

26 March 2010



Westfield Group

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The Manager
Company Announcements Office
ASX Limited
Level 4, Exchange Centre
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SYDNEY NSW 2000

Dear Sir/Madam

**WESTFIELD GROUP (ASX:WDC)
ANNUAL REPORT FOR WESTFIELD GROUP**

Attached is the Annual Report for the Westfield Group for the financial year ended 31 December 2009.

A copy of the report may be accessed on the Westfield website – www.westfield.com/corporate.

Yours faithfully

WESTFIELD GROUP

A handwritten signature in blue ink, consisting of a stylized 'S' followed by a horizontal line and a dot.

**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



WESTFIELD GROUP
ANNUAL REPORT 2009

50
YEARS
OF SHOPPING
CENTRE EXCELLENCE



Australia 44 centres

New Zealand 12 centres

United States 55 centres

United Kingdom 8 centres

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The Westfield Group – celebrating 50 years

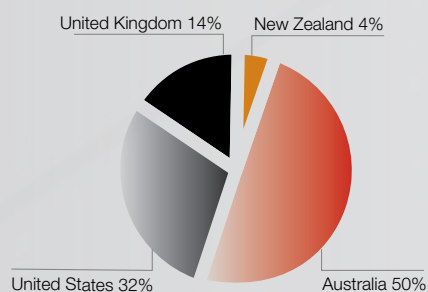
The Westfield Group is the world's largest listed retail property group by equity market capitalisation. The Group has interests in and operates a high quality portfolio of 119 regional shopping centres in Australia, New Zealand, the United States and the United Kingdom, valued at around \$59 billion, with almost 24,000 retailers in more than 10 million square metres of retail space.

Westfield is a vertically integrated shopping centre group. It manages all aspects of shopping centre development from design and construction through to leasing, management and marketing.

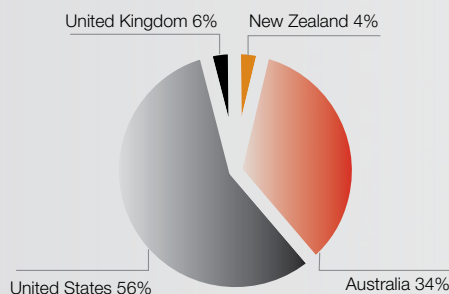
The Group creates value through intensive operational management and a strategic development program which aims to continually improve the quality of the portfolio to generate sustainable long term returns for investors.

Portfolio Summary	Australia	New Zealand	United States	United Kingdom	Total
Centres	44	12	55	8	119
Retail Outlets	11,747	1,723	9,004	1,270	23,744
Gross Lettable Area (million sqm)	3.6	0.4	5.9	0.6	10.5
Westfield Asset Value (billion)	\$21.4	NZ\$3.0	US\$15.1	£2.7	\$45.5
Assets Under Management (billion)	\$29.4	NZ\$3.0	US\$17.2	£4.8	\$59.5

Assets Under Management



Gross Lettable Area



50 Years of Shopping Centre Excellence

The evolution of the Westfield Group has been a steady progression over the past 50 years.

Here are just some of the milestones along the way.

1959



Westfield Plaza, Blacktown, Sydney

1959

In July 1959 John Saunders and Frank Lowy opened their first shopping centre – Westfield Plaza in Blacktown.

With 12 shops, two department stores and a supermarket, people flocked to see the plaza which newspapers of the day described as 'the most modern American-type combined retail centre'.

By the end of that year Westfield Plaza was established as the commercial hub of Blacktown's 100 or so shops, and people from all over the area were drawn to the 'progressive shopping centre'.



1960



1960

Westfield was incorporated in June of 1960, and shortly afterwards, Saunders and Lowy issued a prospectus for its listing on the Sydney Stock Exchange.

In September Westfield Development Corporation Ltd was floated with the issue of 300,000 ordinary shares at a price of five shillings each.

1961

The first purpose-built centre, funded by the recent float, opened at Hornsby at a cost of £345,000. With 22 stores it played a major role in attracting residents to the area.

1962–66

Three more centres opened in Sydney by 1962, with another three under development. In 1966 the first branded centre opened at Burwood with the now familiar red Westfield logo.

1967–69

Westfield expanded interstate with the opening of Toombul in Brisbane followed by Doncaster in Melbourne in 1969.



1970

1970

Land was purchased on the edge of Sydney's CBD, construction got underway and, in 1973 work was completed at Westfield Towers, still the Group's global headquarters today.

1970–76

Growth continued apace in Australia with centres expanding and opening across Sydney, Brisbane and Melbourne including Indooroopilly (Brisbane), Liverpool and Parramatta (Sydney) and Airport West (Melbourne).

1977

Westfield entered the United States with the acquisition of Trumbull, Connecticut.

1979

Capital reorganisation of Westfield Limited with the establishment and listing of Westfield Holdings Limited and Westfield Property Trust to meet changing trends in the capital market.

Westfield Trumbull, Connecticut, US



Westfield Towers, Sydney, AUS





Westside Pavilion, Los Angeles, US

1980

Three centres were acquired in the United States in California, Michigan and Connecticut.

1982

Westfield Trust was floated on the Sydney Stock Exchange as a successor to Westfield Property Trust.

1981–84

Redevelopments and new centre openings in Melbourne and Brisbane.

1985

In a series of firsts, the Group undertook a major redevelopment at Westside Pavilion, Los Angeles, after demolishing most of the existing centre. The new mall featured the first rooftop carpark in the United States, and was the drawcard that finally brought department store Nordstrom to Los Angeles.

1986

Westfield made business headlines when it outbid other parties to successfully acquire three centres in the Macy's transaction. The acquisition included the powerhouse centre Garden State Plaza in Paramus, New Jersey.

1987

After 30 years of partnership, John Saunders relinquished his active management in Westfield, stepping away from the business entirely in 1990.

New centres opened at Chatswood and Eastgardens in Sydney.



John Saunders and Frank Lowy

1990

1992–93

Major redevelopments were completed at Doncaster (Melbourne), Liverpool, and Miranda in Sydney, which on completion became Australia's largest shopping centre.

1994

Westfield tripled the amount of space it managed in the United States with the US\$1 billion CenterMark transaction, which saw the Group acquire 19 centres across America.

1994–96

Portfolio expansion continued in Australia with redevelopments, openings and new centres coming under the Group's management.

1996

Westfield America Trust was listed on the Australian Stock Exchange enabling Australian investors to make direct investments in the US retail property market.

1997

Westfield entered New Zealand after assuming management of the St Lukes portfolio.

1998

Westfield acquired the US\$1.4 billion TrizecHahn portfolio adding a further 12 properties to the Group's Californian portfolio, making it that state's biggest shopping centre operator.

Following the US portfolio growth, a significant branding opportunity became apparent and every centre owned by the Group in the United States was branded Westfield.



Westfield America Trust IPO



Westfield Miranda, Sydney, AUS



Westfield Stratford City, UK

2000

In New Zealand the Group acquired the NZ\$920 million St Lukes portfolio, branding the centres Westfield.

Westfield entered the United Kingdom with the acquisition of a centre in Nottingham followed by the establishment of a joint venture interest in nine centres in prime town centres and urban locations.

In Australia, the Group was a major sponsor of the Sydney 2000 Olympic Games.

2001

The Group acquired Sydney's Centrepoint shopping centre – the home of the iconic Sydney Tower and site of the future Westfield Sydney City.

2002

Nine shopping centres were acquired in the United States in the US\$756 million Richard E Jacobs transaction.

In the same year, the US\$2.6 billion Rodamco transaction added another 14 malls to the Group's American portfolio, and consolidated its position as one of the largest retail property groups in the United States.

2003

Westfield acquired the \$1.9 billion AMP Shopping Centre Trust, adding interests in a further nine high quality shopping centres.

The Australian portfolio grew further with the strategic acquisition of Sydney Central Plaza in the city's CBD.

2004

Westfield Group was born when Westfield Holdings, Westfield Trust and Westfield America Trust merged in the company's most significant corporate restructuring, creating the world's largest retail property group by equity market capitalisation.

In the same year, an initial interest in White City was acquired in a contested takeover in the United Kingdom, paving the way for the future Westfield London.

As part of that £1.1 billion Chelsfield transaction the Group also acquired interests in a number of key UK properties, including Stratford City.

2004–2007

Flagship centres opened at Bondi Junction in Sydney, Century City and San Francisco in California while redevelopments continued throughout the Group's global portfolio (more than 20 since the decade's beginning) peaking in 2007 with the completion of five projects in four countries over just four weeks.

2008

The United Kingdom's largest urban shopping centre opened at Westfield London. The 300-store, £2.1 billion flagship centre attracted more than 23 million visitors in its first year.

2009

The Group made good progress on its iconic projects at Stratford and Sydney City.



Frank Lowy

Chairman's Review

When Westfield began its life as a public company 50 years ago no-one, least of all its founders, could have predicted it would grow to become one of Australia's largest and most successful corporations, let alone a world leader in retail property.

The company was formed in 1960 to raise funds to build a shopping centre at Hornsby in Sydney. Today, it has interests in a portfolio of 119 centres in four countries with almost 24,000 retailers and assets valued at \$59 billion.

Each decade of the company's history reveals a story of growth, in the scale of its operations and in returns for investors. Over the 50 years, shareholders in the entities which today comprise the Westfield Group have contributed equity of \$19.9 billion and received back some \$15.6 billion in dividends and distributions. With a market capitalisation at 31 December 2009 of around \$29 billion, some \$25 billion of wealth has been created for Westfield shareholders.

Since 1960 original shareholders in the Westfield Development Corporation have received a total return of 27.63% per annum, compared with 10.91% for the All Ordinaries Index over the same period.

The goals I shared in 1960 with my partner, John Saunders, were not grand ones. As young businessmen our objectives were necessarily short term. What kept us awake at night were not dreams of a global business empire, but cash-flow. Could we pay the bills next week? Could we lease that vacant shop? Should we expand beyond Sydney, to Brisbane, or perhaps Melbourne?

From the vantage point of 50 years' experience I can see that while the scale and complexity of the company has grown enormously, our core business remains essentially unchanged – Westfield aims to provide the best possible environment for retailers to trade and shoppers to shop.



Westfield Plaza, Sydney, AUS, 1959



Advertising for Westfield Hornsby, Sydney, AUS, 1961



Westfield headquarters, Sydney, AUS, established in 1973

The many changes Westfield has undergone over the years, to our corporate and financial structure, to our management organisation and our geographical expansion and to the design and type of retail outlets in the shopping centres themselves, have all been made to put us in a stronger position to deliver on this core business objective.

And the changes have been profound.

The establishment of the Westfield Property Trust (which subsequently became the Westfield Trust) in the late 1970s to hold the assets managed by Westfield Holdings was at the forefront of a new path for property ownership and management.

During the 1990s Westfield America Trust was created to hold Westfield's US properties, the first Australian property trust dedicated to investment exclusively in off-shore assets, and for a period Westfield America Inc was created and listed on the New York Stock Exchange.

These moves were the right ones for the times but Westfield has always been prepared to change its structure where necessary, even when the existing structure has historically proven sound. Looking ahead five, 10 and 15 years and anticipating and planning for potential change has been a hallmark of the company.

In the past decade the most significant example of this was our decision to merge the three Westfield entities – Westfield Holdings, Westfield Trust and Westfield America Trust – to create the Westfield Group in 2004. The rationale was to create a global operating and financial structure to match increasing international opportunities, and in so doing Westfield became the largest listed retail property group in the world by equity market capitalisation.

Another example of looking ahead was our decision to expand internationally in the 1970s. John Saunders and I had been frequent visitors to the US from the '60s and drew from that country valuable lessons about the shopping centre business and were inspired by the infectious optimism of its people. Our success in the US provided the foundation of confidence for later moves into other markets – New Zealand in 1997 and the United Kingdom in 2000.

The Westfield brand itself is another hallmark of the company. In the beginning no-one "branded" shopping centres and even to us it was simply a sign on our centres which was shorthand for our humble beginnings, in a "field" in the "west" of Sydney. The first red "Westfield" sign was installed on our Burwood centre in Sydney in 1966.

Today, the Westfield brand sends a simple and powerful message to the world of shopping centre excellence, a message understood by investors, staff, retailers and shoppers in Australia, New Zealand the United States and United Kingdom.

The Westfield story of the past 50 years has many chapters, and I've touched on just some of them here. There's the consistent financial performance; the ability to adapt; the different capital structures; our international expansion; and, most importantly, the people who collectively over the years have made Westfield the success that it is.

All of these elements of the Westfield story are an enduring source of pride for me and it is both an honour and a humbling experience to lead a company of such standing.

But while our 50th anniversary as a public company will be a time to look back with pride on our achievements, it will be done in the knowledge that our gains are hard won and that we must nurture Westfield's culture of hard work, attention to detail, careful planning and bold execution, if we are to carry the company forward in the years ahead.

We needed no reminding, but the past couple of years have demonstrated just how unpredictable the marketplace can be.

Fortunately, and despite the unavoidable impact on the Group's share price, financial discipline and prudent planning meant we were well-placed to withstand the shock of what became known as "the global financial crisis."

In the period before the crisis hit we raised equity and long-term debt. We sold properties that did not fit with our long-term strategic objectives. Having taken these steps, the Group entered this period in a strong financial position. As a consequence we were able to extend our banking maturities during the crisis, and to further protect our position by reducing our capital expenditure, including postponing most of our redevelopment work. We reduced expenses across the business. All of this activity put us in a strong financial position and we are emerging from the crisis with conservative gearing and a strong balance sheet. At 31 December 2009 Westfield's gearing was 35.8%, with \$7.8 billion of available liquidity.

Over 50 years we have confronted several downturns and have emerged from each in a stronger position than we entered it. The credit squeeze of the early '60s; the oil shock and inflation of the '70s; the boom and bust of the late '80s and the deep recession of the early '90s. Then came the Asian financial crisis of 1997; the dot-com boom and bust and then the most recent global financial crisis.

Each episode had different characteristics and each taught us lessons about how to deal with the adversity that any long-term business must inevitably confront. Perhaps the most enduring lesson has been the importance of a resilient business model, in Westfield's case based on stable income flows made possible by a portfolio diversified by geography and type of retailer.

Rarely do all markets experience precisely the same economic conditions at the same time. The geographic diversity in our portfolio allows for stronger growth in one market to compensate for slower growth in another. Similarly, our 24,000 retailers cover the entire spectrum of retail and entertainment, from fashion to food to homewares and discounters. There are entertainment precincts with cinemas and dozens of other retail categories which means a downturn in one particular type of retail can be offset by the stronger performance of another.

Equally importantly, the quality of our portfolio also contributed to the Group's resilience in the face of the economic downturn.

During the second half of 2009 we saw signs that the worst effects of the financial crisis were receding and as we enter 2010 there is cautious optimism that we can perhaps begin to plan for more promising times ahead.

Our results for 2009 bear this out, with a 6.2% increase in operational earnings over the previous year. Notwithstanding the difficult conditions globally the Group was able to meet its forecast given in February last year. The Australian business continued to prove resilient while conditions stabilised in the second half of 2009 in our United States, United Kingdom and New Zealand businesses.



Westfield Century City, Los Angeles, US



Westfield San Francisco, US



Artist impression of Westfield Sydney City, AUS

Naturally, the Westfield of 2010 looks very different to the Westfield of 1960. Then, urban design of public buildings was not what it is today. Now we build and manage flagship centres from the heart of Sydney to Los Angeles to San Francisco and London. Westfield has led the way in this transformation of shopping centres from utilitarian buildings to shopping and entertainment destinations that rival the best commercial properties anywhere.

One theme that has continued throughout has been the role of the shopping centre as a focus, or hub, for community activity. Whether in 1960 or 2010, the shopping centre with its mix of food, fashion and entertainment has fulfilled an important social role.

During the year we will publish more about the company's history, to pay tribute to all those who have made a contribution to Westfield.

It is an important story in Australia's corporate history, and one worth sharing, especially with you, our shareholders, who have continued to show faith in Westfield through your investment in the Group.

I would like to thank and acknowledge the contribution of the many directors who have served on the board of the company during its 50 years. Few companies anywhere have been better served than Westfield by the wise counsel and guidance of its board.

I would also like to acknowledge my co-founder, the late John Saunders, and the many executives who have served the company. Their story has mirrored the wider Westfield experience, as our senior executive team has deepened and broadened over the years, away from the partnership model into a much larger and more mature global organisation. It is personally very satisfying to me that my sons have been, and continue to be in the leadership of the Group.

The reputation of Westfield executives is without peer in our industry, and with good reason, and I am grateful for the support and teamwork they have demonstrated over such a long period.

As we enter 2010 I am reminded that while Westfield is now 50 years old, each decade seems to have brought a new beginning. I am confident this will be the case again.

The shopping centre has proved to be resilient and adaptive – it has moved with the times and embraced new retailers and new retail formats. Today, it is incorporating the use of digital and other new technology at a rapid pace. Throughout all this change over 50 years, the shopping centre remains a community hub where people come together to shop, to meet and explore, to be entertained and to do business. I believe that the shopping centres of the future will go on fulfilling that role.

Ahead lies much hard work, and challenges we cannot foresee, but we enter this new decade as we have the previous five – well-equipped to confront the challenges and eager to make the most of the opportunities.

An over-arching theme of the Westfield story of the past 50 years has been optimism, and today I look forward to the future of the Group with the same optimism as ever.

Frank Lowy AC, Chairman



Steven Lowy, Peter Lowy

Group Managing Directors' Review

In 2009 the Group reported operational earnings of \$2.064 billion, up 6.2% on the prior year and a distribution of \$2.109 billion representing 94.0 cents per security. This result was in line with the forecast given in February 2009 notwithstanding the unprecedented volatility and difficult conditions in the real estate, retail and capital markets in which the Group operated for most of the year.

The Group's statutory result for the year, under AIFRS, was negative \$458 million, impacted by the downward property revaluations of \$3.5 billion, principally experienced in the first half of the year. However we have seen capitalisation rates across each region stabilise and the Group's statutory result, in the second half of the year, under AIFRS, was a profit of \$250 million.

During the year, the Group continued its focus on maintaining a strong balance sheet and liquidity position. New development commencements were put on hold and the Group was active in the capital markets raising \$9.1 billion of new capital, comprising \$3.6 billion of equity and \$5.5 billion of new and extended finance facilities, culminating in a US\$2 billion public bond issue in August. This was a pleasing result in a very difficult capital market environment and highlights the Group's strong support from both equity and debt investors.

At the end of 2009, the Group's gearing ratio was 35.8% and available liquidity was \$7.8 billion.

The Group's business is underpinned by its high quality portfolio of 119 shopping centres across Australia, the United States, the United Kingdom and New Zealand, delivering resilient cashflow and benefitting from the ongoing redevelopment of the portfolio over many years.



Westfield Bondi Junction, Sydney, AUS



Westfield Culver City CA, US



Westfield Galleria at Roseville CA, US



Westfield Doncaster, Melbourne, AUS



Westfield Albany, NZ



Westfield Derby, UK

The benefit of this global diversification has been demonstrated in the results this year. Overall, we have seen strong performance from the Australian business throughout the year while conditions have stabilised in the second half of the year in our United States, United Kingdom and New Zealand businesses.

For the year, comparable shopping centre net operating income for the global portfolio grew by 1.6%, with the Australian and New Zealand portfolios exceeding expectations with growth of 5.9%, the United States portfolio declining 3.9% and the United Kingdom portfolio declining 4.2%.

The portfolio at 31 December 2009 was 97.2% leased, its highest level since September 2008 and an improvement from the low of 96.0% experienced at the end of March 2009. This was driven by a continuation of the strong performance in the Australian and New Zealand portfolios which are in excess of 99.5% leased as well as an improvement in the US portfolio from 90.1% leased at the end of the March quarter to 92.8% leased at year end and a similar improvement in the UK portfolio increasing from 96.6% leased at the end of the March quarter to 98.9% leased at year end.

Operating Environment Australia and New Zealand

Both portfolios remain in very good shape with the strong underlying performance largely in Australia, driven by the impact of higher inflation linked annual rental escalations, primarily in the first half, as well as solid increases in lease renewals, incremental income from stabilised development centres and improved operating margins.

Total retail sales in the Australian portfolio for the 12 months were \$21.5 billion, up 3.8% on 2008, with solid performances across the whole portfolio and in particular from developments completed in the past few years. Comparable specialty store sales for the year were up 3.3% on 2008.

Overall, the portfolio continued to generate very strong sales – averaging around \$9,800 a square metre. Today, there are 11 centres in the Australian portfolio, representing approximately 40% of the Australian portfolio value, each generating over \$700 million in annual sales.

