

14 November 2006



Westfield Group

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Company Announcements Office
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Level 4, Exchange Centre
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Dear Sir/Madam

WESTFIELD GROUP (ASX:WDC)
3rd QUARTER 2006 - REVIEW

The Westfield Group Quarterly Operational Update and Presentation is attached.

Yours faithfully

WESTFIELD GROUP

Simon Tuxen
Company Secretary

Westfield Holdings Limited ABN 66 001 671 496

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

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



Westfield Group

3rd Quarter 2006 - Review

14 November 2006

3rd Quarter Review

- Highlights
- Portfolio Summary
- Recently Completed Major Projects
- Global Development Activity
- Current Projects
- Future Major Projects
- Shopping Centre Operating Performance
- Retail Sales

3rd Quarter Highlights

Development

- Successfully opened A\$1.7 billion of new major projects in the United States & Australia and launched Westfield London.
- Currently 18 projects under construction at a forecast cost of A\$6.9 billion with Westfield's share forecast at A\$4.8 billion.
- Completed 9 projects year to date at a total cost of A\$2.2 billion.
- Commenced 8 projects year to date at a forecast total cost of A\$1.5 billion.

Operations

- Solid specialty store rental growth achieved with almost full occupancy maintained in Australia, New Zealand and the United Kingdom portfolios. In the United States the portfolio was 93.5% leased at 30 Sep 2006.

Transactions

- Acquired ground lease at Westfield Southcenter (Seattle, Washington) for US\$200 million – facilitating commencement of US\$230 million redevelopment.
- Acquired 50% interest in Cairns Central (North Queensland) for A\$160 million.

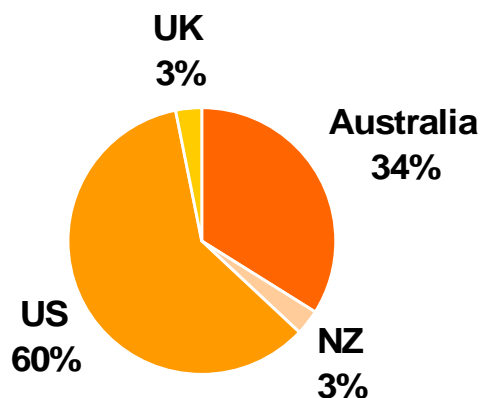
Funding

- Raised US\$1.5 billion from US debt markets: US\$600 million (6 yrs) & US\$900 million (10 yrs).

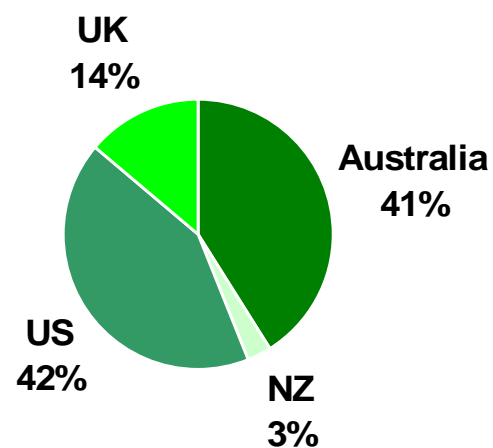
Portfolio Summary

	United States	Australia	United Kingdom	New Zealand	Total
Centres	59	44	7	11	121
Retail Outlets	8,900	11,300	800	1,400	22,400
GLA (million sqm)	6.1	3.5	0.3	0.3	10.2
Westfield Asset Value (billion) ¹	US\$14.2	A\$17.6	£1.5	NZ\$2.1	A\$42.2 ¹
Assets Under Management (billion) ²	US\$17.9	A\$23.3	£3.3	NZ\$2.3	A\$57.5 ²

Gross Lettable Area



Assets Under Management



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

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

Recently Completed Major Projects

Development	WDC Share	Total Cost A\$ million	WDC Cost A\$ million	WDC Yield on Cost (Approx)
San Francisco	50%	610	305	8.7%
Topanga, Los Angeles ¹	100%	470	470	9.6 – 9.9%
Century City, Los Angeles	100%	230	230	11.0%
Liverpool, Sydney	50%	200	100	9.4%
Chermside, Brisbane	100%	200	200	10.2%
TOTAL		1,710	1,305	

