

9 May 2006



Westfield Group

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Dear Sir/Madam

WESTFIELD GROUP (ASX:WDC)
1st QUARTER 2006 - REVIEW

The Westfield Group Quarterly Operational Update and Presentation 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

1st Quarter 2006 – Review

9 May 2006

1st Quarter Highlights

Operational Segment

- Solid specialty store rental growth achieved with almost full occupancy maintained in Australia, New Zealand and the United Kingdom portfolios. In the United States the portfolio was 93.2% leased at 31 March 2006 - in line with the same period last year.

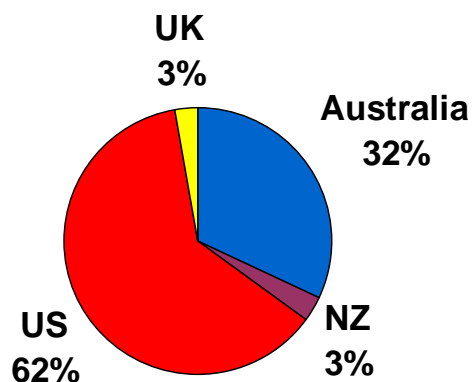
Development and New Business Segment

- Currently 19 projects under construction at a forecast cost of A\$7.0 billion with Westfield's share currently forecast at A\$4.8 billion.
- Anticipate the completion of 12 projects at a total cost of A\$1.9 billion for the year.
- Expected to commence 8 new major projects in 2006 with a forecast total cost of A\$1.5-A\$2.0 billion.
- Acquired 15 Federated department store sites at 11 Westfield centres – opportunity for 18 new developments with over US\$2 billion of new projects to be started over the next 4 years.
- Acquired Metreon (enclosed entertainment and retail complex) in San Francisco for US\$45 million (WDC 50% share - \$22.5 million) – strategic acquisition adjacent to San Francisco Center.

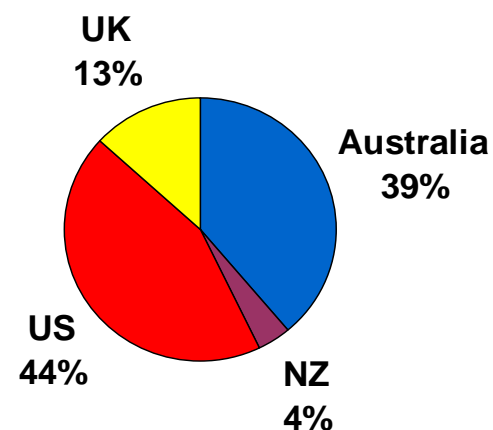
Portfolio Summary as at 31 March '06

	United States	Australia	United Kingdom	New Zealand	Total
Centres	67	43	7	11	128
Retail Outlets	9,400	10,900	800	1,400	22,500
GLA (million sqm)	6.6	3.4	0.3	0.3	10.6
Westfield Asset Value (billion) ¹	US\$13.8	A\$15.4	£1.4	NZ\$2.0	A\$38.5 ¹
Assets Under Management (billion) ²	US\$16.9	A\$20.4	£3.0	NZ\$2.2	A\$51.5 ²

Gross Lettable Area



Assets Under Management



¹ WDC share of shopping centre assets and excludes work in progress and assets held for redevelopment

² WDC and joint venture share of shopping centre assets and includes work in progress and assets held for redevelopment

1st Quarter Review

- Shopping Centre Operating Performance
 - Global Development Activity
 - Current Projects
 - Future Projects
 - Retail Sales
-
- Appendix

Shopping Centre Operating Performance

	Portfolio Leased ¹	Specialty Occupancy Cost ¹	Lease Deals Completed ²		Average Specialty Store Rent	
			Number	Area	Amount ¹	Growth ³
United States*	93.2%	13.8%	335	865,894 sqft	US\$40.86 psf	4.0%
Australia & New Zealand	>99.5%	15.8%	554	67,647sqm	A\$1,157 psm NZ\$993 psm	5.0%
United Kingdom	>99%	n/a	61	36,619sqm	£591 psf ⁴	6.9% ⁴

