

29 August 2006



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

**RE: WESTFIELD GROUP (ASX:WDC)
HALF-YEAR RESULT – PERIOD ENDED 30 JUNE 2006**

Please find attached Media Release, Appendix 4D and statutory financial statements, Results Overview and Results Presentation, in relation to the above.

Yours faithfully

WESTFIELD GROUP

A handwritten signature in black ink, appearing to be "S. Tuxen".

**Simon Tuxen
Company Secretary**

encl

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

29th August 2006

WESTFIELD GROUP ANNOUNCES HALF YEAR RESULT CONTINUED STRONG PERFORMANCE IN ALL MARKETS

The Westfield Group (ASX:WDC) today announced its half-year results, reporting operational segment earnings for the 6 months to 30 June 2006 of A\$804 million, up 9.4% from the comparative period last year (on a constant currency basis). Operational segment earnings per security were 45.9 cents, an increase of 6.1%.

Net profit for the half year of A\$3,376 million included property revaluations of A\$2,695 million. The distribution of A\$954.2 million represents 54.50 cents per security which is 6.7% ahead of the same period last year, and includes the distribution of \$128 million of project profits. As announced in February, from 1st July 2006 project profits will no longer be distributed.

Operational highlights for the six months include:

- comparable shopping centre net operating income growth of 4.8% in Australia and New Zealand, 4.3% in the United States and 5.9% in the United Kingdom.
- close to 100% occupancy in Australia, New Zealand and the United Kingdom markets. In the US, the portfolio is currently 93.5% leased, in line with the same time last year.
- consistent positive growth in retail sales in the United States, Australian and New Zealand markets with the United Kingdom also showing positive signs more recently.

Group Managing Directors, Peter Lowy and Steven Lowy, said: "We are very pleased with the Group's performance, not only over the past 6 months but also in the period since the merger in July 2004.

"The strong underlying performance in all four regions and the continued delivery of the Group's extensive development program has enabled the Group to meet the Explanatory Memorandum forecasts in every period in the past 2 years."

Since the merger the Group's shopping centre interests have grown by over A\$16 billion to A\$45.8 billion, an increase of 54.7%. Approximately A\$8.7 billion of this increase is the result of the revaluation of the global shopping centre portfolio which has benefited from strong and consistent income growth, the positive impact of completed redevelopments, and a general increase in retail property valuations. Other contributors to this growth include new acquisitions of A\$5.1 billion and redevelopment expenditure of A\$4.5 billion offset by the disposal of non core assets of A\$1 billion and foreign exchange movements.

"The ability of the Group to continue to optimize operational performance, invest both in new assets and into its existing portfolio through redevelopments and, at the same time, efficiently recycle capital, are key ingredients for sustainable value creation," the Group Managing Directors said.

MEDIA RELEASE

Currently the Group has 21 projects under construction at a forecast cost of A\$8.0 billion (Westfield Group share A\$5.6 billion). The size, scale and geographic spread of these projects are unprecedented in the Group's history. Major projects to be completed by December 2006 include the US\$460 million downtown San Francisco development, the US\$170 million Century City and US\$350 million Topanga developments in Los Angeles and the A\$200 million Chermside and A\$205 million Liverpool redevelopments in Australia. These projects are at the leading edge of design and innovation within the global shopping centre industry.

During the 6 months to 30 June 2006 the portfolio was further strengthened through a series of strategic transactions including:

- the acquisition of a further 75% interest in Stratford City (UK) – now 100% controlled by Westfield Group – adjacent to the site of the 2012 London Olympics, for £140 million. Stratford is the largest zoned retail site in London, and one of the largest in the UK. The location of the site on the east side of London City complements the Group's current £1.6 billion development at White City on London's west side. Together, the two sites provide a unique opportunity for Westfield to gain a major presence in the London market.
- the acquisition of 16 Federated department store sites at 12 Westfield centres in the US, creating the opportunity for 18 new developments with an estimated value of US\$2 billion.
- 3 new department store deals with David Jones in Australia.
- the disposal of 8 non-core US assets for US\$550 million.

The Group also recently announced that it has assumed responsibility for the design and construction of the White City (UK) project from Multiplex. As previously announced Westfield already has responsibility for the development, management and leasing of the project. The major tenants are now committed and we are pleased to announce that Marks and Spencer, Debenhams, Waitrose, Next and National Amusements Cinema de Luxe will each be creating flagship stores at White City.

The Group has previously indicated that it is in the process of investigating a number of capital management initiatives including the establishment of a wholesale funds management business. The review of wholesale fund opportunities is continuing with discussions now being held with interested parties with regard to an A\$2 billion wholesale fund with interests in 6 Australian super regional and regional shopping centres.

Outlook

Today the Group has interests in 120 shopping centres with a gross value of approximately A\$56.8 billion, encompassing 22,000 retail outlets. The size and quality of the portfolio and its geographic diversity provide the foundation for sustainable superior income and capital growth.

Operational Segment earnings are forecast to grow at approximately 6% on a constant currency basis for the 2006 calendar year. This reflects the underlying income growth from the existing portfolio and incremental income from completed developments.

The Directors reconfirm the distribution forecast for 2006 of 106.5 cents per stapled security.

ENDS

The Westfield Group (ASX Code: WDC) is an internally managed, vertically integrated, shopping centre group undertaking ownership, development, design, construction, funds/asset management, property management, leasing and marketing activities and employing in excess of 4,000 staff worldwide. It has investment interests in 120 shopping centres in four countries, with a total value in excess of A\$56 billion and is the largest retail property group in the world by equity market capitalisation.

Westfield Group Half-Year Report

Comprising Westfield Holdings Limited and its Controlled
Entities for the half-year ended 30 June 2006

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Appendix 4D

Half-Year Report

under ASX listing rule 4.2A.3

Name of stapled entity

WESTFIELD GROUP

Entities that form the stapled entity

Westfield Holdings Limited ("WHL") ABN 66 001 671 496

Westfield Trust ("WT") ARSN 090 849 746

Westfield America Trust ("WAT") ARSN 092 058 449

Current reporting period

6 months ended 30 June 2006

Previous reporting period

6 months ended 30 June 2005

Introduction

This half-year report should be read in conjunction with the annual financial report of the Westfield Group as at 31 December 2005. It is also recommended that the half-year financial report be considered together with any public announcements made by the Westfield Group during the 6 months ended 30 June 2006 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

Results for announcement to the market (A\$ million)

	6 months 30 Jun 06	6 months 30 Jun 05		
Revenue and other income* (excluding property revaluation)	1,963.9	1,687.0	up	16.4 %
Property revaluation - consolidated	2,261.9	1,163.2	up	94.5 %
- equity accounted	432.9	58.6	up	638.7 %
Total revenue and other income	4,658.7	2,908.8	up	60.2 %
 Profit from ordinary activities after tax expense attributable to stapled security holders of the Westfield Group	 3,376.3	 1,534.5	 up	 120.0 %

* Primarily rental revenue and third party property management and development revenue.

Dividends/distributions proposed

	Cents per security	
	WDC Ordinary securities	WDC DRP securities
Stapled dividend/distribution proposed for the six months ended 30 June 2006 comprising a:		
- dividend in respect of a WHL share	-	-
- distribution in respect of a WT unit ⁽ⁱ⁾	29.17	19.66
- distribution in respect of a WAT unit ⁽ⁱ⁾	25.33	17.07

⁽ⁱ⁾ The aggregate distributions in respect of WT and WAT are expected to be 20% tax advantaged.

Record date for determining entitlements to the half year distribution

5.00 pm 15 August 2006

Commentary and analysis of the results for the period ended 30 June 2006 can be found in the attached Westfield Group media release dated 29 August 2006. This media release forms part of the Appendix 4D.

Amounts in this report shown as 0.0 represent amounts less than \$50,000 that have been rounded.

WESTFIELD GROUP

Comprising Westfield Holdings Limited and its Controlled Entities

INCOME STATEMENT

for the half-year ended 30 June 2006

	Note	30 Jun 06 \$million	30 Jun 05 \$million
Revenue and other income			
Property revenue	3	1,688.9	1,437.0
Property revaluation		2,261.9	1,163.2
Property development and project management revenue		124.1	114.3
Property and funds management income		25.0	22.1
		4,099.9	2,736.6
Share of after tax profits of equity accounted entities			
Property revenue		196.2	264.8
Property revaluation		432.9	58.6
Property expenses and outgoings		(56.0)	(68.5)
Interest and tax expense		(21.8)	(103.7)
	10(b)	551.3	151.2
Currency derivatives	4	-	15.8
Interest income		7.5	5.2
Total revenue and other income		4,658.7	2,908.8
Expenses			
Property expenses and outgoings		(545.5)	(462.5)
Property development and project management costs		(113.5)	(98.8)
Property and funds management costs		(13.3)	(9.8)
Corporate costs		(14.7)	(13.4)
		(687.0)	(584.5)
Goodwill on acquisitions (due to the recognition of deferred tax liabilities) written off		(102.6)	(50.0)
Currency derivatives	4	(30.2)	-
Financing costs			
- interest bearing liabilities		(160.9)	(334.9)
- other financial liabilities		(28.9)	(220.5)
	6	(189.8)	(555.4)
Total expenses		(1,009.6)	(1,189.9)
Profit before tax expense and minority interests		3,649.1	1,718.9
Tax expense	7	(241.0)	(172.1)
Profit after tax expense for the period		3,408.1	1,546.8
Less: net profit attributable to minority interests			
- Westfield Trust unit holders ("WT")		(2,441.5)	(682.5)
- Westfield America Trust unit holders ("WAT")		(710.2)	(731.1)
- external		(31.8)	(12.3)
Net profit attributable to Members of Westfield Holdings Limited		224.6	120.9
Net profit attributable to stapled security holders of the Westfield Group analysed by amounts attributable to:			
Westfield Holdings Limited security holders		224.6	120.9
Westfield Trust unit holders		2,441.5	682.5
Westfield America Trust unit holders		710.2	731.1
Net profit attributable to stapled security holders of the Westfield Group		3,376.3	1,534.5
		cents	cents
Basic earnings per Westfield Holdings Limited share		12.83	7.12
Diluted earnings per Westfield Holdings Limited share		12.79	7.06
Basic earnings per stapled security		192.84	90.36
Diluted earnings per stapled security		192.08	90.36

WESTFIELD GROUP

Comprising Westfield Holdings Limited and its Controlled Entities

DIVIDEND/DISTRIBUTION STATEMENT

for the half-year ended 30 June 2006

	Note	30 Jun 06 \$million	30 Jun 05 \$million
Operational segment result (excluding property revaluation) attributable to stapled security holders of the Westfield Group	19	1,302.5	1,143.3
Adjusted for items relating to the operational segment but not included in the operational segment:			
Net interest expense		(494.1)	(402.6)
Minority interest - external		(31.8)	(12.3)
Revaluation of investment properties included in minority interests - external		27.7	8.5
Operational profit attributable to stapled security holders available for distribution		804.3	736.9
Other items available for distribution			
Exchange differences in respect of the hedging of offshore operational profit		82.8	98.8
Project profits available for distribution		128.0	74.6
Profit retained		(60.9)	(43.1)
Income to be distributed		954.2	867.2
Weighted average number of stapled securities on issue for the period		1,750.8	1,698.1
Distributable income per ordinary stapled security (cents)		54.50	51.07
Distributable income per February Distribution Reinvestment Plan ("DRP") security (cents)		36.73	34.42
Dividend/distribution paid/proposed ⁽ⁱ⁾		955.4	873.6
Weighted average number of stapled securities entitled to distribution at 30 June 2006		1,752.9	1,710.6
Dividend/distribution per ordinary security (cents)		54.50	51.07
Dividend/distribution per February DRP security (cents)		36.73	34.42

⁽ⁱ⁾ The dividend/distribution proposed of \$955.4 million includes a \$1.2 million cum-dividend/distribution component in respect of stapled securities that were issued during the period with full dividend/distribution entitlement.

WESTFIELD GROUP

Comprising Westfield Holdings Limited and its Controlled Entities

BALANCE SHEET

as at 30 June 2006

	Note	30 Jun 06 \$million	31 Dec 05 \$million
Current assets			
Cash and cash equivalents		253.8	199.5
Trade receivables		20.2	44.3
Investment properties	8	217.0	-
Derivative assets		177.9	327.4
Receivables		181.5	134.3
Inventories		36.2	27.4
Tax receivable		33.9	27.8
Prepayments and deferred costs		94.0	75.8
Total current assets		1,014.5	836.5
Non current assets			
Investment properties	8	40,024.5	37,623.1
Equity accounted investments	10(c)	3,955.9	3,467.7
Other investments		120.4	121.5
Derivative assets		566.1	459.8
Property, plant and equipment		183.8	182.0
Receivables		43.6	33.9
Deferred tax assets		66.1	66.2
Prepayments and deferred costs		258.1	260.1
Total non current assets		45,218.5	42,214.3
Total assets		46,233.0	43,050.8
Current liabilities			
Payables		1,083.5	1,169.1
Interest bearing liabilities	11	930.9	1,778.8
Tax payable		39.6	77.4
Derivative liabilities		-	17.8
Total current liabilities		2,054.0	3,043.1
Non current liabilities			
Payables		53.1	48.0
Interest bearing liabilities	11	17,855.9	16,026.1
Other financial liabilities	12	1,663.4	1,752.8
Deferred tax liabilities		2,522.6	2,233.1
Derivative liabilities		41.4	349.5
Total non current liabilities		22,136.4	20,409.5
Total liabilities		24,190.4	23,452.6
Net assets		22,042.6	19,598.2

WESTFIELD GROUP

Comprising Westfield Holdings Limited and its Controlled Entities

BALANCE SHEET

as at 30 June 2006

	Note	30 Jun 06 \$million	31 Dec 05 \$million
Equity attributable to Members of the Westfield Holdings Limited			
Contributed equity	13	890.3	857.6
Reserves		(7.1)	(3.1)
Retained profits		871.7	715.0
Total equity attributable to Members of the Westfield Holdings Limited		1,754.9	1,569.5
Equity attributable to minority interests - Westfield Trust and Westfield America Trust unit holders			
Contributed equity	13	11,865.4	11,661.8
Reserves		334.2	561.4
Retained profits		7,928.6	5,673.7
Total equity attributable to minority interests - Westfield Trust and Westfield America Trust unit holders		20,128.2	17,896.9
Equity attributable to minority interests - external			
Contributed equity		94.0	94.0
Retained profits		65.5	37.8
Total equity attributable to minority interests - external		159.5	131.8
Total equity attributable to minority interests		20,287.7	18,028.7
Total equity		22,042.6	19,598.2
Equity attributable to stapled security holders of the Westfield Group analysed by amounts attributable to:			
Westfield Holdings Limited security holders		1,754.9	1,569.5
Westfield Trust and Westfield America Trust unit holders		20,128.2	17,896.9
Total equity attributable to stapled security holders of the Westfield Group		21,883.1	19,466.4

WESTFIELD GROUP

Comprising Westfield Holdings Limited and its Controlled Entities

STATEMENT OF CHANGES IN EQUITY

for the half-year ended 30 June 2006

	30 Jun 06 \$million	30 Jun 05 \$million
Changes in equity attributable to Members of the Westfield Group		
Opening balance of equity at 1 January 2006 (30 June 2005: 1 January 2005)	19,466.4	16,241.0
<u>Contributed equity</u>		
- Application of AASB 132 and 139 effective 1 January 2005 ⁽ⁱⁱⁱ⁾	-	74.0
- Dividend/distribution reinvestment plan	162.3	258.8
- Conversion of options	74.0	374.7
<u>Foreign currency translation reserve</u>		
- Application of AASB 132 and 139 effective 1 January 2005 ⁽ⁱⁱⁱ⁾	-	11.8
- Net exchange difference on translation of foreign operations ^{(i) (ii)}	(231.2)	(32.8)
<u>Retained profits</u>		
- Application of AASB 132 and 139 effective 1 January 2005 ⁽ⁱⁱⁱ⁾	-	(451.8)
- Dividend/distribution paid	(964.7)	(872.6)
Net adjustments recognised directly in equity	(959.6)	(637.9)
Net profit attributable to stapled security holders of the Westfield Group ^{(i) (ii)}	3,376.3	1,534.5
Closing balance of equity attributable to Members of the Westfield Group	21,883.1	17,137.6
Changes in equity attributable to external Minority Interests		
Opening balance of equity attributable to external Minority Interests at 1 January 2006 (30 June 2005: 1 January 2005)	131.8	652.0
Application of AASB 132 and 139 effective 1 January 2005 ⁽ⁱⁱⁱ⁾	-	(534.1)
Profit after tax expense for the period	31.8	12.3
Dividends/distributions paid or provided for	(4.1)	(3.8)
Closing balance of equity attributable to external Minority Interests	159.5	126.4
Total Equity	22,042.6	17,264.0

⁽ⁱ⁾ Total income and expenses for the period attributable to Members of the Westfield Group, including amounts recognised directly in equity, is \$3,145.1 million (30 June 2005: \$1,501.7 million), being profit after tax expense for the period of \$3,376.3 million (30 June 2005: \$1,534.5 million) and the net exchange loss on translation of foreign operations of \$231.2 million (30 June 2005: loss \$32.8 million).