¹ Stage 1 (approximately A\$400 million) complete, balance to complete in Q4 '08



San Francisco



San Francisco



San Francisco



Topanga



Chermside



Chermside

Global Development Activity

- 18 projects currently under construction with an estimated total cost of A\$6.9 billion – Westfield Group share A\$4.8 billion

	No. of Projects	Estimated Total Cost	Target Weighted Average Yield ¹
United States	12	US\$1.1bn	10.0 – 10.4%
Australia & New Zealand	4	A\$0.5bn	9.2 – 9.5%
United Kingdom - Derby	1	£0.3bn	8.25 – 8.75%
- London	1	£1.6bn	5.25 – 5.75%
Total	18	A\$6.9bn	

¹ Stabilised income/Westfield Group cost

Global Development Activity

- **Completed 9 developments year to date at a total cost of A\$2.2 billion with a forecast weighted average development yield of 9.3%**
 - United States: Chesterfield, Connecticut Post, San Francisco, Topanga (Stage 1), Century City (Stage 2)
 - Australia & NZ: Parramatta, Liverpool, Chermside, Newmarket
- **Commenced 8 developments year to date at a total forecast cost of A\$1.5 billion and a forecast weighted average development yield of 9.7% – 10.1%**
 - United States: Annapolis, Plaza Bonita, Galleria at Roseville, Old Orchard, Southcenter
 - Australia & NZ: Kotara, North Lakes, Albany

Current Projects

- United States - Approx US\$1.1 billion

	Total Cost ¹ US \$million	Yield Range	Anticipated Completion
Capital (Olympia, Washington)	50	8.5 – 9.0%	Stage 1 - Qtr 4 '06 Stage 2 - Qtr 2 '07
Southlake (Hobart, Indiana)	20	12.1 – 12.5%	Qtr 4 '06
Brandon (Tampa, Florida)	60	11.0 – 11.4%	Qtr 2 '07
Southpark (Cleveland, Ohio)	60	11.0 – 11.4%	Qtr 2 '07
Garden State Plaza (Paramus, New Jersey)	100 ²	9.5 – 9.9%	Qtr 2 '07
Sarasota (Sarasota, Florida)	50	9.6 – 9.9%	Qtr 3 '07
Annapolis (Annapolis, Maryland)*	150	10.3 – 10.8%	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
Topanga – Stage 2 (Los Angeles, California)	50	9.6 – 9.9% ³	Qtr 4 '08
Southcenter (Seattle, Washington)*	230	10.0 – 10.5%	Qtr 1 '09
Galleria at Roseville (Roseville, California)*	220	9.5 – 10.0%	Qtr 1 '09
Total	1,100	10.0 – 10.4%	

* Projects commenced within CY 2006

¹ Excludes project profits except for joint ventures

² Westfield Group share 50% – US\$50m

³ Yield range of entire project – Stage 1 (US\$300 million) completed and opened

Current Projects

- Australia & New Zealand – Approx A\$540 million

	Total Cost ¹ A\$ million	Yield Range	Anticipated Completion
Chartwell (Hamilton)	NZ 40	8.4 – 8.7%	Qtr 4 '06
Kotara (Newcastle)*	170	8.8 – 9.1%	Qtr 3 '07
Albany (Auckland)*	NZ 210	9.7 – 10.0%	Qtr 4 '07
North Lakes (Brisbane)*	155 ²	9.0 – 9.3%	Qtr 4 '07
TOTAL	543	9.2 – 9.5%	

* Projects commenced within CY 2006

¹ Excludes project profits except for joint ventures

² Westfield Group share – A\$77.5 million

Current Projects

- United Kingdom - Approx £1.94 billion

	Total Cost £ million	Yield Range	Anticipated Completion
Derby	340 ¹	8.25 – 8.75%	Qtr 4 '07
London	1,600 ²	5.25 – 5.75%	Qtr 4 '08

¹ Includes project profits. Westfield Group share 50% – approximately £170 million