* Reflects the impact of the agreement to divest 8 non-strategic assets – announced 9 May '06

¹ As at 31 March 2006

² 3 months to 31 March 2006

³ 31 March 2006 compared to 31 March 2005

⁴ Excludes centres under development or impacted by development

Global Development Activity

- 19 projects under construction as at 31 March 2006 with an estimated total cost of A\$7.0 billion – Westfield Group share A\$4.8 billion

	No. of Projects	Estimated Total Cost	Target Weighted Average Yield ¹
United States	12	US\$1.7bn	9.8 – 10.2%
Australia & New Zealand	5	A\$0.6bn	9.3 – 9.6%
United Kingdom - Derby	1	£0.3bn	8.0 – 8.5%
- White City	1	£1.5bn	5.75 – 6.0%
Total	19	A\$7.0bn	

- Projects currently under construction are expected to create in excess of A\$1.0 billion positive revaluation uplift

¹ Stabilised income/Westfield Group cost

Global Development Activity

- **Anticipate the completion of 12 developments during the year at a total cost of A\$1.9 billion with a forecast weighted average development yield of 9.5%**
 - United States: Chesterfield, Connecticut Post, Capital, Topanga (Stage 1), Century City (Stage 2), San Francisco, Southlake
 - Australia & New Zealand: Parramatta, Liverpool, Chermside, Chartwell, Newmarket
- **A\$1.5 to A\$2 billion of new projects from the existing portfolio to be commenced in 2006**
 - United States: Annapolis, Plaza Bonita, Southcenter, Galleria at Roseville
 - Australia & New Zealand: Kotara, North Lakes, Plenty Valley, Albany

Current Projects

- United States - Approx US\$1.7 billion

Forecast	Total Cost ¹ US\$million	Yield Range	Anticipated Completion
Chesterfield (St Louis, Missouri)	70	11.0 – 11.3%	Qtr 2 '06
Connecticut Post (Milford, Connecticut)	150	8.3 – 8.8%	Qtr 2 '06
Capital (Olympia, Washington)	50	9.6 – 10.0%	Qtr 4 '06
Century City (Los Angeles, California)	170	11.0 – 11.5%	Qtr 4 '06
San Francisco (San Francisco, California)	460 ²	8.6 – 9.1%	Qtr 4 '06
Southlake (Hobart, Indiana)	20	12.1 – 12.5%	Qtr 4 '06
Brandon (Tampa, Florida)	50	11.0 – 11.4%	Qtr 1 '07
Topanga (Los Angeles, California)	340	9.6 – 9.9%	Qtr 4 '06/ Qtr 4 '08
Sarasota (Sarasota, Florida)	50	9.6 – 9.9%	Qtr 3 '07
Southpark (Cleveland, Ohio)	60	11.0 – 11.4%	Qtr 2 '07
Garden State Plaza (Paramus, New Jersey)	90 ³	9.6 – 9.9%	Qtr 2 '07
Annapolis (Annapolis, Maryland) *	140	10.5 – 11.0%	Qtr 4 '07
Total	1,650	9.8 – 10.2%	

* New project commenced during the period

¹ Excludes project profits except for 100% owned projects commenced prior to 1 January 2005 and joint ventures

² Westfield Group share 50% - US\$230m

³ Westfield Group share 50% - US\$45m

Current Projects

- Australia & New Zealand – Approx A\$600 million

Forecast	Total Cost ¹ A\$million	Yield Range	Anticipated Completion
Parramatta (Sydney)	109	8.0 – 8.3%	Qtr 2 '06
Newmarket (Auckland)	NZ 32	11.5 – 11.7%	Qtr 3 '06
Liverpool (Sydney)	200 ²	8.9 – 9.2%	Qtr 4 '06
Chermside (Brisbane)	180	10.3 – 10.6%	Qtr 4 '06
Chartwell (Hamilton)	NZ 35	9.1 – 9.4%	Qtr 4 '06
TOTAL	562	9.3 – 9.6%	

¹ Excludes project profits except for 100% owned projects commenced prior to 1 January 2005 and joint ventures