⁽ⁱⁱ⁾ Total income and expenses for the period attributable to Members of the Westfield Group includes income and expenses attributable to Members of WT and WAT, including amounts recognised directly in equity, of \$2,924.5 million (30 June 2005: \$1,391.3 million), being profit after tax expense for the period of \$3,151.7 million (30 June 2005: \$1,413.6 million) and the net exchange loss on translation of foreign operations of \$227.2 million (30 June 2005: loss \$22.3 million).

⁽ⁱⁱⁱ⁾ The Group elected to defer the application of AASB 132 "Financial Instruments: Presentation and Disclosure" and AASB 139 "Financial Instruments: Recognition and Measurement". As a result of the deferral, the opening retained profits at 1 January 2005 has been adjusted to account for the application of AASB 132 "Financial Instruments: Presentation and Disclosure" and AASB 139 "Financial Instruments: Recognition and Measurement" as at that date.

WESTFIELD GROUP

Comprising Westfield Holdings Limited and its Controlled Entities

CASH FLOW STATEMENT

for the half-year ended 30 June 2006

	30 Jun 06 \$million	30 Jun 05 \$million
Cash flows from operating activities		
Receipts in the course of operations (including GST)	1,929.8	1,669.1
Payments in the course of operations (including GST)	(788.1)	(702.2)
Settlement of currency derivatives	82.8	84.0
Dividends/distributions received from equity accounted associates	105.7	93.9
Income and withholding taxes paid	(94.7)	(86.8)
Goods and services taxes paid to suppliers for investing activities	(33.9)	(28.8)
Goods and services taxes paid to government bodies	(43.4)	(26.8)
Net cash flows from operating activities	1,158.2	1,002.4
Cash flows from investing activities		
Acquisition of property investments	(412.7)	(283.7)
Payments of capital expenditure for property investments	(639.1)	(499.8)
Proceeds from the sale of property investments	564.0	7.3
Net payments for investments in equity accounted investments	(77.8)	(92.7)
Net proceeds from the sale of property assets by equity accounted entities	-	35.8
Payments for the purchases of property, plant and equipment	(15.4)	(12.3)
Net cash flows used in investing activities	(581.0)	(845.4)
Cash flows from financing activities		
Proceeds from the issues of securities	220.4	568.2
Extinguishment of share option	-	(22.5)
Net proceeds from interest bearing liabilities	815.3	834.6
Financing costs	(592.4)	(431.9)
Interest received	7.2	6.7
Settlement of foreign currency loans and swaps	(6.9)	118.3
Dividends/distributions paid	(964.7)	(872.6)
Dividends/distributions paid by controlled entities to minority interests	(3.9)	(3.6)
Net cash flows from financing activities	(525.0)	197.2
Net increase in cash and cash equivalents held	52.2	354.2
Add opening cash brought forward	171.3	220.9
Effects of exchange rate changes on opening cash brought forward	0.8	(1.1)
Cash and cash equivalents at the end of the year	224.3	574.0

WESTFIELD GROUP

Comprising Westfield Holdings Limited and its Controlled Entities

NOTES TO THE FINANCIAL STATEMENTS

for the half-year ended 30 June 2006

1 CORPORATE INFORMATION

This financial report of the Westfield Group for the half-year ended 30 June 2006 was approved in accordance with a resolution of the Board of Directors of Westfield Holdings Limited ("Parent Company") on 29 August 2006.

The nature of the operations and principal activities of the Westfield Group are described in the Directors' Report.

2 BASIS OF PREPARATION OF THE FINANCIAL REPORT

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half-year financial report should be read in conjunction with the annual financial report of Westfield Group as at 31 December 2005.

It is also recommended that the half-year financial report be considered together with any public announcements made by the Westfield Group and its controlled entities during the half-year ended 30 June 2006 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

(a) Basis of accounting

The half-year consolidated financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including AASB 134 "Interim Financial Reporting" and other mandatory professional reporting requirements.

The half-year financial report has been prepared on a historical cost basis, except for investment properties, equity accounted investments, derivative financial instruments and available for sale financial assets that have been measured at fair value. The carrying values of recognised assets and liabilities that are hedged with fair value hedges and are otherwise carried at cost are adjusted to record changes in the fair values attributable to the risks that are being hedged.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

The half-year consolidated financial report has been prepared using the same accounting policies as used in the annual financial report for the year ended 31 December 2005.

This financial report is presented in Australian dollars.

(b) Statement of compliance

This financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ("AIFRS"). Compliance with AIFRS ensures that the financial report, comprising the financial statements and the notes thereto, complies with International Financial Reporting Standards.

(c) Comparative information

Where applicable, certain comparative figures are restated in order to comply with the current period's presentation of the financial statements.

(d) Rounding

In accordance with ASIC Class Order 98/0100, the amounts shown in the financial report have, unless otherwise indicated, been rounded to the nearest tenth of a million dollars. Amounts shown as 0.0 represent amounts less than \$50,000 that have been rounded down.

	30 Jun 06 \$million	30 Jun 05 \$million
3 Property revenue		
Shopping centre base rent and other property income	1,705.6	1,442.5
Tenant allowances amortised	(16.7)	(5.5)
	1,688.9	1,437.0
4 Currency derivatives		
Gains/losses on currency derivatives (excluding mark to market of derivatives not qualifying for hedge accounting)	36.3	40.9
Mark to market of derivatives	(66.5)	(25.1)
	(30.2)	15.8

WESTFIELD GROUP

Comprising Westfield Holdings Limited and its Controlled Entities

NOTES TO THE FINANCIAL STATEMENTS

for the half-year ended 30 June 2006

	30 Jun 06 \$million	30 Jun 05 \$million
5_Significant items		
Profit before tax and minority interests includes the following significant items which are not expected to recur. The disclosure of these items is relevant in explaining the financial performance of the business.		
Goodwill on acquisitions (due to the recognition of deferred tax liabilities) written off	(102.6)	(50.0)
	(102.6)	(50.0)
6_Financing costs		
Gross financing costs (excluding mark to market of interest rate hedges that do not qualify for hedge accounting)	(445.5)	(290.4)
Financing costs capitalised to construction projects	58.5	13.4
Financing costs	(387.0)	(277.0)
Finance leases interest expense	(4.5)	(4.9)
Mark to market of interest rate hedges that do not qualify for hedge accounting	228.5	(81.9)
Interest expense and mark to market of other financial liabilities	(26.8)	(191.6)
	(189.8)	(555.4)
7_Tax expense		
Current - underlying tax	(45.2)	(35.3)
Current - tax on sale of assets	-	(7.6)
Deferred	(195.8)	(129.2)
	(241.0)	(172.1)
The prima facie tax on profit before income tax expense is reconciled to the income tax expense provided in the financial statements as follows:		
Accounting profit before income tax	3,649.1	1,718.9
Prima facie tax expense at 30% (30 June 2005: 30%)	(1,094.7)	(515.7)
WT income not assessable	729.5	210.2
WAT income not assessable	30.3	29.7
Differential of tax rates on US foreign income	120.3	143.1
Differential of tax rates on UK foreign income	19.5	4.0
Goodwill write off not deductible	(30.8)	(15.0)
Tax on income eliminated on Group consolidation	(19.5)	(33.4)
Capitalised interest not assessable	1.1	-
Prior year under provision	1.3	(0.3)
Other items	2.0	5.3
Tax expense	(241.0)	(172.1)

WESTFIELD GROUP

Comprising Westfield Holdings Limited and its Controlled Entities

NOTES TO THE FINANCIAL STATEMENTS

for the half-year ended 30 June 2006

	30 Jun 06 \$million	31 Dec 05 \$million
8_Investment properties		
Current		
Shopping centre investments	217.0	-
	217.0	-
Non current		
Shopping centre investments	36,064.7	35,067.5
Redevelopment projects and development properties	3,959.8	2,555.6
	40,024.5	37,623.1
9_Details of investment properties		
Consolidated Australian shopping centres	16,142.0	14,417.7
Consolidated New Zealand shopping centres	1,753.9	1,899.5
Consolidated United Kingdom shopping centres	2,460.3	2,343.9
Consolidated United States shopping centres	15,925.5	16,406.4
Total consolidated shopping centres (current and non current)	36,281.7	35,067.5
Equity accounted Australian shopping centres	1,278.4	996.5
Equity accounted United Kingdom shopping centres	1,124.1	998.1
Equity accounted United States shopping centres	2,559.3	2,542.2
Total equity accounted shopping centres	4,961.8	4,536.8
	41,243.5	39,604.3

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Name of entity	Type of equity	Balance Date	Economic interest		Carrying value	
			30 Jun 06	31 Dec 05	30 Jun 06 \$million	31 Dec 05 \$million
10(a)_Equity accounted entities carrying value						
Australian investments ⁽ⁱ⁾						
AMP Wholesale Shopping Centre Trust	Trust units	30 Jun	10.0%	10.0%	59.2	54.7
Karrinyup	Trust units	30 Jun	25.0%	25.0%	112.1	99.4
Mt Druitt	Trust units	30 Jun	50.0%	50.0%	186.5	173.2
SA Shopping Centre Trust	Trust units	31 Dec	50.0%	50.0%	28.9	21.5
Southland	Trust units	30 Jun	50.0%	50.0%	581.9	407.0
Tea Tree Plaza	Trust units	30 Jun	50.0%	50.0%	283.0	212.7
					1,251.6	968.5
United Kingdom investments ⁽ⁱ⁾						
Broadmarsh ⁽ⁱⁱ⁾	Partnership interest	31 Dec	75.0%	75.0%	192.3	188.3
CastleCourt	Partnership interest	31 Dec	50.0%	50.0%	235.9	183.1
Eagle	Partnership interest	31 Dec	50.0%	50.0%	142.4	110.5
Friary	Partnership interest	31 Dec	50.0%	50.0%	99.5	81.7
Royal Victoria Place	Partnership interest	31 Dec	50.0%	50.0%	96.8	75.4
Wimslow (No. 2) Limited Partnership	Partnership interest	31 Dec	50.0%	50.0%	2.7	4.2
Wimslow (No. 5) Limited Partnership	Partnership interest	31 Dec	50.0%	50.0%	0.5	1.2
Sprucefield	Shares	31 Dec	50.0%	50.0%	18.5	26.6
					788.6	671.0
United States investments ⁽ⁱ⁾						
Fashion Square	Partnership units	31 Dec	50.0%	50.0%	185.8	186.7
Garden State Plaza	Partnership units	31 Dec	50.0%	50.0%	402.9	404.6
Montgomery	Partnership units	31 Dec	50.0%	50.0%	217.9	218.7
North Bridge	Partnership units	31 Dec	33.3%	33.3%	85.8	84.6
Plaza Camino Real	Partnership units	31 Dec	40.0%	40.0%	98.7	96.5
San Francisco Emporium	Partnership units	31 Dec	50.0%	50.0%	213.2	153.8
UTC	Partnership units	31 Dec	50.0%	50.0%	200.4	195.9
Valencia Town Centre	Partnership units	31 Dec	50.0%	50.0%	66.9	60.5
Valley Fair	Partnership units	31 Dec	50.0%	50.0%	425.9	403.6
Other retail and property investments	Units/shares	31 Dec	46.0%	46.0%	18.2	23.3
					1,915.7	1,828.2
Total equity accounted investments					3,955.9	3,467.7

⁽ⁱ⁾ All equity accounted property partnerships, trusts and companies operate solely as retail property investors.

⁽ⁱⁱ⁾ The Group has a 75% economic interest in Broadmarsh. The Group has equal representation and voting rights on the Board of Broadmarsh resulting in joint control, and as a consequence, significant influence. Accordingly, Broadmarsh has been accounted for as an associate in accordance with AASB 131: Interest in Joint Ventures.