² Westfield Group share 50% – approximately £1,000 million

Future Major Projects

United States

- Belden Village (Canton, Ohio)
- Century City Phase II (Los Angeles, CA)
- Chicago Ridge (Chicago, Illinois)
- Fashion Square (Sherman Oaks, CA)
- Fox Hills (Culver City, CA)*
- Horton Plaza (San Diego, CA)
- Mainplace (Santa Ana, CA)*
- Montgomery (Bethesda, Maryland)
- North County (Escondido, CA)*
- Palm Desert (Palm Desert, CA)*
- Santa Anita (Arcadia, CA)*
- Southgate (Sarasota, Florida)
- UTC (San Diego, CA)*
- Valencia (Valencia, CA)
- West Valley (Los Angeles, CA)

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)
- Pacific Fair (Qld)
- Plenty Valley (Vic)
- Sydney CBD (NSW)
- Tea Tree Plaza (SA)
- Warringah (NSW)

United Kingdom

- Broadway (Bradford)
- Broadmarsh (Nottingham)
- Merry Hill (Birmingham)
- Sprucefield (Lisburn, N/Ireland)
- Stratford City (East London)
- The Friary (Guildford)

** Includes redevelopment of acquired Federated Store*

Shopping Centre Operating Performance

	Portfolio Leased ¹	Specialty Occupancy Cost ¹	Lease Deals Completed ²		Average Specialty Store Rent	
			Number	Area	Amount ¹	Growth ³
United States	93.5%	13.8%	982	2,687,146 sqft	US\$42.02 psf	4.4%
Australia & New Zealand	> 99.5%	16.4%	2,009	238,951 sqm	A\$1,191 psm NZ\$1,001 psm	5.2%
United Kingdom	> 99%	n/a	139	61,756 sqm	£617 psm	7.7% ⁴

¹ As at 30 September 2006

² 9 months to 30 September 2006

³ 30 September 2006 compared to 30 September 2005 – excludes newly acquired/disposed centres

⁴ Excludes centres under development or impacted by development

Retail Sales Overview ¹

Period to 30 September 2006

	12 months \$	Growth	9 months Growth	3 months Growth
United States²				
Specialties	US\$7.3 bn	5.0%	5.3%	5.9%
Australia				
Majors ³		2.4%	1.4%	1.4%
Specialties		2.1%	2.1%	2.6%
Specialties (incl. Mini majors*)		4.2%	4.0%	4.2%
Total ³	A\$17.9 bn	3.6%	3.2%	3.3%
United Kingdom⁴				
Comparable		2.0%	2.3%	2.8%
Total	n/a	5.0%	5.1%	5.6%
New Zealand				
Specialties		1.2%	2.2%	1.1%
Total	NZ\$1.7 bn	1.6%	2.9%	1.4%

* Australia 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 Sales for the quarter have been impacted by the reporting period for the Coles Myer Group which has reported 1 week less sales this quarter

⁴ British Retail Consortium-KPMG retail sales report

Comparable Retail Sales Growth by Category

- Australia

	Period to 30 September 2006		
	12 months	9 months	3 months
Department Stores	3.9%	2.4%	7.3%
Discount Dept. Store	(1.2%)	(2.2%)	(3.9%)
Supermarkets	2.4%	2.2%	0.3%
Mini Majors	13.6%	12.3%	11.2%
Cinemas	(0.1%)	2.2%	(6.6%)
Fashion	3.5%	3.0%	2.2%
Food Catering	3.0%	3.1%	4.0%
Food Retail	5.5%	5.5%	6.5%
Footwear	7.5%	9.0%	12.0%
General Retail	3.7%	3.7%	4.1%
Homewares	3.2%	3.1%	2.8%
Jewellery	(3.6%)	(3.5%)	0.6%
Leisure	(5.8%)	(5.5%)	(2.7%)
Retail Services	3.6%	3.5%	4.2%
Specialties	2.1%	2.1%	2.6%
TOTAL	3.6%	3.2%	3.3%

Comparable Retail Sales Growth by Category

- United States

Period to 30 September 2006

	12 months	9 months	3 months
Fashion	4.2%	3.5%	3.8%
• Women's ready to wear	7.0%	6.3%	8.6%
• Unisex	1.4%	0.5%	(0.6)%
Jewellery	1.5%	2.7%	1.1%
Leisure	7.4%	8.8%	11.9%
Food retail	3.9%	3.9%	2.8%
General retail	6.5%	7.9%	8.8%
Cinemas	(1.8)%	0.1%	3.6%