One of those centres is Westfield Bondi Junction in Sydney, which, some five years after redevelopment, is the first centre in the Group's portfolio to generate over \$1 billion dollars in annual sales. This represents a compound annual growth rate of approximately 8% since the first year of opening.

We have also been pleased with the post development performance of the three Victorian projects that completed in 2008, at Geelong, Plenty Valley and Doncaster. Westfield Doncaster, now the Group's flagship in Victoria with annual sales in excess of \$720 million, is one of the top five performing centres in the Australian portfolio.

Operating Environment continued

Plenty Valley has performed at the higher end of expectations, demonstrating strong potential for growth with a retail mix tailored to suit the burgeoning population in its trade area.

In New Zealand, overall retail sales for the 12 months were NZ\$2.1 billion representing growth of 3.0%. Comparable specialty sales for the year grew by 0.4% with a slightly improving trend in the second half of the year, primarily in the 4th quarter where comparable specialty sales grew by 1.3%.

United States

Whilst the environment in the United States remains challenging, conditions stabilised in the second half of the year.

Total specialty shop sales in our United States portfolio were US\$6.2 billion. At year end specialty sales were US\$394 per square foot, down 9.5% compared to the previous 12-month period. For the December quarter, specialty sales were down 3.5% compared to the same period last year, with the decline in the fourth quarter substantially less than each of the previous four quarters.

Importantly, despite the decline in sales throughout 2009, many of the retailers in the United States have continued to report improving margins and cash balances. This overall improvement in retailer profitability was reflected in the decreasing level of arrears and bad debts during the year.

With regard to leasing, a strategy to drive higher levels of occupancy in our US centres has meant that the Group has continued to enter into shorter term deals where appropriate. Approximately one third of the area leased in 2009 (representing 4% of the total specialty area of the US portfolio), was leased for a term of between one and two years.

At year end, average specialty rent for shops less than 20,000 square feet, was \$43.12 per square foot. This represents a decrease of 5.4% for the 2009 year, principally due to the impact of the short-term deals.

United Kingdom

The environment in the United Kingdom remains challenging but conditions stabilised in the second half of the year.

Industry statistics show comparable retail sales for 2009 grew 1.5% nationally with London retailers posting stronger retail sales growth than the rest of the United Kingdom with comparable growth of 5.2% for the year.

At December 31, average specialty store rent across the Group's United Kingdom portfolio (on a comparable basis) was £628 a square metre, down 2.2% for the year. It is important to note that at year end the comparable portfolio in the United Kingdom excludes Westfield London and therefore represents less than 2.5% of total group property income.

For the 2009 year, retail sales at Westfield London were in excess of £700 million with total sales for the month of December up over 30% on the prior year and up 18% on a comparable store basis, taking into account the fact that many stores opened progressively during 2009.

The Group is very pleased with Westfield London's first year of performance. The centre opened 99% leased in the midst of a global economic crisis, and has now established itself as a major retail destination in London. In that period, there have been 23 million visits to the centre with many major retailers reporting that their stores at Westfield London are amongst their top locations in the United Kingdom.

It is also pleasing to note that the centre's strong performance is having a positive impact on our leasing program at the Westfield Stratford City development (see below).



Westfield Sydney City will be an iconic urban destination on completion: a world class retail and office precinct in the heart of the Group's hometown.

Development Activities

The Group completed four major developments during the year, at an aggregate project cost to the Group of \$483 million – at Riccarton in New Zealand, and at Santa Anita, Culver City and Galleria at Roseville, all in California.

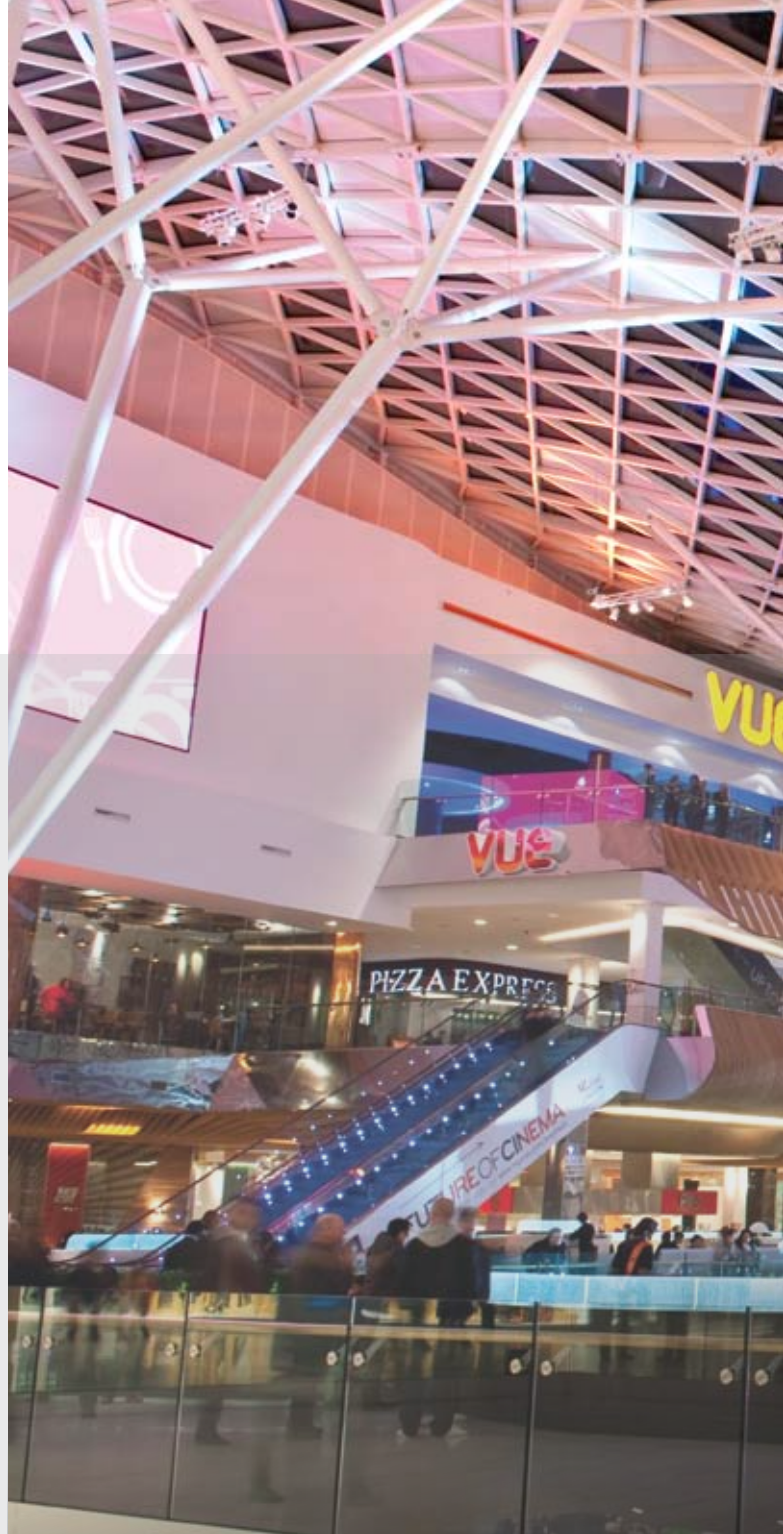
The expansion at Riccarton is fully leased. Consistent with the difficult environment in California, specialty store leasing at Santa Anita, Culver City and Galleria at Roseville is 92.8%. The Group is confident of the long-term growth potential of these very good centres in strong markets.

Globally, the major projects currently under construction have a forecast investment by the Group of \$3.9 billion. At year end the Group had already invested \$2.0 billion on these projects with a further \$1.9 billion to be invested over the next two to three years.

Development activity continues to be concentrated on the \$1.2 billion project in downtown Sydney and the £1.45 billion project at Stratford, adjacent to the site of the London 2012 Olympics.

Excellent progress continues to be made at both the Stratford and Sydney City projects, with construction continuing in line with the program and the procurement strategy delivering savings against budget. At Stratford there has also been significant progress on the adjacent Olympic facilities and infrastructure. The leasing program at Stratford has gathered significant momentum, particularly with the major space users, with over 50% of the centre's area now either exchanged or agreed with leading international and UK retailers.

The Group is confident of achieving both leasing mix targets and forecast yield in the range of 7.0% to 7.5%.



Likewise, building and leasing progress at Sydney City has gone extremely well during 2009. The centre is on track for the final stage opening in 2012, with the first stage opening of more than 100 specialty stores having been brought forward from April 2011 to the final quarter of 2010. As with Stratford, more than 50% of total retail space was leased or committed at year end.

The Group also announced in February 2010 that J.P. Morgan would anchor the new 25 storey, 32,800 square metre office tower to be constructed above the main retail precinct at Sydney City. The addition of this new office tower brings the total project cost to \$1.2 billion, with the forecast yield range for the project unchanged at 8.0%–8.5%.



Westfield London is now established as a major retail destination in the United Kingdom with 23 million visitors in its first year of operation.

Future projects

With the onset of the global financial crisis, the Group took the decision not to commence any new major developments during 2009. However, the Group has continued to advance predevelopment work on its strategic development opportunities in order to be in a position to commence these projects when conditions improve.

Given the stabilisation of capital markets, together with the strong fundamentals in Australia, the Group now plans to commence \$300 million of Australian projects in the second half of 2010, including Fountain Gate in Melbourne. This is in addition to the new \$350 million office tower at Sydney City.



Capital Management and Outlook

In August 2009, the Group announced a change to its distribution payout level to between 70%–75% of operational earnings, with this change effective from the 2010 calendar year.

This change in payout ratio aligns the Group with our major global REIT peers and will enable the Group to retain approximately \$500 million per annum. These retained earnings will be deployed in the Group's future investment activities including strategic developments, which have target long-term investment returns of between 12%–15%, as well as any acquisition opportunities.

Given the reduction in the payout ratio, and assuming no material change in economic conditions, the

Group expects to pay a distribution for the 2010 year of 64 cents per security. It is expected that the distribution will be primarily funded from the Group's Australian dollar denominated earnings and accordingly, the Group will no longer continue to hedge its net foreign denominated earnings.

The Group will continue to focus on maintaining balance sheet strength and allocating our capital to generate long-term returns.

A stylized, handwritten signature in black ink, consisting of a long horizontal stroke followed by a small loop.

Peter Lowy
Group Managing Director

A stylized, handwritten signature in black ink, featuring a large, bold 'S' followed by a series of loops and a final upward stroke.

Steven Lowy AM
Group Managing Director



Construction at Westfield Stratford City is on schedule, with the centre opening in 2011 in time for the London 2012 Olympic Games.

Five-Year Review

Financial Highlights

	2005	2006	2007	2008	2009
Net Property Income ⁽¹⁾	\$2,516 m	\$2,671 m	\$2,512 m	\$2,496 m	\$2,721 m
Property revaluations	\$3,192 m	\$5,138 m	\$2,120 m	\$(3,340) m	\$(3,539) m
Profit/(Loss) After Tax	\$4,247 m	\$5,583 m	\$3,437 m	\$(2,197) m	\$(458) m
Distribution	\$1,828 m	\$1,871 m	\$1,979 m	\$2,069 m	\$2,109 m
Total Assets Under Management	\$52,517 m	\$60,739 m	\$63,172 m	\$69,436 m	\$59,511 m
Shopping Centre Assets	\$42,577 m	\$47,944 m	\$48,074 m	\$53,404 m	\$45,453 m
Net Assets	\$19,466 m	\$23,453 m	\$27,592 m	\$24,762 m	\$24,113 m
Gearing (Net Debt as % Assets)	41.4%	38.4%	31.7%	39.8%	35.8%

⁽¹⁾ Net property income is after the sale of shopping centre assets amounting to: 2004 – nil; 2005 – \$0.3bn; 2006 – \$2.1bn; 2007 – \$2.7bn; 2008 – nil; 2009 – nil.

Environment and Community

The focus of sustainability at Westfield is to continually look for ways to operate the business more efficiently, to use energy more wisely, to produce less waste and, ultimately, build better shopping centres that make the most of the latest technology and design techniques to minimise impact on the environment.

If Westfield makes progress in these areas, its shopping centres are easier and more profitable to operate, with better facilities for retailers and shoppers. They are more pleasant buildings to visit and spend time in, and a more valuable asset for investors and for the wider community.

So like most major companies today, Westfield regards its efforts to create a more sustainable business as integral to its core business strategy.

Across all the markets in which Westfield operates there are a range of programs and initiatives that contribute to the broader sustainability goal. Some of these are consistently applied across the Group, like the ongoing program to collect more accurate data on greenhouse gas emissions, or the Global Safety Reporting system launched in 2009, focusing on life safety. Other programs are tailored specifically to a national market, like the public place recycling initiative launched in Australia, while some at an individual shopping centre level, like the solar array installation at Westfield Culver City in California, which powers all external signage. At any given time dozens of initiatives are being trialled and tested locally and sometimes then shared with other centres in that region, or rolled out across the entire portfolio.

In each country Westfield works with a number of regulatory and industry bodies to minimise the Group's impact on the environment. In Australia that includes the Property Council of Australia (PCA) National Sustainability Roundtable Committee; the Green Building Council of Australia (GBCA) and Platinum Sponsor of the Green Star Retail Centre Version 1 2008; NABERS (Retail Technical Advisory Group (TAG) coordinated by the Department of Environment and Climate Change, NSW Government and the Sydney Water Forum. Westfield is a member of the New Zealand Packaging Council and the Property

Council of New Zealand, the New Zealand Electricity Commission and the Green Building Council. In the United States the Group is a member of US Green Building Council (USGBC); the USGBC's Leadership in Energy Efficiency and Design program and the Commercial Real Estate Energy Alliance International Council of Shopping Centres (ICSC) Sustainability Working Group, and is a member of the British Council of Shopping Centres in the United Kingdom.

New projects, like those under way at Stratford City in the east of London and at Sydney City, provide a unique opportunity to harness the latest technology and building practices. These flagship projects are world leaders measured not just against the traditional shopping centre benchmarks of location and retail offer, but also in design and efficiency, improved energy, water management and recycling systems.

At Westfield Sydney for example, the \$1.2 billion project includes retail and commercial office components which are aiming to achieve 'Australian excellence' in sustainability under the Green Star system. This includes site-wide water recycling; tri-generation and absorption chillers and use of recycled materials. The retail centre is designed to 5-Star Green Star specifications and the office to 5-Star Green Star, As-Built 5-Star Green Star and 5-Star NABERS Energy Rating. One office component of the project at 100 Market St achieved a 6-Star Green-Star rating in March 2010 signifying 'World Leadership' in environmentally sustainable design and/or construction.

The Sydney project has comprehensive reduction targets for energy waste and water. A highly efficient cogeneration system will provide approximately 25% of the base load for all three buildings. On-site generation will substantially reduce peak energy demand. Embodied energy will be reduced through the use of recycled construction materials, recycling of waste produced by construction and the reuse of all structures on site.

Community

Westfield centres continue to play a vital role in their local communities, and the Group is involved with community groups and activities at local and national levels.

In Australia the program to support the families and carers of disabled children continues to grow, and partnerships with more than 30 groups were supported through activities like Westfield's National Community Day and staff volunteering and fundraising events. New Zealand has continued its support for the Starship Children's Hospital Cancer Unit and Style Pasifika, while in the United States the Group supports the National MS Society, Special Olympics, St Jude's Children's Hospital and the Make a Wish Foundation. In the United Kingdom, groups supported by Westfield included Help a London Child, the Octavia Foundation and Save the Children, for which £113,000 was raised through a Living and Giving Charity Shop at Westfield London.

More information about Westfield's community support can be found at www.westfield.com

At Westfield Stratford City 75% of all electrical power will be met through the construction and operation of an on-site Combined Cooling, Heat and Power Plant (CCHP). The retail centre will make use of natural light, effective insulation, high efficiency lighting, heating and cooling and control of solar gain to ensure that the buildings are at least 10% more energy efficient than required by Building Regulations. Together, our efficient building design and onsite CCHP will help achieve carbon reduction targets of 50% by 2020.

Last year this report described in detail the efforts Westfield was making to collect more accurate data on its greenhouse gas emissions.

As a result of that work, Westfield has developed a greenhouse gas measurement and accounting manual that outlines standards, methodology, boundaries and data sources that the Group uses to measure and report on its emissions.

This manual will be continually reviewed to ensure Westfield is in the best position to provide carbon management information to a growing number of government agencies and other bodies around the world.

In 2009 Westfield lodged its most detailed submission to date to the Carbon Disclosure Project (CDP), an independent, not-for-profit organisation that holds the largest database of corporate climate change information in the world. Westfield is included in the Australian Carbon Disclosure Leadership Index which "recognizes those companies that have provided the most comprehensive disclosure of their emissions and climate change exposures in 2009".

Following the completion of the 2009 global inventory of greenhouse gas emissions, the Group is now better placed to develop a comprehensive carbon management plan.

The most complete and up-to-date description of Westfield's greenhouse gas emissions and what it is doing to minimise emissions can be found in its CDP 2010 submission to be published later this year at www.cdproject.net

During the year Westfield, along with 231 other companies in Australia, provided information to the Commonwealth Government about its direct and indirect greenhouse gas emissions, and energy consumption, under the new National Greenhouse and Energy Reporting (NGER) Act, and also the Energy Efficiency Opportunities Review.

The data provided by Westfield's under the NGER Act can be found at <http://www.climatechange.gov.au/en/government/initiatives/national-greenhouse-energy-reporting/publication-of-data.aspx>

In 2009 Westfield was awarded a Certificate of Membership of the 'FTSE4Good Index Series' for the second year running. The Index recognises companies that meet globally recognised corporate responsibility standards, and are working towards environmental sustainability, developing positive relationships with stakeholders, and upholding and supporting universal human rights. As a member, the Group has demonstrated that it has the policies and management systems in place to help address social and environmental risks.

Global Safety Reporting

Over recent years Westfield Group has devoted considerable resources to the continual improvement of its risk management procedures, reflecting its commitment to the safety of staff, retailers and visitors to Westfield properties.

A review of Westfield's internal risk reporting practices has led to the development of a new global reporting system that will provide quality information on the Group's life safety performance. The new system has been adopted by each of Westfield's operating regions, and has been created to improve the overall efficiency of reporting on the health and safety standard of everyone working at and visiting Westfield properties.

The system involves the routine collection of data relating to health and safety issues and incidents. This will enable the Group to identify more precisely areas of greatest risk and then develop responses to minimise that risk.

Human Resources

Senior Executive Team

Corporate



Peter Allen
Group Chief
Financial Officer



Simon Tuxen
Group General Counsel
& Company Secretary

Mark Bloom
Deputy Group Chief
Financial Officer

Eamonn Cunningham
Chief Risk Officer

Gerhard Karba
Group Chief
Information Officer

Domenic Panaccio
Deputy Group Chief
Financial Officer

Elliott Rusanow
Group Director Corporate

Mark Ryan
Group Director
Corporate Affairs

David Temby
Group Tax Counsel

Regional



**Australia
& New Zealand**

Robert Jordan
Managing Director

Paul Altschwager
Head of Finance

Peter Bourke
Head of IT

Ian Cornell
Head of Human Resources

Andy Hedges
Head of Shopping Centre
Management & Marketing

Ian Irving
Head of Design
& Construction

Justin Lynch
Head of New Zealand

Greg Miles
Chief Operating Officer
Design & Construction

John Papagiannis
Head of Leasing

Michelle Vanzella
Head of Business
Development

Tim Walsh
General Counsel



United States

John Widdup
Chief Operating Officer

Stan Duncan
Head of Human Resources

William Hecht
Head of Development

Alan Kamei
Head of IT

Peter Leslie
Head of Leasing

Easther Liu
Head of Strategy & Market
Research

David Moore
Head of Design
& Product Development

Bill Saltenberger
Head of Construction

Peter Schwartz
General Counsel

Mike Skovran
Head of Finance – Operations

Richard Steets
Head of Corporate Development

Mark Stefanek
Head of Finance – Corporate

Gary Williams
Head of Management
& Marketing



**United Kingdom
& Europe**

Michael Gutman
Managing Director

Duncan Bower
Head of Development & Asset
Management

John Burton
Head of Stratford Project

Bill Giouroukos
Head of Leasing,
Management & Marketing

Alex Kershaw
Head of Human Resources

Brian Mackrill
Head of Finance

Peter Miller
Chief Operating Officer

Leon Shelley
General Counsel

Xavier Walker
Head of IT

Keith Whitmore
Head of Design
& Construction

The skill and experience of Westfield's executive team has been a defining feature of the company over its 50 years, something acknowledged throughout the industry worldwide.