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10(b)_Details of the Westfield Group's aggregate share of equity accounted entities net profit

	Australia		United Kingdom		United States		Consolidated	
	30 Jun 06	30 Jun 05	30 Jun 06	30 Jun 05	30 Jun 06	30 Jun 05	30 Jun 06	30 Jun 05
	\$million	\$million	\$million	\$million	\$million	\$million	\$million	\$million
Property revenue	49.2	45.9	38.8	121.0	108.2	97.9	196.2	264.8
Property revaluation	282.0	20.5	68.3	0.0	82.6	38.1	432.9	58.6
Interest income	-	-	1.3	-	-	-	1.3	-
Total revenue	331.2	66.4	108.4	121.0	190.8	136.0	630.4	323.4
Property outgoing	(14.0)	(12.1)	(12.2)	(33.1)	(29.8)	(23.3)	(56.0)	(68.5)
Borrowing costs	(0.7)	(0.6)	-	(78.3)	(22.4)	(22.3)	(23.1)	(101.2)
Net profit from equity accounted entities before tax expense								
	316.5	53.7	96.2	9.6	138.6	90.4	551.3	153.7
Income tax expense	-	-	-	(2.5)	-	-	-	(2.5)
Share of net profits of equity accounted entities	316.5	53.7	96.2	7.1	138.6	90.4	551.3	151.2

10(c)_Details of the Westfield Group's aggregate share of equity accounted entities assets and liabilities

	Australia		United Kingdom		United States		Consolidated	
	30 Jun 06	31 Dec 05	30 Jun 06	31 Dec 05	30 Jun 06	31 Dec 05	30 Jun 06	31 Dec 05
	\$million	\$million	\$million	\$million	\$million	\$million	\$million	\$million
Cash	6.1	5.2	32.8	32.0	25.9	28.7	64.8	65.9
Receivables	2.0	2.3	10.1	29.8	9.1	12.1	21.2	44.2
Shopping centre investments	1,278.4	996.5	1,124.1	998.1	2,559.3	2,542.2	4,961.8	4,536.8
Redevelopment projects	0.3	2.0	221.9	181.7	331.3	233.2	553.5	416.9
Other investments	-	-	-	-	18.0	23.3	18.0	23.3
Other assets	6.5	4.3	9.9	11.5	30.6	28.4	47.0	44.2
Total assets	1,293.3	1,010.3	1,398.8	1,253.1	2,974.2	2,867.9	5,666.3	5,131.3
Payables	(23.7)	(23.8)	(57.6)	(67.5)	(34.0)	(32.1)	(115.3)	(123.4)
Deferred tax	-	-	(1.7)	(10.1)	-	-	(1.7)	(10.1)
Interest bearing liabilities	(18.0)	(18.0)	(550.9)	(504.5)	(1,024.5)	(1,007.6)	(1,593.4)	(1,530.1)
Total liabilities	(41.7)	(41.8)	(610.2)	(582.1)	(1,058.5)	(1,039.7)	(1,710.4)	(1,663.6)
Net assets	1,251.6	968.5	788.6	671.0	1,915.7	1,828.2	3,955.9	3,467.7

10(d)_Details of the Westfield Group's aggregate share of equity accounted entities capital expenditure commitments

	Australia		United Kingdom		United States		Consolidated	
	30 Jun 06	31 Dec 05	30 Jun 06	31 Dec 05	30 Jun 06	31 Dec 05	30 Jun 06	31 Dec 05
	\$million	\$million	\$million	\$million	\$million	\$million	\$million	\$million
Estimated capital expenditure commitments								
Due within one year	-	0.3	110.3	114.0	79.7	218.4	190.0	332.7
Due between one and five years	-	-	110.3	114.0	-	15.9	110.3	129.9
	-	0.3	220.6	228.0	79.7	234.3	300.3	462.6

10(e)_Details of the Westfield Group's aggregate share of equity accounted entities contingent liabilities

Performance guarantees	-	-	14.8	14.1	2.5	2.5	17.3	16.6
	-	-	14.8	14.1	2.5	2.5	17.3	16.6

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	30 Jun 06 \$million	31 Dec 05 \$million
11_Interest bearing liabilities		
Current		
<i>Unsecured</i>		
Bank overdraft	29.5	28.2
Bank loans	-	857.6
Notes payable - A\$	271.6	446.4
<i>Secured</i>		
Bank loans	629.8	446.6
	930.9	1,778.8
Non current		
<i>Unsecured</i>		
Bank loans	6,057.0	3,747.9
Commercial paper	318.8	240.0
Notes payable		
- US\$	3,497.4	3,548.6
- £	1,480.8	1,413.4
- €	1,026.0	971.1
- A\$	542.1	815.4
Finance leases	134.9	138.7
<i>Secured</i>		
Bank loans	4,798.9	5,118.0
<i>Other</i>	-	33.0
	17,855.9	16,026.1
The maturity profile in respect of current and non current interest bearing liabilities is set out below:		
Due within one year	930.9	1,778.8
Due between one and five years	11,071.2	9,114.7
Due after five years	6,784.7	6,911.4
	18,786.8	17,804.9
12_Other financial liabilities		
<i>Unsecured</i>		
Convertible notes	365.2	451.4
Redeemable Preference Shares		
Convertible redeemable preference shares	257.3	269.5
Other redeemable preference shares/units	1,040.9	1,031.9
	1,663.4	1,752.8

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	30 Jun 06 Number	31 Dec 05 Number
13_Contributed Equity		
13(a)_Number of securities on issue		
Balance at the beginning of the year	1,742,314,625	1,677,229,966
Dividend/distribution reinvestment plan	9,516,698	27,687,649
Securities issued on exercise of options	4,217,186	37,397,010
Balance at the end of the year for Westfield Group ⁽ⁱ⁾	1,756,048,509	1,742,314,625

(i) The Westfield Executive Share Option Plan Trust holds 5,869,425 (31 December 2005: 5,869,425) stapled securities in the Group, which have been consolidated and eliminated in accordance with the accounting standards.

Stapled securities have the right to receive dividends from the Parent Company and distributions from WT and WAT and, in the event of winding up of the Parent Company, WT and WAT, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on stapled securities held.

Holders of stapled securities can vote their shares and units in accordance with the Corporations Act, either in person or by proxy, at a meeting of either the Parent Company, WT and WAT (as the case maybe).

	30 Jun 06 \$million	31 Dec 05 \$million
13(b)_Amount of contributed equity		
of the Parent Company	890.3	857.6
of WT and WAT	11,865.4	11,661.8
of the Westfield Group	12,755.7	12,519.4
Balance at the beginning of the year	12,519.4	11,352.0
Application of AASB 132 and 139 effective 1 January 2005	-	74.0
Dividend reinvestment plan	162.3	466.2
Conversion of options	74.0	627.2
Balance at the end of the year	12,755.7	12,519.4

	30 Jun 06 \$million	30 Jun 05 \$million
14_Dividends/Distributions		
14(a)_Interim dividend/distribution proposed		
Parent Company: Nil cents per share (30 Jun 05: 6.41 cents per share, 100% franked)	-	109.7
WT: 29.17 cents per unit ⁽ⁱ⁾ (30 Jun 05: 19.50 cents per unit, 21.3% tax advantaged)	511.4	333.6
WAT: 25.33 cents per unit ⁽ⁱ⁾ (30 Jun 05: 25.16 cents per unit, 45.3% tax advantaged)	444.0	430.3
Westfield Group 54.50 cents (30 June 05: 51.07 cents) per stapled security	955.4	873.6

Distributions proposed are to be paid on 31 August 2006. The record date for these distributions was 15 August 2006.

The Westfield Group Distribution Reinvestment Plan (DRP) was in operation for the distribution payable on 31 August 2006. DRP securities issued during the period rank for distribution from the first day following the date on which they are issued.

(i) The aggregate distributions in respect of WT and WAT are expected to be 20% tax advantaged.

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for the half-year ended 30 June 2006

	30 Jun 06 \$million	30 Jun 05 \$million
14_Dividends/Distributions (continued)		
14(b)_Dividends/Distributions paid during the period		
<i>Dividend/distribution in respect of the six months to 31 December 2005</i>		
Parent Company 4.09 cents per share, 100% franked	71.1	-
WT 22.04 cents per unit, 21.3% tax advantaged	383.1	-
WAT 29.37 cents per unit, 45.3% tax advantaged	510.5	-
<i>Dividend/distribution in respect of the six months to 31 December 2004</i>		
Parent Company 4.47 cents per share, 100% franked	-	74.9
WT 20.74 cents per unit, 42.2% tax advantaged	-	347.8
WAT 26.82 cents per unit, 43.1% tax advantaged	-	449.9
	964.7	872.6

Dividends paid by the Parent Company have been franked at the corporate tax rate of 30%.

	30 Jun 06 \$	31 Dec 05 \$
15_Net tangible asset backing		
Net tangible asset backing per security	12.46	11.17

Net tangible asset backing per security is calculated by dividing Total Equity attributable to Members of the Westfield Group by the number of securities on issue. The number of securities used in the calculation of net tangible asset backing is 1,756,048,509 (31 December 2005: 1,742,314,625).

	30 Jun 06 \$million	31 Dec 05 \$million
16_Capital expenditure commitments		
Estimated capital expenditure commitments		
Due within one year	1,352.3	1,497.4
Due between one and five years	982.3	815.0
	2,334.6	2,312.4
17_Contingent liabilities		
Performance guarantees	98.4	111.8
Special tax assessment municipal bonds	68.9	69.9
	167.3	181.7

From time to time Westfield Group is involved in lawsuits. The Directors believe that the ultimate outcome of such pending litigation will not materially affect the results of operations or the financial position of the Westfield Group.

18_Events after the Balance Sheet date

The Group is in the process of investigating a number of capital management initiatives including the establishment of a wholesale funds management business. The Group's review of wholesale fund opportunities is continuing with discussions now being held with interested parties with regard to a A\$2 billion wholesale fund with interests in 6 Australian super regional and regional shopping centres.

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for the half-year ended 30 June 2006

19_Segment information
Primary segment - Business

	Operational ⁽ⁱ⁾	Development and new business ⁽ⁱⁱ⁾	Corporate ⁽ⁱⁱⁱ⁾	Consolidated
	\$million	\$million	\$million	\$million
30 June 2006				
Revenue and other income (excluding property revaluation)				
Property revenue	1,676.0	12.9	-	1,688.9
Property development and project management revenue	124.1	-	-	124.1
Property and funds management income	25.0	-	-	25.0
	1,825.1	12.9	-	1,838.0
Share of after tax profits of equity accounted entities (excluding property revaluation) ^(iv)				
Net operating income	140.2	-	-	140.2
Net interest expense	(36.0)	(4.0)	18.2	(21.8)
	104.2	(4.0)	18.2	118.4
Total revenue and other income (excluding property revaluation) ^(iv)	1,929.3	8.9	18.2	1,956.4
Expenses				
Property expenses and outgoings	(500.0)	(45.5)	-	(545.5)
Property development and project management costs	(113.5)	-	-	(113.5)
Property and funds management costs	(13.3)	-	-	(13.3)
Corporate overheads	-	-	(14.7)	(14.7)
	(626.8)	(45.5)	(14.7)	(687.0)
Goodwill written off on acquisition of assets	-	-	(102.6)	(102.6)
Currency derivatives	-	-	(30.2)	(30.2)
Total segment expenses	(626.8)	(45.5)	(147.5)	(819.8)
Segment result (excluding property revaluation)	1,302.5	(36.6)	(129.3)	1,136.6
Property revaluation ^(iv)	2,139.1	122.8	-	2,261.9
Equity accounted property revaluation ^{(iv)(v)}	400.5	32.4	-	432.9
Segment result	3,842.1	118.6	(129.3)	3,831.4
Interest income ^(iv)				7.5
Financing costs				(189.8)
Tax expense				(241.0)
Consolidated profit after tax				3,408.1
Segment assets				
Segment assets	40,930.5	4,117.0	-	45,047.5
Group assets				1,185.5
Total segment assets	40,930.5	4,117.0	-	46,233.0
Segment liabilities				
Segment liabilities	1,013.7	145.6	-	1,159.3
Group liabilities				23,031.1
Total segment liabilities	1,013.7	145.6	-	24,190.4
Equity accounted associates included in segment assets				
Investment properties	4,905.3	610.0	-	5,515.3
Interest bearing liabilities	(983.4)	(610.0)	-	(1,593.4)
Working capital and deferred tax	34.0	-	-	34.0
Equity accounted associates included in segment assets	3,955.9	-	-	3,955.9
Additions to segment non current assets	270.7	1,155.2	-	1,425.9

(i) Operational segment includes net property income from existing shopping centres and completed developments, revaluation of existing centres, external fee income from third parties (eg. property management and development fees) and other operational expenses.

(ii) Development & new business segment includes revaluation of developments, development expenses, expenses relating to review and assessment of new assets, portfolios & corporate acquisitions, income and expenses on properties held for future redevelopment and the expansion of business activities.

(iii) Corporate segment includes change in value of financial instruments, corporate entity expenses, impact of currency hedging and capital gains and losses.

(iv) Total revenue and other income for the period of \$4,658.7 million (30 June 2005: \$2,908.8 million) being revenue and other income (excluding property revaluation) of \$1,956.4 million (30 June 2005: \$1,681.8 million), property revaluation of \$2,694.8 million (30 June 2005: \$1,221.8 million) and interest income of \$7.5 million (30 June 2005: \$5.2 million).

(v) Total share of after tax profits of equity accounted entities for the period of \$551.3 million (30 June 2005: \$151.2 million) being share of after tax profits of equity accounted entities (excluding property revaluation) of \$118.4 million (30 June 2005: \$92.6 million) and property revaluation of \$432.9 million (30 June 2005: \$58.6 million).

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19_Segment information (continued)
Primary segment - Business

	Operational	Development and new business	Corporate	Consolidated
	\$million	\$million	\$million	\$million
30 June 2005				
Revenue and other income (excluding property revaluation)				
Property revenue	1,422.4	14.6	-	1,437.0
Property development and project management revenue	114.3	-	-	114.3
Property and funds management income	22.1	-	-	22.1
	1,558.8	14.6	-	1,573.4
Share of after tax profits of equity accounted entities (excluding property revaluation)				
Net operating income	196.3	-	-	196.3
Net interest expense	(81.5)	(13.6)	(6.1)	(101.2)
Tax expense		-	(2.5)	(2.5)
	114.8	(13.6)	(8.6)	92.6
Currency derivatives	-	-	15.8	15.8
Total revenue and other income (excluding property revaluation)	1,673.6	1.0	7.2	1,681.8
Expenses				
Property expenses and outgoings	(421.8)	(40.8)	-	(462.6)
Property development and project management costs	(98.8)	-	-	(98.8)
Property and funds management costs	(9.7)	-	-	(9.7)
Corporate overheads	-	-	(13.4)	(13.4)
	(530.3)	(40.8)	(13.4)	(584.5)
Goodwill written off on acquisition of assets	-	-	(50.0)	(50.0)
Total segment expenses	(530.3)	(40.8)	(63.4)	(634.5)
Segment result (excluding property revaluation)	1,143.3	(39.8)	(56.2)	1,047.3
Property revaluation	1,090.8	72.4	-	1,163.2
Equity accounted property revaluation	58.6	-	-	58.6
Segment result	2,292.7	32.6	(56.2)	2,269.1
Interest income				5.2
Financing costs				(555.4)
Tax expense				(172.1)
Consolidated profit after tax				1,546.8
31 December 2005	<i>\$million</i>	<i>\$million</i>	<i>\$million</i>	<i>\$million</i>
Segment assets				
Segment assets	39,290.4	2,597.7	-	41,888.1
Group assets				1,162.7
Total segment assets	39,290.4	2,597.7	-	43,050.8
Segment liabilities				
Segment liabilities	822.4	368.9	-	1,191.3
Group liabilities				22,261.3
Total segment liabilities	822.4	368.9	-	23,452.6
Equity accounted associates included in segment assets				
Investment properties	4,481.5	472.2	-	4,953.7
Interest bearing liabilities	(1,053.8)	(472.2)	-	(1,526.0)
Working capital and deferred tax	40.0	-	-	40.0
Equity accounted associates included in segment assets	3,467.7	-	-	3,467.7
Additions to segment non current assets	3,867.3	1,669.6	-	5,536.9

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19_Segment information (continued)
Secondary segment - Geographic