² Westfield Group share 50% - \$100m

Current Projects

- United Kingdom - Approx £1.8 billion

Forecast	Total Cost £million	Yield Range	Anticipated Completion
Derby	310 ^{1 2}	8.0 – 8.5%	Qtr 1 '08
White City	1,500 ³	5.75 – 6.0%	Qtr 2 '08

¹ Includes project profits

² Westfield Group share 50% - approximately £155 million

³ Westfield Group share 50% - approximately £900 million

Future Projects

United States

- Belden Village (Canton, Ohio)
- Century City Stage II (LA, California)
- Fashion Square (Sherman Oaks, California)
- Fox Hills (Culver City, California) *
- Galleria at Roseville (Roseville, California)
- Hawthorn (Vernon Hills, Illinois)
- Mainplace (Santa Ana, California) *
- Montgomery (Bethesda, Maryland)
- North County (Escondido, California) *
- Palm Desert (Palm Desert, California) *
- Plaza Bonita (San Diego, California)
- Santa Anita (Arcadia, California) *
- Southgate (Sarasota, Florida)
- Southcenter (Seattle, Washington)
- UTC (San Diego, California) *
- West Covina (West Covina, California) *
- West Valley (Los Angeles, California)
- Wheaton (Wheaton, Maryland) *

Australia & New Zealand

- Albany (NZ)
- Bay City (VIC)
- Belconnen (ACT)
- Booragoon (WA)
- Doncaster (VIC)
- Fountain Gate (VIC)
- Kotara (NSW)
- Macquarie (NSW)
- Manukau (NZ)
- Mt Gravatt (QLD)
- Newmarket/277 (NZ)
- North Lakes (QLD)
- Pacific Fair (QLD)
- Plenty Valley (VIC)
- St. Lukes (NZ)
- Sydney CBD (NSW)
- Tea Tree Plaza (SA)

United Kingdom

- Broadway (Bradford)
- Merry Hill (Birmingham)
- The Friary (Guildford)
- Sprucefield (Northern Ireland)
- The Broadmarsh Centre (Nottingham)

* Includes redevelopment of recently acquired Federated Store

Retail Sales Overview¹

	Period to 31 March 2006		
	12 months	3 months	
	\$	Growth	Growth
United States²			
Specialties	US\$7.4 bn	4.3%	4.1%
Australia			
Majors		2.3%	(2.9%)
Specialties		2.1%	1.1%
Specialties (incl. Mini majors*)		3.6%	3.1%
Total	A\$17.4bn	3.2%	1.0%
United Kingdom³			
Comparable		(0.8)%	(0.2)%
Total	n/a	2.9%	2.8%
New Zealand			
Specialties		1.2%	2.8%
Total	NZ\$1.7bn	1.2%	3.2%

* Australian Mini major category represents specialty stores over 400 sqm

¹ All sales growth figures are reported on a comparable basis

² US represents growth in sales per square foot

³ British Retail Consortium-KPMG retail sales report

Appendix

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Comparable Retail Sales Growth by Category

- Australia

Period to 31 March 2006

	12 months	3 months
Department Stores	0.7%	(8.4%)
Discount Dept. Store	(0.3%)	(6.8%)
Supermarkets	3.1%	1.9%
Mini Majors	10.6%	12.0%
Cinemas	(5.8%)	7.2%
Fashion	3.2%	2.3%
Food Catering	3.6%	3.6%
Food Retail	5.3%	3.8%
Footwear	3.5%	3.5%
General Retail	3.2%	3.0%
Homewares	3.3%	2.8%
Jewellery	(1.7%)	(4.6%)
Leisure	(6.4%)	(8.4%)
Retail Services	5.2%	3.8%
Specialties	2.1%	1.1%
TOTAL	3.2%	1.0%

Comparable Retail Sales Growth by Category

- United States

Period to 31 March 2006

	12 months	3 months
Fashion	5.7%	2.1%
• Women's ready to wear	6.0%	4.2%
• Unisex	4.7%	(0.3)%
Jewellery	1.0%	5.1%
Leisure	4.5%	5.0%
Food retail	3.3%	5.4%
General retail	2.2%	7.2%
Cinemas	(6.7)%	(1.6)%