From the earliest days of the company's development, before today's more sophisticated approach to recruitment and training, Westfield placed a premium on attracting, and more importantly, retaining key executives for the long-term.

The result is that Westfield has been able to consistently maintain a stable, core team of executives, experienced across all aspects of the company's operations. Today, the average age of the senior executive team is 49, and average length of service 11 years.

A key contributing factor in building such a stable team over time has been a conscious effort to share knowledge widely across the Group and to share responsibility with the next generation of leaders.

Over the past decade in particular this approach has been refined and the Group's senior executive organisation is now arranged to promote the transfer of knowledge between markets, and ensure that key people are ready and able to be transferred to new markets as required.

This takes place through structured programs as well as routine meetings and daily interaction amongst the most senior managers from around the world.

In 2006 the Group established the Westfield Executive Leadership forum, a meeting of the senior team at which the issues of most strategic importance to the Group are considered. An adjunct to this forum is the Westfield Strategic Leadership Program which is aimed at identifying and supporting those with the potential to advance to the most senior ranks in the years ahead.

The Group has introduced programs to train and encourage staff at all levels across the business. The Foundational Leadership and Management Programs continued in 2009, providing management training to executives across Australia and New Zealand.

Other initiatives include a formal mentoring program, personal development programs in a variety of disciplines, director lunches for staff to meet informally with divisional executives, and Connect – a program providing networking opportunities that promote knowledge sharing and business learning for female employees in our business. During 2009 the Group also established business forums providing business insights and overviews from internal and external executives.

Succession planning continues to be a fundamental aspect of Westfield's efforts to ensure not only that it attracts and retains the most qualified people from around the world, but that it also makes the most of the experience and expertise of its existing staff.

Property Portfolio

Australia

FOR THE YEAR ENDED 31 DECEMBER 2009

FOR THE YEAR ENDED 31 DECEMBER 2009				RETAIL SALES		LETTABLE AREA (SQM)		
SHOPPING CENTRE	INTEREST %	FAIR VALUE 31 DEC 2009 \$ MILLION	ESTIMATED YIELD	TOTAL ANNUAL SALES \$ MILLION	VARIANCE % ⁽¹⁾	SPECIALTY ANNUAL SALES \$ PSM	TOTAL	NUMBER OF RETAILERS
Australian Capital Territory								
Belconnen	100	605.0	6.25%	404.5	2.7	8,305	74,536	224
Woden	50	310.0	6.25%	432.7	0.0	9,357	72,309	267
New South Wales								
Bondi Junction	100	1,819.1	5.25%	1,000.2	5.8	12,319	127,488	508
Burwood	100	710.1	6.25%	405.5	2.2	9,626	63,323	248
Chatswood	100	854.2	6.00%	533.5	5.6	9,519	76,630	292
Figtree	100	128.6	7.75%	160.7	8.6	8,687	21,806	99
Hornsby	100	821.4	6.00%	614.4	1.2	7,723	99,626	332
Hurstville	50	288.0	6.75%	393.5	(0.1)	9,109	62,602	257
Kotara	100	630.0	6.25%	479.2	8.3	10,980	64,385	262
Liverpool	50	402.1	6.25%	461.5	4.5	8,286	89,935	335
Macquarie	55	477.4	6.00%	590.9	(1.4)	9,668	97,727	270
Miranda	50	628.8	5.75%	723.0	3.3	11,771	108,316	396
Mount Druitt	50	210.0	7.00%	363.3	2.0	8,047	60,056	242
North Rocks	100	105.0	7.75%	138.7	7.5	6,849	22,863	91
Parramatta	50	718.7	5.75%	718.6	2.9	10,005	137,461	492
Penrith	50	517.5	6.00%	593.8	2.7	10,250	92,469	349
Sydney Central Plaza	100	555.0	6.00%	388.2	9.3	17,815	53,736	94
Sydney City* #	100	663.8	7.25%	55.2	(74.9)	6,636	17,652	15
Tuggerah	100	600.0	6.25%	484.6	2.6	7,346	83,849	270
Warrawong	100	181.0	8.00%	217.0	5.6	6,196	57,588	139
Warringah Mall	25	260.0	6.00%	767.8	(1.4)	9,842	125,431	325
Queensland								
Cairns	50	225.1	6.00%	346.2	(1.8)	9,916	52,948	203
Carindale	50	442.1	5.75%	700.8	1.6	11,061	114,930	298
Chermside	100	1,280.0	5.75%	801.3	4.6	11,094	144,363	408
Helensvale	50	166.1	6.50%	316.2	0.3	8,581	44,564	186
Mt Gravatt	75	618.3	6.00%	586.1	1.3	10,164	101,046	311
North Lakes	50	190.0	6.25%	347.0	9.2	8,071	61,733	217
Pacific Fair	44	440.0	6.25%	565.6	(8.9)	10,710	104,327	307
Strathpine	100	248.0	7.50%	266.5	3.0	8,081	45,311	164
South Australia								
Marion	50	500.0	6.00%	766.1	3.4	11,058	132,871	326
Tea Tree Plaza	50	322.0	6.00%	479.9	0.0	9,978	93,898	252
Westlakes	50	193.6	6.25%	372.1	2.3	9,102	60,708	212
Victoria								
Airport West	50	144.3	7.00%	263.0	(3.0)	7,557	54,669	178
Doncaster	50	680.0	5.75%	728.7	107.4	9,518	119,405	431
Fountain Gate	100	872.8	6.00%	700.6	4.1	10,230	137,353	326
Geelong	50	233.1	6.30%	267.2	29.9	7,759	52,008	185
Knox	30	288.6	6.35%	734.7	2.4	8,761	141,509	401
Plenty Valley	50	130.4	6.50%	262.4	43.9	5,729	52,517	180
Southland	50	583.0	6.00%	788.4	2.8	8,749	128,283	406
Western Australia								
Booragoon	25	200.0	6.25%	582.6	1.1	13,876	72,250	272
Carousel	100	765.0	6.00%	524.5	4.4	10,350	82,078	290
Innaloo	100	247.7	7.00%	273.7	2.8	7,679	47,409	173
Karrinyup	33	180.0	6.50%	425.9	1.1	11,067	59,541	212
Whitford City	50	256.6	7.00%	448.8	(5.3)	8,682	77,848	302

New Zealand

FOR THE YEAR ENDED 31 DECEMBER 2009			RETAIL SALES			LETTABLE AREA (SQM)		
SHOPPING CENTRE	INTEREST %	FAIR VALUE 31 DEC 2009 \$ MILLION	ESTIMATED YIELD	TOTAL ANNUAL SALES \$ MILLION	VARIANCE % ⁽¹⁾	SPECIALTY ANNUAL SALES \$ PSM	TOTAL	NUMBER OF RETAILERS
New Zealand								
Albany	100	373.0	6.75%	280.6	9.1	8,665	53,154	147
Chartwell	100	138.0	8.50%	120.1	4.4	7,251	21,763	113
Downtown	100	79.1	8.00%	65.1	(0.9)	7,602	13,968	81
Glenfield	100	122.5	8.63%	145.6	(7.0)	5,385	30,312	135
Manukau	100	320.3	7.50%	218.4	4.7	7,691	45,604	197
Newmarket	100	231.4	7.35%	127.0	4.4	10,681	31,414	122
Pakuranga	100	91.2	8.50%	109.3	(1.0)	5,113	29,355	121
Queensgate	100	340.5	7.13%	237.9	2.1	7,321	51,458	181
Riccarton ^{##}	100	447.0	7.13%	331.8	9.5	9,596	55,149	200
Shore City	100	100.3	8.38%	57.7	(6.5)	6,229	14,223	84
St Lukes	100	450.5	6.88%	260.1	0.2	9,901	47,064	196
WestCity	100	188.3	8.38%	158.7	(0.3)	6,886	36,323	146

⁽¹⁾ Year on year variance

^{##} Redevelopment completed during the year

United Kingdom

SHOPPING CENTRE	LOCATION	INTEREST %	FAIR VALUE 31 DEC 2009 £ MILLION	ESTIMATED YIELD	LETTABLE AREA (SQM)	NUMBER OF RETAILERS
England						
Derby	Derby	* 33	136.1	6.40%	120,579	240
Guildford	Guildford	50	43.1	7.50%	13,023	70
Westfield London	London	50	1,025.0	5.50%	149,461	365
Merry Hill	Birmingham	* 33	251.4	6.00%	154,002	278
Nottingham	Nottingham	75	37.7	7.50%	43,226	104
Tunbridge Wells	Tunbridge Wells	* 33	37.6	7.00%	30,684	116
Northern Ireland						
Belfast	Belfast	* 33	59.7	7.50%	31,281	92
Sprucefield	Sprucefield	100	48.0	8.00%	21,476	5

UK Footnotes:

* The Group's 33.3% investment in Derby, Merry Hill, Belfast and Tunbridge Wells includes an 8.3% investment held via the Group's one third interest in Westfield UK Shopping Centre Fund.

Australia Footnotes:

⁽¹⁾ Year on year variance

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

Centres currently under redevelopment

Property Portfolio continued

United States

FOR THE YEAR ENDED 31 DECEMBER 2009

RETAIL SALES

LETTABLE AREA (SQF)

SPECIALTY ANNUAL SALES

SHOPPING CENTRE	INTEREST %	FAIR VALUE 31 DEC 2009 US\$ MILLION	ESTIMATED YIELD	US\$MILLION	VARIANCE % ⁽¹⁾	US\$PSF	TOTAL	SPECIALTY	NUMBER OF SPECIALTY STORES
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EAST COAST

Connecticut

Connecticut Post	100	233.0	7.34%	80.4	(6.4)	316	1,328,700	660,558	188
Meriden	100	136.4	7.54%	69.0	(7.1)	316	894,435	442,498	142
Trumbull	100	232.7	7.50%	94.0	(9.7)	346	1,124,382	448,432	179

Florida

Brandon	100	363.9	6.79%	152.5	(4.8)	396	1,155,511	535,796	213
Broward	100	167.8	6.83%	75.1	(13.9)	328	996,675	280,081	126
Citrus Park	100	240.8	6.67%	87.7	(18.2)	332	1,144,539	507,591	149
Countryside	100	170.7	8.09%	87.3	(11.2)	304	1,210,199	391,384	165
Sarasota	100	121.7	6.80%	52.3	(9.3)	261	944,512	363,862	133
Southgate	100	92.3	8.00%	41.8	(14.4)	394	422,396	136,522	47
Westland	100	126.7	6.63%	67.4	(9.4)	372	835,207	231,389	103

Maryland

Annapolis	100	636.0	6.16%	229.3	1.7	451	1,463,877	771,729	254
Montgomery	50	207.3	6.38%	198.9	(2.5)	531	1,223,475	511,374	200
Wheaton	100	290.6	7.26%	84.3	(10.6)	298	1,650,334	655,965	195

New Jersey

Garden State Plaza	50	625.0	6.35%	308.5	(9.9)	636	2,128,402	995,570	294
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New York

South Shore	100	171.9	7.66%	73.3	(15.6)	334	1,156,776	299,515	123
Sunrise	100	107.0	7.07%	68.9	(9.8)	314	1,204,387	470,889	159

North Carolina

Eastridge	100	43.4	10.00%	38.0	(9.2)	191	876,178	276,431	94
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MID WEST

Illinois

Chicago Ridge	100	123.0	7.92%	86.1	(4.5)	341	832,025	408,985	141
Fox Valley	100	190.0	8.50%	93.7	(11.5)	278	1,410,231	530,479	184
Hawthorn	100	217.4	6.80%	73.7	(14.3)	281	1,306,300	572,867	162
Louis Joliet	100	110.0	6.42%	72.8	(3.1)	370	970,441	353,973	112
Old Orchard	100	476.6	6.38%	155.1	(6.4)	502	1,782,248	756,281	147

Indiana

Southlake	100	245.0	6.70%	127.0	(5.8)	355	1,372,437	686,096	176
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Nebraska

Gateway	100	103.5	7.13%	68.4	(8.3)	319	969,419	331,734	121
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Ohio

Belden Village	100	168.6	7.00%	91.3	(8.0)	364	826,961	316,772	114
Franklin Park	100	327.7	6.55%	119.4	(6.6)	386	1,260,691	658,898	164
Great Northern	100	145.0	6.80%	83.6	(6.5)	309	1,235,260	437,294	143
Southpark	100	253.2	7.42%	125.0	(3.4)	327	1,654,292	865,891	182

FOR THE YEAR ENDED 31 DECEMBER 2009
RETAIL SALES
LETTABLE AREA (SQF)

SHOPPING CENTRE	INTEREST %	FAIR VALUE 31 DEC 2009 US\$ MILLION	ESTIMATED YIELD	SPECIALTY ANNUAL SALES			US\$PSF	NUMBER OF SPECIALTY STORES		
				US\$MILLION	VARIANCE % ⁽¹⁾			TOTAL	SPECIALTY	

WEST COAST
Northern California

Downtown Plaza	100	99.9	8.00%	44.3	(25.9)		277	1,172,709	384,063	113
Galleria at Roseville ^{##}	100	551.2	6.00%	175.5	16.0		428	1,336,009	694,465	239
Oakridge	100	344.9	6.86%	132.8	(8.1)		421	1,139,602	612,858	207
San Francisco	*	531.4	6.07%	206.5	(13.1)		595	1,460,652	544,814	195
Solano	100	192.2	7.40%	82.0	(13.8)		314	1,062,733	503,158	168
Valley Fair	50	480.3	6.19%	337.3	(14.8)		694	1,477,606	742,878	263

**Southern California
Los Angeles**

Century City	100	731.0	6.10%	194.8	(12.4)		749	878,155	521,155	148
Culver City ^{##}	100	314.1	6.50%	64.7	(10.8)		312	1,056,651	497,232	171
Eastland	100	115.0	6.86%	16.0	(14.3)		312	806,434	593,079	37
Fashion Square	50	134.5	6.59%	134.1	(16.6)		460	861,240	358,705	138
Mainplace	100	255.0	7.63%	106.1	(12.7)		319	1,108,977	448,477	188
Palm Desert	100	170.0	7.35%	77.4	(14.1)		321	1,004,084	391,391	159
Promenade	100	56.4	7.92%	26.4	(10.1)		302	614,448	344,448	51
Santa Anita ^{##}	100	413.0	7.05%	153.1	(7.8)		361	1,294,741	778,917	238
Topanga	100	737.0	6.34%	209.4	(13.4)		409	1,634,634	678,267	277
Valencia Town Center [#]	50	117.4	7.20%	109.0	(13.0)		345	945,549	497,630	168
West Covina	100	230.1	7.00%	107.2	(14.5)		306	1,079,967	551,873	196

**Southern California
San Diego**

Horton Plaza	100	325.3	6.42%	72.3	(18.9)		360	758,003	477,517	130
Mission Valley	100	300.9	6.60%	116.7	3.7		449	1,579,765	800,837	131
North County	100	226.3	6.93%	118.9	(3.6)		381	1,245,584	386,087	168
Parkway	100	278.8	7.00%	97.5	(15.9)		322	1,319,047	552,707	195
Plaza Bonita	100	336.0	6.70%	130.5	0.1		394	1,037,223	513,458	182
Plaza Camino Real	100	157.0	7.20%	82.8	(10.6)		318	1,115,398	397,188	146
UTC	50	192.8	6.00%	149.0	(20.9)		509	1,065,792	476,989	151

Washington

Capital	100	160.0	6.90%	79.2	(8.5)		335	769,925	463,330	138
Southcenter	100	661.6	6.50%	201.3	8.1		485	1,673,561	716,086	249
Vancouver	100	138.5	6.71%	66.2	(10.7)		304	941,603	340,037	148

⁽¹⁾ Year on year variance

* Includes San Francisco Centre at 100% and San Francisco Emporium at 50%.

Centres currently under redevelopment

Redevelopment completed during the year

Board of Directors



Mr Frank P Lowy AC
Chairman

Mr David H Lowy AM
Deputy Chairman

Mr Roy L Furman

The Right Honourable
Lord Goldsmith QC PC

Mr David M Gonski AC

Prof. Frederick G Hilmer AO

Mr Frank P Lowy AC Chairman

Frank Lowy is Executive Chairman and co-founder of the Westfield Group. He is the founder and Chairman of the Lowy Institute for International Policy, a member of The Brookings Institution's International Advisory Council, Chairman of Football Federation Australia Limited, and a member of the FIFA World Cup Organising Committee. Mr Lowy is chairman of the Westfield Group Nomination Committee.

Mr David H Lowy AM Deputy Chairman

David Lowy was appointed non-executive Deputy Chairman of Westfield Holdings Limited in June 2000. He holds a Bachelor of Commerce degree from the University of NSW. Mr Lowy joined Westfield in 1977 and was appointed executive director in 1981 and became Managing Director in 1987, a position he held until June 2000. He is a principal of LFG Holdings, a director of Crown Limited and the Lowy Institute for International Policy and the founder and President of Temora Aviation Museum. Mr Lowy is chairman of the Westfield Group Board Risk Management Committee.

Mr Roy L Furman

Roy Furman was appointed as a non-executive director of Westfield Holdings Limited in July 2004, having served as a non-executive director of Westfield America Management Limited since 2002. He holds a degree in law from Harvard Law School. Mr Furman is based in the US and is Vice Chairman of Jefferies and Company and Chairman of Jefferies Capital Partners, a group of private equity funds. In 1973 he co-founded Furman Selz – an international investment banking, institutional brokerage and money management firm and was its CEO until 1997. Mr Furman is a member of the Westfield Group Remuneration Committee.

The Right Hon. Lord Goldsmith QC PC

Lord (Peter) Goldsmith was appointed as a non-executive director of Westfield Holdings Limited in August 2008. He holds a degree in law from Cambridge University and a Master of Laws from University College London. Lord Goldsmith is a partner in the international law firm Debevoise & Plimpton LLP. In 1987, he was appointed Queens' Counsel and a Crown Court Recorder and he has been a Deputy High Court Judge since 1994. For six years until June 2007, Lord Goldsmith served as the United Kingdom's Attorney General. He was created a Life Peer in 1999 and a Privy Counsellor in 2002 and he remains a member of the House of Lords. Lord Goldsmith's other past positions include Chairman of the Bar of England and Wales, Chairman of the Financial Reporting Review Panel, and founder of the Bar Pro Bono Unit.

Mr David M Gonski AC

David Gonski was appointed as a non-executive director of Westfield Holdings Limited in November 1985. He holds degrees in law and commerce from the University of NSW. Mr Gonski is chairman of Investec Bank Australia Limited, Coca-Cola Amatil Limited and ASX Limited and a director of Singapore Airlines Limited. He is also chairman of Sydney Grammar School, the National E-Health Transition Authority (NEHTA), the Sydney Theatre Company and Chancellor of the University of NSW. Mr Gonski is a member of the Westfield Group Audit & Compliance Committee, Remuneration Committee and Nomination Committee.

Professor Frederick G Hilmer AO

Frederick Hilmer was appointed a non-executive director of Westfield Holdings Limited in August 1991. He holds degrees in law from the Universities of Sydney and Pennsylvania and an MBA from the Wharton School of Finance. Professor Hilmer became Vice-Chancellor and President of the University of NSW (UNSW) in June 2006. From 1998 until November 2005, he was Chief Executive Officer and a director of John Fairfax Holdings Limited. Between 1989 and 1997, he was Dean and Professor of Management at the Australian Graduate School of Management (UNSW). Professor Hilmer is chairman of the Westfield Group Audit & Compliance Committee and Remuneration Committee and is the lead independent director.

Mr Stephen P Johns

Stephen Johns was appointed an executive director of Westfield Holdings Limited in November 1985. He holds a Bachelor of Economics degree from the University of Sydney and is a fellow of the Institute of Chartered Accountants in Australia. Mr Johns held a number of positions within Westfield, including Group Finance Director from 1985 to 2002, and became a non-executive director in October 2003. He is also Chairman of the Spark Infrastructure Group, a director of Brambles Limited, Leighton Holdings Limited and Sydney Symphony Limited. Mr Johns is a member of the Westfield Group Audit & Compliance Committee and Risk Management Committee.



Mr Stephen P Johns

Mr Peter S Lowy

Mr Steven M Lowy AM

Mr John McFarlane

Mr Brian M Schwartz AM

Professor Judith Sloan

Dr Gary H Weiss

Mr Peter S Lowy

Peter Lowy was appointed Group Managing Director of Westfield Holdings Limited in 1997 and currently serves as Group Managing Director of the Westfield Group. He holds a Bachelor of Commerce degree from the University of NSW. Prior to joining Westfield in 1983, Mr Lowy worked in investment banking both in London and New York. He serves on the Executive Committee and Board of Governors for National Association of Real Estate Investment Trusts and is a member of the management board of the European Public Real Estate Association. Mr Lowy also serves on the RAND Corporation Board of Trustees, the Executive Committee of the Washington Institute for Near East Policy, the board of the Homeland Security Advisory Council, and is a director of the Lowy Institute for International Policy.

