

9 November 2004



**Westfield Group**

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The Manager  
Company Announcements Office  
Australian Stock Exchange Limited  
Level 4, Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam

**WESTFIELD GROUP (ASX:WDC)  
QUARTERLY OPERATIONAL REVIEW – SEPTEMBER 2004**

A presentation and quarterly update is attached.

Yours faithfully  
**WESTFIELD GROUP**

**Simon Tuxen  
Company Secretary**

**Westfield Holdings Limited** ABN 66 001 671 496

**Westfield Management Limited** ABN 41 001 670 579 AFS Licence 230329  
as responsible entity for **Westfield Trust** ABN 55 191 750 378 ARSN 090 849 746

**Westfield America Management Limited** ABN 66 072 780 619 AFS Licence 230324  
as responsible entity for **Westfield America Trust** ABN 27 374 714 905 ARSN 092 058 449

# Westfield Group

## September 2004 - Quarterly Review

**9 November 2004**

The logo for Westfield, featuring a stylized red 'W' followed by the word 'estfield' in a red, italicized serif font.

# Agenda



- Recent Activity
- Australia & New Zealand Update
- United Kingdom Update
- United States Update

# Recent Activity

## ■ Duelguide Plc

- £585 million (A\$1.4 billion) joint cash bid to acquire Duelguide plc, owner of Chelsfield plc, together with Multiplex and the Reuben brothers
- Westfield's investment will total £1.2 billion (A\$3.0 billion) and provide £1.8 billion (A\$4.4 billion) of future development opportunities being interests in:
  - Leading super-regional shopping centre: Merry Hill (Birmingham) -100%
  - Super-regional shopping centre under construction: White City (Inner West London) -25%
  - Retail park with opportunity to develop into a regional shopping centre: Sprucefield (Northern Ireland) - 100% and adjoining land - 50%
  - Interest in a further two large scale development projects: Broadway (Bradford) - 100% and Stratford City (London) - 25%
- Deal rationale:
  - Strategic move to increase Westfield's presence in UK – 4<sup>th</sup> largest portfolio in the UK
  - Opportunity to create significant value through management and development expertise
- Westfield's UK portfolio asset value increases from £950 million to £2.15 billion (A\$5.3 billion)

# Recent Activity (continued)

## ■ Settlement of interests in A\$900 million of property

- Whitford City (Perth) and Plenty Valley (Melbourne) on 20 August '04 for A\$423 million with West Lakes to settle in March for A\$245 million
- Skygarden (Sydney CBD) on 1 September '04 for A\$151 million
- Imperial Arcade (Sydney CBD) on 1 November '04 for A\$90 million

# WDC Portfolio – Following Impact of Recent Property Acquisitions



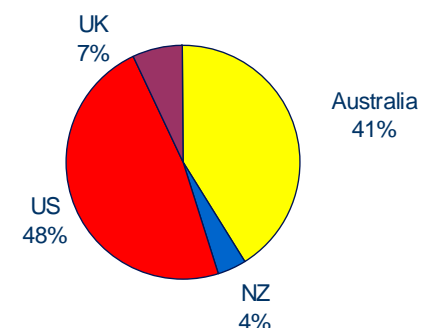
	Portfolio at 30 June '04	Portfolio Post Recent Acquisitions
<b>UK Portfolio Summary</b>		
UK Centres	7	9
GLA (million sqm)	0.2	0.4
Retail Outlets	600	840
Portfolio Value (£billion)	£0.9	£2.2

## Global Portfolio Summary

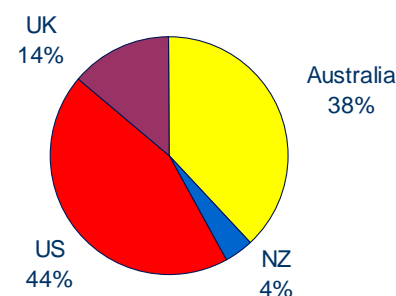
Centres	123	126
GLA (million sqm)	9.7	10.0
Retail Outlets	19,700	20,440
Portfolio Value (A\$ billion)	35.5	39.5

