2 May 2006

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Dear Sir/Madam

WESTFIELD GROUP (ASX:WDC)
Westfield Holdings Limited – Annual General Meeting - 2 May 2006
Chairman's Address

A copy of the Chairman's Address to members which is to be given at today's Annual General Meeting of Westfield Holdings Limited is attached.

Yours faithfully
WESTFIELD GROUP

Simon Tuxen
Company Secretary

CHAIRMAN'S ADDRESS
Westfield Group Annual General Meeting
Held Tuesday 2 May 2006 at 10.00 am
Grand Ballroom Westin Hotel
1 Martin Place, Sydney

CHECK AGAINST DELIVERY

I trust that by now you have had an opportunity to look at the 2005 Annual Report which you will have received over the past few weeks.

That was our first report on a full year of operations since the merger of Westfield Holdings, Westfield Trust and Westfield America Trust in July 2004.

As the report noted, net profit for the year was $4.2 billion and distributions to security holders totalled $1.8 billion, or 106.57 cents per security. This was in line with our forecasts.

Total returns to security holders were 16.8% for the year – well ahead of the Property Trust Index total return of 12.5%.

Westfield has always been a growth company and the merger was all about creating a better platform to make the most of global opportunities.

We achieve our growth in three main ways.

Firstly, through the redevelopment of existing shopping centres, which has consistently generated a better return on the capital invested than would necessarily come from the acquisition of new centres in the current environment. And the scale of our redevelopment workload is unique to our company.

Secondly, we build new centres, these days usually in highly urbanised environments which generate high growth, like the new projects in London and in San Francisco.

Thirdly, by acquiring centres where they can add value by improving them through redevelopment and applying Westfield's branding and intensive management of the asset.

We are continually working hard on all three fronts and I'm pleased to report that since the merger the value of Westfield Group's shopping centre portfolio has grown by nearly 46% - from $36 billion to $52.5 billion. In 2005 growth was over 25%.

The growth in 2005 was driven by the acquisition of $2.8 billion of shopping centres, $3.4 billion of redevelopments and upward revaluations of $3.9 billion from the Group's existing portfolio.

When the merger proposal was first announced, the combined market capitalisation of Westfield Holdings, Westfield Trust and Westfield America Trust was $22 billion. At 31 December 2005, the market cap of Westfield Group was $31.6 billion – a 44% increase.

Today, we have a portfolio of 128 shopping centres, with 22,500 retail outlets, in four countries.

The Group's portfolio value is located 44% in the US; 43% in Australia and New Zealand; and 13% in the United Kingdom.

61% of our net property income is now generated off-shore.

During 2005 the Group continued to perform well at an operating level in all markets. Leasing is strong, with occupancy close to 100% in Australia, New Zealand and the United Kingdom and 95.1% in the US, which is almost 1% ahead of the same time last year.

Our regional portfolios delivered comparable net operating income growth of 5.3% in Australia and New Zealand, 3.6% in the United States and 6.6% in the United Kingdom.

But statistics alone don't adequately describe the scale, strength and profile of our global portfolio.

They don't speak about the quality of the projects we're undertaking, or the enormous potential they have to showcase our skills and promote the Westfield brand's reputation for excellence in retail development.

The fact is that Westfield Group today is at the forefront of retail development in some of the most competitive markets in the world.

In Los Angeles, Chicago, San Francisco, London, and right here in Sydney – we are designing and building centres that are redefining the shopping centre industry. They are giving a new meaning to what centres look like, and what they offer.

There is a premium on quality. Better design, better finishes, better amenities. It's light years ahead of where we were even a decade ago.

It's a matter of great personal pride to me that Westfield is leading this change in our industry.

Of course, I was there at the beginning and I could never have foreseen the fantastic product we are now producing. Bondi Junction is a great example.

The place is alive, and there's something for everyone.

Shoppers have access to the very best retailers.

There are restaurants, cinemas and plenty of activities for families and children.

And what we've done at Bondi Junction is now being taken to even higher levels in other locations.

In Los Angeles, we'll soon finish the redevelopment of the Century City centre which offers traditional fashion retailing and new lifestyle and entertainment concepts, as well as high-end retailers not usually seen in traditional shopping centres.

Later this year we'll complete the redevelopment of the San Francisco centre in the heart of that city. This has been a unique and very sensitive project, bringing together modern architecture with the historic elements of a famous landmark location, the most notable feature being a massive glass and steel dome, built in 1908, which will be fully restored to its original glory.