Mr Steven M Lowy AM

Steven Lowy was appointed Group Managing Director of Westfield Holdings Limited in 1997 and currently serves as Group Managing Director of the Westfield Group. He holds a Bachelor of Commerce (Honours) degree from the University of NSW. Prior to joining Westfield in 1987, Mr Lowy worked in investment banking in the US. He is President of the Board of Trustees of the Art Gallery of New South Wales, Chairman of the Victor Chang Cardiac Research Institute, a director of the Lowy Institute for International Policy, a member of the Prime Minister's Business-Government Advisory Group on National Security and Chairman of the Board of Management for the Associate Degree of Policing Practice NSW (ADPP).

Mr John McFarlane

John McFarlane was appointed as a non-executive director of Westfield Holdings Limited in February 2008. He holds a MA degree from the University of Edinburgh and an MBA from Cranfield School of Management. In the UK, Mr McFarlane is a director of The Royal Bank of Scotland Group plc, National Westminster Bank plc, The Royal Bank of Scotland plc and Old Oak Holdings Limited. He is a member of the Governing Board of the Economic Research Institute for ASEAN and East Asia. Mr McFarlane is the former Chief Executive Officer of Australia & New Zealand Banking Group Limited and earlier Group Executive Director of Standard Chartered Plc, and Head of Citicorp and Citibank in the UK and Ireland. He was also President of the International Monetary Conference, Chairman of the Australian Bankers Association, and a director of the London Stock Exchange and the Auditing Practices Board. Mr McFarlane is a member of the Westfield Group Board Risk Management Committee.

Mr Brian M Schwartz AM

Brian Schwartz was appointed as a non-executive Director of Westfield Holdings Limited in May 2009. In a career with Ernst & Young Australia spanning more than 25 years, he rose to the positions of Chairman (1996 - 1998) and then Chief Executive Officer of the firm from 1998 to 2004. From 2005 to 2009, Mr Schwartz assumed the role of CEO of Investec Bank (Australia) Limited. He is a director of Brambles Limited, deputy chairman of Football Federation Australia Limited, deputy chairman and chairman-elect of Insurance Australia Group Limited and is a member of the Federal Government's Australian Multicultural Advisory Council. Mr Schwartz is a member of the Westfield Group Audit and Compliance Committee.

Professor Judith Sloan

Judith Sloan was appointed as a non-executive director of Westfield Holdings Limited in February 2008. She is a Commissioner of the Productivity Commission and holds a degree in Economics from the University of Melbourne, a Master of Arts degree in Economics specialising in Industrial Relations, also from the University of Melbourne and a Master of Science degree in Economics from the London School of Economics. Professor Sloan has held academic appointments at the University of Melbourne and Flinders University and is a director of the Lowy Institute for International Policy. Her previous appointments include deputy chair of the Australian Broadcasting Corporation and director of Mayne Group Limited (now known as Symbion Health Limited). Professor Sloan is a member of the Nomination Committee.

Dr Gary H Weiss

Gary Weiss was appointed as a non-executive director of Westfield Holdings Limited in July 2004, having served as a non-executive director of Westfield Management Limited since 2002. He holds a masters degree in law, as well as a Doctor of Juridical Science (JSD) from Cornell University, New York. Dr Weiss is an executive director of Guinness Peat Group plc, a director of Ariadne Australia Limited, Tag Pacific Limited, Premier Investments Limited and Victor Chang Cardiac Research Institute Limited. Dr Weiss is a member of the Westfield Group Board Risk Management Committee.

Financial Report

Westfield Group⁽¹⁾

For the financial year ended 31 December 2009

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⁽¹⁾ Westfield Group comprises Westfield Holdings Limited and its controlled entities as defined in Note 2.

Income Statement

FOR THE YEAR ENDED 31 DECEMBER 2009

		Consolidated		Parent Company	
	Note	31 Dec 09 \$million	31 Dec 08 \$million	31 Dec 09 \$million	31 Dec 08 \$million
Revenue					
Property revenue	3	3,459.0	3,212.8	0.1	0.1
Property development and project management revenue		573.7	1,049.9	–	–
Property and funds management income		90.3	88.5	–	–
		4,123.0	4,351.2	0.1	0.1
Share of after tax profits/(loss) of equity accounted entities					
Property revenue		467.9	470.7	–	–
Property revaluations	6	(502.3)	(729.5)	–	–
Property expenses and outgoings		(154.1)	(159.6)	–	–
Net interest expense		(63.7)	(91.9)	–	–
	15(b)	(252.2)	(510.3)	–	–
Expenses					
Property expenses and outgoings		(1,051.9)	(1,027.7)	(0.1)	(0.1)
Property development and project management costs		(559.8)	(1,011.3)	–	–
Property and funds management costs		(42.2)	(41.6)	–	–
Corporate costs		(37.0)	(39.5)	(5.6)	(5.5)
		(1,690.9)	(2,120.1)	(5.7)	(5.6)
Interest income		8.9	47.5	33.7	64.1
Currency derivatives	4	53.4	(239.6)	(5.3)	(7.0)
Net gain from capital transactions	5,6	69.5	73.3	–	–
Financing costs	7	100.2	(1,715.9)	(12.2)	(36.3)
Property revaluations	6	(3,037.0)	(2,610.2)	–	–
Dividends from subsidiaries		–	–	347.9	–
Impairment charge on investment in subsidiaries		–	–	(442.2)	(192.8)
Profit/(loss) before tax and minority interests		(625.1)	(2,724.1)	(83.7)	(177.5)
Tax benefit/(expense)	8	175.0	542.0	(3.3)	(3.8)
Profit/(loss) after tax for the period		(450.1)	(2,182.1)	(87.0)	(181.3)
Amounts attributable to minority interests					
– Profit attributable to Westfield Trust members		(52.7)	(432.2)	–	–
– Loss attributable to Westfield America Trust members		435.6	1,777.5	–	–
– Profit attributable to external minority interest		(7.7)	(14.5)	–	–
Net profit/(loss) attributable to members of Westfield Holdings Limited		(74.9)	(851.3)	(87.0)	(181.3)

Net profit/(loss) attributable to members of the Westfield Group analysed by amounts attributable to:					
Westfield Holdings Limited members		(74.9)	(851.3)	(87.0)	(181.3)
Westfield Trust members		52.7	432.2	–	–
Westfield America Trust members		(435.6)	(1,777.5)	–	–
Net profit/(loss) attributable to members of the Westfield Group		(457.8)	(2,196.6)	(87.0)	(181.3)

		cents	cents
Basic earnings/(loss) per Westfield Holdings Limited share	9(a)	(3.34)	(43.82)
Diluted earnings/(loss) per Westfield Holdings Limited share	9(a)	(3.34)	(43.82)
Basic earnings/(loss) per stapled security	9(b)	(20.41)	(113.07)
Diluted earnings/(loss) per stapled security	9(b)	(20.41)	(117.79)

Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2009

	Consolidated	
	31 Dec 09	31 Dec 08
	\$million	\$million
Profit/(loss) after tax for the period	(450.1)	(2,182.1)
Other comprehensive income		
<i>Movement in foreign currency translation reserve</i>		
– Net exchange difference on translation of foreign operations	(2,375.4)	1,423.3
– Realised and unrealised gains/(losses) on currency loans and asset hedging derivatives which qualify for hedge accounting	695.6	(324.5)
– Deferred tax effect on unrealised gains/(losses) on currency loans and asset hedging derivatives which qualify for hedge accounting	15.3	(19.1)
<i>Movement in employee share plan swaps reserve</i>		
– Gains/(losses) on employee share plan swaps	7.1	(5.7)
– Amount (charged)/credited to income	(1.2)	2.9
– Deferred tax effect on employee share plan swaps	(1.8)	0.8
Total comprehensive income for the period	(2,110.5)	(1,104.4)
Total comprehensive income attributable to:		
– Members of the Westfield Group	(2,118.2)	(1,118.9)
– External minority interests	7.7	14.5
Total comprehensive income for the period	(2,110.5)	(1,104.4)
Total comprehensive income attributable to members of the Westfield Group analysed by amounts attributable to:		
Westfield Holdings Limited members ⁽ⁱ⁾	(484.4)	(699.0)
Westfield Trust and Westfield America Trust members ⁽ⁱ⁾⁽ⁱⁱ⁾	(1,633.8)	(419.9)
Total comprehensive income attributable to members of the Westfield Group	(2,118.2)	(1,118.9)

⁽ⁱ⁾ Amount includes a \$152.7 million credit to Westfield Holdings Limited and a charge to Westfield America Trust of \$152.7 million representing the reallocation of the Group's net assets between Westfield Holdings Limited and Westfield America Trust following the subscription by Westfield Holdings Limited of additional equity in the Westfield America Trust Group.

⁽ⁱⁱ⁾ Total comprehensive income attributable to members of Westfield Trust and Westfield America Trust consists of a loss after tax for the period of \$382.9 million (31 December 2008: \$1,345.3 million), the net exchange loss on translation of foreign operations of \$1,098.2 million (31 December 2008: gain of \$925.4 million) and a charge to Westfield America Trust of \$152.7 million (31 December 2008: nil) representing the reallocation of the Westfield Group's net assets.

	Parent Company	
	31 Dec 09	31 Dec 08
	\$million	\$million
Profit/(loss) after tax for the period	(87.0)	(181.3)
Other comprehensive income	–	–
Total comprehensive income for the period	(87.0)	(181.3)

Dividend/Distribution Statement

FOR THE YEAR ENDED 31 DECEMBER 2009

		Consolidated	
	Note	31 Dec 09 \$million	31 Dec 08 \$million
Operational segment results (excluding property revaluations) attributable to members of the Westfield Group and external minority interest:			
Earnings from property investments	32	2,656.8	2,414.1
Earnings from property and project management	32	170.2	190.9
Adjusted for unallocated items relating to the operational segment results			
Net interest expense		(753.6)	(653.0)
Minority interests – external		(7.7)	(14.5)
Revaluation of investment properties included in minority interests – external		(1.8)	5.3
Operational earnings⁽ⁱ⁾		2,063.9	1,942.8
Other items available for distribution			
Exchange differences in respect of the hedging of offshore operational earnings		44.7	135.2
Less: amount retained		0.0	(9.1)
Distributable income		2,108.6	2,068.9
Dividend/distribution in respect of the financial year⁽ⁱⁱ⁾		2,149.1	2,076.5
Dividend/distribution per ordinary stapled security for the year (cents)		94.0	106.5
Comprising dividend/distribution per stapled security for:			
– the six months ended 30 June 2009 (cents)		47.0	53.25
– the six months ended 31 December 2009 (cents)		47.0	53.25
Weighted average number of stapled securities entitled to distribution at 31 December 2009		2,286.3	1,949.8
Weighted average number of stapled securities on issue for the period		2,243.2	1,942.6

⁽ⁱ⁾ Equivalent to 92.01 cents operational earnings per stapled security (31 December 2008: 100.01 cents).

⁽ⁱⁱ⁾ The dividend/distribution in respect of the financial year of \$2,149.1 million (31 December 2008: \$2,076.5 million) includes a \$40.5 million (31 December 2008: \$7.6 million) cum-dividend/distribution component in respect of stapled securities that were issued during the year with full dividend/distribution entitlement.

Balance Sheet

AS AT 31 DECEMBER 2009

		Consolidated		Parent Company	
	Note	31 Dec 09 \$million	31 Dec 08 \$million	31 Dec 09 \$million	31 Dec 08 \$million
Current assets					
Cash and cash equivalents	26(a)	182.3	311.0	0.1	1.6
Trade debtors		53.1	50.9	–	–
Equity accounted investments	15	–	59.9	–	–
Derivative assets	10	139.0	144.6	–	–
Receivables	11	234.6	360.5	2,230.3	3,278.4
Inventories		24.7	72.8	–	–
Tax receivable		19.3	49.4	–	–
Prepayments and deferred costs	12	95.2	112.3	–	–
Total current assets		748.2	1,161.4	2,230.4	3,280.0
Non current assets					
Investment properties	13	40,454.0	46,909.1	2.3	2.3
Equity accounted investments	15	3,765.2	4,830.6	–	–
Other investments	16	559.0	833.6	1,831.1	1,222.8
Derivative assets	10	1,160.9	1,649.9	–	–
Plant and equipment	17	226.0	247.0	–	–
Deferred tax assets	8	78.7	196.9	25.6	24.0
Prepayments and deferred costs	12	173.6	80.5	–	–
Total non current assets		46,417.4	54,747.6	1,859.0	1,249.1
Total assets		47,165.6	55,909.0	4,089.4	4,529.1
Current liabilities					
Trade creditors		262.7	215.4	–	–
Payables and other creditors	18	1,657.4	2,169.7	1,960.6	2,274.9
Interest bearing liabilities	19	1,327.2	1,401.7	541.9	572.6
Other financial liabilities	20	100.0	154.4	–	–
Tax payable		63.6	104.5	13.7	57.4
Derivative liabilities	21	263.3	70.9	–	–
Total current liabilities		3,674.2	4,116.6	2,516.2	2,904.9
Non current liabilities					
Payables and other creditors	18	173.8	155.0	–	–
Interest bearing liabilities	19	14,790.1	19,587.3	–	–
Other financial liabilities	20	1,609.0	1,703.4	–	–
Deferred tax liabilities	8	1,784.3	2,606.0	–	–
Derivative liabilities	21	827.3	2,783.0	–	–
Total non current liabilities		19,184.5	26,834.7	–	–
Total liabilities		22,858.7	30,951.3	2,516.2	2,904.9
Net assets		24,306.9	24,957.7	1,573.2	1,624.2
Equity attributable to members of Westfield Holdings Limited					
Contributed equity	22	1,479.8	1,247.8	1,542.1	1,310.5
Reserves	24	(188.9)	220.2	0.9	–
Retained profits	25	(326.2)	(55.3)	30.2	313.7
Total equity attributable to members of Westfield Holdings Limited		964.7	1,412.7	1,573.2	1,624.2
Equity attributable to minority interests – Westfield Trust and Westfield America Trust members					
Contributed equity	22	18,692.0	15,356.8	–	–
Reserves	24	(666.9)	572.1	–	–
Retained profits	25	5,123.0	7,420.2	–	–
Total equity attributable to minority interests – Westfield Trust and Westfield America Trust members		23,148.1	23,349.1	–	–
Equity attributable to minority interests – external					
Contributed equity		94.0	94.0	–	–
Retained profits		100.1	101.9	–	–
Total equity attributable to minority interests – external		194.1	195.9	–	–
Total equity attributable to minority interests		23,342.2	23,545.0	–	–
Total Equity		24,306.9	24,957.7	1,573.2	1,624.2
Equity attributable to members of the Westfield Group analysed by amounts attributable to:					
Westfield Holdings Limited members		964.7	1,412.7	1,573.2	1,624.2
Westfield Trust and Westfield America Trust members		23,148.1	23,349.1	–	–
Total equity attributable to members of the Westfield Group		24,112.8	24,761.8	1,573.2	1,624.2

Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2009

	Comprehensive Income 31 Dec 09 \$million	Movement in Equity 31 Dec 09 \$million	Consolidated	
			Total 31 Dec 09 \$million	Total 31 Dec 08 \$million
Changes in equity attributable to members of the Westfield Group				
Opening balance of contributed equity	–	16,604.6	16,604.6	16,261.3
– Issuance of securities				
– Share placement/share purchase plan	–	2,960.0	2,960.0	–
– Dividend/distribution reinvestment plan	–	673.4	673.4	112.8
– Conversion of options	–	–	–	230.5
– Costs associated with the issuance of securities	–	(66.2)	(66.2)	–
Closing balance of contributed equity	–	20,171.8	20,171.8	16,604.6
Opening balance of reserves	–	792.3	792.3	(295.4)
– Movement in foreign currency translation reserve ⁽ⁱ⁾⁽ⁱⁱ⁾	(1,664.5)	–	(1,664.5)	1,079.7
– Movement in employee share plan benefits reserve ⁽ⁱⁱ⁾	–	12.3	12.3	10.0
– Movement in employee share plan swaps reserve ⁽ⁱ⁾⁽ⁱⁱ⁾	4.1	–	4.1	(2.0)
Closing balance of reserves	(1,660.4)	804.6	(855.8)	792.3
Opening balance of retained profits	–	7,364.9	7,364.9	11,626.0
– Profit/(loss) after tax for the period ⁽ⁱⁱ⁾	(457.8)	–	(457.8)	(2,196.6)
– Dividend/distribution paid	–	(2,110.3)	(2,110.3)	(2,064.5)
Closing balance of retained profits	(457.8)	5,254.6	4,796.8	7,364.9
Closing balance of equity attributable to members of the Westfield Group	(2,118.2)	26,231.0	24,112.8	24,761.8
Changes in equity attributable to external minority interests				
Opening balance of equity	–	195.9	195.9	190.5
Total comprehensive income attributable to external minority interests ⁽ⁱⁱ⁾	7.7	–	7.7	14.5
Dividend/distribution paid or provided for	–	(9.5)	(9.5)	(9.1)
Closing balance of equity attributable to external minority interests	7.7	186.4	194.1	195.9
Total Equity	(2,110.5)	26,417.4	24,306.9	24,957.7

⁽ⁱ⁾ Movement in reserves attributable to members of Westfield Trust and Westfield America Trust consists of the net exchange loss on translation of foreign operations of \$1,098.2 million (31 December 2008: gain of \$925.4 million) and net credit to the employee share plan benefit reserve of \$11.9 million (31 December 2008: \$9.3 million) and a charge to Westfield America Trust of \$152.7 million (31 December 2008: nil) representing the reallocation of the Westfield Group's net assets.

⁽ⁱⁱ⁾ Total comprehensive income for the period amounts to a loss of \$2,110.5 million (31 December 2008: loss of \$1,104.4 million).

	Comprehensive Income 31 Dec 09 \$million	Movement in Equity 31 Dec 09 \$million	Parent Company	
			Total 31 Dec 09 \$million	Total 31 Dec 08 \$million
Changes in equity attributable to members of Westfield Holdings Limited				
Opening balance of contributed equity	–	1,310.5	1,310.5	1,225.9
– Issuance of securities				
– Share placement/share purchase plan	–	202.2	202.2	–
– Dividend/distribution reinvestment plan	–	33.9	33.9	9.1
– Conversion of options	–	–	–	75.5
– Costs associated with the issuance of securities	–	(4.5)	(4.5)	–
Closing balance of contributed equity	–	1,542.1	1,542.1	1,310.5
Opening balance of reserves	–	–	–	–
– Movement in employee share plan benefits reserve	–	0.9	0.9	–
Closing balance of reserves	–	0.9	0.9	–
Opening balance of retained profits	–	313.7	313.7	689.2
– Profit/(loss) after tax for the period	(87.0)	–	(87.0)	(181.3)
– Dividend/distribution paid	–	(196.5)	(196.5)	(194.2)
Closing balance of retained profits	(87.0)	117.2	30.2	313.7
Closing balance of equity attributable to members of Westfield Holdings Limited	(87.0)	1,660.2	1,573.2	1,624.2

Cash Flow Statement

FOR THE YEAR ENDED 31 DECEMBER 2009

		Consolidated		Parent Company	
	Note	31 Dec 09 \$million	31 Dec 08 \$million	31 Dec 09 \$million	31 Dec 08 \$million
Cash flows from operating activities					
Receipts in the course of operations (including sales tax)		4,430.2	4,399.8	–	–
Payments in the course of operations (including sales tax)		(1,813.5)	(1,823.4)	(5.6)	(5.4)
Settlement of income hedging currency derivatives		45.5	156.8	–	–
Dividends/distributions received from equity accounted associates		246.7	239.0	–	–
Dividends received from subsidiaries		–	–	347.9	–
Income and withholding taxes paid		(81.3)	(131.6)	(66.5)	(77.4)
Sales tax paid		(131.3)	(136.1)	–	–
Net cash flows from/(used in) operating activities	26(b)	2,696.3	2,704.5	275.8	(82.8)
Cash flows from investing activities					
Payments of capital expenditure for property investments		(1,807.4)	(3,482.8)	–	–
Proceeds from the sale of property investments		–	187.9	–	–
Payments for the acquisition of other investments		(44.2)	(202.4)	–	–
Proceeds from the sale of other investments		162.9	–	–	–
Net outflows for investments in equity accounted investments		(39.9)	(172.3)	–	–
Net proceeds from the sale of property assets by equity accounted entities		89.7	–	–	–
Payment for the purchases of investments in subsidiaries		–	–	(1,050.5)	(0.7)
Payments for the purchases of plant and equipment		(43.4)	(68.6)	–	–
Proceeds from the sale of plant and equipment		11.8	–	–	–
Settlement of asset hedging currency derivatives		80.3	5.3	–	–
Net cash flows used in investing activities		(1,590.2)	(3,732.9)	(1,050.5)	(0.7)
Cash flows from financing activities					
Proceeds from the issuance of securities		3,633.4	333.9	236.1	84.6
Payments for costs associated with the issuance of securities		(66.2)	–	(4.5)	–
Payments for redemption of other financial liabilities		(1.3)	(409.7)	–	–
Termination of surplus interest rate swaps upon repayment of interest bearing liabilities with the proceeds from the issuance of securities		(232.5)	–	–	–
Termination of surplus interest rate swaps upon the restructure of the Group's interest rate hedge portfolio		(327.6)	–	–	–
Termination of surplus interest rate swaps		–	(68.9)	–	–
Net (repayment of)/proceeds from interest bearing liabilities		(843.1)	4,092.9	–	–
Financing costs		(1,221.9)	(1,011.2)	(12.7)	(36.8)
Interest received		8.9	47.5	34.9	63.5
Net proceeds from related entities		–	–	715.9	167.7
Dividends/distributions paid		(2,110.3)	(2,064.5)	(196.5)	(194.2)
Dividends/distributions paid by controlled entities to minority interests		(9.5)	(9.1)	–	–
Net cash flows (used in)/from financing activities		(1,170.1)	910.9	773.2	84.8
Net (decrease)/increase in cash and cash equivalents held		(64.0)	(117.5)	(1.5)	1.3
Add opening cash and cash equivalents brought forward		242.7	343.9	1.6	0.3
Effects of exchange rate changes on opening cash and cash equivalents brought forward		(5.7)	16.3	–	–
Cash and cash equivalents at the end of the year	26(a)	173.0	242.7	0.1	1.6

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FOR THE YEAR ENDED 31 DECEMBER 2009

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Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2009

NOTE 1 BASIS OF PREPARATION OF THE FINANCIAL REPORT

(a) Corporate information

This financial report of the Westfield Group (Group), comprising Westfield Holdings Limited (Parent Company) and its controlled entities, for the year ended 31 December 2009 was approved in accordance with a resolution of the Board of Directors of the Parent Company on 15 March 2010.