	Australia & New Zealand \$million	United Kingdom \$million	United States \$million	Consolidated \$million
30 June 2006				
Revenue and other income (excluding property revaluation)				
Property revenue	785.0	74.1	829.8	1,688.9
Property development and project management revenue	53.8	26.8	43.5	124.1
Property and funds management income	9.1	1.8	14.1	25.0
	847.9	102.7	887.4	1,838.0
Share of after tax profits of equity accounted entities (excluding property revaluation) ⁽ⁱⁱ⁾				
Net operating income	35.2	26.6	78.4	140.2
Net interest expense	(0.7)	1.3	(22.4)	(21.8)
	34.5	27.9	56.0	118.4
Total revenue and other income (excluding property revaluation) ⁽ⁱ⁾	882.4	130.6	943.4	1,956.4
Expenses				
Property expenses and outgoings	(227.2)	(29.4)	(288.9)	(545.5)
Property development and project management costs	(48.6)	(21.8)	(43.1)	(113.5)
Property and funds management costs	(2.3)	(1.6)	(9.4)	(13.3)
Corporate overheads	(12.8)	-	(1.9)	(14.7)
	(290.9)	(52.8)	(343.3)	(687.0)
Goodwill written off on acquisition of assets	-	(102.6)	-	(102.6)
Currency derivatives	48.1	-	(78.3)	(30.2)
Total segment expenses	(242.8)	(155.4)	(421.6)	(819.8)
Segment result (excluding property revaluation)	639.6	(24.8)	521.8	1,136.6
Property revaluation ⁽ⁱ⁾	1,762.9	0.9	498.1	2,261.9
Equity accounted property revaluation ⁽ⁱ⁾⁽ⁱⁱ⁾	282.0	68.3	82.6	432.9
Segment result	2,684.5	44.4	1,102.5	3,831.4
Interest income ⁽ⁱ⁾				7.5
Financing costs				(189.8)
Tax expense				(241.0)
Consolidated profit after tax				3,408.1
Segment assets				
Segment assets	19,925.4	5,304.6	19,817.5	45,047.5
Group assets				1,185.5
Total segment assets	19,925.4	5,304.6	19,817.5	46,233.0
Segment liabilities				
Segment liabilities	465.9	166.6	526.8	1,159.3
Group liabilities				23,031.1
Total segment liabilities	465.9	166.6	526.8	24,190.4
Equity accounted associates included in segment assets				
Investment properties	1,278.7	1,346.0	2,890.6	5,515.3
Interest bearing liabilities	(18.0)	(550.9)	(1,024.5)	(1,593.4)
Working capital and deferred tax	(9.1)	(6.5)	49.6	34.0
Equity accounted associates included in segment assets	1,251.6	788.6	1,915.7	3,955.9
Additions to segment non current assets	194.5	601.0	630.4	1,425.9

⁽ⁱ⁾ Total revenue and other income for the period of \$4,658.7 million (30 June 2005: \$2,908.8 million) being revenue and other income (excluding property revaluation) of \$1,956.4 million (30 June 2005: \$1,681.8 million), property revaluation of \$2,694.8 million (30 June 2005: \$1,221.8 million) and interest income of \$7.5 million (30 June 2005: \$5.2 million).

⁽ⁱⁱ⁾ Total share of after tax profits of equity accounted entities for the period of \$551.3 million (30 June 2005: \$151.2 million) being share of after tax profits of equity accounted entities (excluding property revaluation) of \$118.4 million (30 June 2005: \$92.6 million) and property revaluation of \$432.9 million (30 June 2005: \$58.6 million).

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19_Segment information (continued)**Secondary segment - Geographic**

	Australia & New Zealand	United Kingdom	United States	Consolidated
30 June 2005	<i>\$million</i>	<i>\$million</i>	<i>\$million</i>	<i>\$million</i>
Revenue and other income (excluding property revaluation)				
Property revenue	695.4	-	741.6	1,437.0
Property development and project management revenue	59.7	23.6	31.0	114.3
Property and funds management income	7.1	3.1	11.9	22.1
	762.2	26.7	784.5	1,573.4
Share of after tax profits of equity accounted entities (excluding property revaluation)				
Net operating income	33.8	87.9	74.6	196.3
Net interest expense	(0.6)	(78.3)	(22.3)	(101.2)
Tax expense	-	(2.5)	-	(2.5)
	33.2	7.1	52.3	92.6
Currency derivatives	(0.2)	-	16.0	15.8
Total revenue and other income (excluding property revaluation)	795.2	33.8	852.8	1,681.8
Expenses				
Property expenses and outgoings	(197.1)	(7.4)	(258.1)	(462.6)
Property development and project management costs	(50.9)	(17.1)	(30.8)	(98.8)
Property and funds management costs	(2.5)	(1.1)	(6.1)	(9.7)
Corporate overheads	(11.6)	-	(1.8)	(13.4)
	(262.1)	(25.6)	(296.8)	(584.5)
Goodwill written off on acquisition of assets	-	(46.4)	(3.6)	(50.0)
Total segment expenses	(262.1)	(72.0)	(300.4)	(634.5)
Segment result (excluding property revaluation)	533.1	(38.2)	552.4	1,047.3
Property revaluation	552.0	-	611.2	1,163.2
Property revaluation	20.5	0.0	38.1	58.6
Segment result	1,105.6	(38.2)	1,201.7	2,269.1
Interest income				5.2
Financing costs				(555.4)
Tax expense				(172.1)
Consolidated profit after tax				1,546.8
31 December 2005	<i>\$million</i>	<i>\$million</i>	<i>\$million</i>	<i>\$million</i>
Segment assets				
Segment assets	17,885.9	4,435.9	19,566.3	41,888.1
Group assets				1,162.7
Total segment assets	17,885.9	4,435.9	19,566.3	43,050.8
Segment liabilities				
Segment liabilities	507.5	178.3	505.5	1,191.3
Group liabilities				22,261.3
Total segment liabilities	507.5	178.3	505.5	23,452.6
Equity accounted associates included in segment assets				
Investment properties	998.5	1,179.8	2,775.4	4,953.7
Interest bearing liabilities	(13.9)	(504.5)	(1,007.6)	(1,526.0)
Working capital and deferred tax	(16.1)	(4.3)	60.4	40.0
Equity accounted associates included in segment assets	968.5	671.0	1,828.2	3,467.7
Additions to segment non current assets	1,463.4	2,701.6	1,371.9	5,536.9

WESTFIELD GROUP

Comprising Westfield Holdings Limited and its Controlled Entities

DIRECTORS' DECLARATION

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

- (a) 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
- (b) in the Directors' opinion, the Financial Statements and notes of the consolidated entity:
 - (i) comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001; and
 - (ii) give a true and fair view of the financial position as at 30 June 2006 and the performance for the half-year ended on that date.

Made on 29 August 2006 in accordance with a resolution of the Board of Directors.



FP Lowy, AC
Chairman



Professor FG Hilmer, AO
Deputy Chairman

WESTFIELD GROUP

Comprising Westfield Holdings Limited and its Controlled Entities

INDEPENDENT AUDIT REPORT

to the Members of the Westfield Group



Scope

The financial report and directors' responsibility

The financial report comprises the balance sheet, income statement, cash flow statement, statement of changes in equity and accompanying notes to the financial statements for the consolidated entity comprising both Westfield Holdings Limited (the Company) and the entities it controlled during the half year, and the directors' declaration for the Company, for the half year ended 30 June 2006.

The directors of the Company are responsible for preparing a financial report that gives a true and fair view of the financial position and performance of the consolidated entity, and that complies with Accounting Standard AASB 134 "Interim Financial Reporting", in accordance with the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit of the financial report in order to express an opinion on it to the members of the Company and in order for the Company to lodge the financial report with the Australian Stock Exchange and the Australian Securities and Investments Commission. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001*, including compliance with Accounting Standard AASB 134 "Interim Financial Reporting", and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the consolidated entity's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

We performed procedures to assess whether the substance of business transactions was accurately reflected in the financial report. These and our other procedures did not include consideration or judgement of the appropriateness or reasonableness of the business plans or strategies adopted by the directors and management of the Company.

Independence

We are independent of the Company, and have met the independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*. We have given to the directors of the Company a written Auditor's Independence Declaration a copy of which is included in the Directors' Report. In addition to our audit of the financial report, we were engaged to undertake other non-audit services. The provision of these services has not impaired our independence.

Audit Opinion

In our opinion, the financial report of the consolidated entity comprising Westfield Holdings Limited and the entities it controlled during the half year is in accordance with:

- (a) the *Corporations Act 2001*, including:
- giving a true and fair view of the financial position of the consolidated entity at 30 June 2006 and of its performance for the half year ended on that date; and
 - complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the *Corporations Regulations 2001*; and
- (b) other mandatory financial reporting requirements in Australia.

A stylized, handwritten signature of Ernst & Young.

Ernst & Young
Sydney
29 August 2006

A handwritten signature of Chris Westworth.

Chris Westworth
Partner

WESTFIELD GROUP

Comprising Westfield Holdings Limited and its Controlled Entities

DIRECTORS' REPORT

The Directors of Westfield Holdings Limited ("Company") submit their report for the half year ended 30 June 2006.

Directors

The names of the Company's directors in office during the half year and until the date of this report are as below.

FP Lowy, AC	Chairman – Executive Director
Professor FG Hilmer, AO	Deputy Chairman – Non-Executive Director
DH Lowy, AM	Deputy Chairman – Non-Executive Director
RL Furman	Non-Executive Director
DM Gonski, AO	Non-Executive Director
SP Johns	Non-Executive Director
PS Lowy	Managing Director – Executive Director
SM Lowy	Managing Director – Executive Director
JB Studdy, AM	Non-Executive Director
FT Vincent	Non-Executive Director
GH Weiss	Non-Executive Director
DR Wills, AO	Non-Executive Director
CM Zampatti, AM	Non-Executive Director

Review and results of operations

The Group reported a net profit of \$3,376.3 million and a distribution of \$955.4 million for the six months to 30 June 2006. Earnings per security is 192.84 cents and a distribution per security of 54.50 cents.

As at 30 June 2006, the Westfield Group had a \$45.8 billion interest in 120 shopping centres with a gross value of approximately \$56.8 billion encompassing 22,000 retail outlets.

Key highlights for the period include:

- strong underlying operating performance results from our portfolios in Australia, New Zealand, the United States and the United Kingdom.
- revaluation uplift of \$2.7 billion on the Group's property interests.
- 21 projects under construction with a forecast cost of A\$8.0 billion (WDC share: A\$5.6 billion).
- the acquisition of a further 75% interest in Stratford City (UK) – now 100% controlled by Westfield Group – adjacent to the site of the 2012 London Olympics, for £140 million. Stratford is the largest zoned retail site in London, and one of the largest in the UK. The location of the site on the east side of London City complements the Group's current £1.6 billion development at White City on London's west side. Together, the two sites provide a unique opportunity for Westfield to gain a major presence in the London market.
- the acquisition of 16 Federated department store sites at 12 Westfield centres in the US, creating the opportunity for 18 new developments with an estimated value of US\$2 billion.
- 3 new department store deals with David Jones in Australia.
- the disposal of 8 non-core US assets for US\$550 million.

Rounding

The Company is of a kind referred to in the Australian Securities and Investments Commission Class Order 98/0100 dated 10 July 1998. Accordingly, amounts in the Directors' Report, the Financial Statements and the Notes thereto have been rounded to the nearest hundred thousand dollars.

Synchronisation of financial year

Carindale Property Trust is a consolidated entity of the Company, and has a financial year ending on 30 June. By an order dated 27 June 2005 made by the Australian Securities and Investments Commission, the directors of the Company have been relieved from compliance with the requirement to ensure that the financial year of the Company coincides with the financial year of Carindale Property Trust.

WESTFIELD GROUP

Comprising Westfield Holdings Limited and its Controlled Entities

DIRECTORS' REPORT (continued)

Auditor's independence declaration

The directors have obtained the following independence declaration from the auditors, Ernst & Young.



Auditor's independence declaration to the Directors of Westfield Holdings Limited

In relation to our audit of the financial report of Westfield Holdings Limited for the half year ended 30 June 2006, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

A handwritten signature in cursive script that reads 'Ernst & Young'.

Ernst & Young
Sydney
29 August 2006

A handwritten signature in cursive script that appears to read 'Chris Westworth'.

Chris Westworth
Partner

This Report is made on 29 August 2006 in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors.

A handwritten signature in cursive script that appears to read 'FP Lowy'.

FP Lowy, AC
Chairman

A handwritten signature in cursive script that appears to read 'F.G. Hilmer'.

Professor FG Hilmer, AO
Deputy Chairman

DIRECTORY

Westfield Group

Westfield Holdings Limited
ABN 66 001 671 496

Westfield Trust

ARSN 090 849 746
(responsible entity Westfield Management Limited
ABN 41 001 670 579, AFS Licence No 230329)

Westfield America Trust

ARSN 092 058 449
(responsible entity Westfield America Management Limited
ABN 66 072 780 619, AFS Licence No 230324)

Registered Office

Level 24, Westfield Towers
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Sydney NSW 2011
Telephone: +61 2 9358 7000
Facsimile: +61 2 9358 7077

United States Office

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Los Angeles California 90025
Telephone: +1 310 478 4456
Facsimile: +1 310 478 1267

New Zealand Office

Level 2, Office Tower
277 Broadway
Newmarket, Auckland
Telephone: +64 9 978 5050
Facsimile: +64 9 978 5070

United Kingdom Office

6th Floor, MidCity Place
71 High Holborn
London WC1V 6EA
Telephone: +44 20 7061 1400
Facsimile: +44 20 7061 1401

Secretaries

Maureen T McGrath
Simon J Tuxen

Auditors

Ernst & Young
The Ernst & Young Centre
680 George Street
Sydney NSW 2000

Investor Information

Westfield Holdings Limited
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100 William Street
Sydney NSW 2011
Telephone: +61 2 9358 7877
Facsimile: +61 2 9358 7881
E-mail: investor@au.westfield.com
Website: www.westfield.com/corporate

Principal Share Registry

Computershare Investor Services Pty Limited
Level 3, 60 Carrington Street
Sydney NSW 2000
GPO Box 7045
Sydney NSW 2001
Telephone: +61 3 9415 4070
Enquiries: 1300 132 211
Facsimile: +61 3 9473 2500
E-mail: webqueries@computershare.com.au
Website: computershare.com

Listing

Australian Stock Exchange – WDC

Website

westfield.com

WESTFIELD GROUP

Comprising Westfield Holdings Limited and its Controlled Entities

ADDITIONAL INFORMATION

for the half-year ended 30 June 2006

Details of earnings, net assets and distribution by entity

	Earnings		Net assets		
	Total	per security	Total	per security	
	\$million	cents	\$million	\$	%
WHL	224.6	12.83	1,754.9	1.00	8.02
WT	2,441.5	139.45	12,006.6	6.84	54.90
WAT	710.2	40.56	8,121.6	4.62	37.08
Westfield Group	3,376.3	192.84	21,883.1	12.46	100.00

Distribution proposed for the 6 months to 30 June 2006					
	ASX code:	per	ASX code:	per	Total
	WDC	security	WDC DRP	security	WDC
	\$million	cents	\$million	cents	\$million
WHL	-	-	-	-	-
WT	509.5	29.17	1.9	19.66	511.4
WAT	442.4	25.33	1.6	17.07	444.0
Westfield Group	951.9	54.50	3.5	36.73	955.4

Comprising Westfield Holdings Limited and its Controlled Entities

PROPERTY PORTFOLIO

for the half-year ended 30 June 2006

	Appendix	30 Jun 06 \$million	31-Dec-05 \$million
DETAILS OF PROPERTY PORTFOLIO			
Consolidated Australian shopping centres	1A	16,142.0	14,417.7
Consolidated New Zealand shopping centres	1B	1,753.9	1,899.5
Consolidated United Kingdom shopping centres	1C	2,460.3	2,343.9
Consolidated United States shopping centres	1D	15,925.5	16,406.4
Total consolidated shopping centres		36,281.7	35,067.5
Equity accounted Australian shopping centres	1A	1,278.4	996.5
Equity accounted United Kingdom shopping centres	1C	1,124.1	998.1
Equity accounted United States shopping centres	1D	2,559.3	2,542.2
Gross value of equity accounted shopping centres ⁽ⁱ⁾		4,961.8	4,536.8
Total consolidated and equity accounted shopping centres		41,243.5	39,604.3

⁽ⁱ⁾ The value of the Westfield Group's equity accounted property investments excludes its share of borrowings and net working capital associated with these properties.

