to the holder of the Series H Special Option.

A holder of a Series G1 or Series H Special Option may not sell a Special Option unless it first notifies the Responsible Entity of its intention to do so and allows the Responsible Entity five business days to make an offer for the purchase thereof. If the holder of a Series G1 or Series H Special Option rejects the offer made by the Responsible Entity, for a period of 90 days after such five business day period has elapsed, it may not sell the Special Option (other than pursuant to an underwritten public offering) at a price less than 90% of the price offered by the Responsible Entity.

Each Series G1 and Series H Special Option is transferable but must be exercised (i) as part of the parcel entitling the holder to the issue of units which have a value greater than the amount which would require a disclosure document to be given to the holder in accordance with section 708(8) of the Corporations Act 2001 (Cwlth); and (ii) where applicable, pursuant to a US Securities Act exemption.

Units issued in the Trust as a consequence of the exercise of the Series G1 or Series H Special Options will (i) rank for distributions of income in the Trust from the date following the last day of the most recently completed dividend period for WAIPL Preferred Share or common share transferred (as the case may be); (ii) if allotted during an accrual period, participate in the distributable income of the Trust in respect of that accrual period in the proportion that the part of the accrual period (calculated in days) for which the units rank for distribution bears to the total number of days in that accrual period. In all other respects the units to be allotted as a consequence of the exercise of the Series G1 or Series H Special Options will have the same rights as all other fully paid ordinary units on issue in the Trust.

The Series G1 and Series H Special Options will not be quoted on any stock exchange.

The Responsible Entity has agreed to reimburse WAIPL and WCI for their reasonable internal and external costs and expenses incurred in connection with the Offer and Merger and to indemnify them for any losses or liabilities (including certain tax liabilities) arising out of those transactions.

Non-compete arrangements

Under the Co-operation Agreement, WHL and the Responsible Entity agreed to amend existing non-compete arrangements between the WHL Group and WEA. Under the existing arrangements, for so long as WHL or any of its subsidiaries is the advisor to WEA or the manager of its shopping centres, the WHL Group may not acquire, directly or indirectly any ownership interest in shopping centres or power centres in the United States ("Competitive Business"), or any entity which has an ownership interest in a Competitive Business, except in a number of specified situations or where the existing non-compete arrangements are waived. In accordance with approval obtained from members on 29 June 2001, the non-compete arrangements will be modified so that if an opportunity to acquire a Competitive Business arises which would be subject to the existing restrictions, the WHL Group will be obliged to present the opportunity to the Board of Directors of WEA. If for any reason a majority of the independent directors of the Board of Directors of WEA (or, if the Board of Directors of WEA does not have a majority of independent directors, a majority of the external directors of the Board of Directors of the Responsible Entity) elects not to pursue that opportunity, the WHL Group will be permitted to attempt to acquire the Competitive Business. However, the WHL Group will not be permitted under any circumstances to own a regional shopping centre which directly competes with any regional shopping centre then owned by WEA and which is in that shopping centre's primary market area, unless the competing centre is part of a portfolio of properties in which the WHL Group acquires an interest. Refer note 40 in respect to the granting of a waiver by the Board of WEA regarding the acquisition of an interest in Rodamco North America N.V. ("RNA") by the WHL Group.

Development and Advisory Agreements

WCI and Westfield US Advisory L.P. ('Advisor') provide management, advisory and development services to WEA. Under the terms of the agreements governing the provision of those services, certain matters including the termination of the agreements are required to be approved by the Responsible Entity and 75% of the independent directors of WEA. To accommodate possible changes to the board of WEA, after the Merger the agreements will be amended to provide that where WEA does not have independent directors any determination previously required to be made by such directors must be made by the Responsible Entity and 75% of the external directors of the Responsible Entity.