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

(b) Statement of Compliance

This financial report complies with Australian Accounting Standards and International Financial Reporting Standards issued by the International Accounting Standards board. The accounting policies adopted are consistent with those of the previous financial year except that the Group has adopted the following new or amended standards which became applicable on 1 January 2009.

- AASB 7 *Financial Instruments: Disclosures*. This standard requires additional disclosures about fair value measurement and liquidity risk. The additional disclosures are set out in Note 20 and Note 41;
- AASB 8 *Operating Segments*. This standard replaced AASB 114 *Segment Reporting*. The revised presentation of the reportable segments and disclosures are shown in Note 32;
- AASB 101 *Presentation of Financial Statements*. This requires the separate disclosure of owner and non-owner changes in equity. This is set out in the new Statement of Comprehensive Income;
- AASB 123 *Borrowing Costs*. This standard requires capitalisation of borrowing costs that are directly attributable to a qualifying asset. For the year, the adoption of this standard has no material impact on the financial statements of the Group;
- AASB 2008-5 *Amendments to Australian Accounting Standards arising from the Annual Improvements Project*. The principle impact of these amendments is the requirement to carry development projects at fair value. Previously, development projects were carried at the lower of cost or expected net realisable value. For the year, the adoption of this standard has no material impact on the financial statements of the Group.

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Group for the year ended 31 December 2009. The impact of these new or amended standards (to the extent relevant to the Group) and interpretations are as follows:

- AASB 3 (Revised) *Business Combinations*. The revised standard introduces significant changes to accounting for business combinations including any internal restructures meeting the definition of a business combination. These changes will only impact accounting for business combinations that occur for the Group from 1 January 2010;
- AASB 127 (Revised) *Consolidated and Separate Financial Statements*. The revised standard prescribes that a change in the ownership interest of a subsidiary (without a change in control) will not give rise to any gains or losses, or goodwill. The revised standard is applicable to the Group from 1 January 2010;
- AASB 9 *Financial Instruments: Classification and measurement*. This standard simplifies the classifications of financial assets into those to be carried at amortised cost and those to be carried at fair value. The standard is applicable to the Group from 1 January 2013.

In addition to the above, further amendments to accounting standards have been proposed as a result of the revision of related standards and the Annual Improvement Projects (for non-urgent changes). These amendments are set out below:

- AASB 2008-3 *Amendments to the Australian Accounting Standards arising from AASB 3 and AASB 127*;
- AASB 2008-6 *Further Amendments to Australian Accounting Standards arising from the Annual Improvement Project*;

- AASB 2008-8 *Amendments to Australian Accounting Standard – Eligible Hedged Items*;
- AASB 2009-4 and AASB 2009-5 *Amendments to Australian Accounting Standards arising from the Annual Improvement Projects*;
- AASB 2009-8 *Amendments to Australian Accounting Standards – Group Cash-settled Share-based Payment Transactions*;
- AASB 2009-10 *Amendments to Australian Accounting Standards – Classification of Rights Issues*;
- AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9*;
- AASB 2009-12 *Amendments to Australian Accounting Standards*.

These recently issued or amended standards are not expected to have a significant impact on the amounts recognised in these financial statements when they are restated on application of these new accounting standards.

(c) Basis of Accounting

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 (Act), Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis, except for investment properties, investment properties within equity accounted investments, derivative financial instruments, financial assets at fair value through profit and loss and other financial liabilities. 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.

(d) Significant accounting judgements, estimates and assumptions

The preparation of the financial report requires management to make judgements, estimates and assumptions. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and other various factors it believes to be reasonable under the circumstances, the results of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements, in particular, Note 2: Summary of significant accounting policies, Note 14: Details of shopping centre investments and Note 41: Fair value of financial assets and liabilities. Actual results may differ from these estimates under different assumptions and conditions and may materially affect the Group's financial results or the financial position in future periods.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Accounting for the Group

The Group was established in July 2004 by the stapling of securities of each of the Parent Company, Westfield Trust (WT) and Westfield America Trust (WAT). The securities trade as one security on the Australian Securities Exchange (ASX) under the code WDC. The stapling transaction is referred to as the "Merger".

As a result of the Merger the Parent Company, for accounting purposes, gained control of WT and WAT and has consolidated WT and WAT from 2 July 2004, being the date an order made by the Supreme Court of New South Wales approving the scheme of arrangement of the Parent Company was lodged with Australian Securities and Investments Commission (ASIC). Accordingly, this transaction is accounted for as a business combination by consolidating the fair value of the net assets of WT and WAT.

This financial report has been prepared based upon a business combination by the Parent Company of WT and WAT and in recognition of the fact that the securities issued by the Parent Company, WT and WAT have been stapled and cannot be traded separately.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Consolidation and classification

The consolidated financial report comprises the financial statements and notes to the financial statements of the Parent Company, and each of its controlled entities which includes WT and WAT (Subsidiaries) as from the date the Parent Company obtained control until such time control ceased. The Parent Company and Subsidiaries are collectively referred to as the economic entity known as the Group. Where entities adopt accounting policies which differ from those of the Parent Company, adjustments have been made so as to achieve consistency within the Group.

In preparing the consolidated financial statements all inter-entity transactions and balances, including unrealised profits arising from intra Group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

i) Synchronisation of Financial Year

By an order dated 27 June 2005, made by ASIC pursuant to subsection 340(1) of the Act, the Directors of the Parent Company have been relieved from compliance with subsection 323D(3) of the Act insofar as that subsection requires them to ensure the financial year of the controlled entity Carindale Property Trust (CPT), coincides with the financial year of the Parent Company.

Notwithstanding that the financial year of CPT ends on 30 June, the consolidated financial statements have been made out so as to include the accounts for a period coinciding with the financial year of the Parent Company being 31 December.

ii) Joint Ventures

Joint venture operations

The Group has significant co-ownership interests in a number of properties through unincorporated joint ventures. These interests are held directly and jointly as tenants in common. The Group's proportionate share in the income, expenditure, assets and liabilities of property interests held as tenants in common have been included in their respective classifications in the financial report.

Joint venture entities

The Group has significant co-ownership interests in a number of properties through property partnerships or trusts. These joint venture entities are accounted for using the equity method of accounting.

The Group and its joint venture entities use consistent accounting policies. Investments in joint venture entities are carried in the consolidated balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the joint venture entities. The consolidated income statement reflects the Group's share of the results of operations of the joint venture entity.

iii) Associates

Where the Group exerts significant influence but not control, equity accounting is applied. The Group and its associates use consistent accounting policies. Investments in associates are carried in the consolidated balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates. The consolidated income statement reflects the Group's share of the results of operations of the associate. Where there has been a change recognised directly in the associate's equity, the Group recognises its share of any changes and discloses this, when applicable in the consolidated financial statements.

iv) Controlled entities

Where an entity either began or ceased to be a controlled entity during the reporting period, the results are included only from the date control commenced or up to the date control ceased. Minority interests are shown as a separate item in the consolidated financial statements.

In May 2002, the Group together with Simon Property Group (Simon) and The Rouse Company (Rouse), acquired the assets and liabilities of Rodamco North America, N.V. (RNA). The Group's economic interest in certain acquired assets under the Urban Shopping Centers LP is represented by a 54.2% equity ownership of Head Acquisition LP which has been accounted for in accordance with the substance of the contractual agreements. Properties where the Group has 100% economic ownership have been consolidated. Other retail and property investments and property where the Group has significant influence have been equity accounted.

In November 2004, the Group together with R&M Investments (BVI) Limited (R&M), a company that is jointly owned by entities associated with Multiplex Limited and Messrs. David and Simon Reuben, acquired the assets and liabilities of Duelguide plc. The Group's economic interest is represented by a 50% equity ownership of DGL Acquisitions Limited which has been accounted for in accordance with the substance of the contractual agreements. Entities where the Group has a controlling interest have been consolidated. Other retail and property investments where the Group has significant influence have been equity accounted.

(c) Investment properties

The Group's investment properties include shopping centre investments and development projects.

i) Shopping centre investments

The Group's shopping centre investment properties represent completed centres comprising freehold and leasehold land, buildings and leasehold improvements.

Land and buildings are considered as having the function of an investment and therefore are regarded as a composite asset, the overall value of which is influenced by many factors, the most prominent being income yield, rather than by the diminution in value of the building content due to effluxion of time. Accordingly, the buildings and all components thereof, including integral plant and equipment, are not depreciated.

Initially, shopping centre investment properties are measured at cost including transaction costs. Subsequent to initial recognition, the Group's portfolio of shopping centre investment properties are stated at fair value. Gains and losses arising from changes in the fair values of shopping centre investment properties are included in the income statement in the year in which they arise. Any gains or losses on the sale of an investment property are recognised in the income statement in the year of sale. The carrying amount of investment properties includes components relating to lease incentives, leasing costs and receivables on rental income that have been recorded on a straight line basis.

At each reporting date, the carrying value of the portfolio of shopping centre investment properties are assessed by the Directors and where the carrying value differs materially from the Directors' assessment of fair value, an adjustment to the carrying value is recorded as appropriate.

Independent valuations of shopping centres are prepared annually. The Directors' assessment of fair value of each shopping centre investment property takes into account annual independent valuations, with updates at year end of independent valuations that were prepared at the half year taking into account any changes in estimated yield, underlying income and valuations of comparable centres. In determining the fair value, the capitalisation of net income method and the discounting of future cash flows to their present value have been used which are based upon assumptions and judgement in relation to future rental income, property capitalisation rate or estimated yield and make reference to market evidence of transaction prices for similar properties. Refer to Note 14 for estimated yield for each property.

ii) Development projects

The Group's development projects include costs incurred for the current and future redevelopment and expansion of new and existing shopping centre investments. Development projects include capitalised construction and development costs and where applicable, borrowing costs incurred on qualifying developments.

Development projects are carried at fair value based on Directors' assessment of fair value at each reporting date taking into account the expected cost to complete, the stage of completion, expected underlying income and yield of the developments. Any increment or decrement in the fair value of development projects resulting from Directors' assessment of fair value is included in the income statement in the year in which it arises. On completion, development projects are reclassified to shopping centre investments and an independent valuation is obtained.

The assessment of fair value and possible impairment in the fair value of shopping centre investment and development projects are significant estimates that can change based on the Group's continuous process of assessing the factors affecting each property.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2009

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Other investments

i) Listed and unlisted investments

Listed and unlisted investments are designated as assets held at fair value through the income statement. Listed investments in entities are stated at fair value based on their market values. Unlisted investments are stated at fair value of the Group's interest in the underlying assets which approximate fair value. Movements in fair value subsequent to initial recognition are reported as revaluation gains or losses in the income statement.

The fair values of investments that are actively traded in organised financial markets are determined by reference to quoted market prices. For investments with no active market, fair values are determined using valuation techniques which keep judgemental inputs to a minimum, including the fair value of underlying properties, recent arm's length transactions and reference to market value of similar investments.

ii) Investment in Subsidiaries

Investments in subsidiaries are held at the lower of cost or recoverable amount.

(e) Foreign currencies

i) Translation of foreign currency transactions

The functional and presentation currencies of the Parent Company and its Australian subsidiaries is Australian dollars. The functional currency of the United States entities is United States dollars, of United Kingdom entities is British pounds and of New Zealand entities is New Zealand dollars. The presentation currency of the overseas entities is Australian dollars to enable the consolidated financial statements of the Group to be reported in a common currency.

Foreign currency transactions are converted to Australian dollars at exchange rates ruling at the date of those transactions. Amounts payable and receivable in foreign currency at balance date are translated to Australian dollars at exchange rates ruling at that date. Exchange differences arising from amounts payable and receivable are treated as operating revenue or expense in the period in which they arise, except as noted below.

ii) Translation of accounts of foreign operations

The balance sheets of foreign subsidiaries and equity accounted associates are translated at exchange rates ruling at balance date and the income statement of foreign subsidiaries and equity accounted associates are translated at average exchange rates for the period. Exchange differences arising on translation of the interests in foreign operations and equity accounted associates are taken directly to the foreign currency translation reserve. On consolidation, exchange differences and the related tax effect on foreign currency loans and cross currency swaps denominated in foreign currencies, which hedge net investments in foreign operations and equity accounted associates are taken directly to the foreign currency translation reserve.

(f) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and can be reliably measured. Rental income from investment properties is accounted for on a straight line basis over the lease term. Contingent rental income is recognised as income in the period in which it is earned. If not received at balance date, revenue is reflected in the balance sheet as receivable and carried at fair value. Recoveries from tenants are recognised as income in the year the applicable costs are accrued.

Revenue from external parties for property development and construction is recognised on a percentage of completion basis. Revenue from property and funds management is recognised on an accruals basis, in accordance with the terms of the relevant management contracts.

Certain tenant allowances that are classified as lease incentives are recorded as part of investment properties and amortised over the term of the lease. The amortisation is recorded against property income.

Where revenue is obtained from the sale of properties, it is recognised when the significant risks and rewards have transferred to the buyer. This will normally take place on unconditional exchange of contracts except where payment or completion is expected to occur significantly after exchange. For conditional exchanges, sales are recognised when these conditions are satisfied.

All other revenues are recognised on an accruals basis.

(g) Expenses

Expenses including rates, taxes and other outgoings, are brought to account on an accruals basis and any related payables are carried at cost. All other expenses are brought to account on an accruals basis.

(h) Taxation

The Group comprises taxable and non taxable entities. A liability for current and deferred taxation and tax expense is only recognised in respect of taxable entities that are subject to income and potential capital gains tax as detailed below:

i) WT

Under current Australian income tax legislation WT is not liable to Australian income tax, including capital gains tax, provided that members are presently entitled to the income of the Trust as determined in accordance with WT's constitution. WT's New Zealand controlled entities are subject to New Zealand tax on their earnings. Dividends paid by those entities to WT are subject to New Zealand dividend withholding tax.

Under current Australian income tax legislation, holders of the stapled securities of the Group may be entitled to receive a foreign income tax offset for New Zealand withholding tax deducted from dividends paid by WT's New Zealand controlled entities to WT.

ii) WAT

Under current Australian income tax legislation, WAT is not liable to Australian income tax, including capital gains tax, provided that members are presently entitled to the income of the Trust as determined in accordance with WAT's constitution.

Westfield America, Inc. (WEA), is a Real Estate Investment Trust (REIT) for United States income tax purposes. To maintain its REIT status, WEA is required to distribute at least 90% of its taxable income to shareholders and meet certain asset and income tests as well as certain other requirements. As a REIT, WEA will generally not be liable for federal and state income taxes in the United States, provided it satisfies the necessary requirements and distributes 100% of its taxable income to its shareholders. Dividends paid by WEA to WAT are subject to United States dividend withholding tax.

Under current Australian income tax legislation, holders of the stapled securities of the Group may be entitled to receive a foreign income tax offset for United States withholding tax deducted from dividends paid to WAT by WEA.

iii) Deferred tax

Deferred tax is provided on all temporary differences at balance sheet date on the differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply when the asset is realised through continued use or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the balance sheet date. Income taxes related to items recognised directly in equity are recognised in equity and not in the income statement.

iv) Parent Company – tax consolidation

The Parent Company and its Australian resident wholly owned subsidiaries have formed a Tax Consolidated Group. The Parent Company has entered into tax funding arrangements with its Australian resident wholly owned subsidiaries, so that each subsidiary has agreed to pay or receive a tax equivalent amount to or from the Parent Company based on the net taxable amount or loss of the subsidiary at the current tax rate. The Tax Consolidated Group has applied the modified separate tax payer approach in determining the appropriate amount of current taxes to allocate.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Goodwill and deferred tax on acquisitions of property businesses

Goodwill on acquisition is initially measured at cost being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses and is not amortised.

The excess of the cost over the net fair value for the Group generally arises as a result of the recognition of deferred taxes based on the difference between the tax cost base and the fair value of net assets acquired. The deferred tax liability recognised at nominal value on acquisition of property businesses generally arises from the recognition of built in capital gains on those properties. Any resultant goodwill which arises from the recognition of these deferred tax liabilities is assessed for impairment at each reporting date. Impairment may arise when the nominal value of deferred taxes on built in capital gains exceeds the fair value of those taxes. Any impairment write down is charged to the income statement subsequent to acquisition.

(j) Sales Tax

Revenues, expenses and assets are recognised net of the amount of sales tax except where the sales tax incurred on purchase of goods and services is not recoverable from the tax authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable. Receivables and payables are stated with the amounts of sales tax included.

The net amount of sales tax payable or receivable to government authorities is included as part of receivables or payables in the balance sheet.

Cash flows are included in the cash flow statement on a gross basis and the sales tax component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of sales tax recoverable from, or payable to, the taxation authority.

(k) Financing costs

Financing costs include interest, amortisation of discounts or premiums relating to borrowings and other costs incurred in connection with the arrangement of borrowings. Financing costs are expensed as incurred unless they relate to a qualifying asset. A qualifying asset is an asset which generally takes more than 12 months to get ready for its intended use or sale. In these circumstances, the financing costs are capitalised to the cost of the asset. Where funds are borrowed by the Group for the acquisition or construction of a qualifying asset, the financing costs are capitalised.

Refer to Note 2(q) for other items included in financing costs.

(l) Property development projects and construction contracts for external parties

Property development projects for external parties are carried at the lower of cost or net realisable value. Profit on property development is recognised on a percentage of completion basis. These property development projects are included in inventories and represent the value of work actually completed and are assessed in terms of the contract and provision is made for losses, if any, anticipated.

(m) Depreciation and amortisation

Plant and equipment and deferred costs are carried at acquisition cost less depreciation and amortisation and any impairment in value. Depreciation and amortisation is applied over the estimated economic life using the straight line method from the date of acquisition or from the time the asset is ready for use. The estimated economic life of items in the asset class plant and equipment ranges from three to ten years.

(n) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

(i) Operating leases

The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense on a straight line basis.

Ground rent obligations for leasehold property that meets the definition of an investment property are accounted for as a finance lease.

(ii) Finance leases

Leases which effectively transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Group are capitalised at the present value of the minimum lease payments under lease and are disclosed as an asset or investment property.

Capitalised lease assets are depreciated over the shorter of the estimated useful life of the assets and the lease term. Minimum lease payments are allocated between interest expense and reduction of the lease liability.