+11.3%

**Asset Value at 30 June '04**



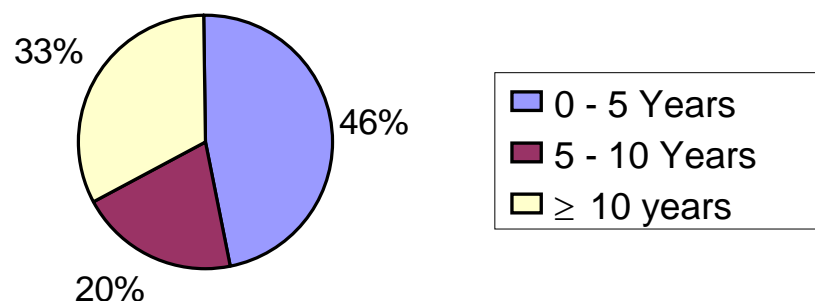
**Asset Value Post Recent Acquisitions**



# Recent Activity (continued)

## ■ Group Funding

- Westfield Group financing structure implemented
- Financing objective to diversify funding sources and lengthen maturity profile
  - US\$2.6 billion of senior unsecured guaranteed notes issued primarily into the US market
  - Non bank debt now represents 50% of total debt
  - Facility maturity profile:



- Average facility maturity 6.3 years
- Average life of fixed rate debt/ hedges: 7.6 years

# Australia and New Zealand Update



- Retail Sales Overview
- Operating Performance
- Investment Projects



# Retail Sales Overview

## Australia and New Zealand



### Period to 30 September 2004

	3 months	9 months	12 months
<b>AUSTRALIA</b>			
- Total Sales	A\$3.5bn +11.0%	A\$10.4bn +10.8%	A\$14.9bn +9.7%
- Comparable Specialties	+8.9%	+8.0%	+7.1%
<b>NEW ZEALAND</b>			
- Total Sales	NZ\$0.4bn +3.7%	NZ\$1.2bn +4.1%	NZ\$1.6bn +4.9%
- Comparable Specialties	+6.2%	+8.1%	+8.4%

# Retail Sales Overview - Australia

## Comparable Performance Growth



	Period to 30 September 2004	
	3 months	12 months
Department Stores	3.0%	4.5%
Discount Dept. Store	6.6%	4.6%
Supermarkets	3.2%	3.4%
<b>Majors</b>	<b>3.9%</b>	<b>4.4%</b>
Mini Majors	9.7%	10.9%
Cinemas	8.8%	6.9%
Fashion	11.8%	7.4%
Food Catering	9.3%	10.2%
Food Retail	5.4%	5.5%
Footwear	2.5%	1.3%
General Retail	6.4%	3.7%
Homewares	10.4%	12.2%
Jewellery	5.0%	7.8%
Leisure	7.3%	4.1%
Retail Services	14.2%	13.4%
<b>Specialties</b>	<b>8.9%</b>	<b>7.1%</b>
<b>TOTAL</b>	<b>6.7%</b>	<b>6.8%</b>

# Operating Performance\*

## - Australia & New Zealand



- Portfolio occupancy level continues to be in excess of 99.5%
- Renewal and new lease deals completed to September 2004
  - 660 for the 3 months
  - 1,671 for the 9 months
- Specialty occupancy costs across the portfolio – approx 15.3%

*\* excludes centres not managed by Westfield*

# Completed & Current Projects

## - Australia & New Zealand – Approx \$1.5 billion



Completed Projects	Total Cost \$ million	Actual Yield <sup>1</sup>	Completed
The Pines (Melbourne)	46	10.40%	Oct '04
Current Major Projects	Estimated Total Cost \$ million	Target Yield <sup>1</sup>	Anticipated Completion
Bondi Junction (Sydney)	750	7.60%	Final Stage - Dec. '04
Mt Gravatt (Brisbane)	20 <sup>2</sup>	8.50%	Nov '04
Helensvale (Gold Coast)	180 <sup>3</sup>	8.80%	End '05
Innaloo (Perth)*	50	9.10%	Q3 '05
Tuggerah (Sydney)*	100	8.30%	End '05
Parramatta (Sydney)*	90	7.60%	Q2 '06
Riccarton (Christchurch)	NZ 94	8.25%	Main retail - Nov '04 Cinemas - Mid '05
Queensgate (Wellington)	NZ 150	8.50%	End '05

<sup>1</sup> Stabilised Income / (Project Cost + Project Profits eliminated in stapled Group)

