

4 July 2007



Westfield Group

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

Dear Sirs

**WESTFIELD GROUP (ASX:WDC)
PRO - RATA ENTITLEMENT OFFER**

Attached is a supplementary combined prospectus/product disclosure statement in relation to the \$3 billion underwritten pro-rata entitlement offer of new securities by the Westfield Group. The Prospectus has been lodged with ASIC today.

Yours faithfully
WESTFIELD GROUP

A handwritten signature in black ink, appearing to be "Simon Tuxen", written over a horizontal line.

**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

Supplementary Product Disclosure Statement and Supplementary Prospectus

WESTFIELD GROUP

Westfield Holdings Limited (ABN 66 001 671 496)

Westfield Management Limited (ABN 41 001 670 579, AFS Licence 230329)
as the responsible entity for Westfield Trust (ARSN 090 849 746)

Westfield America Management Limited (ABN 66 072 780 619, AFS Licence 230324)
as the responsible entity for Westfield America Trust (ARSN 092 058 449)

1 Background

This Supplementary Product Disclosure Statement and Supplementary Prospectus (“**SPDS**”) is dated 4 July 2007. It supplements the Product Disclosure Statement and Prospectus dated and lodged with ASIC on 12 June 2007 (“**Offer Document**”) and is to be read together with the Offer Document.

A copy of this SPDS has been lodged with ASIC on 4 July 2007. ASIC and ASX take no responsibility for the contents of this SPDS.

The issuers of this SPDS are 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 (ARSN 090 849 746), and Westfield America Management Limited (ABN 66 072 780 619, AFS Licence 230324) as responsible entity for Westfield America Trust (ARSN 092 058 449).

Terms defined in the Offer Document have the same meaning in this SPDS.

2 Establishment of Wholesale Fund in the United Kingdom

Section 4.5(c) of the Offer Document disclosed that the Westfield Group was in discussions with a number of interested parties about the possibility of establishing a circa £500 million wholesale fund in the United Kingdom.

On 2 July 2007 the Westfield Group announced the establishment of a £530 million (A\$1,250 million) wholesale fund to own interests in four Westfield shopping centres in the United Kingdom with a gross value of over £2.1 billion (A\$5 billion).

The fund, to be named the Westfield UK Shopping Centre Fund, will own 25% interests in the Westfield Merry Hill, Belfast and Tunbridge Wells centres and will purchase a 25% interest in the Westfield Derby centre post completion of its current redevelopment. Westfield will continue to retain a 25% interest in the properties.

Westfield will act as fund manager of the new fund and will continue to act as property, leasing and development manager for each of the centres. The new fund will, together with the other transactions in the last six months, increase the Westfield Group’s management of assets on behalf of outside investors from A\$12.8 billion (at 31 December 2006) to approximately A\$16 billion.

The fund will purchase its interest in the initial portfolio (Merry Hill, Belfast and Tunbridge Wells) for approximately £380 million (A\$900 million), representing an initial yield to the fund of approximately 4.3% after costs.

The fund will acquire a 25% interest in the completed Derby centre before October 2009. The price will be based on the annualised net income of the centre at the time of transfer capitalised at 5.00%, estimated to be around £150 million (A\$350 million).

The fund was established with subscriptions from two cornerstone investors representing 67% of the fund. The remaining one-third of the fund will be marketed to a wider group of wholesale investors.

3 Taxation

In section 8.1(b) of the Offer Document, there is a discussion of the tax consequences of the receipt of the Offer for Eligible Security Holders holding their Securities on capital account (excluding those Security Holders who are banks, insurance companies and taxpayers carrying on a business of trading shares).

Based on discussions with the ATO, the Westfield Group's tax adviser formed the view that the receipt of the Offer by Security Holders should not give rise to an amount of assessable income or capital gain or cost base reduction despite the recent decision of the High Court of Australia in the case of *Federal Commissioner of Taxation v. McNeil* ("McNeil's Case").

The Minister for Revenue and Assistant Treasurer, Peter Dutton MP, announced on 26 June 2007, that amendments will be made to the income tax law to provide certainty for taxpayers by restoring the taxation treatment of rights issues that existed before the decision in McNeil's Case. The amendments should ensure that shareholders issued with rights by companies will not have an income tax liability at the time of issue.

The Westfield Group's tax adviser considers that the proposed amendments will not change the Australian tax implications of the receipt of the Offer outlined in the Offer Document at section 8.1(b).

4 Consent to the inclusion of statements in this SPDS

Greenwoods & Freehills, the Westfield Group's Australian tax adviser, has given and not withdrawn its written consent to the inclusion of statements based on statements made by the Westfield Group's tax adviser in section 3 of this SPDS. Other than those statements, Greenwoods & Freehills has made no statement included in this SPDS or on which a statement in this SPDS is based.

5 Consent to lodgment

Each director of Westfield Holdings Limited, Westfield Management Limited and Westfield America Management Limited has consented to the lodgment of this SPDS.