(o) Employee benefits

The liability for employees' benefits to wages, salaries, bonuses and annual leave is accrued to balance date based on the Group's present obligation to pay resulting from the employees' services provided. The liability for employees' benefits to long service leave is provided to balance date based on the present values of the estimated future cash flows to be paid by the Group resulting from the employees' services provided.

(p) Contributed equity

Issued and paid up capital is recognised at the fair value of the consideration received by the Group. Any transaction costs arising on the issue of ordinary securities are recognised directly in equity as a reduction of the proceeds received.

(q) Derivative financial instruments and financial instruments

The Group utilises derivative financial instruments, including forward exchange contracts, currency and interest rate options, currency and interest rate swaps to manage the risks associated with foreign currency and interest rate fluctuations. Such derivative financial instruments are recognised at fair value.

The Group has set defined policies and implemented a comprehensive hedging program to manage interest and exchange rate risks. Derivative instruments are transacted to achieve the economic outcomes in line with the Group's treasury policy and hedging program. Derivative instruments are not transacted for speculative purposes. Accounting standards however require compliance with onerous documentation, designation and effectiveness parameters before a derivative financial instrument is deemed to qualify for hedge accounting treatment. These documentation, designation and effectiveness requirements cannot be met in all circumstances. As a result, all derivative instruments, other than cross currency swaps that hedge net investments in foreign operations, and hedges of share based payments, are deemed not to qualify for hedge accounting and are recorded at fair value. Gains or losses arising from the movement in fair values are recorded in the income statement.

The fair value of forward exchange contracts, currency and interest rate options and cross currency swaps are calculated by reference to relevant market rates for contracts with similar maturity profiles. The fair value of interest rate swaps are determined by reference to market rates for similar instruments.

Gains or losses arising on the movements in the fair value of cross currency swaps which hedge net investments in foreign operations are recognised in the foreign currency translation reserve. Where a cross currency swap, or portion thereof, is deemed an ineffective hedge for accounting purposes, gains or losses thereon are recognised in the income statement. On disposal of a net investment in foreign operations, the cumulative gains or losses recognised previously in the foreign currency translation reserve are transferred to the income statement.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2009

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Derivative financial instruments and financial instruments (continued)

The accounting policies adopted in relation to material financial instruments are detailed as follows:

i) Financial assets

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and on hand and short term deposits with an original maturity of 90 days or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and at bank, short term money market deposits and bank accepted bills of exchange readily converted to cash, net of bank overdrafts and short term loans. Bank overdrafts are carried at the principal amount. Interest is charged as an expense as it accrues.

Receivables

Trade and sundry debtors are carried at original invoice amount, less provision for doubtful debts, and are usually due within 30 days. Collectability of trade and sundry receivables is reviewed on an ongoing basis. Individual debts that are determined to be uncollectible are written off when identified. An impairment provision for doubtful debts is recognised when there is evidence that the Group will not be able to collect the receivable.

ii) Financial liabilities

Payables

Trade and other payables are carried at amortised cost and due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 60 days.

Interest bearing liabilities

Interest bearing liabilities are recognised initially at the fair value of the consideration received less any directly attributable transaction costs. Subsequent to initial recognition, interest bearing liabilities are recorded at amortised cost using the effective interest rate method.

Interest bearing liabilities are classified as current liabilities where the liability has been drawn under a financing facility which expires within one year. Amounts drawn under financing facilities which expire after one year are classified as non current.

Financing costs for interest bearing liabilities are recognised as an expense on an accruals basis.

Other financial liabilities

Other financial liabilities include property linked notes, convertible notes, preference and convertible preference securities. Where there is a minimum distribution entitlement and/or the redemption terms include the settlement for cash on redemption, the instrument is classified as a financial liability and is designated as fair value through the income statement.

The fair value of property linked notes are determined by reference to the fair value of the underlying linked property investments. The fair value of convertible notes, preference and convertible preference securities are determined in accordance with generally accepted pricing models using current market prices in accordance with the terms of each instrument as set out in Note 20.

(r) Recoverable amount of assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of the impairment exists, the Group makes an estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

(s) Earnings per security

Basic earnings per security is calculated as net profit attributable to members divided by the weighted average number of ordinary securities. Diluted earnings per security is calculated as net profit attributable to members adjusted for any profit recognised in the period in relation to dilutive potential ordinary shares divided by the weighted average number of ordinary securities and dilutive potential ordinary securities.

(t) 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.

		Consolidated		Parent Company	
	Note	31 Dec 09 \$million	31 Dec 08 \$million	31 Dec 09 \$million	31 Dec 08 \$million
NOTE 3 PROPERTY REVENUE					
Shopping centre base rent and other property income		3,528.6	3,262.6	0.1	0.1
Amortisation of tenant allowances		(69.6)	(49.8)	–	–
		3,459.0	3,212.8	0.1	0.1
NOTE 4 CURRENCY DERIVATIVES					
Realised gains on income hedging currency derivatives		53.5	120.7	–	–
Net fair value loss on currency derivatives that do not qualify for hedge accounting	6	(0.1)	(360.3)	–	–
Inter-entity foreign currency exchange loss		–	–	(5.3)	(7.0)
		53.4	(239.6)	(5.3)	(7.0)
NOTE 5 NET GAIN FROM CAPITAL TRANSACTIONS					
Net fair value gain on the termination of surplus interest rate swaps upon repayment of interest bearing liabilities with the proceeds from the issuance of securities		79.3	–	–	–
Proceeds from asset sales		269.9	122.3	–	–
Less: Carrying value of assets sold		(279.7)	(49.0)	–	–
	6	69.5	73.3	–	–
NOTE 6 SIGNIFICANT ITEMS					
Profit before minority interests includes the following significant items. The disclosure of these items is relevant in explaining the financial performance of the business.					
Property revaluations		(3,037.0)	(2,610.2)	–	–
Equity accounted property revaluations	15(b)	(502.3)	(729.5)	–	–
Net gain from capital transactions	5	69.5	73.3	–	–
Current tax on capital transactions	8	(7.1)	(20.3)	–	–
Deferred tax – net fair value movements on investment properties and financial instruments	8	266.5	651.5	–	–
Net fair value gain/(loss) on interest rate hedges that do not qualify for hedge accounting	7	876.0	(1,411.5)	–	–
Net fair value gain on other financial liabilities	7	13.0	617.3	–	–
Net fair value gain on the termination of surplus interest rate swaps upon the restructure of the Group's interest rate hedge portfolio	7	38.8	–	–	–
Net fair value loss on the termination of surplus interest rate swaps	7	–	(89.7)	–	–
Net fair value loss on currency derivatives that do not qualify for hedge accounting	4	(0.1)	(360.3)	–	–
NOTE 7 FINANCING COSTS					
Gross financing costs (excluding net fair value gain/(loss) on interest rate hedges that do not qualify for hedge accounting)					
– Interest bearing liabilities		(928.1)	(822.1)	–	–
– Other financial liabilities		(0.5)	(22.3)	–	–
Related party borrowing costs		–	–	(12.2)	(36.3)
Financing costs capitalised to construction projects		234.9	141.9	–	–
Financing costs		(693.7)	(702.5)	(12.2)	(36.3)
Net fair value gain/(loss) on interest rate hedges that do not qualify for hedge accounting	6	876.0	(1,411.5)	–	–
Finance leases interest expense		(6.6)	(5.3)	–	–
Interest expense on other financial liabilities		(127.3)	(124.2)	–	–
Net fair value gain on other financial liabilities	6	13.0	617.3	–	–
Net fair value gain on the termination of surplus interest rate swaps upon the restructure of the Group's interest rate hedge portfolio	6	38.8	–	–	–
Net fair value loss on the termination of surplus interest rate swaps	6	–	(89.7)	–	–
		100.2	(1,715.9)	(12.2)	(36.3)

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2009

		Consolidated		Parent Company	
	Note	31 Dec 09 \$million	31 Dec 08 \$million	31 Dec 09 \$million	31 Dec 08 \$million
NOTE 8 TAXATION					
(a) Tax benefit/(expense)					
Current underlying tax		(84.4)	(89.2)	(3.3)	(3.8)
Current tax on capital transactions	6	(7.1)	(20.3)	–	–
Deferred tax – net fair value movements on investment properties and financial instruments	6	266.5	651.5	–	–
		175.0	542.0	(3.3)	(3.8)
The prima facie tax on profit before tax is reconciled to the income tax expense provided in the financial statements as follows:					
Accounting profit/(loss) before income tax		(625.1)	(2,724.1)	(83.7)	(177.5)
Prima facie tax benefit at 30% (31 December 2008: 30%)		187.5	817.2	25.1	53.3
WT income not assessable		10.4	162.2	–	–
WAT income not assessable/(deductible)		228.5	(166.4)	–	–
Differential of tax rates on US foreign income		(305.0)	(208.7)	–	–
Deferred tax assets recognised/(not recognised)		49.9	(57.5)	–	–
Tax on inter-entity transactions		(12.5)	(4.7)	–	–
Prior year (under)/over provision		(2.4)	(3.5)	0.4	0.5
Capital items not assessable		17.2	2.3	–	–
Differential of tax rates on UK foreign income		1.3	1.7	–	–
Impairment charge on investment in subsidiaries		–	–	(132.7)	(57.8)
Inter-entity dividends		–	–	104.4	–
Other items		0.1	(0.6)	(0.5)	0.2
Tax benefit/(expense)		175.0	542.0	(3.3)	(3.8)
(b) Deferred tax assets					
Provisions and accruals		47.6	52.4	–	–
Unrealised fair value loss on financial derivatives		31.1	144.5	–	–
Other timing differences		–	–	25.6	24.0
		78.7	196.9	25.6	24.0
(c) Deferred tax liabilities					
Tax effect of book value in excess of the tax cost base of investment properties		1,608.6	2,547.2	–	–
Unrealised fair value gain on financial derivatives		116.0	42.0	–	–
Other timing differences		59.7	16.8	–	–
		1,784.3	2,606.0	–	–

(d) Deferred tax assets and deferred tax liabilities not charged to tax expense

The closing balance of deferred tax assets and deferred tax liabilities includes amounts credited to the foreign currency translation reserve of \$15.3 million (31 December 2008: charge of \$19.1 million).

	Consolidated
	31 Dec 09
	cents
	31 Dec 08
	cents

NOTE 9 EARNINGS PER SECURITY

(a) Attributable to members of the Parent Company

Basic earnings/(loss) per share	(3.34)	(43.82)
Diluted earnings/(loss) per share	(3.34)	(43.82)

The following reflects the income and security data used in the calculations of basic and diluted earnings per share:

	No. of	No. of
	securities	securities
Weighted average number of ordinary securities used in calculating basic earnings per share ⁽ⁱ⁾	2,243,157,530	1,942,614,511
Bonus element of security options which are dilutive ⁽ⁱⁱ⁾	–	–
Adjusted weighted average number of ordinary securities used in calculating diluted earnings per share	2,243,157,530	1,942,614,511
	\$million	\$million
Earnings/(loss) used in calculating basic earnings per share	(74.9)	(851.3)
Adjustment to earnings/(loss) on options which are considered dilutive	–	–
Earnings/(loss) used in calculating diluted earnings per share	(74.9)	(851.3)

The calculation of the weighted average number of converted, lapsed or cancelled potential ordinary securities used in diluted earnings per stapled security was nil (31 December 2008: nil).

	Consolidated	
	31 Dec 09	31 Dec 08
	cents	cents
<hr/>		
(b) Attributable to members of the Group		
Basic earnings/(loss) per stapled security	(20.41)	(113.07)
Diluted earnings/(loss) per stapled security	(20.41)	(117.79)
<hr/>		
Operational earnings available for distributions ^(a)	92.01	100.01

^(a) Refer to the dividend/distribution statement for further details.

The following reflects the income and security data used in the calculations of basic and diluted earnings per stapled security:

	No. of	No. of
	securities	securities
Weighted average number of ordinary securities used in calculating basic earnings per stapled security ⁽ⁱ⁾	2,243,157,530	1,942,614,511
Bonus element of security options which are dilutive ⁽ⁱⁱ⁾	–	5,735,110
Adjusted weighted average number of ordinary securities used in calculating diluted earnings per stapled security	2,243,157,530	1,948,349,621
	\$million	\$million
Earnings/(loss) used in calculating basic earnings per stapled security	(457.8)	(2,196.6)
Adjustment to earnings/(loss) on options which are considered dilutive	–	(98.4)
Earnings/(loss) used in calculating diluted earnings per stapled security	(457.8)	(2,295.0)

The calculation of the weighted average number of converted, lapsed or cancelled potential ordinary securities used in diluted earnings per stapled security was nil (31 December 2008: 3,306,435).

⁽ⁱ⁾ 2,243.2 million (31 December 2008: 1,942.6 million) weighted average number of stapled securities on issue for the period has been included in the calculation of basic and diluted earnings per stapled security as reported in the income statement.

⁽ⁱⁱ⁾ Bonus element of security options relating to other financial liabilities and executive options that are anti-dilutive for the current period were 4,586,996 (31 December 2008: 5,630,489), earnings in respect of these were nil (31 December 2008: nil).

(c) Conversions, calls, subscription or issues after 31 December 2009

There have been no conversions to, calls of, subscriptions for, issuance of new or potential ordinary securities since the reporting date and before the completion of this report.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2009

		Consolidated		Parent Company	
	Note	31 Dec 09 \$million	31 Dec 08 \$million	31 Dec 09 \$million	31 Dec 08 \$million
NOTE 10 DERIVATIVE ASSETS					
Current					
Receivables on currency derivatives		79.4	77.8	–	–
Receivables on interest rate derivatives		59.6	66.8	–	–
		139.0	144.6	–	–
Non Current					
Receivables on interest rate derivatives		846.2	1,070.3	–	–
Receivables on currency derivatives		312.0	579.6	–	–
Receivables on equity share plan swaps		2.7	–	–	–
		1,160.9	1,649.9	–	–
NOTE 11 RECEIVABLES					
Current					
Sundry debtors		234.6	360.5	2.7	4.3
Non interest bearing loans to controlled entities		–	–	1,017.0	2,012.1
Interest bearing loans to controlled entities		–	–	1,210.6	1,262.0
		234.6	360.5	2,230.3	3,278.4
NOTE 12 PREPAYMENTS AND DEFERRED COSTS					
Current					
Prepayments and deposits		74.3	89.9	–	–
Deferred costs – other		20.9	22.4	–	–
		95.2	112.3	–	–
Non Current					
Deferred costs – other		173.6	80.5	–	–
		173.6	80.5	–	–
NOTE 13 INVESTMENT PROPERTIES					
Shopping centre investments	14	37,338.3	43,614.4	–	–
Development projects		3,115.7	3,294.7	2.3	2.3
		40,454.0	46,909.1	2.3	2.3
Movement in total investment properties					
Balance at the beginning of the year		46,909.1	42,061.9	2.3	2.3
Acquisition of properties		36.8	–	–	–
Disposal of properties		(8.0)	(3.0)	–	–
Transfer to equity accounted investment properties		–	(23.3)	–	–
Redevelopment costs		1,654.6	3,365.2	–	–
Net revaluation decrement		(3,046.8)	(2,525.0)	–	–
Retranslation of foreign operations		(5,091.7)	4,033.3	–	–
Balance at the end of the year ⁽ⁱ⁾		40,454.0	46,909.1	2.3	2.3

⁽ⁱ⁾ The fair value of investment properties at the end of the year of \$40,454.0 million (31 December 2008: \$46,909.1 million) comprises investment properties at market value of \$40,365.8 million (31 December 2008: \$46,814.5 million) and ground leases included as finance leases of \$88.2 million (31 December 2008: \$94.6 million).

		Consolidated	
	Note	31 Dec 09 \$million	31 Dec 08 \$million
NOTE 14 DETAILS OF SHOPPING CENTRE INVESTMENTS			
Consolidated Australian shopping centres	14(a)	19,088.9	19,256.1
Consolidated New Zealand shopping centres	14(b)	2,327.3	2,519.3
Consolidated United Kingdom shopping centres	14(c)	1,930.8	2,486.1
Consolidated United States shopping centres	14(d)	13,991.3	19,352.9
Total consolidated shopping centres	13	37,338.3	43,614.4
Equity accounted Australian shopping centres	14(a),15(c)	1,603.5	1,627.5
Equity accounted United Kingdom shopping centres	14(c),15(c)	1,017.9	1,444.3
Equity accounted United States shopping centres	14(d),15(c)	2,204.4	3,191.0
Total equity accounted shopping centres	15(c)	4,825.8	6,262.8
		42,164.1	49,877.2

An independent valuation of a shopping centre is conducted annually with the exception of those shopping centres under development. Independent valuations are conducted in accordance with International Valuation Standards Committee for Australian and New Zealand properties, RICS Appraisal and Valuation Standards which is mandatory for Chartered Surveyors for the United Kingdom properties and Uniform Standards of Professional Appraisal Practice for the United States properties. The independent valuation uses capitalisation of net income method and the discounting of future net cash flows to their present value method.

Investment properties are carried at the Directors' determination of fair value which take into account annual independent valuations, with updates at year end of independent valuations that were prepared at the half year. The carrying amount of investment properties comprises the original acquisition cost, subsequent capital expenditure, tenant allowances, deferred costs, ground leases, straight-line rent and revaluation increments and decrements.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2009

NOTE 14(a) DETAILS OF SHOPPING CENTRE INVESTMENTS – AUSTRALIA

Consolidated Australian shopping centres	Ownership Interest %	Consolidated Interest %	Fair value 31 Dec 09 \$million	Estimated Yield 31 Dec 09 %	Fair Value 31 Dec 08 \$million	Estimated Yield 31 Dec 08 %	Latest independent valuation Date	Valuer
Airport West	50.0	50.0	144.3	7.00%	138.8	7.00%	06-09	Colliers International C&V Pty Limited
Belconnen	100.0	100.0	605.0	6.25%	637.0	5.75%	12-09	CB Richard Ellis Pty Limited
Bondi Junction	100.0	100.0	1,819.1	5.25%	1,869.3	5.00%	12-09	Savills (NSW) Pty Limited
Booragoon	25.0	25.0	200.0	6.25%	216.3	5.50%	12-09	Knight Frank Valuations
Burwood	100.0	100.0	710.1	6.25%	731.2	5.75%	12-09	CB Richard Ellis Pty Limited
Carindale	25.0	50.0	442.1	5.75%	445.6	5.63%	06-09	CB Richard Ellis Pty Limited
Carousel	100.0	100.0	765.0	6.00%	730.0	5.75%	12-09	M3property Pty Limited
Chatswood	100.0	100.0	854.2	6.00%	904.5	5.75%	06-09	Savills (NSW) Pty Limited
Chermside	100.0	100.0	1,280.0	5.75%	1,265.8	5.50%	12-09	Jones Lang La Salle
Doncaster	50.0	50.0	680.0	5.75%	687.0	5.25%	12-09	Savills (NSW) Pty Limited
Figtree	100.0	100.0	128.6	7.75%	128.3	7.75%	06-09	CB Richard Ellis Pty Limited
Fountain Gate	100.0	100.0	872.8	6.00%	849.4	5.75%	06-09	Colliers International C&V Pty Limited
Geelong	50.0	50.0	233.1	6.30%	235.4	6.00%	06-09	Knight Frank Valuations
Helensvale	50.0	50.0	166.1	6.50%	153.1	6.50%	06-09	CB Richard Ellis Pty Limited
Hornsby	100.0	100.0	821.4	6.00%	835.4	5.75%	12-09	CB Richard Ellis Pty Limited
Hurstville	50.0	50.0	288.0	6.75%	301.5	6.25%	06-09	Savills (NSW) Pty Limited
Innaloo	100.0	100.0	247.7	7.00%	249.7	6.50%	06-09	M3property Pty Limited
Knox	30.0	30.0	288.6	6.35%	279.0	6.25%	12-09	Knight Frank Valuations
Kotara	100.0	100.0	630.0	6.25%	630.0	6.00%	12-09	Jones Lang La Salle
Liverpool	50.0	50.0	402.1	6.25%	400.6	6.00%	12-09	CB Richard Ellis Pty Limited
Macquarie	50.0	50.0	434.0	6.00%	440.0	5.50%	12-09	Knight Frank Valuations
Marion	50.0	50.0	500.0	6.00%	490.0	5.75%	12-09	Jones Lang La Salle
Miranda	50.0	50.0	628.8	5.75%	636.0	5.50%	06-09	Jones Lang La Salle
Mt Gravatt	75.0	75.0	618.3	6.00%	646.9	5.75%	06-09	CB Richard Ellis Pty Limited
North Lakes	50.0	50.0	190.0	6.25%	185.0	6.00%	12-09	Colliers International C&V Pty Limited
North Rocks	100.0	100.0	105.0	7.75%	107.0	7.50%	12-09	Jones Lang La Salle
Pacific Fair	40.0	40.0	400.0	6.25%	419.0	5.75%	12-09	Knight Frank Valuations
Parramatta	50.0	50.0	718.7	5.75%	711.1	5.50%	12-09	CB Richard Ellis Pty Limited
Penrith	50.0	50.0	517.5	6.00%	528.3	5.50%	12-09	Savills (NSW) Pty Limited
Plenty Valley	50.0	50.0	130.4	6.50%	125.9	6.25%	06-09	Knight Frank Valuations
Strathpine	100.0	100.0	248.0	7.50%	250.0	7.25%	12-09	Colliers International C&V Pty Limited
Sydney Central Plaza	100.0	100.0	555.0	6.00%	545.0	6.00%	12-09	Savills (NSW) Pty Limited
Sydney City ⁽ⁱ⁾	100.0	100.0	663.8	7.25%	655.8	7.25%	12-07	CB Richard Ellis Pty Limited
Tuggerah	100.0	100.0	600.0	6.25%	589.0	6.25%	12-09	CB Richard Ellis Pty Limited
Warrawong	100.0	100.0	181.0	8.00%	179.0	7.75%	12-09	CB Richard Ellis Pty Limited
Warringah Mall	25.0	25.0	260.0	6.00%	271.3	5.50%	12-09	Knight Frank Valuations
West Lakes	50.0	50.0	193.6	6.25%	180.9	6.00%	06-09	Jones Lang La Salle
Whitford City	50.0	50.0	256.6	7.00%	293.0	6.25%	12-09	Knight Frank Valuations
Woden	50.0	50.0	310.0	6.25%	315.0	6.00%	12-09	Savills (NSW) Pty Limited
Total consolidated centres			19,088.9		19,256.1			