<sup>2</sup> Westfield share 75% - \$15m

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

\* Projects commenced within the quarter to 30 September 2004

# Future Projects

- Australia & New Zealand - Approx \$1.8 billion

- Mt Druitt (NSW)
- Albany (NZ)
- Belconnen (ACT)
- Bay City Plaza (VIC)
- Carousel (WA)
- Chermside (QLD)
- Doncaster (VIC)
- Fountain Gate (VIC)
- Kotara (NSW)
- Liverpool (NSW)
- Manukau (NZ)
- Newmarket (NZ)
- North Lakes (QLD)
- Pakuranga (NZ)
- St Lukes (NZ)
- Sydney CBD (NSW)

# United Kingdom Update

- Operating Performance
- Investment Projects

# Operating Performance

## - United Kingdom



### ■ Retail sales

**Period to 30 September 2004**

	<b>3 months</b>	<b>12 months</b>
Total sales growth	3.9%	4.0%
Comparable sales growth	1.5%	1.8%

- Occupancy level continues to be in excess of 99%
- Predevelopment works at Derby have commenced on the £300 million development with agreed heads of terms with Marks & Spencers and Debenhams to anchor the development
- Currently marketing Brunel Centre, Swindon for sale

*\* UK retail sales performance is as reported in the BRC-KPMG Retail Sales Monitor which monitors sales across a general basket of retail goods across the country.*

# Future Projects

## - United Kingdom

Outline planning permission received for the following projects:

- The Eagle Centre (Derby) £300 million
- The Broadmarsh Centre (Nottingham) £400 million
- The Friary (Guildford) £140 million
  
- Duelguide identified development opportunities = £1.8 billion
  - White City (Inner west London) - under construction
  - Merry Hill (Birmingham)
  - Broadway (Bradford)
  - Sprucefield (Northern Ireland)
  - Stratford City (London)



# United States Update

- Retail Sales Overview
- Operating Performance
- Investment Projects

# Retail Sales Overview

## - United States



	Period to 30 September 2004		
	3 months	9 months	12 months
- Total Specialty Sales	US\$1.5bn	US\$4.4bn	US\$6.6bn
- Change in Sales (psf)	+5.5%	+6.9%	+5.6%
• East Coast	+7.2%	+7.3%	+6.1%
• Mid West	+2.9%	+4.3%	+2.3%
• West Coast	+6.0%	+8.1%	+7.2%

# Retail Sales by Category

## - United States



	Period to 30 September 2004		
	3 months	9 months	12 months
Women's ready to wear	2.0%	5.3%	3.7%
Men's Fashion	1.3%	5.0%	5.2%
Unisex	9.0%	8.5%	5.7%
Jewellery	(1.1)%	2.5%	1.5%
Leisure:			
- Music	5.6%	1.4%	3.0%
- Electronics	24.0%	14.9%	10.4%
- Cellular phones	13.5%	12.0%	10.2%
- Books	(1.4)%	1.5%	1.4%
- Sports specialties	(1.4)%	(1.4)%	0.9%
Restaurant	5.3%	6.5%	6.3%
Food Court	3.6%	4.6%	4.0%
Theatres	7.5%	5.3%	6.1%

# Operating Performance

## - United States



- 93% of portfolio leased as at 30 September 2004
  - consistent with September 2003 and the last quarter June 2004
- 2,084,540 square feet leased during the nine months
  - Average rent on new leases = US\$44.23 psf
  - 33.7% increase over expiring leases
- Average portfolio speciality rent as at 30 September 2004 - US\$37.52 psf
  - 3.9% increase over the prior year

# Completed & Current Projects

## - United States - Approx US \$1.1 billion



Completed Projects	Total Cost US \$million	Actual Yield <sup>3</sup>	Completed
Santa Anita (Los Angeles, California)	113 <sup>1</sup>	9.2%	Oct '04
Parkway (San Diego, California)	27	9.3%	Oct '04
Current Major Projects	Estimated Cost US \$million	Target Yield <sup>3</sup>	Anticipated Completion
Wheaton (Wheaton, Maryland)	111	9.1%	1 <sup>st</sup> qtr '05
Franklin Park (Toledo, Ohio)	112	9.1%	2 <sup>nd</sup> qtr '05
Gateway (Lincoln, Nebraska)	31	9.3%	4 <sup>th</sup> qtr '05
Chesterfield (St Louis, Missouri)	71	9.1%	1 <sup>st</sup> qtr '06
Century City (Los Angeles, California)	127	9.0%	2 <sup>nd</sup> qtr '06
Connecticut Post (Milford, Connecticut)	118	9.0%	2 <sup>nd</sup> qtr '06
San Francisco (San Francisco, California)	410 <sup>2</sup>	8.0-8.5%	4 <sup>th</sup> qtr '06