PROPERTY PORTFOLIO - AUSTRALIA

for the half-year ended 30 June 2006

Shopping Centre	State	Consolidated			
		or Equity Accounted Interest %	Book value 30 Jun 2006 \$million	Book value 31 Dec 2005 \$million	Retail Cap Rate %
Airport West	Victoria	50	125.7	114.7	6.75%
Bay City	Victoria	50	107.2	97.2	6.50%
Belconnen	ACT	100	645.5	493.2	5.25%
Bondi Junction	New South Wales	100	1,633.6	1,502.9	4.75%
Booragoon	Western Australia	25	167.0	149.5	5.75%
Burwood	New South Wales	100	699.5	544.4	5.25%
Carindale	Queensland	50	369.2	316.8	5.75%
Carousel	Western Australia	100	558.1	509.4	6.00%
Chatswood	New South Wales	100	804.6	752.5	5.75%
Chermside	Queensland	100	573.4	569.9	6.50%
Doncaster	Victoria	100	392.7	374.0	6.75%
Eastgardens	New South Wales	**	n/a	n/a	n/a
Figtree	New South Wales	100	104.8	95.6	7.25%
Fountain Gate	Victoria	100	688.4	598.8	6.00%
Helensvale	Queensland	50	126.2	103.6	6.50%
Hornsby	New South Wales	100	774.4	615.1	5.35%
Hurstville	New South Wales	50	267.3	242.1	6.25%
Innaloo	Western Australia	100	186.0	159.4	6.75%
Knox	Victoria	30	238.1	213.6	6.00%
Kotara	New South Wales	100	282.3	279.3	7.00%
Liverpool	New South Wales	50	230.2	229.4	6.50%
Macquarie	New South Wales	50	343.4	324.2	5.75%
Marion	South Australia	50	381.5	349.3	6.00%
Miranda	New South Wales	50	538.7	481.6	5.50%
Mt Gravatt	Queensland	75	524.4	468.4	6.00%
North Lakes	Queensland	50	57.8	53.2	6.50%
North Rocks	New South Wales	100	79.6	75.6	7.50%
Pacific Fair	Queensland	40	408.2	370.4	5.25%
Parramatta	New South Wales	100	1,430.5	1,124.4	5.00%
Penrith	New South Wales	50	464.7	442.0	5.50%
Plenty Valley	Victoria	50	13.0	11.8	7.00%
Strathpine	Queensland	100	250.4	224.3	6.50%
Sydney City***	New South Wales	100	1,092.9	1,039.3	6.61%
Tuggerah	New South Wales	100	514.7	508.4	6.25%
Warrawong	New South Wales	100	188.9	173.6	7.25%
Warringah Mall	New South Wales	25	237.4	214.4	5.50%
Westlakes	South Australia	50	142.3	130.8	6.50%

Comprising Westfield Holdings Limited and its Controlled Entities

PROPERTY PORTFOLIO - AUSTRALIA

for the half-year ended 30 June 2006

Shopping Centre	State	Consolidated	Book value 30 Jun 2006 \$million	Book value 31 Dec 2005 \$million	Retail Cap Rate %
		or Equity Accounted Interest %			
Whitford City	Western Australia	50	228.5	209.9	6.25%
Woden	ACT	50	270.9	254.7	6.00%
Total consolidated centres			16,142.0	14,417.7	
Karrinyup	Western Australia	25	111.8	99.2	6.00%
Macquarie	New South Wales	5	34.3	32.5	5.75%
Mt Druitt	New South Wales	50	190.7	179.5	6.50%
Pacific Fair	Queensland	4	40.8	37.2	5.25%
Southland	Victoria	50	588.7	414.1	5.00%
Tea Tree Plaza	South Australia	50	312.1	234.0	5.25%
Total equity accounted centres			1,278.4	996.5	
Total Australian portfolio			17,420.4	15,414.2	5.76%

* Includes office suites where applicable

** Eastgardens is managed by Westfield under a Head Lease

*** Sydney City represents the combined value and performance of Sydney Central Plaza, Centrepont, Skygarden and Imperial Arcade

PROPERTY PORTFOLIO - NEW ZEALAND

APPENDIX 1B

for the half-year ended 30 June 2006

Shopping Centre	Location	Consolidated	Book value at 30 Jun 2006 NZ\$million	Book value at 31 Dec 2005 NZ\$million	Retail Cap Rate %
		or Equity Accounted Interest %			
Chartwell	Hamilton	100	64.4	64.3	9.50%
Downtown	Auckland	100	63.8	59.9	8.25%
Glenfield	Auckland	100	163.8	152.2	8.00%
Manukau	Auckland	100	213.9	210.7	8.50%
Newmarket	Auckland	100	169.6	159.6	7.00%
Pakuranga	Auckland	100	108.4	106.7	8.75%
Queensgate	Wellington	100	312.6	301.1	7.25%
Riccarton	Christchurch	100	326.7	299.9	7.00%
Shore City	Auckland	100	127.8	116.7	7.75%
St Lukes	Auckland	100	405.1	384.8	6.75%
WestCity	Auckland	100	184.7	178.8	7.75%
Total New Zealand portfolio in NZ\$			2,140.8	2,034.7	
Exchange rate			1.2206	1.0712	
Total New Zealand portfolio in A\$			1,753.9	1,899.5	7.53%

PROPERTY PORTFOLIO - UNITED KINGDOM

for the half-year ended 30 June 2006

Shopping Centre	Location	Consolidated or Equity Accounted Interest %	Book value 30 Jun 2006 £million	Book value 31 Dec 2005 £million	Retail Cap Rate %
Merry Hill	Birmingham	100	920.0	920.0	5.00%
Sprucefield	Lisburn, Northern Ireland	100	76.9	75.0	5.00%
Total consolidated centres in £			996.9	995.00	
Exchange rate			0.4052	0.4245	
Total consolidated centres in A\$			2,460.3	2,343.9	
Broadmarsh	Nottingham	75	65.8	64.1	5.25%
CastleCourt	Belfast, Northern Ireland	50	157.0	140.0	5.00%
Eagle Centre	Derby	50	79.6	79.1	5.75%
The Friary	Guildford	50	74.8	68.2	5.00%
Royal Victoria Place	Tunbridge Wells	50	78.4	72.3	5.25%
Total equity accounted centres in £			455.5	423.7	
Exchange rate			0.4052	0.4245	
Total equity accounted centres in A\$			1,124.1	998.1	
Total United Kingdom portfolio in £			1,452.4	1,418.7	
Exchange rate			0.4052	0.4245	
Total United Kingdom portfolio in A\$			3,584.4	3,342.0	5.07%

PROPERTY PORTFOLIO - UNITED STATES

for the half-year ended 30 June 2006

Shopping Centre	Market Region	Consolidated or Equity Accounted Interest %	Book value at 30 Jun 2006 US\$million	Book value at 31 Dec 2005 US\$million	Retail Cap Rate %
Annapolis	Maryland	100	442.2	442.0	5.94%
Belden Village	Ohio	100	164.3	159.8	7.14%
Brandon	Florida	100	217.8	217.5	7.00%
Capital	Washington	100	96.8	96.6	7.50%
Century City	Los Angeles	100	440.1	442.1	5.85%
Chesterfield	Missouri	100	143.5	143.7	8.00%
Chicago Ridge	Illinois/ Indiana	100	125.8	121.5	7.70%
Citrus Park	Florida	100	216.2	216.0	7.60%
Connecticut Post	Connecticut	100	150.9	151.4	7.22%
Countryside	Florida	100	244.1	202.1	6.44%
Crestwood	Missouri	100	78.3	78.2	13.12%
Downtown Plaza	Northern California	100	204.5	190.6	6.00%
Eagle Rock	Los Angeles	100	-	51.2	-
Eastland	Los Angeles	100	125.1	118.2	6.23%
Eastridge	North Carolina	100	46.8	46.4	9.29%
Enfield	Connecticut	100	-	87.9	-
Fox Hills	Los Angeles	100	179.0	178.7	6.93%
Fox Valley	Illinois/ Indiana	100	254.8	245.8	6.74%
Franklin Park	Ohio	100	346.3	341.9	6.50%
Galleria at Roseville	Northern California	100	335.7	297.4	6.23%
Gateway	Nebraska	100	143.1	141.8	7.33%
Great Northern	Ohio	100	164.9	161.4	6.93%
Hawthorn	Illinois/ Indiana	100	240.6	240.2	7.50%
Horton Plaza	San Diego	100	379.8	371.6	5.08%
Independence	North Carolina	100	161.3	154.6	7.24%
Louis Joliet	Illinois/ Indiana	100	129.3	116.9	6.77%
Mainplace	Los Angeles	100	279.7	251.6	6.97%
Meriden	Connecticut	100	177.0	171.5	7.67%
Mid Rivers	Missouri	100	186.8	182.9	6.59%
Midway	Ohio	100	-	89.3	-
Mission Valley	San Diego	100	299.1	297.4	6.39%
North County	San Diego	100	222.7	222.5	7.10%
Northwest	Missouri	100	-	41.6	-
Oakridge	Northern California	100	371.1	362.5	6.26%
Old Orchard	Illinois/ Indiana	100	416.2	415.8	6.33%

PROPERTY PORTFOLIO - UNITED STATES

for the half-year ended 30 June 2006

Shopping Centre	Market Region	Consolidated or Equity Accounted Interest %	Book value at 30 Jun 2006 US\$million	Book value at 31 Dec 2005 US\$million	Retail Cap Rate %
Palm Desert	Los Angeles	100	216.0	213.3	6.02%
Parkway	San Diego	100	351.5	322.2	6.22%
Plaza Bonita	San Diego	100	246.4	246.2	6.10%
Promenade	Los Angeles	100	85.9	85.7	6.64%
Richland	Ohio	100	-	52.9	-
San Francisco Centre	Northern California	100	253.1	252.7	6.00%
Santa Anita	Los Angeles	100	399.0	375.3	6.01%
Sarasota	Florida	100	93.1	93.1	7.50%
Solano	Northern California	100	182.4	182.2	7.27%
Southcenter	Washington	100	266.8	266.2	6.80%
South County	Missouri	100	192.3	193.6	6.25%
Southgate	Florida	100	95.3	93.7	6.80%
Southlake	Illinois/ Indiana	100	208.1	207.5	7.90%
Southpark	Ohio	100	195.0	194.7	7.50%
South Shore	New York	100	256.2	255.7	6.63%
Sunrise	New York	100	159.8	157.0	7.63%
Topanga	Los Angeles	100	228.4	228.2	7.00%
Trumbull	Connecticut	100	309.6	271.9	6.39%
Vancouver	Washington	100	150.9	145.4	6.66%
West County	Missouri	100	351.8	327.6	6.36%
West Covina	Los Angeles	100	283.5	276.0	6.17%
West Park	Missouri	100	-	63.6	-
Westland	Colorado	100	-	28.3	-
Wheaton	Maryland	100	330.1	331.0	7.01%
Department stores		-	-	106.4	-
Total consolidated centres in \$US			11,839.0	12,021.0	
Exchange rate			0.7434	0.7327	
Total consolidated centres in A\$			15,925.5	16,406.4	

PROPERTY PORTFOLIO - UNITED STATES

for the half-year ended 30 June 2006

Shopping Centre	Market Region	Consolidated or Equity Accounted Interest %	Book value at 30 Jun 2006 US\$million	Book value at 31 Dec 2005 US\$million	Retail Cap Rate %
Fashion Square	Los Angeles	50.0	134.6	133.7	5.79%
Garden State Plaza	New Jersey	50.0	539.5	538.9	6.00%
Montgomery	Maryland	50.0	240.3	235.7	5.49%
North Bridge	Illinois/ Indiana	33.3	128.3	126.6	6.78%
Plaza Camino Real	San Diego	40.0	84.9	84.9	6.36%
UTC	San Diego	50.0	180.8	174.6	5.79%
Valencia Town Center	Los Angeles	50.0	110.3	104.9	7.60%
Valley Fair	Northern California	50.0	483.9	463.4	5.41%
Total equity accounted centres in \$US			1,902.6	1,862.7	
Exchange rate			0.7434	0.7327	
Total equity accounted centres in A\$			2,559.3	2,542.2	
Total United States portfolio in \$US			13,741.6	13,883.7	
Exchange rate			0.7434	0.7327	
Total United States portfolio in A\$			18,484.8	18,948.7	6.56%

Westfield Group

Results Overview for the Six Month Period Ended 30 June 2006

1. Financial Highlights

	30 June 06	30 June 05		30 June 06	31 Dec 05
Net Property Income	A\$1,283 m	A\$1,169 m	Total Assets	A\$46,233 m	A\$43,051 m
Profit After Tax	A\$3,376 m	A\$1,535 m	Total Liabilities	A\$24,350 m	A\$23,585 m
Distribution	A\$954 m	A\$867 m	Net Assets	A\$21,883 m	A\$19,466 m
Distribution per Security	54.50 cents	51.07 cents	Gearing	41.7% ¹	41.4% ¹

Westfield Group net profit was A\$3,376.3 million for the six months to 30 June 2006 (A\$1,534.5 million for the six months to 30 June 2005). The distribution of A\$954.2 million (54.50 cents per security) compares to the distribution paid of A\$867.2 million (51.07 cents per security) for the six months to 30 June 2005.

Total income for the half year including net contribution from equity accounted entities was A\$4,494 million (30 June 2005: A\$2,795 million) with property income of A\$1,885 million (30 June 2005: A\$1,702 million) and property revaluation gains of A\$2,695 million (30 June 2005: A\$1,223 million). Profit after tax of A\$3,376 million (30 June 2005: A\$1,535 million) also included A\$196 million (30 June 2005: A\$137 million) of deferred tax expenses mainly in relation to the revaluation gains.

Operational segment earnings for the half year were A\$804 million, a 9.4% increase from A\$735 million for the comparative period last year (on a constant currency basis). Operational segment earnings per security was 45.9 cents, an increase of 6.1% (on a constant currency basis).

Total assets have increased since 31 December 2005 from A\$43.1 billion to A\$46.2 billion. During the same period, the gross value of investments under management (including joint venture interests) rose by 8.2% from A\$52.5 billion to A\$56.8 billion. The increased value of the Group's shopping centre portfolio for the period has been driven primarily by upward revaluations of the Group's portfolio, the completion of redevelopments and the acquisition of new properties. The weighted average cap rate of the property portfolio in each region as at 30 June 2006 was Australia 5.8%, United States 6.6%, United Kingdom 5.1%; and New Zealand 7.5%, reflecting a general firming of cap rates during the period.