	CONSOLIDATED 2001 $000	CONSOLIDATED 2000 $000	PARENT COMPANY 2001 $000	PARENT COMPANY 2000 $000

NOTE 38 – STATEMENT OF CASH FLOWS

(a) Components of cash:

	CONSOLIDATED 2001 $000	CONSOLIDATED 2000 $000	PARENT COMPANY 2001 $000	PARENT COMPANY 2000 $000
Cash	69,560	23,185	2,829	102
Overdrafts and short term loans	–	(9,557)	–	–
	69,560	**13,628**	**2,829**	**102**

(b) Reconciliation of net cash flows from operating activities to profit from ordinary activities after income tax:

	CONSOLIDATED 2001 $000	CONSOLIDATED 2000 $000	PARENT COMPANY 2001 $000	PARENT COMPANY 2000 $000
Net cash flows from operating activities	148,434	186,372	34,216	36,290
Amortisation and depreciation	(15,722)	(12,413)	–	–
Share of associates' profit in excess of dividend and distribution	15,822	7,221	–	–
Profit on disposal of non–current assets	173	143	–	–
Dividend and distribution income	69	68	–	84,962
Interest income	2,747	2,833	12,109	12,362
Interest expense	(70,451)	(48,668)	–	–
Interest capitalised	3,305	1,377	–	–
Foreign exchange gain/(loss)	611	(683)	15,258	–
(Increase)/decrease in net tax liability	21,719	(8,110)	(3,258)	(3,851)
Increase/(decrease) in other assets attributable to operating activities	62,400	20,187	496	(62)
Profit from ordinary activities after income tax	**169,107**	**148,327**	**58,821**	**129,701**

(c) Non Cash Financing

During the prior year the Group acquired a 75% interest in the Broadmarsh shopping centre. Total cost of acquisition amounted to $160.2 million, including non cash consideration valued at $18.2 million comprising an option over 8 million of the Company's unissued ordinary shares.

During the prior year the Group exchanged its 50% interest in the Garden State Plaza shopping centre, net of the A$253.7 million (US$145 million) Westfield America, Inc. ("WEA") non recourse indebtedness, for non cash consideration valued at A$91.0 million (US$52 million) comprising equity issued by the WEA Group.

(d) Financing Facilities:

Committed financing facilities available to the Group are as follows:

	Note	2001 $000	2000 $000
Total financing facilities at year end	1	1,106,773	893,000
Amounts utilised	2	(864,556)	(446,713)
Cash		69,560	23,185
Financing resources at year end		311,777	469,472

1 Financing facilities comprise unsecured revolving credit facilities with five banks . These facilities are interest only floating rate facilities which mature during the year ended 30 June 2004 and 30 June 2006. They are extendable at each anniversary date for a further period of one year. The facilities are subject to negative pledge arrangements which require the Group to comply with certain minimum financial requirements.

2 Amounts utilised include borrowings and bank guarantees. Amounts which are denominated in foreign currencies are translated at exchange rates ruling at balance date.

NOTE 39 – EMPLOYEES

At 30 June 2001 the Group employed 3,017 (2000: 2,808) staff, including full time, part-time and casual staff.

NOTE 40 – POST BALANCE DATE EVENTS

Westfield Holdings Group purchase of strategic interest in Rodamco North America

On 29 August 2001 the Group purchased a 23.9% strategic interest in Rodamco North America N.V. ("RNA") from Stichting Pensioenfonds ABP ("ABP") the largest Dutch pension fund for $920 million (approximately Euro 537 million). As a result, Westfield has become RNA's largest shareholder. ABP retains a 6.6% interest and the balance of RNA shares are widely held.

The opportunity to pursue the acquisition from ABP was presented to the Board of Westfield America, Inc ("WEA"). The Board of WEA elected not to pursue the acquisition and granted a waiver from the original provisions of the existing non compete arrangements referred to in Note 37.

RNA is a Netherlands based company with the characteristics of an Australian listed property trust and is listed on a number of European stock exchanges with a market capitalisation of approximately $3.2 billion (approximately Euro 1.9 billion). RNA has total assets in excess of $11.5 billion (US$6.3 billion) and it is the third largest regional mall group in the United States with a portfolio of 41 shopping centres.

The acquisition was funded by : -

(i)An equity issue of 31,746,032 shares being issued at $15.75 per share (ie $500 million) representing a premium of 7.1% to the closing price on 24 August 2001, the last trading day prior to the announcement.