Equity accounted Australian shopping centres (refer Note 15(c))	Ownership Interest %	Equity accounted Interest %	Fair Value 31 Dec 09 \$million	Estimated Yield 31 Dec 09 %	Fair Value 31 Dec 08 \$million	Estimated Yield 31 Dec 08 %	Latest independent valuation Date	Valuer
Cairns	50.0	50.0	225.1	6.00%	220.5	5.75%	06-09	CB Richard Ellis Pty Limited
Karrinyup	33.3	33.3	180.0	6.50%	206.6	5.50%	12-09	Knight Frank Valuations
Macquarie	5.0	5.0	43.4	6.00%	44.0	5.50%	12-09	Knight Frank Valuations
Mount Druitt	50.0	50.0	210.0	7.00%	215.0	6.50%	12-09	Savills (NSW) Pty Limited
Pacific Fair	4.0	4.0	40.0	6.25%	41.9	5.75%	12-09	Knight Frank Valuations
Southland	50.0	50.0	583.0	6.00%	600.0	5.50%	12-09	CB Richard Ellis Pty Limited
Tea Tree Plaza	50.0	50.0	322.0	6.00%	299.5	6.00%	12-09	CB Richard Ellis Pty Limited
Total equity accounted centres			1,603.5		1,627.5			
Total Australian portfolio			20,692.4		20,883.6			

⁽ⁱ⁾ Sydney City represents the combined value and performance of Centrepoint, Skygarden and Imperial Arcade.

⁽ⁱⁱ⁾ Properties currently under redevelopment.

NOTE 14(b) DETAILS OF SHOPPING CENTRE INVESTMENTS – NEW ZEALAND

Consolidated New Zealand shopping centres	Ownership Interest %	Consolidated Interest %	Fair Value 31 Dec 09 NZ\$million	Estimated Yield 31 Dec 09 %	Fair Value 31 Dec 08 NZ\$million	Estimated Yield 31 Dec 08 %	Latest independent valuation Date	Valuer
Albany	100.0	100.0	373.0	6.75%	394.0	6.38%	12-09	Collier International New Zealand Limited
Chartwell	100.0	100.0	138.0	8.50%	152.0	7.50%	12-09	CB Richard Ellis Limited
Downtown	100.0	100.0	79.1	8.00%	81.0	7.75%	06-09	Collier International New Zealand Limited
Glenfield	100.0	100.0	122.5	8.63%	146.5	8.25%	12-09	CB Richard Ellis Limited
Manukau	100.0	100.0	320.3	7.50%	329.3	7.25%	12-09	Collier International New Zealand Limited
Newmarket	100.0	100.0	231.4	7.35%	256.0	6.88%	06-09	CB Richard Ellis Limited
Pakuranga	100.0	100.0	91.2	8.50%	105.0	8.25%	12-09	CB Richard Ellis Limited
Queensgate	100.0	100.0	340.5	7.13%	366.5	6.63%	06-09	Collier International New Zealand Limited
Riccarton ⁽ⁱ⁾	100.0	100.0	447.0	7.13%	369.5	6.65%	06-09	CB Richard Ellis Limited
Shore City	100.0	100.0	100.3	8.38%	123.0	8.13%	06-09	Collier International New Zealand Limited
St Lukes	100.0	100.0	450.5	6.88%	482.0	6.38%	12-09	Collier International New Zealand Limited
WestCity	100.0	100.0	188.3	8.38%	208.5	7.63%	06-09	CB Richard Ellis Limited
Total New Zealand portfolio			2,882.1		3,013.3			
Exchange rate			1.2384		1.1961			
Total New Zealand portfolio in A\$			2,327.3		2,519.3			

⁽ⁱ⁾ Redevelopment completed during 2009

NOTE 14(c) DETAILS OF SHOPPING CENTRE INVESTMENTS – UNITED KINGDOM

Consolidated United Kingdom shopping centres	Ownership Interest %	Consolidated Interest %	Fair Value 31 Dec 09 £million	Estimated Yield 31 Dec 09 %	Fair Value 31 Dec 08 £million	Estimated Yield 31 Dec 08 %	Latest independent valuation Date	Valuer
Westfield London	50.0	50.0	1,025.0	5.50%	1,136.1	5.25%	12-09	GVA Grimley LLP
Sprucefield	100.0	100.0	48.0	8.00%	51.0	7.60%	06-08	Knight Frank LLP
Total consolidated centres			1,073.0		1,187.1			
Exchange rate			0.5557		0.4775			
Total consolidated centres in A\$			1,930.8		2,486.1			

Equity accounted United Kingdom shopping centres (refer Note 15(c))	Ownership Interest %	Equity accounted Interest %	Fair Value 31 Dec 09 £million	Estimated Yield 31 Dec 09 %	Fair Value 31 Dec 08 £million	Estimated Yield 31 Dec 08 %	Latest independent valuation Date	Valuer
Nottingham	75.0	75.0	37.7	7.50%	46.1	7.00%	12-09	CB Richard Ellis Limited
Belfast ⁽ⁱ⁾	33.3	33.3	59.7	7.50%	66.7	7.05%	12-09	DTZ Holdings plc
Derby ⁽ⁱⁱ⁾	33.3	33.3	136.1	6.40%	216.8	6.07%	12-09	DTZ Holdings plc
Guildford	50.0	50.0	43.1	7.50%	52.3	6.97%	12-09	DTZ Holdings plc
Merry Hill ⁽ⁱ⁾	33.3	33.3	251.4	6.00%	271.0	5.84%	12-09	GVA Grimley LLP
Tunbridge Wells ⁽ⁱ⁾	33.3	33.3	37.6	7.00%	36.8	6.90%	12-09	DTZ Holdings plc
Total equity accounted centres			565.6		689.7			
Exchange rate			0.5557		0.4775			
Total equity accounted centres in A\$			1,017.9		1,444.3			
Total United Kingdom portfolio			1,638.6		1,876.8			
Exchange rate			0.5557		0.4775			
Total United Kingdom portfolio in A\$			2,948.7		3,930.4			

⁽ⁱ⁾ The Group's 33.3% investment in Derby, Merry Hill, Belfast and Tunbridge Wells includes an 8.3% investment held via the Group's one third interest in Westfield UK Shopping Centre Fund.

⁽ⁱⁱ⁾ The Group sold 16.7% of Derby to the Westfield UK Shopping Centre Fund in January 2009.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2009

NOTE 14(d) DETAILS OF SHOPPING CENTRE INVESTMENTS – UNITED STATES

Consolidated United States shopping centres	Ownership Interest %	Consolidated Interest %	Fair Estimated Value 31 Dec 09 US\$million	Fair Estimated Yield 31 Dec 09 %	Fair Estimated Value 31 Dec 08 US\$million	Fair Estimated Yield 31 Dec 08 %	Latest independent valuation Date	Valuer
Annapolis	100.0	100.0	636.0	6.16%	691.0	6.01%	12-09	PricewaterhouseCoopers LLP
Belden Village	100.0	100.0	168.6	7.00%	175.0	6.92%	12-09	Weiser Realty Advisors, LLC
Brandon	100.0	100.0	363.9	6.79%	386.0	6.70%	06-09	Weiser Realty Advisors, LLC
Broward	100.0	100.0	167.8	6.83%	205.2	5.90%	12-09	Weiser Realty Advisors, LLC
Capital	100.0	100.0	160.0	6.90%	187.2	6.73%	06-09	PricewaterhouseCoopers LLP
Century City	100.0	100.0	731.0	6.10%	773.1	5.91%	12-09	PricewaterhouseCoopers LLP
Chicago Ridge	100.0	100.0	123.0	7.92%	146.0	7.30%	06-09	PricewaterhouseCoopers LLP
Citrus Park	100.0	100.0	240.8	6.67%	271.7	6.40%	06-09	Weiser Realty Advisors, LLC
Connecticut Post	100.0	100.0	233.0	7.34%	260.1	7.20%	12-09	PricewaterhouseCoopers LLP
Countryside	100.0	100.0	170.7	8.09%	203.2	7.00%	06-09	Cushman & Wakefield of California, Inc.
Culver City ⁽ⁱ⁾	100.0	100.0	314.1	6.50%	158.2	8.03%	12-09	Weiser Realty Advisors, LLC
Downtown Plaza	100.0	100.0	99.9	8.00%	99.9	6.70%	06-07	Weiser Realty Advisors, LLC
Eastland	100.0	100.0	115.0	6.86%	119.3	6.75%	06-09	Weiser Realty Advisors, LLC
Eastridge	100.0	100.0	43.4	10.00%	43.4	10.00%	06-09	Weiser Realty Advisors, LLC
Fox Valley	100.0	100.0	190.0	8.50%	252.0	7.00%	06-09	Cushman & Wakefield of California, Inc.
Franklin Park	100.0	100.0	327.7	6.55%	356.3	6.00%	12-09	Weiser Realty Advisors, LLC
Galleria at Roseville ⁽ⁱ⁾	100.0	100.0	551.2	6.00%	340.5	6.20%	12-09	Weiser Realty Advisors, LLC
Gateway	100.0	100.0	103.5	7.13%	118.5	7.00%	06-09	Cushman & Wakefield of California, Inc.
Great Northern	100.0	100.0	145.0	6.80%	148.8	6.80%	06-09	Weiser Realty Advisors, LLC
Hawthorn	100.0	100.0	217.4	6.80%	253.2	6.80%	06-09	Weiser Realty Advisors, LLC
Horton Plaza	100.0	100.0	325.3	6.42%	360.8	5.94%	12-09	Weiser Realty Advisors, LLC
Louis Joliet	100.0	100.0	110.0	6.42%	143.1	6.00%	06-09	PricewaterhouseCoopers LLP
Mainplace	100.0	100.0	255.0	7.63%	303.0	6.90%	06-09	PricewaterhouseCoopers LLP
Meriden	100.0	100.0	136.4	7.54%	141.7	7.30%	06-09	Weiser Realty Advisors, LLC
Mission Valley	100.0	100.0	300.9	6.60%	331.9	6.43%	12-09	PricewaterhouseCoopers LLP
North County	100.0	100.0	226.3	6.93%	243.9	6.85%	12-09	Weiser Realty Advisors, LLC
Oakridge	100.0	100.0	344.9	6.86%	345.0	6.80%	12-09	Weiser Realty Advisors, LLC
Old Orchard	100.0	100.0	476.6	6.38%	502.1	6.00%	12-09	Weiser Realty Advisors, LLC
Palm Desert	100.0	100.0	170.0	7.35%	193.9	6.93%	12-09	PricewaterhouseCoopers LLP
Parkway	100.0	100.0	278.8	7.00%	308.7	7.01%	12-09	PricewaterhouseCoopers LLP
Plaza Bonita	100.0	100.0	336.0	6.70%	376.6	6.56%	12-09	PricewaterhouseCoopers LLP
Plaza Camino Real	100.0	100.0	157.0	7.20%	196.8	6.50%	06-09	Cushman & Wakefield of California, Inc.
Promenade	100.0	100.0	56.4	7.92%	57.6	7.65%	12-09	Weiser Realty Advisors, LLC
San Francisco Centre	100.0	100.0	304.6	6.07%	290.5	5.76%	12-09	Weiser Realty Advisors, LLC
Santa Anita ⁽ⁱ⁾	100.0	100.0	413.0	7.05%	375.8	6.93%	06-09	Cushman & Wakefield of California, Inc.
Sarasota	100.0	100.0	121.7	6.80%	135.9	5.96%	12-09	Weiser Realty Advisors, LLC
Solano	100.0	100.0	192.2	7.40%	221.0	7.25%	12-09	Weiser Realty Advisors, LLC
South Shore	100.0	100.0	171.9	7.66%	197.0	7.36%	12-09	Weiser Realty Advisors, LLC
Southcenter	100.0	100.0	661.6	6.50%	711.1	6.40%	12-09	Weiser Realty Advisors, LLC
Southgate	100.0	100.0	92.3	8.00%	99.7	8.02%	12-09	PricewaterhouseCoopers LLP
Southlake	100.0	100.0	245.0	6.70%	258.1	6.70%	12-09	PricewaterhouseCoopers LLP
Southpark	100.0	100.0	253.2	7.42%	297.2	6.80%	06-09	PricewaterhouseCoopers LLP
Sunrise	100.0	100.0	107.0	7.07%	108.6	7.06%	12-09	PricewaterhouseCoopers LLP
Topanga	100.0	100.0	737.0	6.34%	802.4	6.20%	12-09	PricewaterhouseCoopers LLP
Trumbull	100.0	100.0	232.7	7.50%	295.0	7.29%	12-08	PricewaterhouseCoopers LLP
Vancouver	100.0	100.0	138.5	6.71%	146.0	6.58%	12-09	Weiser Realty Advisors, LLC
West Covina	100.0	100.0	230.1	7.00%	280.1	6.50%	12-07	PricewaterhouseCoopers LLP
Westland	100.0	100.0	126.7	6.63%	138.1	5.78%	12-09	Weiser Realty Advisors, LLC
Wheaton	100.0	100.0	290.6	7.26%	297.4	7.11%	12-09	Weiser Realty Advisors, LLC
Total consolidated centres			12,593.6		13,347.6			
Exchange Rate			0.9001		0.6897			
Total consolidated centres in A\$			13,991.3		19,352.9			

NOTE 14(d) DETAILS OF SHOPPING CENTRE INVESTMENTS – UNITED STATES (CONTINUED)

Equity accounted United States shopping centres (refer Note 15(c))	Ownership Interest %	Equity Accounted Interest %	Fair Value 31 Dec 09 US\$million	Estimated Yield 31 Dec 09 %	Fair Value 31 Dec 08 US\$million	Estimated Yield 31 Dec 08 %	Latest independent valuation Date	Valuer
Fashion Square	50.0	50.0	134.5	6.59%	145.9	6.12%	12-09	PricewaterhouseCoopers LLP
Garden State Plaza	50.0	50.0	625.0	6.35%	724.1	5.60%	06-09	PricewaterhouseCoopers LLP
Montgomery	50.0	50.0	207.3	6.38%	225.0	6.16%	12-09	Weiser Realty Advisors, LLC
San Francisco Emporium	50.0	50.0	226.8	6.07%	279.8	5.76%	12-09	Weiser Realty Advisors, LLC
UTC	50.0	50.0	192.8	6.00%	198.6	5.70%	06-07	Weiser Realty Advisors, LLC
Valencia Town Center ⁽ⁱⁱ⁾	50.0	50.0	117.4	7.20%	117.4	7.20%	06-07	Weiser Realty Advisors, LLC
Valley Fair	50.0	50.0	480.3	6.19%	510.1	5.86%	12-09	Weiser Realty Advisors, LLC
Total equity accounted centres			1,984.1		2,200.9			
Exchange Rate			0.9001		0.6897			
Total equity accounted centres in A\$			2,204.4		3,191.0			
Total United States portfolio			14,577.7		15,548.5			
Exchange Rate			0.9001		0.6897			
Total United States portfolio in A\$			16,195.7		22,543.9			

⁽ⁱ⁾ Redevelopment completed during 2009

⁽ⁱⁱ⁾ Properties currently under redevelopment.

NOTE 15 DETAILS OF EQUITY ACCOUNTED INVESTMENTS

Name of entity	Type of equity	Balance Date	Economic interest 31 Dec 09	Economic interest 31 Dec 08	Consolidated carrying value 31 Dec 09 \$million	Consolidated carrying value 31 Dec 08 \$million
(a) Equity accounted entities carrying value						
Australian investments⁽ⁱ⁾						
AMP Capital Pacific Fair and Macquarie Shopping Centre Fund	Trust units	31 Dec	10.0%	10.0%	63.8	67.3
Cairns ⁽ⁱⁱ⁾	Trust units	30 Jun	50.0%	50.0%	228.5	223.4
Karrinyup ⁽ⁱⁱ⁾	Trust units	30 Jun	33.3%	33.3%	180.0	206.7
Mount Druitt ⁽ⁱⁱ⁾	Trust units	30 Jun	50.0%	50.0%	207.4	211.9
SA Shopping Centre Trust	Trust units	31 Dec	50.0%	50.0%	23.4	23.1
Southland ⁽ⁱⁱ⁾	Trust units	30 Jun	50.0%	50.0%	581.5	598.7
Tea Tree Plaza ⁽ⁱⁱ⁾	Trust units	30 Jun	50.0%	50.0%	298.0	283.4
					1,582.6	1,614.5
United Kingdom investments⁽ⁱ⁾						
Nottingham ⁽ⁱⁱⁱ⁾	Partnership interest	31 Dec	75.0%	75.0%	75.1	104.9
Belfast ^(iv)	Partnership interest	31 Dec	33.3%	33.3%	22.3	47.0
Derby ^(iv)	Partnership interest	31 Dec	33.3%	50.0%	94.0	179.6
Guildford	Partnership interest	31 Dec	50.0%	50.0%	70.8	100.4
Merry Hill ^(iv)	Partnership interest	31 Dec	33.3%	33.3%	471.6	587.6
Tunbridge Wells ^(iv)	Partnership interest	31 Dec	33.3%	33.3%	58.8	66.2
Sprucefield	Shares	31 Dec	50.0%	50.0%	20.2	32.4
					812.8	1,118.1
United States investments⁽ⁱ⁾						
Fashion Square	Partnership units	31 Dec	50.0%	50.0%	150.4	217.1
Garden State Plaza	Partnership units	31 Dec	50.0%	50.0%	414.6	687.7
Montgomery	Partnership units	31 Dec	50.0%	50.0%	173.0	254.5
San Francisco Emporium	Partnership units	31 Dec	50.0%	50.0%	41.0	117.4
UTC	Partnership units	31 Dec	50.0%	50.0%	156.7	261.1
Valencia Town Center	Partnership units	31 Dec	50.0%	50.0%	56.1	80.0
Valley Fair	Partnership units	31 Dec	50.0%	50.0%	378.0	540.1
					1,369.8	2,157.9
Total equity accounted investments					3,765.2	4,890.5

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

⁽ⁱⁱ⁾ Notwithstanding that the financial year of these investments ends on 30 June, the consolidated financial statements have been made out so as to include the accounts for a period coinciding with the financial year of the Parent Company being 31 December.

⁽ⁱⁱⁱ⁾ The Group has a 75% economic interest in Nottingham. The Group has equal representation and voting rights on the Board of Nottingham resulting in joint control. Accordingly, Nottingham has been accounted for in accordance with AASB 131: Interest in Joint Ventures.

^(iv) The Group's 33.3% investment in Belfast, Derby, Merry Hill and Tunbridge Wells includes an 8.3% investment held via the Group's one third interest in Westfield UK Shopping Centre Fund.