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

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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

For media queries please contact Julia Clarke on +61 2 9358 7426

During the 6 months to 30 June 2006 the Group divested 8 non-core US assets for US\$550 million, enabling capital to be recycled into the Group's development program. Other capital management initiatives currently being investigated include the establishment of an A\$2 billion Australian wholesale fund which will have interests in the following Westfield super regional and regional shopping centres: Parramatta (50%), Hornsby (50%) and Burwood (50%) in Sydney, Southland (25%) in Melbourne, Tea Tree Plaza (25%) in Adelaide and Belconnen (25%) in the ACT.

During the period, the Group issued A\$236 million of new equity comprising A\$162 million from the Group's distribution re-investment plan and A\$74 million from the conversion of options (including convertible bonds).

The Group's gearing level at 30 June 2006 (determined using the methodology required under the Group's bond issues), was 41.7% (31 December 2005: 41.4%). Based on equity market capitalisation of A\$32.1 billion² (31 December 2005: A\$33.4 billion²), net debt to total market capitalisation was 33.6% (31 December 2005: 31.6%).

The total distribution for the period of 54.5 cents per stapled security comprises distributions from both Westfield Trust and Westfield America Trust which are tax advantaged to approximately 20%.

2. Based on WDC share price at 30 June 2006 of \$17.33 (31 December 2005 \$18.16) and conversion of convertible securities.

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2. Operational Highlights

Australia and New Zealand

	30 June 06	30 June 05		30 June 06	31 Dec 05
Net Property Income	A\$592 m	A\$532 m	Annual Retail Sales	A\$19.2 bn	A\$18.7 bn
	30 June 06	31 Dec 05	Retail Outlets	12,500	12,300
Group Property Investments	A\$19.1 bn	A\$17.2bn	GLA (m sqm)	3.7	3.7
Centres	54	54			

The Australian and New Zealand operations contributed net property income of A\$592 million for the six months to 30 June 2006 (A\$532 million for the six months to 30 June 2005) which includes comparable mall income growth of approximately 4.8%. This performance reflects the steady retail conditions which prevailed during the period as well as the quality of the portfolios in both regions, with occupancy rates continuing to be in excess of 99.5% and specialty store rental growth for the half year of 5.0%. Retail sales in the Group's 43 Australian centres totalled A\$17.7 billion for the 12 months to 30 June 2006. On a comparable basis, sales increased 4.0% with specialty store sales (inclusive of mini majors) up 3.9%. Retail sales at the Group's 11 shopping centres in New Zealand increased 1.6% to NZ\$1.7 billion for the 12 months to 30 June 2006. On a comparable basis, specialty store sales were up 1.2%.

United Kingdom

	30 June 06	30 June 05		30 June 06	31 Dec 05
Net Property Income	£30 m	£33 m	Retail Outlets	800	800
	30 June 06	31 Dec 05	GLA (m sqm)	0.3	0.3
Group Property Investments	£1.5 bn	£1.4 bn			
Centres	7	7			

Property income from the UK operations was £30 million for the six months to 30 June 2006 (£33 million for the six months ended 30 June 2005). This reflects strong like for like mall income growth of 5.9%, primarily attributed to the improved performance of the Merry Hill centre near Birmingham and CastleCourt centre in Belfast, offset by the impact from the sale

of the Brunel Centre in Swindon and the Millgate Centre in Bury during 2005. At 30 June 2006, the portfolio was in excess of 99% leased.

In the UK, we are very encouraged by the recent retail sales growth that has been reported across the country with total sales up 4.9% and comparable sales up 2.0% for the 6 months to 30 June 2006.

United States

	30 June 2006	30 June 2005		30 June 2006	31 Dec 2005
Net Property Income	US\$460 m	US\$430 m	Annual Retail Sales - specialties	US\$7.2 bn	US\$7.3 bn
Group Property Investments	30 June 2006 US\$13.7 bn	31 Dec 2005 US\$13.9 bn	Retail Outlets	8,700	9,400
Centres	59	67	GLA (m sqm)	6.0	6.6

The United States operations contributed net property income of US\$460 million (US\$430 million for the six months to 30 June 2005) with comparable mall income growth of 4.3%. This result reflects average specialty retail sales in the Group's US centres of US\$446 per square foot with comparable growth of 5.2% for the period. The strong sales growth reflects the performance of the Group's West Coast (up 5.7%), Mid West (up 5.3%) and East Coast (up 3.9%) portfolios.

At 30 June 2006 the portfolio was 93.5% leased, which is consistent with the prior period. New leases totalling 2.0 million square feet were completed during the 6 months. New mall shop rents at US\$51.12 per square foot represent a 30.0% increase over expiring rents and includes the positive impact of new projects. The average rent across the entire portfolio at June 2006 was US\$40.87 per square foot - up 3.7% for the six months to June 06.

3. Development and New Business Highlights

As at 30 June 2006 the Group had 21 projects under construction at a forecast cost of A\$8 billion (Westfield Group share A\$5.6 billion).

Australia and New Zealand

A summary of the current projects under construction in both Australia and New Zealand as at 30 June 2006 compared to 31 December 2005 is as follows:

	30 June 06	31 Dec 05
Number of Projects	6	5
Estimated Total Cost	A\$807 m	A\$552 m
Yield Range	9.4%-9.7%	9.3%-9.6%

In Australia there are 2 major projects currently under construction scheduled to complete in 2006. The A\$205 million redevelopment of Westfield Liverpool, in Sydney and the A\$200 million redevelopment of Westfield Chermside in Brisbane are forecast for completion by Christmas of 2006 with the introduction of a new David Jones Department Store scheduled to open in the 3rd quarter of 2007 at Westfield Chermside.

During the 6 months to 30 June 2006, we successfully completed the A\$109 million redevelopment of Westfield Parramatta in Sydney and also commenced the A\$170 million development at Westfield Kotara in Newcastle. This project is progressing well and expected to be complete by the third quarter of 2007.

The Stage 1 development approval has been received for the Group's proposed retail and commercial functional layout plan for the Sydney CBD Centrepont project. This represents the achievement of a major milestone for this iconic project in the heart of Sydney's CBD. At this stage we expect to have a preferred design finalised by the end of the year for lodgement of the Stage 2 development approval.

In New Zealand, construction has commenced on a NZ\$210 million development at Albany in Auckland which is scheduled for completion in the third quarter of 2007. The Group's remaining New Zealand projects include a NZ\$40 million redevelopment project at Chartwell in Hamilton and a NZ\$33 million project at Newmarket in Auckland. Both of these projects are expected to complete during the second half of 2006.

The current target weighted average yield range of the projects under construction in Australia and New Zealand is 9.4% to 9.7%. This reflects the Group's incremental income yield on the Group's project cost.

United Kingdom

The total value of current projects under construction in the United Kingdom is as follows:

	30 June 06	Yield Range
Derby	£340 m	8.25% - 8.75%
White City	£1,600 m	5.25% - 5.75%

During the year, the Group acquired a further 75% interest in the Stratford City development in east London which it did not already own. The interest was acquired for approximately £140 million. The Group acquired its initial 25% interest in Stratford City as part of the Duelguide acquisition in December 2004. Stratford City is adjacent to the site for the 2012 London Olympic Games. The site has planning approval for 13 million square feet of mixed use development, including 2 million square feet of retail.

The current £1.6 billion development at White City on London's west side is estimated to be substantially complete in the second half of 2008. The Group's total investment in this project is expected to be approximately £1.0 billion with a yield range on completion of 5.25% to 5.75%.

Recently, the Group announced that it had assumed responsibility for the design and construction of the project from Multiplex in addition to its existing responsibility for the development, management and leasing of the project. Leasing interest continues to be very strong and the major tenants including Marks and Spencer, Debenhams, Waitrose, Next and National Amusements Cinema de Luxe are now committed to creating flagship stores at White City.

With over 150,000 square metres of retail and leisure space, White City will be the largest shopping centre in greater London, and together with our site at Stratford City, provides a unique opportunity for Westfield to gain a major presence in the London market.

The Group's first development in the United Kingdom, the £340 million redevelopment of The Eagle Centre at Derby is progressing well and is now expected to be some 6 months ahead of schedule, with completion due in late 2007. The initial yield on the project has been reforecast to now be in the range of 8.25 – 8.75%, which is also ahead of our original expectations.

Work continues to progress future developments at Stratford (London), Merry Hill (near Birmingham), Sprucefield (Lisburn), Bradford, Guildford and Nottingham.

United States

A summary of the current projects under construction in the United States as at 30 June 2006 compared to 31 December 2005 is as follows:

	30 June 06	31 Dec 05
Number of Projects	13	11
Estimated Total Cost	US\$1,790 m	US\$1,460 m
Yield Range	9.8%-10.3%	9.6%-10.0%

In the United States, the Group acquired 16 department store sites owned by Federated Department Stores, Inc. at 12 Westfield shopping centres. The acquisition of 12 of the stores was in exchange for 12 department store properties owned by Westfield and leased to May Company and the remaining 4 stores were acquired for US\$30.5 million. This acquisition provides the Group with the opportunity for 18 new developments with over \$2 billion of new projects to be started over the next 4 years.

The Group also disposed of 8 non-core assets for US\$550 million recycling capital into the Group's development pipeline.

The Group commenced 4 new projects during the period. This includes the US\$140 million redevelopment of Annapolis in Maryland scheduled for completion in the 4th quarter of 2007, the US\$80 million expansion at Plaza Bonita in San Diego, California and the US\$220 million development of Westfield Galleria at Roseville, near Sacramento, scheduled for completion in the 1st quarter of 2009.

The largest projects currently underway in the United States are the redevelopment of San Francisco Centre in downtown San Francisco, California at a forecast cost of US\$460 million (with Westfield's share of the development US\$230 million) and the US\$330 million expansion of Westfield Topanga. Both of these projects are currently on schedule for completion in the 4th quarter of this year.

The Group currently has its largest ever development pipeline in the United States with 13 projects currently underway at a forecast cost of US\$1.8 billion. These projects have a target weighted average project yield in the range of 9.8% – 10.3%.

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Westfield Group

Half Year Results Presentation
30 June 2006

29 August 2006

Agenda

- Highlights
- Business Review
- Financial Review
- Q&A

Note: All figures within this presentation are presented in Australian dollars unless otherwise stated. Average exchange rates for the six months to June 2006 was AUD/USD 0.7434, AUD/GBP 0.4151, AUD/NZ 1.1556 and exchange rates as at 30 June 2006 was AUD/USD 0.7434, AUD/GBP 0.4052, AUD/NZ 1.2206

2006 Half Year Highlights

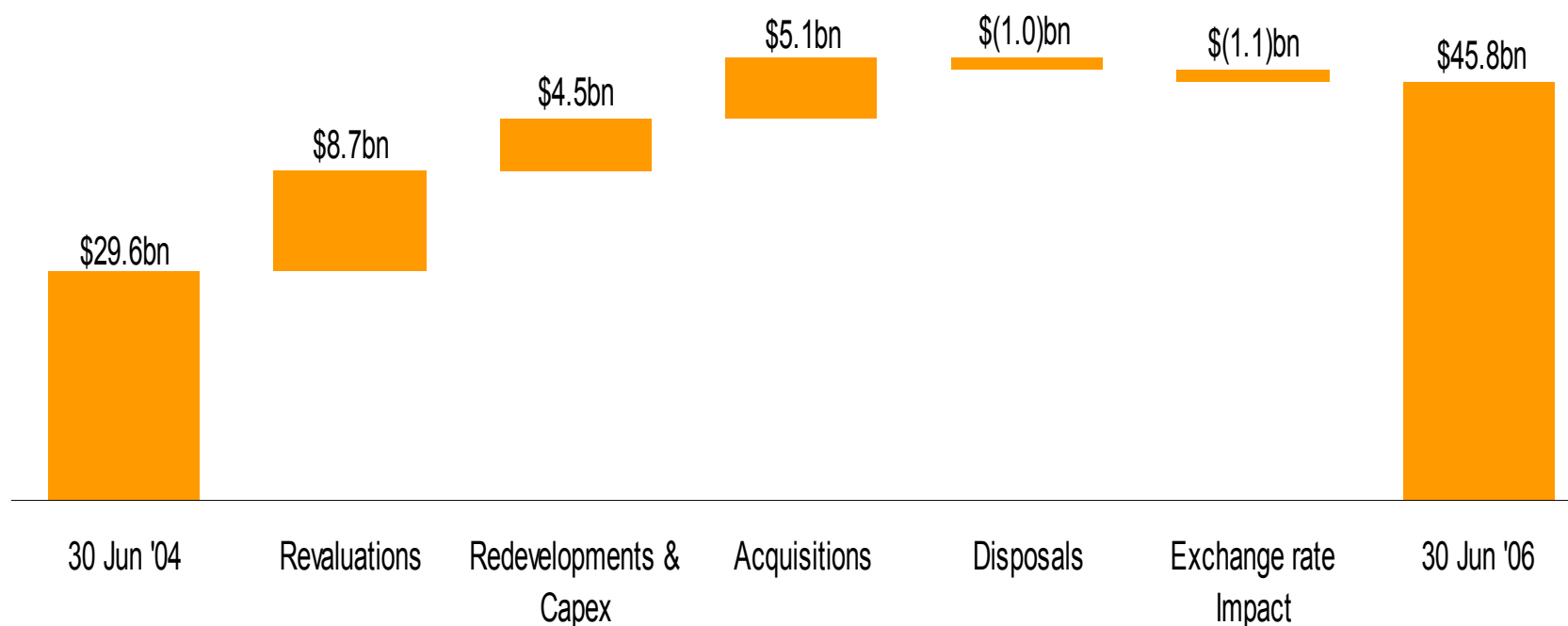
- Operational segment
 - Earnings of \$804 million, up 9.4%
 - Earnings per security 45.9 cents, up 6.1%
- Westfield Group half year net profit after tax of \$3.4 billion
- Distribution of \$954 million (54.5 cents per security in line with forecast)
- Interest in shopping centres with a gross value of \$56.8 billion
 - 8% increase for the six month period
 - 56% increase since 1st July 2004

2006 Half Year Highlights (continued)

- Extensive Development Program
 - 12 projects will be completed in 2006 – total gross value of A\$2.1 billion
 - 21 projects under construction – total gross value of A\$8 billion
- Transactions completed since 1 January 2006:
 - Acquired a further 75% interest in Stratford (UK) for £140m (now 100% controlled)
 - Acquired 16 Federated department store sites at 12 Westfield centres – opportunity for 18 new developments with over \$2 billion of new projects to be started over the next 4 years

Growth in value of shopping centre interests

- Since the merger the growth in Westfield Group's share of the value of its shopping centre portfolio has grown by 54.7%
- Over the six months to 30 June 2006 growth was 7.5%



Group Income and Distribution

	6 months to 30 June '05	6 months to 30 June '05
Profit after tax (A\$ million)	3,376	1,535
Distribution (A\$ million)	954	867
Distribution per security (cents)	54.5	51.1

- Distribution for the 12 months to December '06 forecast at 106.5 cents per security – in line with previous forecast

Operational Performance

	6 months to 30 June '06	6 months to 30 June '05 (Constant Currency)	% Change
Operational segment EBIT (A\$ million)	1,302	1,161	12.1%
Operational segment earnings (A\$ million)	804	735	9.4%
Operational segment earnings per security (cents)	45.94	43.31	6.1%

Balance Sheet

	30 June '06	31 Dec '05
Gross Property Investments (A\$ million)	45,757	42,577
Gearing (%) ¹	41.7	41.4
Net debt to total market capitalisation (%) ²	33.6	31.6