<sup>1</sup> Westfield share 90% - US\$102 m

<sup>2</sup> Westfield share 50% - US\$205m

<sup>3</sup> Stabilised Income / (Project Cost + Project Profits eliminated in stapled Group)

# Future Projects

- United States - Approx. US \$1 billion

- Topanga (Los Angeles, California)
- Garden State Plaza (Paramus, New Jersey)
- Plaza Bonita (San Diego, California)
- Sarasota (Sarasota, Florida)
- Southgate (Sarasota, Florida)
- Southcenter (Seattle, Washington)
- Southpark (Cleveland, Ohio)
- UTC (San Diego, California)



*Westfield*

**Westfield Group**  
**Australian Portfolio Centre Turnover Report**  
**September 2004**

	Total		
	MAT to Sep 04		QTR to Sep 04
	A\$M	% variance	% variance
<b>CENTRES MANAGED BY WESTFIELD</b>			
Belconnen	387.0	2.3	0.6
<b>Total ACT</b>		<b>2.3</b>	<b>0.6</b>
Bondi Junction	n/a	n/a	n/a
Burwood	350.9	6.0	5.6
Chatswood	435.0	5.6	5.7
Eastgardens	490.9	5.5	(1.9)
Figtree	137.1	(0.6)	(0.3)
Hornsby	505.8	9.7	8.4
Hurstville	339.2	4.7	5.1
Kotara	286.2	6.1	8.6
Liverpool	311.3	1.6	4.3
Miranda	601.7	6.1	2.9
Mt. Druitt	271.2	9.3	11.4
North Rocks	97.5	2.6	2.8
Parramatta	568.2	4.3	8.0
Sydney City	462.9	3.3	(2.6)
Tuggerah	n/a	n/a	n/a
Warrawong	190.6	5.0	2.5
<b>Total New South Wales</b>		<b>5.3</b>	<b>4.4</b>
Carindale	525.4	9.9	9.8
Chermside	432.5	10.6	10.8
Mt. Gravatt	446.9	13.5	16.0
North Lakes	n/a	n/a	n/a
Strathpine	208.5	6.1	6.8
<b>Total Queensland</b>		<b>10.6</b>	<b>11.3</b>
Marion	611.0	14.7	14.0
Tea Tree	426.0	10.2	13.8
West Lakes	n/a	n/a	n/a
<b>Total South Australia</b>		<b>12.8</b>	<b>13.9</b>
Airport West	223.9	4.8	11.2
Bay City	184.8	5.4	7.6
Doncaster	338.9	2.1	3.5
Fountain Gate	520.3	10.2	9.8
Plenty Valley	44.1	11.9	8.9
Southland	638.5	6.9	6.6
<b>Total Victoria</b>		<b>6.6</b>	<b>7.6</b>
Carousel	375.5	6.5	7.1
Innaloo	n/a	n/a	n/a
Whitford City	n/a	n/a	n/a
<b>Total Western Australia</b>		<b>6.5</b>	<b>7.1</b>
<b>CENTRES MANAGED EXTERNALLY</b>			
Macquarie	522.0	5.8	5.1
Warringah	648.0	4.9	5.3
Pacific Fair	573.4	9.9	8.4
Knox	591.4	15.2	10.5
Booragoon	441.0	6.7	6.1
Karrinyup	311.7	2.4	3.6
n/a denotes centres where redevelopment is currently underway			



**Westfield Group**  
**New Zealand Portfolio Centre Turnover Report**  
**September 2004**

	Total		Total
	MAT to Sep 04		Qtr to Sep 04
	NZ\$M	% variance	% variance
Chartwell	107.3	7.3	6.8
Downtown	57.2	(1.4)	0.2
Glenfield	174.5	3.8	4.1
Manukau	170.7	7.0	7.1
Pakuranga	99.2	3.9	6.3
Queensgate	134.4	n/a	n/a
Riccarton	201.3	n/a	n/a
Shore City	78.8	3.4	7.1
St Lukes	272.3	9.5	2.3
Two Double Seven	120.2	5.6	3.2
WestCity	146.3	15.4	26.7
<b>Total New Zealand</b>		<b>4.9</b>	<b>3.7</b>

n/a denotes centres where redevelopment is currently underway