On the west side of London, the £1.5 billion White City project will result in the largest shopping centre in Greater London and at its scheduled completion in 2008 will be a fantastic beacon for the Westfield brand in the UK which is becoming an increasingly important market for the Group.

And in Sydney we have plans before the City Council to totally transform the disjointed and outdated Centrepoint, Imperial Arcade and Skygarden centres into one, integrated shopping centre.

Sydney is our home town and we are determined to deliver for Sydney the world-class retail centre it deserves.

It's difficult to describe the impact projects like these are having on these world cities.

They are transforming retail for the better, giving retailers a fantastic platform to grow their businesses.

They generate a multiplier effect that contributes jobs and economic growth many times that created by the initial investment.

And, ultimately, they are giving shoppers what they want – a wonderful environment in which to shop, and enjoy time with their families.

Of course, the projects I just mentioned are not the only projects the Group is involved in. At present there are 40 major projects in development planning stages across the Group and we expect to start $1.5 to $2 billion of projects each year for the next three years.

The importance of redevelopment cannot be overstated. As you know, redevelopment has been fundamental to our business model for more than 40 years.

Regional shopping centres as an asset class require constant management and reinvestment of capital to remain modern and relevant to retailers and consumers, and Westfield has continually refined and improved that skill over the years and provided a great return on the reinvested capital.

With property prices being as high as they are right now, the returns from redevelopment of centres in our existing portfolio are generally far better than we can achieve through acquisitions. We need to be, and we are, very selective about the opportunities we pursue. It is clear that our redevelopment pipeline will be the engine for superior growth in the current environment.

We have reached the position in recent years where we have been able to create sustainable growth through a program of redevelopment of the centres in our portfolio.

This self-sustaining business model will allow us to generate steady growth in operational earnings. This growth in earnings comes from the underlying growth in property income from the existing portfolio as well as the increased property income from the completed redevelopments.

Ladies and gentlemen, you can see from what I've said about our global business, and our position as the world's largest listed retail property group by market capitalisation, that we need the very best executives to maintain that position and continue to improve.

It has become a cliché in business circles to say that "our people are our most important asset."

In Westfield's case it has never been a truer statement than it is now.

Our industry is incredibly competitive, and very complex.

It takes years for executives to build a deep knowledge of the business, the subtleties of the various markets, and how the global picture fits together.

They must have an enormous appetite for hard work and the intellectual capacity to cope with a rapidly changing environment.

People with these attributes are the lifeblood of Westfield.

This is why we have always taken care to nurture our management team and give them every opportunity to continue to learn and grow in the job.

I'm proud to say that many of our senior executive team today started with the company 10, 15 and 20 years ago in relatively junior positions.

We now have about 30 senior executives working outside their home country which gives us the ability to transfer knowledge and the Westfield culture from market to market.

This group of long-term Westfield executives has been strengthened with the recruitment of new executives, especially over the past five years or so.

This has given us a very effective combination – a core, stable group of executives steeped in the knowledge and culture of Westfield's business supplemented with executives from outside the company who bring new ideas and energy.

Continuing this process of building an ever-stronger and more effective executive team is one of our biggest challenges.

Many of our projects take many years from planning to final execution and so continuity of the team is a significant advantage over our competitors. The Group's senior team has an average age of 49 and the average length of service with Westfield is 13 years.

To maintain this advantage, the board sets our remuneration policies to retain talented executives for the long-term and ensure that Westfield remains an attractive option for the most talented executives in this industry worldwide.

The board and shareholders are very fortunate to have such a dedicated and skilled team working for the Group, and I'd like to thank all Westfield staff for the contribution they continue to make to our success.

Before I close, I'd like to remind you that while Westfield remains focussed on growth it recognises that this must include consideration of the economic, social and environmental aspects of our business.

The board believes that this philosophy leads to better risk management, cost savings, innovation and a performance within the business that drives shareholder returns and meets our obligations to the communities in which we operate.

This is why we aim not only to meet the various regulatory requirements in each market, but also support a large number of charitable and community projects which provide a financial and social benefit to local communities and major institutions like hospitals, schools and sporting associations.

Ladies and gentlemen, in summary the business is performing very well.

I remain confident that we can continue to achieve high income returns and capital growth for all Westfield investors, and I would like to restate the distribution forecast for 2006 of 106.5 cents per security.

Thank you very much for your attendance here today.