Capital Management

- Recycling of capital
 - Regular review of returns generated from existing portfolio
 - Disposed 8 'non-core' US assets for A\$740 million
- Investigating other capital alternatives
 - A\$2 billion Australian wholesale fund currently being considered by the Group

¹ As calculated and documented under the Westfield Group bond offerings

² Based on WDC share price at June '06 \$17.33 (Dec '05 \$18.16) and conversion of convertible securities

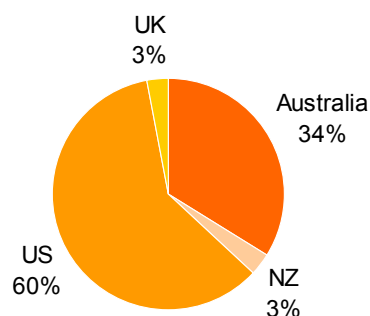
Business Review

- Portfolio Summary
- Global Development Activity
- Shopping Centre Operating Performance
- Retail Sales Overview

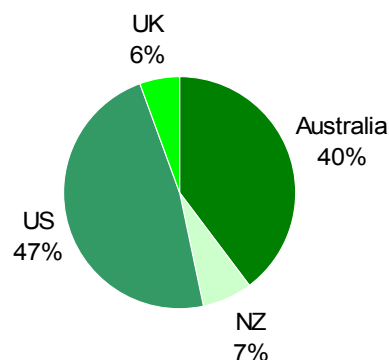
Portfolio Summary as at 30 June '06

	United States	Australia	United Kingdom	New Zealand	Total
Centres	59	43	7	11	120
Retail Outlets	8,700	11,100	800	1,400	22,000
GLA (million sqm)	6.0	3.4	0.3	0.3	10.0
Net Property Income (million)	US\$460	A\$514	£30	NZ\$90	A\$1,283
Westfield Asset Value (billion) ¹	US\$13.7	A\$17.4	£1.5	NZ\$2.1	A\$41.2 ¹
Assets Under Management (billion) ²	US\$17.4	A\$23.3	£3.3	NZ\$2.3	A\$56.8 ²

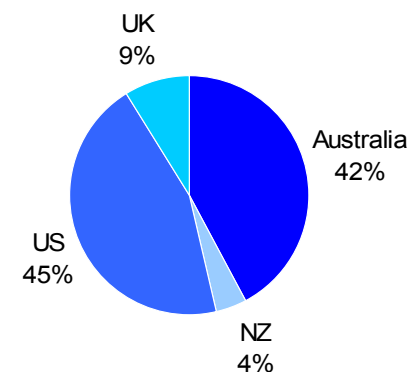
Gross Lettable Area



Net Property Income



Westfield Asset Value



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

Global Development Activity

- 21 projects under construction as at 30 June 2006 with an estimated total cost of A\$8.0 billion – Westfield Group share A\$5.6 billion

	No. of Projects	Estimated Total Cost	Target Weighted Average Yield ¹
United States	13	US\$1.8bn	9.8 – 10.3%
Australia & New Zealand	6	A\$0.8bn	9.4 – 9.7%
United Kingdom - Derby	1	£0.3bn	8.25 – 8.75%
- White City	1	£1.6bn	5.25 – 5.75%
Total	21	A\$8.0bn	

¹ Stabilised income/Westfield Group cost

Global Development Activity

- **Anticipate the completion of 12 developments during 2006 at a total cost of A\$2.1 billion with a forecast weighted average development yield of 9.4%**
 - Completed to date: Chesterfield (US), Connecticut Post (US), Parramatta (Aust)
 - To be completed:
 - United States Capital, Topanga, Century City (Stage 2), San Francisco, Southlake
 - Australia & NZ Liverpool, Chermside (Stage 1), Chartwell, Newmarket
- **Commenced 6 developments during the 1st half of 2006 at a total forecast cost of A\$1 billion and a forecast weighted average development yield of 10%**
 - United States: Annapolis, Plaza Bonita, Galleria at Roseville, Old Orchard
 - Australia & NZ: Kotara, Albany

Future Projects

United States

- Belden Village (Canton, Ohio)
- Century City Phase II (Los Angeles, California)
- Chicago Ridge (Chicago, Illinois)
- Fashion Square (Sherman Oaks, California)
- Fox Hills (Culver City, California) *
- Hawthorn (Vernon Hills, Illinois)
- Horton Plaza (San Diego, California)
- Mainplace (Santa Ana, California) *
- Montgomery (Bethesda, Maryland)
- North County (Escondido, California) *
- Palm Desert (Palm Desert, California) *
- Santa Anita (Arcadia, California) *
- Southgate (Sarasota, Florida)
- Southcenter (Seattle, Washington)
- UTC (San Diego, California)*
- West County (St. Louis, Missouri)*
- West Covina (West Covina, California)*
- West Valley (Los Angeles, California)
- Wheaton (Wheaton, Maryland)*

* Includes redevelopment of recently acquired Federated Store

Australia & New Zealand

- Bay City (VIC)
- Belconnen (ACT)
- Booragoon (WA)
- Doncaster (VIC)
- Fountain Gate (VIC)
- Macquarie (NSW)
- Manukau (NZ)
- Marion (SA)
- 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)
- Sprucefield (Lisburn, Northern Ireland)
- Stratford City (East London)
- The Broadmarsh Centre (Nottingham)
- The Friary (Guildford)

Shopping Centre Operating Performance

	Portfolio Leased ¹	Specialty Occupancy Cost ²	Lease Deals Completed ²		Average Specialty Store Rent		Comparable NOI Growth ²
			Number	Area	Amount ¹	Growth ³	
United States	93.5%	13.7%	714	1,962,731 sqft	US\$40.87 psf	3.7%	4.3%
Australia & New Zealand	> 99.5%	16.2%	1,360	168,324 sqm	A\$1,168 psm NZ\$1,005 psm	5.0%	4.8%
United Kingdom	> 99%	n/a	107	46,947 sqm	£607 psm	6.9% ⁴	5.9% ⁴

¹ As at 30 June 2006

² 6 months to 30 June 2006

³ 30 June 2006 compared to 30 June 2005 – excludes newly acquired centres

⁴ Excludes centres under development or impacted by development

Retail Sales Overview¹

	Period to 30 June 2006			
	12 months \$	Growth	6 months Growth	3 months Growth
United States²				
Specialties	US\$7.2 bn	5.0%	5.2%	6.0%
Australia				
Majors		3.5%	1.4%	5.5%
Specialties		1.9%	1.9%	2.5%
Specialties (incl. Mini majors*)		3.9%	3.9%	4.6%
Total	A\$17.7 bn	4.0%	3.2%	5.2%
United Kingdom³				
Comparable		0.9%	2.0%	4.2%
Total	n/a	4.4%	4.9%	6.9%
New Zealand				
Specialties		1.2%	2.0%	1.0%
Total	NZ\$1.7 bn	1.6%	2.3%	1.5%

* 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

Financial Review

- Income Statement
- Distribution Statement
- Balance Sheet
- Property Investments

Income Statement

A\$ million

	6 months to June '06	6 months to June '05
Property income	1,689	1,437
Contribution from equity accounted investments	118	92
Property revaluations	2,695	1,223
Other income	22	27
Currency derivatives	(30)	16
Total Income	4,494	2,795
Total expenses	(560)	(476)
Goodwill arising from recognition of deferred tax on acquisitions	(103)	(50)
EBIT	3,831	2,269
Financing costs	(379)	(272)
Mark to market of derivatives, preference shares and minority interests treated as debt	197	(278)
Profit before tax	3,649	1,719
Tax expense	(45)	(35)
Deferred tax expense	(196)	(137)
Minority interests	(32)	(12)
Profit after tax	3,376	1,535

Income Statement by Business Segment

A\$ million

6 months to June '06

	Operational	Development & New Business	Corporate	Total
Property income	1,676	13	-	1,689
Net contribution from equity accounted properties	104	(4)	18	118
Property revaluations – consolidated	-	123	2,139	2,262
Property revaluations – equity accounted	-	32	401	433
JV project and property management net income	22	-	-	22
Foreign currency income hedge	-	-	(30)	(30)
Total income	1,802	164	2,528	4,494
Total expenses	(500)	(45)	(15)	(560)
Goodwill arising from recognition of deferred tax on acquisitions	-	-	(103)	(103)
EBIT	1,302	119	2,410	3,831
Net interest expense	(469)	(34)	346	(157)
Tax expense	-	-	(45)	(45)
Deferred tax expense	-	-	(196)	(196)
Minority interests ¹	(29)	-	(28)	(57)
Segment earnings	804	85	2,487	3,376

¹ Minority interest of \$25m included as interest under AIFRS has been reclassified to minority interest.

Operational Segment Analysis

A\$ million

	Operational Segment 6 months			June '06 Actual vs June '05 (Constant currency)
	June '06 Actual	June '05 (Constant currency) ¹	June '05 Actual	
Property income	1,676	1,446	1,422	15.9%
Net contribution from equity accounted properties	104	117	115	
JV project and property management net income	22	28	28	
Total income	1,802	1,591	1,565	
Total expenses	(500)	(430)	(422)	16.3%
EBIT	1,302	1,161	1,143	12.1%
Net interest expense	(469)	(398)	(380)	17.8%
Minority interests	(29)	(28)	(26)	
Segment earnings	804	735	737	9.4%
Cents per security	45.94c	43.31c	43.40c	6.07%

¹ To provide greater transparency in the assessment of the underlying business performance from period to period, the impact of exchange rate movements between each period is removed. This is achieved by retranslating each item in the prior period profit and loss at the current period exchange rate. This information is not included in our ASX results announcement nor in our statutory accounts. The average exchange rates are AUD/USD 0.7434 (30/6/05 0.7727); AUD/GBP 0.4151 (30/6/05 0.4125); AUD/NZD 1.1556 (30/6/05 1.0792).

Net Property Income – by Region¹

Millions

	6 months to June '06	6 months to June '05	% Change
Australia & New Zealand (A\$ million)	A\$ 592	A\$ 532	11.3%
United States (US\$ million)	US\$ 460	US\$ 430	7.0%
United Kingdom (£ million)	£ 30	£ 33	(9.1%)
Total NOI (A\$ million)	A\$ 1,283	A\$ 1,169	9.8%

¹ Includes the Group's share of equity accounted assets

Distribution Statement

6 months to June '06

	A\$m	Cents per Security
Operational Segment Earnings	804	45.9c
Distribution Hedging ¹	83	4.8c
Distribution Available	887	50.7c
Plus: Project Profits	128	7.3c
Distribution including Project Profits	1,015	58.0c
Distribution retained	(61)	
Distribution	954	54.5c
 % of Operational Segment Earnings Distributed	 92.4%	

¹ Based on contract rates

Balance Sheet

A\$ million	30 June '06	31 Dec '05
Cash	254	200
Property investments		
- Shopping centres	36,282	35,074
- Work in progress	2,637	1,819
- Property held for redevelopment	1,323	730
Net Investments in equity accounted entities	3,956	3,468
Other assets	1,781	1,760
Total assets	46,233	43,051
Interest bearing liabilities	18,652	17,666
Other financial instruments ¹	1,663	1,753
Finance lease liabilities	135	139
Deferred tax	2,523	2,233
Other liabilities and minority interests	1,377	1,794
Total liabilities	24,350	23,585
Net Assets	21,883	19,466

¹ Convertible preference securities shares that the Westfield Group considers as equity given their economic characteristics

Property Investments

- Change in value of gross property investments

	A\$ billion
Gross property investments as at 31 December '05	42.6
Revaluations	2.7
Redevelopment expenditure	0.9
Acquisitions	0.6
Disposals	(0.7)
Gross property investments as at 31 December '05 (pre exchange rate impact)	46.1
Exchange rate impact	(0.3)
Gross property investments as at 30 June '06	45.8

- Weighted average cap rates for each region:

– Australia	5.8%
– New Zealand	7.5%
– United Kingdom	5.1%
– United States	6.6%

Development Segment Assets

A\$ million	At 30 June '06		
	WIP ^{1,2}	Property held for redevelopment ^{3,4}	Total
- Australia & New Zealand	364	184	548
- United States	1,343	443	1,786
- United Kingdom	1,416	763	2,179
Total	3,123	1,390	4,513
Consolidated			3,960
Equity Accounted			553
Total			4,513

¹ Work in progress - costs incurred on projects currently under construction

² Interest cost in respect of Work In Progress is capitalised

³ Interest cost in respect of property held for future redevelopment is allocated to the development business segment

⁴ Includes the following properties held for redevelopment - Century City offices (US), Federated Department Stores (US), Merry Hill land (UK), Bradford land (UK), Stratford (UK), Sprucefield land (UK), West Valley land (US), Newmarket land (NZ).

Group Overview

- Westfield Group is the pre eminent owner of super regional shopping centre assets globally
- The quality and market penetration of those assets is a unique feature of the Group's business
- Our intensive management at an operational level is a key driver for income growth from existing assets
- Extensive development program at high yields generates incremental income, improves asset quality and creates significant value



Westfield Group

Appendix

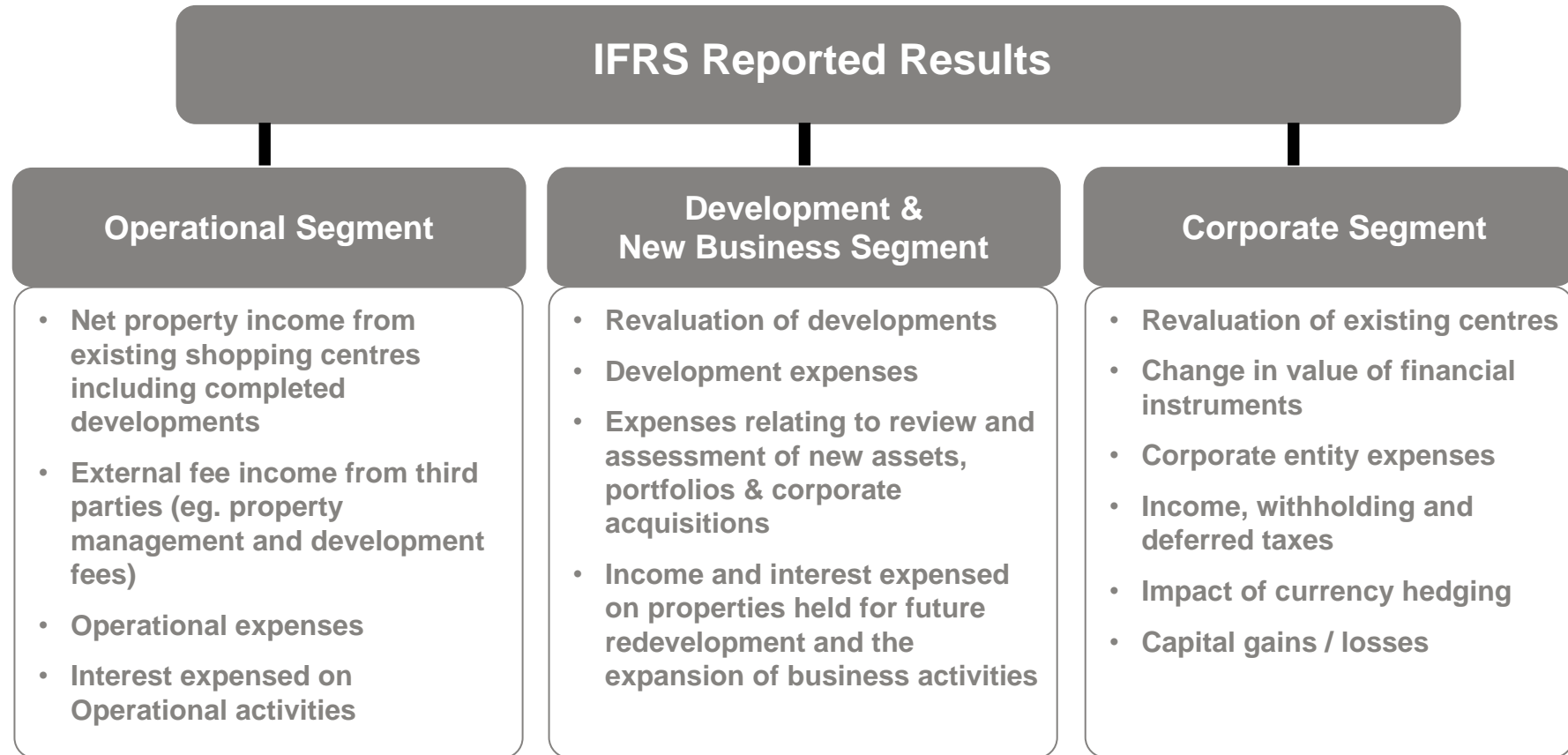
Results Presentation

Half Year Result ended 30 June 2006

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Business Reporting – Segment Overview