(ii) A Share Purchase Plan raising up to $60 million. The share purchase plan enables shareholders to participate in the capital raising at the same price as the placement in (i) above (up to a maximum of $3,000 per shareholder). The Share Purchase Plan closes on 9 October 2001.

(iii) Existing debt facilities and approximately $450 million of additional facilities obtained subsequent to year end.

RNA is structured along traditional European lines with a Management Board and a Supervisory Board. On 3 September 2001 the Group requisitioned the Management and Supervisory Boards of RNA to convene an extraordinary general meeting of shareholders to consider and approve changes to the composition of its Management and Supervisory Boards.

Subsequent to the transaction on 29 August 2001, the Group has purchased 430,000 RNA shares on market, representing an additional 1% interest in the company.

World Trade Center

Commentary regarding the effect of the loss of the World Trade Center is set out in the Chairmans Review.

NOTE 41 – THE WESTFIELD HOLDINGS GROUP

Entities Incorporated in Australia

Holding Company

Westfield Holdings Limited

Subsidiaries

Adurant Pty Limited
Alphen Pty Limited
* Annsa Pty Ltd
Cavemont Pty Limited
Croissy Pty Ltd
Gaural Pty Ltd
Greissen Limited
Lourens Pty Limited
Lycus Pty Limited
Marchet Limited
Mayena Pty Limited
Nauthiz Pty Ltd
Orta Pty Limited
Parliv Pty Limited
Regional Shopping Centre Nominees Pty Limited
* Risemond Pty Limited
Salazar Pty Limited (In Liquidation)
Samel Pty Limited
Titania Services Pty Ltd
Tunini Pty Ltd (In liquidation)
Variscite Pty Ltd
Westfield America Management Limited
Westfield American Investments Pty Limited
Westfield Capital Assets Pty Limited
Westfield Capital Corporation Finance Pty Ltd
Westfield Capital Corporation Limited
Westfield Capital Financial Services Limited
Westfield Design and Construction Pty Limited
Westfield Developments Pty Ltd
* Westfield Europe Management Limited
Westfield Funds Management Limited
Westfield Internet Shoppingtown Pty Limited
Westfield Limited
Westfield Management Limited
Westfield Projects (Australia) Limited
Westfield Promotion Fund Management Pty Ltd
Westfield Queensland Pty Limited
Westfield R.S.C.F. Management Limited
Westfield Services Pty Limited
Westfield Services Trust
Westfield Shopping Centre Management Co Pty Limited
Westfield Shopping Centre Management Co (A.C.T.) Pty Limited
Westfield Shopping Centre Management Co (Qld.) Pty Limited

NOTE 41 – THE WESTFIELD HOLDINGS GROUP (Continued)

Westfield Shopping Centre Management Co (S.A.) Pty Ltd
Westfield Shopping Centre Management Co (Vic.) Pty Limited
Westfield Shoppingtown Carousel Pty Ltd
Westfield U.S. Investments Pty Limited
Westfield (Parramatta) Pty Ltd
WestNM Trust
WestUS Pty Limited
WestUS Trust
Woodfield Pty Ltd
WRS Pty Ltd
Zed Investments Pty Limited

Entities Incorporated in the United States

* WCMI (Texas), Inc.
Westfield Concession Management, Inc.
Westfield Corporation, Inc.
* Westfield Gift Card Management, Inc.
Westfield Management Acquisition, Inc.
Westfield Management Company, General Partnership
Westfield Project Management Corporation, Inc.
Westland Realty, Inc.
Westfield Services, Inc.
Westfield U.S. Advisory, Limited Partnership
Westfield U.S. Management, Limited Partnership

Entities Incorporated in New Zealand

Westfield Properties (New Zealand) Limited
Westfield Leasing (NZ) Limited
Westfield Shopping Centre Management Co (NZ) Limited
Westfield (New Zealand) Limited

Entities Incorporated in the United Kingdom

Broadmarsh Retail General Partner Limited
The Broadmarsh Retail Limited Partnership
Westfield Shoppingtowns Limited
Westfield UK Limited Partnership
Westfield UK General Partner Limited

Entities Incorporated in Jersey

Westfield Jersey Unit Trust
Westfield Management Jersey Limited
Westfield Management Jersey (Nominee) Limited