Investments Under Management

A\$ million

Property investments as at 30 June 2006

	Westfield Group Interest	Equity Accounted JV Share	Total	JV Partner Share	Investments Under Management
Gross property investments	36,282	4,962	41,244	9,122	50,366
Work in progress	2,637	486	3,123	1,869	4,992
Property held for development	1,323	67	1,390	60	1,450
	40,242	5,515	45,757	11,051	56,808
Less JV debt & working capital		(1,559)	(1,559)		
Westfield Accounts	40,242	3,956	44,198		

Assets by Business Segment¹

A\$ million

Shopping centres
Consolidated
Equity accounted

Work in progress
Consolidated
Equity accounted

Properties held for future redevelopment
Consolidated
Equity accounted

Total Property investments and WIP

Net working capital

Segment assets

6 months to June '06

Operational	Development & New Business	Total
36,125	157	36,282
4,905	57	4,962
41,030	214	41,244
-	2,637	2,637
-	486	486
-	1,323	1,323
-	67	67
-	4,513	4,513
41,030	4,727	45,757
884	-	884
41,914	4,727	46,641

¹ Includes the Group's share of equity accounted assets

Current Projects

- United States - Approx US \$1.8 billion

Forecast	Total Cost ¹ US \$million	Yield Range	Anticipated Completion
Capital (Olympia, Washington)	50	9.0 – 9.5%	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
Topanga (Los Angeles, California)	350	9.6 – 9.9%	Qtr 4 '06 Qtr 4 '08
Brandon (Tampa, Florida)	60	11.0 – 11.4%	Qtr 1 '07
Southpark (Cleveland, Ohio)	60	11.0 – 11.4%	Qtr 2 '07
Garden State Plaza (Paramus, New Jersey)	100 ³	9.6 – 9.9%	Qtr 2 '07
Sarasota (Sarasota, Florida)	50	9.6 – 9.9%	Qtr 3 '07
Annapolis (Annapolis, Maryland)*	140	10.5 – 11.0%	Qtr 4 '07
Old Orchard (Skokie, Illinois)*	30	10.8 – 11.3%	Qtr 4 '07
Plaza Bonita (San Diego, California)*	80	10.0 – 10.5%	Qtr 1 '08
Galleria at Roseville (Roseville, California)*	220	9.5 – 10.0%	Qtr 1 '09
Total	1,790	9.8 – 10.3%	

* Projects commenced within the six months to 30 June 2006

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\$50m

Current Projects

- Australia & New Zealand – Approx A\$810 million

Forecast	Total Cost ¹ A\$ million	Yield Range	Anticipated Completion
Newmarket (Auckland)	NZ33	12.2 – 12.5%	Qtr 3 '06
Liverpool (Sydney)	205 ²	9.1 – 9.4%	Qtr 4 '06
Chermside (Brisbane) ³	200	10.1 – 10.4%	Qtr 4 '06
Chartwell (Hamilton)	NZ40	8.4 – 8.7%	Qtr 4 '06
Kotara (Newcastle)*	170	8.8 – 9.1%	Qtr 3 '07
Albany (Auckland)*	NZ210	9.7 – 10.0%	Qtr 3 '07
TOTAL	807	9.4 – 9.7%	

* Projects commenced within the six months to 30 June 2006

¹ Excludes project profits except for joint ventures

² Westfield Group share 50% - \$102.5m

³ Project now includes the introduction of a new David Jones Department Store scheduled to open in 3rd Qtr 2007

Current Projects

- United Kingdom - Approx £1.8 billion

Forecast	Total Cost £ million	Yield Range	Anticipated Completion
Derby	340 ^{1 2}	8.25 – 8.75%	Late '07
White City	1,600 ³	5.25 – 5.75%	2H '08

¹ Includes project profits

² Westfield Group share 50% - approximately £170 million

³ Westfield Group share 50% - approximately £1,000 million

Comparable Retail Sales Growth by Category

- Australia

Period to 30 June 2006

	12 months	6 months	3 months
Department Stores	3.4%	0.4%	8.8%
Discount Dept. Store	0.9%	(1.4%)	4.3%
Supermarkets	3.8%	3.1%	3.6%
Mini Majors	13.0%	12.9%	13.8%
Cinemas	(1.3%)	6.0%	6.4%
Fashion	3.6%	3.4%	4.4%
Food Catering	2.7%	2.7%	2.0%
Food Retail	5.9%	5.4%	6.6%
Footwear	5.0%	7.5%	11.1%
General Retail	3.3%	3.5%	3.5%
Homewares	3.7%	3.4%	3.3%
Jewellery	(3.8%)	(5.3%)	(5.4%)
Leisure	(6.8%)	(6.9%)	(5.3%)
Retail Services	3.6%	2.7%	1.7%
Specialties	1.9%	1.9%	2.5%
TOTAL	4.0%	3.2%	5.2%

Comparable Retail Sales Growth by Category

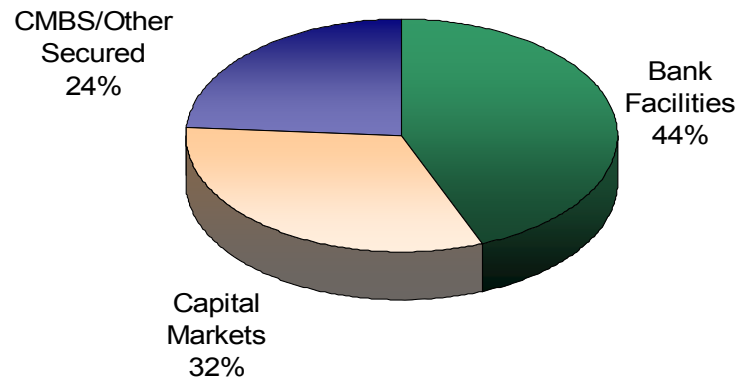
- United States

Period to 30 June 2006

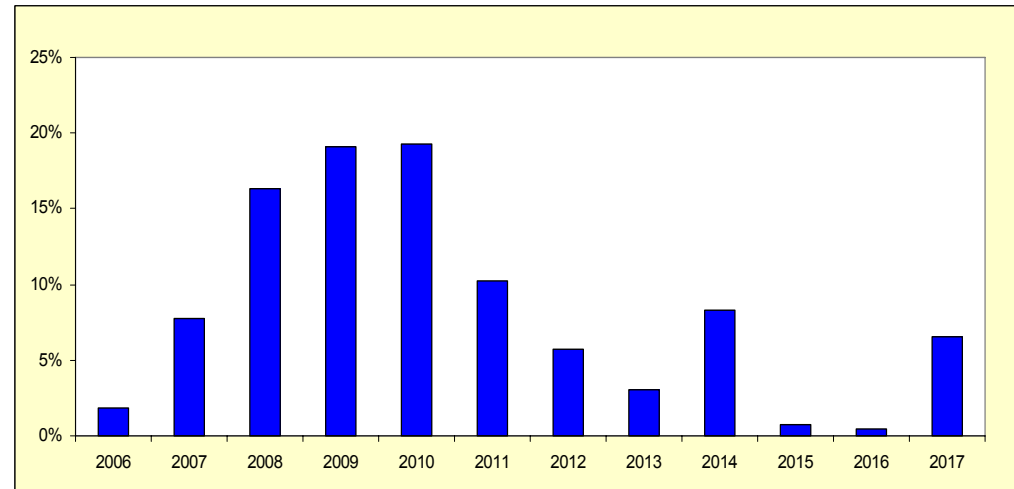
	12 months	6 months	3 months
Fashion	5.4%	3.9%	5.6%
• Women's ready to wear	6.4%	6.1%	7.7%
• Unisex	3.8%	1.6%	3.9%
Jewellery	1.6%	3.7%	2.2%
Leisure	6.1%	6.8%	7.0%
Food retail	4.4%	5.2%	5.0%
General retail	4.9%	7.2%	8.2%
Cinemas	(4.9%)	(0.6%)	4.4%

Funding

Facility Mix – 30 Jun 2006



Facility Maturity Profile – 30 Jun 2006



- Interest Rate Profile as at 30 June 2006
 - Weighted average interest cost of 4.58% (including impact of balance sheet hedging and Westfield Group Merger mark to market)
 - Percentage of fixed rate debt is 88% with an average interest rate hedge maturity of 7.1 years

Operational Segment Borrowings

	At 30 June '06	At 31 Dec '05
Interest bearing liabilities	18,652	17,666
Finance lease liabilities	135	139
Other financial instruments	1,663	1,753
Share of equity accounted interest bearing liabilities	1,593	1,530
Total borrowings	22,044	21,088
 Total borrowings	 22,044	 21,088
Less: Borrowings attributable to Development & New Business Segment	(4,451)	(3,069)
Borrowings attributable to Operating Segment	17,593	18,019
Less: Share of equity accounted interest bearing liabilities	(1,593)	(1,530)
Less: convertible preference shares treated as minority interest in the Operational Segment Income Statement (Slide 19)	(1,041)	(1,032)
Operational Segment Consolidated Borrowings	14,959	15,457

Interest Rate Hedging Profile

INTEREST HEDGING PROFILE*

As at	<u>A\$ interest receivable</u>		<u>US\$ interest payable</u>		<u>£ interest payable</u>		<u>A\$ interest payable</u>	
	A\$ M	Fixed Rate %	US\$ M	Fixed Rate %	£ M	Fixed Rate %	A\$ M	Fixed Rate %
Jun 2006	5,622.5	6.20%	(12,012.7)	4.39%	(1,566.4)	5.56%	(3,111.8)	6.58%
2006	5,787.0	6.59%	(12,689.6)	5.44%	(1,842.0)	5.51%	(3,214.4)	6.75%
2007	5,788.0	6.60%	(12,746.2)	5.57%	(1,990.9)	5.50%	(3,694.7)	6.56%
2008	3,500.0	6.61%	(10,113.8)	5.56%	(1,623.0)	5.36%	(3,817.8)	6.68%
2009	3,500.0	6.61%	(8,168.3)	5.75%	(1,663.0)	5.34%	(3,319.8)	6.75%
2010	3,000.0	6.61%	(7,031.4)	5.84%	(1,782.0)	5.33%	(2,942.7)	6.68%
2011	2,500.0	6.62%	(5,405.1)	5.87%	(1,782.0)	5.33%	(2,250.6)	6.67%
2012	1,750.0	6.62%	(4,011.2)	5.81%	(1,483.0)	5.31%	(1,831.1)	6.58%
2013	450.0	6.43%	(2,708.7)	5.76%	(1,483.0)	5.31%	(533.9)	6.30%
2014	200.0	6.23%	(486.2)	5.78%	(1,190.0)	5.28%	(409.0)	6.14%
2015	0.0	N/A	(302.3)	6.13%	(750.0)	5.38%	0.0	N/A

* Fixed rate includes the Westfield Group Merger mark to market

Currency Hedging Profile

FOREIGN CURRENCY DENOMINATED BALANCE SHEET HEDGING MATURITY PROFILE

Maturing during period ended Dec	Cross currency swap receivable/(payable)				
	A\$ M	US\$ M	£ M	NZ\$ M	EUR M
2006	98.2	(75.0)	-	-	-
2007	127.9	(75.0)	-	-	-
2008	(94.5)	-	-	112.5	-
2009	862.7	(600.0)	-	-	-
2010	590.2	(425.0)	-	-	-
2011	1,024.3	(630.5)	-	-	-
2012	860.8	(1,105.1)	(133.0)	-	600.0
2013	1,065.2	(769.0)	-	-	-
2014	1,160.0	(833.0)	-	-	-
	5,694.8	(4,512.6)	(133.0)	112.5	600.0

Note: To manage the cash flow impact of maturing cross currency swaps the Group has entered into put and call options ("collar") over US\$4 billion of the Group's borrowings. The "collar" matures in the twelve month period ending 31 December 2008 and has an average exchange rate upper limit of AUD = USD 0.7559 and an average exchange rate lower limit of AUD = USD 0.7086.

Currency Hedging Profile (continued)

FOREIGN CURRENCY DENOMINATED NET INCOME HEDGING MATURITY PROFILE

Maturing during period ended Dec	<u>Sell US\$ Forward Exchange Contracts</u>			<u>Sell NZ\$ Forward Exchange Contracts</u>		
	US\$ M	Hedge Rate*	Contract Rate	NZ\$ M	Hedge Rate*	Contract Rate
2006	(263.1)	0.6233	0.5187	(165.3)	1.1359	1.1907
2007	(228.7)	0.6035	0.5316	(138.4)	1.1196	1.1432
2008	(232.3)	0.6645	0.6488	(144.0)	1.1216	1.1287
2009	(208.0)	0.7102	0.7102	(109.2)	1.1234	1.1234
2010	(130.0)	0.7097	0.7097	(49.0)	1.1294	1.1294

* Hedge rate includes the Westfield Group Merger mark to market

Key Financial Ratios

Financial ratios per the Westfield Group's bond offerings

- Net debt as a % of assets 41.7%
- Secured debt as a % of assets 12.5%
- EBITDA to interest expense 3.4 times
- Unsecured assets as a % of unsecured debt 213%

Exchange Rates

- Income Statement - average exchange rates for the 6 months to 30 June 2006:

- AUD/USD 0.7434	(6 months to 30 June 2005: AUD/USD 0.7727)
- AUD/GBP 0.4151	(6 months to 30 June 2005 : AUD/GBP 0.4125)
- AUD/NZD 1.1556	(6 months to 30 June 2005 : AUD/NZD 1.0792)

- Balance Sheet - exchange rates as at 30 June 06:

- AUD/USD 0.7434	(31 December 2005: AUD/USD 0.7327)
- AUD/GBP 0.4052	(31 December 2005: AUD/GBP 0.4245)
- AUD/NZD 1.2206	(31 December 2005: AUD/NZD 1.0712)