Entities Incorporated in Malaysia

Westasia Malls Sdn Bhd
Westfield Shoppingtowns Corporation Sdn Bhd

Westfield Holdings Limited beneficially owns, either directly or indirectly, a 100% interest in the above subsidiaries' issued ordinary capital (2000: 100%)

* *These entities became subsidiaries during the financial year.*

DIRECTORS' DECLARATION

The Directors of Westfield Holdings Limited ("Company") declare that:

(a) the financial statements of the Company for the year ended 30 June 2001 ("Financial Statements") and notes thereto comply with the accounting standards;

(b) the Financial Statements and notes thereto give a true and fair view of the financial position and performance of the Company together with all entities it is required by the accounting standards to include in those statements;

(c) 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

(d) in the Directors' opinion, the Financial Statements and notes thereto are in accordance with the Corporations Act 2001 (Cwlth), including sections 296 and 297.

Made on 21 September 2001 in accordance with a resolution of the Board of Directors.

F P LOWY, AC
Chairman

S P JOHNS
Group Finance Director

INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF WESTFIELD HOLDINGS LIMITED.

Scope

We have audited the financial report of Westfield Holdings Limited for the financial year ended 30 June 2001, being the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, notes to the financial statements and the Directors Declaration. The financial report includes the financial statements of Westfield Holdings Limited, and the consolidated financial statements of the consolidated entity comprising the company and the entities it controlled at year's end or from time to time during the financial year. The company's directors are responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards, other mandatory professional reporting requirements and Statutory requirements in Australia so as to present a view which is consistent with our understanding of the company's and the consolidated entity's financial position and performance as represented by the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the 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 company's and the consolidated entity's financial position as at 30 June 2001 and of their performance for the year ended on that date; and

(ii) complying with Accounting Standards and the Corporations Regulations 2001; and

(b) other mandatory professional reporting requirements.

Ernst & Young

ERNST & YOUNG

Brian Long

B J LONG
Partner

21 September 2001

WESTFIELD HOLDINGS DIRECTORY

WESTFIELD HOLDINGS LIMITED
(Incorporated in the
Commonwealth of Australia)
ACN 001 671 496

FINANCIAL CALENDAR
13 August 2001
Full year profit and dividend announced

31 August 2001
Record date for final dividend

28 September 2001
Final dividend payable

15 November 2001
Annual General Meeting

February 2002
Half-year profit and interim dividend announced

March 2002
Shares trade ex-dividend
Record date for interim dividend
Interim dividend payable

ANNUAL GENERAL MEETING
Thursday, 15 November 2001
at 10.00 am at The Westin Sydney Hotel
1 Martin Place, Sydney

A notice of meeting and a proxy form are included with this annual report.

DIRECTORY

Registered Office
Level 24, Westfield Towers
100 William Street
Sydney NSW 2011
Telephone: (+61 2) 9358 7000
Facsimile: (+61 2) 9358 7077
Website: www.westfield.com.au

United States Office
12th Floor
11601 Wilshire Boulevard
Los Angeles California 90025
Telephone: (+1 310) 478 4456
Facsimile: (+1 310) 478 1267

New Zealand Office
Level 3
Corner Remuera Road and Nuffield Street
Newmarket, Auckland
Telephone: (+64 9) 978 5050
Facsimile: (+64 9) 978 5070

United Kingdom Office
30 Old Burlington Street
London W1S 3AR
Telephone: (+44 20) 7734 2121
Facsimile: (+44 20) 7734 6545

SHARE REGISTRY
Computershare Investor Services
Pty Limited
Level 3
60 Carrington Street
Sydney NSW 2000
Telephone: (+61 2) 8216 5700
Facsimile: (+61 2) 8216 5500

QUEENSLAND REGISTRY
Computershare Investor Services
Pty Limited
Level 27 Central Plaza One
345 Queen Street
Brisbane Qld 4000

ACT REGISTRY
Computershare Investor Services
Pty Limited
C/- Ernst & Young
51 Allara Street
Canberra City ACT 2601

SECRETARY
George T Forster

AUDITORS
Ernst & Young

Westfield