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NOTE 15 DETAILS OF EQUITY ACCOUNTED INVESTMENTS (CONTINUED)

	Australia		United Kingdom		United States		Consolidated	
	31 Dec 09	31 Dec 08	31 Dec 09	31 Dec 08	31 Dec 09	31 Dec 08	31 Dec 09	31 Dec 08
	\$million	\$million	\$million	\$million	\$million	\$million	\$million	\$million
(b) Details of the Westfield Group's aggregate share of equity accounted entities net profit								
Property revenue	130.5	125.8	98.4	129.7	239.0	215.2	467.9	470.7
Interest income	0.4	1.4	–	2.1	–	–	0.4	3.5
Revenue	130.9	127.2	98.4	131.8	239.0	215.2	468.3	474.2
Property expenses and outgoings	(32.9)	(34.9)	(35.8)	(50.3)	(85.4)	(74.4)	(154.1)	(159.6)
Borrowing costs	(0.5)	(3.9)	(9.9)	(43.0)	(53.7)	(48.5)	(64.1)	(95.4)
Expenses	(33.4)	(38.8)	(45.7)	(93.3)	(139.1)	(122.9)	(218.2)	(255.0)
Share of after tax profits of equity accounted entities before property revaluations	97.5	88.4	52.7	38.5	99.9	92.3	250.1	219.2
Property revaluations	(32.7)	(69.6)	(140.3)	(491.3)	(329.3)	(168.6)	(502.3)	(729.5)
Share of after tax profits/(loss) of equity accounted entities	64.8	18.8	(87.6)	(452.8)	(229.4)	(76.3)	(252.2)	(510.3)
(c) Details of the Westfield Group's aggregate share of equity accounted entities assets and liabilities								
Cash	9.3	9.8	25.2	37.0	29.1	51.3	63.6	98.1
Receivables	5.8	5.7	2.6	15.8	4.5	3.7	12.9	25.2
Shopping centre investments (refer Note 14)	1,603.5	1,627.5	1,017.9	1,444.3	2,204.4	3,191.0	4,825.8	6,262.8
Development projects	3.6	8.0	51.6	70.8	118.3	153.6	173.5	232.4
Other assets	1.9	2.9	5.3	3.8	14.3	29.6	21.5	36.3
Total assets	1,624.1	1,653.9	1,102.6	1,571.7	2,370.6	3,429.2	5,097.3	6,654.8
Payables	(22.0)	(19.9)	(50.6)	(84.0)	(52.4)	(53.0)	(125.0)	(156.9)
Interest bearing liabilities	(19.5)	(19.5)	(239.2)	(369.6)	(948.4)	(1,218.3)	(1,207.1)	(1,607.4)
Total liabilities	(41.5)	(39.4)	(289.8)	(453.6)	(1,000.8)	(1,271.3)	(1,332.1)	(1,764.3)
Net assets	1,582.6	1,614.5	812.8	1,118.1	1,369.8	2,157.9	3,765.2	4,890.5
Current	–	–	–	59.9	–	–	–	59.9
Non current	1,582.6	1,614.5	812.8	1,058.2	1,369.8	2,157.9	3,765.2	4,830.6
Net assets	1,582.6	1,614.5	812.8	1,118.1	1,369.8	2,157.9	3,765.2	4,890.5
(d) Details of the Westfield Group's aggregate share of equity accounted entities lease commitments								
Operating lease receivables								
Future minimum rental revenues under non-cancellable operating retail property leases								
Due within one year	85.7	81.2	60.9	73.2	129.3	164.3	275.9	318.7
Due between one and five years	197.2	192.5	209.3	259.4	409.0	533.3	815.5	985.2
Due after five years	111.6	109.3	360.1	471.9	271.9	399.3	743.6	980.5
	394.5	383.0	630.3	804.5	810.2	1,096.9	1,835.0	2,284.4
(e) Details of the Westfield Group's aggregate share of equity accounted entities capital expenditure commitments								
Estimated capital expenditure commitments in relation to development projects								
Due within one year	–	0.6	–	2.8	19.7	55.1	19.7	58.5
Due between one and five years	–	–	–	–	–	–	–	–
	–	0.6	–	2.8	19.7	55.1	19.7	58.5
(f) Details of the Westfield Group's aggregate share of equity accounted entities contingent liabilities								
Performance guarantees	–	–	45.7	66.4	1.9	2.5	47.6	68.9
	–	–	45.7	66.4	1.9	2.5	47.6	68.9

	Consolidated		Parent Company	
	31 Dec 09	31 Dec 08	31 Dec 09	31 Dec 08
	\$million	\$million	\$million	\$million
NOTE 16 OTHER INVESTMENTS				
Listed investments	96.7	102.3	–	–
Unlisted investments	462.3	731.3	–	–
Investment in subsidiaries	–	–	1,831.1	1,222.8
	559.0	833.6	1,831.1	1,222.8

Movement in other investments

Balance at the beginning of the year	833.6	592.7	1,222.8	1,414.9
Additions	44.2	202.4	1,050.5	0.7
Disposals	(175.0)	(34.8)	–	–
Net revaluation increment/(decrement) to income statement	9.8	(85.2)	–	–
Revaluations of investment in subsidiaries	–	–	(442.2)	(192.8)
Retranslation of foreign operations	(153.6)	158.5	–	–
Balance at the end of the year	559.0	833.6	1,831.1	1,222.8

NOTE 17 PLANT AND EQUIPMENT

At cost	421.9	421.2	–	–
Accumulated depreciation	(195.9)	(174.2)	–	–
Total plant and equipment	226.0	247.0	–	–

Movement in plant and equipment

Balance at the beginning of the year	247.0	204.7	–	–
Additions	43.4	60.1	–	–
Disposals	(1.2)	(0.5)	–	–
Depreciation expense	(38.6)	(42.0)	–	–
Retranslation of foreign operations and other differences	(24.6)	24.7	–	–
Balance at the end of the year	226.0	247.0	–	–

Plant and equipment of \$226.0 million (31 December 2008: \$247.0 million) comprises the following: aircraft \$97.8 million (31 December 2008: \$113.6 million); and other plant and equipment \$128.2 million (31 December 2008: \$133.4 million).

	Consolidated		Parent Company	
	31 Dec 09	31 Dec 08	31 Dec 09	31 Dec 08
	\$million	\$million	\$million	\$million

NOTE 18 PAYABLES AND OTHER CREDITORS

Current

Payables and other creditors	1,561.7	2,068.5	0.6	0.9
Employee benefits	95.7	101.2	–	–
Non interest bearing loans from controlled entities	–	–	1,960.0	2,274.0
	1,657.4	2,169.7	1,960.6	2,274.9

Non Current

Sundry creditors and accruals	98.1	71.1	–	–
Employee benefits	75.7	83.9	–	–
	173.8	155.0	–	–

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		Consolidated		Parent Company	
	Note	31 Dec 09 \$million	31 Dec 08 \$million	31 Dec 09 \$million	31 Dec 08 \$million
NOTE 19 INTEREST BEARING LIABILITIES					
Current					
Unsecured					
Bank overdraft ⁽ⁱ⁾	26(a)	9.3	68.3	–	–
Bank loans ⁽ⁱ⁾					
– US\$ denominated		24.6	–	–	–
Notes payable					
– US\$ denominated ⁽ⁱⁱⁱ⁾		754.1	–	–	–
– A\$ denominated ^(iv)		160.0	–	–	–
Finance leases		1.4	1.4	–	–
Loans from controlled entities		–	–	541.9	572.6
Secured					
Bank loans ^(vi)					
– US\$ denominated		323.4	1,288.0	–	–
– A\$ denominated		54.4	44.0	–	–
		1,327.2	1,401.7	541.9	572.6
Non Current					
Unsecured					
Bank loans ⁽ⁱ⁾					
– US\$ denominated		744.4	2,734.4	–	–
– £ denominated		773.8	1,627.9	–	–
– NZ\$ denominated		312.5	1,278.6	–	–
– A\$ denominated		407.0	975.0	–	–
Notes payable					
– US\$ denominated ⁽ⁱⁱⁱ⁾		7,443.6	6,784.1	–	–
– £ denominated ⁽ⁱⁱⁱ⁾		1,079.7	1,256.6	–	–
– € denominated ^(iv)		895.7	1,228.8	–	–
– A\$ denominated ^(v)		–	160.0	–	–
Finance leases		86.8	93.2	–	–
Secured					
Bank loans ^(vi)					
– US\$ denominated		2,992.0	3,448.7	–	–
– A\$ denominated		47.0	–	–	–
– £ denominated		7.6	–	–	–
		14,790.1	19,587.3	–	–
The maturity profile in respect of current and non current interest bearing liabilities is set out below:					
Due within one year		1,327.2	1,401.7	541.9	572.6
Due between one and five years		8,183.4	12,458.4	–	–
Due after five years		6,606.7	7,128.9	–	–
		16,117.3	20,989.0	541.9	572.6

The Group maintains a range of interest bearing liabilities. The sources of funding are spread over various counterparties to minimise credit risk and the terms of the instruments are negotiated to achieve a balance between capital availability and the cost of debt.

⁽ⁱ⁾ These instruments are subject to negative pledge arrangements which require the Group to comply with certain minimum financial requirements.

⁽ⁱⁱ⁾ Notes payable – US\$

Guaranteed Senior Notes of US\$7,378.7 million were issued in the US 144A bond market. The issues comprised US\$2,100.0 million, US\$1,100.0 million, US\$900.0 million, US\$678.7 million, US\$600.0 million, US\$750.0 million and US\$1,250.0 million of fixed rate notes maturing 2014, 2018, 2016, 2010, 2012, 2015 and 2019 respectively. These notes are subject to negative pledge arrangements which require the Group to comply with certain minimum financial requirements.

⁽ⁱⁱⁱ⁾ Notes payable – £

Guaranteed Notes of £600.0 million were issued in the European bond market. The issue comprised £600.0 million of fixed rate notes maturing 2017. These notes are subject to negative pledge arrangements which require the Group to comply with certain minimum financial requirements.

^(iv) Notes payable – €

Guaranteed Notes of €560.0 million were issued in the European bond market. The issue comprised €560.0 million of fixed rate notes maturing 2012. These notes are subject to negative pledge arrangements which require the Group to comply with certain minimum financial requirements.

^(v) Notes payable – A\$

Medium term notes of A\$160.0 million were issued in the Australian bond market. The issue comprised A\$160.0 million of fixed rate notes maturing 2010. These notes are subject to negative pledge arrangements which require the Group to comply with certain minimum financial requirements.

^(vi) Secured liabilities

Current and non current secured liabilities are \$3,424.4 million (31 December 2008: \$4,780.7 million). Secured liabilities are borrowings secured by mortgages over properties or loans secured over development projects that have a fair value of \$10.1 billion (31 December 2008: \$14.9 billion). These properties and development projects are as follows: Belden Village, Broward, Carindale, Century City, Chatswood, Citrus Park, Countryside, Culver City, Fox Valley, Franklin Park, Galleria at Roseville, Gateway, Great Northern, Horton Plaza, Mainplace, Meriden, Mission Valley, Mission Valley West, Old Orchard, Parkway, Plaza Bonita, Plaza Camino Real, San Francisco Centre, Santa Anita, Solano, Southcenter, Southlake, Southpark, Vancouver, West Covina and Westland.

The terms of the debt facilities preclude the properties from being used as security for other debt without the permission of the first mortgage holder. The debt facilities also require the properties to be insured.

NOTE 19 INTEREST BEARING LIABILITIES (CONTINUED)

	Consolidated	
	31 Dec 09	31 Dec 08
	\$million	\$million
Financing facilities		
Committed financing facilities available to the Group:		
Total financing facilities at the end of the year	23,803.3	26,495.7
Amounts utilised ⁽ⁱ⁾	(16,170.3)	(21,013.8)
Available financing facilities	7,633.0	5,481.9
Cash	182.3	311.0
Financing resources available at the end of the year	7,815.3	5,792.9
Maturity profile of financing facilities		
Maturity profile in respect of the above financing facilities:		
Due within one year	3,262.9	1,343.6
Due between one year and five years	13,933.7	18,023.2
Due after five years	6,606.7	7,128.9
	23,803.3	26,495.7

⁽ⁱ⁾ Amounts utilised include borrowings and bank guarantees.

These facilities comprise fixed and floating rate secured facilities, fixed and floating rate notes and unsecured interest only floating rate facilities. Certain facilities are also subject to negative pledge arrangements which require the Group to comply with specific minimum financial requirements. These facilities exclude convertible notes, property linked notes and redeemable preference shares set out in Note 20. Amounts which are denominated in foreign currencies are translated at exchange rates ruling at balance date.

		Consolidated		Parent Company	
		31 Dec 09	31 Dec 08	31 Dec 09	31 Dec 08
	Note	\$million	\$million	\$million	\$million
NOTE 20 OTHER FINANCIAL LIABILITIES					
Current					
Convertible notes – unsecured		–	1.3	–	–
Convertible redeemable preference shares	(b)	14.0	15.8	–	–
Other redeemable preference units	(c)	86.0	137.3	–	–
		100.0	154.4	–	–
Non Current					
Property linked notes	(a)	1,253.6	1,271.8	–	–
Convertible redeemable preference shares/units	(b)	197.6	227.2	–	–
Other redeemable preference units	(c)	157.8	204.4	–	–
		1,609.0	1,703.4	–	–

The maturity profile in respect of current and non current other financial liabilities is set out below:

Within one year	100.0	154.4	–	–
Between one year and five years	–	–	–	–
After five years	1,609.0	1,703.4	–	–
	1,709.0	1,857.8	–	–

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FOR THE YEAR ENDED 31 DECEMBER 2009

NOTE 20 OTHER FINANCIAL LIABILITIES (CONTINUED)

(a) Property linked notes

The Property Linked Notes (Notes) are designed to provide returns based on the economic performance of the following Westfield Australian super regional and regional shopping centres: Parramatta, Hornsby and Burwood in Sydney, Southland in Melbourne, Tea Tree Plaza in Adelaide and Belconnen in the ACT (collectively the Westfield centres). The return under the Notes is based on a proportional interest, in respect of the relevant Westfield centre, as specified in the Note (Reference Property Interest). The coupon is payable semi annually on 15 March and 15 September each year for as long as the Note remains outstanding. The review date for each Note is 31 December 2016 and each fifth anniversary of that date. Redemption events under the Notes include non performance events by the Issuer, changes in tax laws and sale of the relevant Westfield centre. The Notes may also be redeemed by agreement at a Review Date.

The redemption value of a Note is effectively calculated as the market value of the Note holder's Reference Property Interest at the date of redemption and the final coupon (if applicable). On redemption, the obligation to pay the amount due on the Notes, can, in certain circumstances, be satisfied by the transfer of the underlying Reference Property Interest to the Note holder. The Notes are subordinated to all other secured and unsecured debt of the Group. The Notes are guaranteed (on a subordinated basis) by the Parent Company and Westfield America Management Limited as responsible entity of WAT. The Notes were initially recorded at fair value and are subsequently remeasured at fair value each reporting period with gains or losses recorded through the income statement. The gains or losses recorded through the income statement are directly related to the revaluation of the relevant Westfield centre. The fair value of the Notes is determined by reference to the fair value of the relevant Westfield centre.

(b) Convertible redeemable preference shares/units

The convertible redeemable preference shares/units comprise: (i) Series G Partnership Preferred Units (Series G units) issued to the Jacobs Group; (ii) Series I Partnership Preferred Units (Series I units); (iii) Series J Partnership Preferred Units (Series J units) and (iv) Investor unit rights in the operating partnership.

(i) As at 31 December 2009, the Jacobs Group holds 10,448,066 (31 December 2008: 10,448,066) Series G units in the Operating Partnership. The holders have the right that requires WEA to purchase up to 10% of the shares redeemed for cash.

(ii) As at 31 December 2009, the previous owners of the Sunrise Mall holds 1,401,426 Series I units (31 December 2008: 1,401,426). At any time after the earlier of (i) 21 July 2005, (ii) dissolution of the Operating Partnership, and (iii) the death of the holder, such holder (or the Holder's Estate) has the right to require the Operating Partnership to redeem its Series I units at WAT's discretion either for: (i) cash; (ii) shares in WEA (with the holder having the right to exchange such WEA shares for stapled securities); or (iii) a combination of both.

(iii) As at 31 December 2009, 1,538,481 (31 December 2008: 1,538,481) Series J units are outstanding. At the holder's discretion, such holder has the right to require the Operating Partnership to redeem its Series J units, at WAT's discretion, either for: (i) cash; (ii) shares in WEA (with the holder having the right to exchange such WEA shares for stapled securities); or (iii) a combination of both.

(iv) The investor unit rights have a fixed life and are able to be redeemed at WAT's discretion either for: (i) cash; (ii) shares in WEA; or (iii) a combination of both.

(c) Other redeemable preference units

The other redeemable preference units comprise: (i) partnership interest in the Urban Shopping Centres, L.P. (the Urban OP); (ii) Series H-1 Partnership Preferred Units (Series H-1 units); (iii) a Preferred Partnership in Head Acquisition L.P. (Head LP); (iv) Series A Partnership Preferred Units (Series A units); and (v) limited partnership interests in certain properties.

(i) In connection with the acquisition of RNA, WEA, Rouse and Simon acquired a 94.44% general partnership interest of Urban Shopping Centres, L.P. (the Urban OP). WEA's share of the general partnership interest is 54.2%. The 5.56% limited partnership interest in the Urban OP is held by certain third party investors (the Limited Partners). The Limited Partners have 1,946,080 units and the right to sell their units in the Urban OP to the Urban OP at any time during the first calendar month of each calendar quarter beginning 8 November 2005 or on or prior to the first anniversary of the date of the death of such Limited Partner for cash.

The Limited Partners have the right to receive quarterly distributions from available cash of the Urban OP in accordance with a tiered distribution schedule. If the partners do not receive a certain level of distributions, interest accrues at a rate of 8% per annum on the unpaid distributions.

(ii) The former partners in the San Francisco Centre hold 360,000 Series H-1 Units in the Operating Partnership. Each Series H-1 unit will be entitled to receive quarterly distributions equal to US\$0.125 for the first four calendar quarters after the Series H-1 units are issued (the Base Year) and for each calendar quarter thereafter, US\$0.125 multiplied by a growth factor. The growth factor is an amount equal to one plus or minus, 25% of the percentage increase or decrease in the distributions payable with respect to a partnership common unit of the Operating Partnership for such calendar quarter relative to 25% of the aggregate distributions payable with respect to a partnership common unit for the Base Year.

(iii) In September 2003, WEA sold its entire interest in WEA HRE-Abbey, Inc. In connection with the transaction, the acquiror has a preferred limited partner interest in Head L.P. The holder of this interest receives a rate of return per annum equal to 3-month LIBOR plus 0.90%.

(iv) In connection with the completion of the San Francisco Emporium development, 1,000 Westfield Growth, LP Series A units were issued to Forest City Enterprises, Inc. Redemption of these units by the holder can only be made at the time that the San Francisco Centre (which includes San Francisco Emporium) is sold or otherwise divested. Should this occur, the redemption of these units is required to be made in cash but only out of funds legally available from Westfield Growth, LP.

(v) The limited partnership interests have a fixed life and an obligation to distribute available funds.

	Consolidated		Parent Company	
	31 Dec 09 \$million	31 Dec 08 \$million	31 Dec 09 \$million	31 Dec 08 \$million
NOTE 21 DERIVATIVE LIABILITIES				
Current				
Payables on currency derivatives	149.5	11.6	–	–
Payables on interest rate derivatives	112.4	53.6	–	–
Payables on equity share plan swaps	1.4	5.7	–	–
	263.3	70.9	–	–
Non Current				
Payables on interest rate derivatives	669.4	2,607.3	–	–
Payables on currency derivatives	157.9	175.7	–	–
	827.3	2,783.0	–	–
	Securities	Securities	Securities	Securities

NOTE 22 CONTRIBUTED EQUITY

(a) Number of securities on issue

Balance at the beginning of the year	1,958,901,610	1,936,326,189	1,964,771,035	1,942,195,614
Share placement	276,190,500	–	276,190,500	–
Share purchase plan	5,971,444	–	5,971,444	–
Dividend/distribution reinvestment plan	60,837,808	6,460,687	60,837,808	6,460,687
Conversion of options	2,876	16,114,734	2,876	16,114,734
Balance at the end of the year for the Parent Company and Group ⁽ⁱ⁾	2,301,904,238	1,958,901,610	2,307,773,663	1,964,771,035

⁽ⁱ⁾ The Westfield Executive Share Option Plan Trust holds 5,869,425 (31 December 2008: 5,869,425) securities in the Group, which have been consolidated and eliminated in accordance with accounting standards.

Stapled securities have the right to receive declared dividends from the Parent Company and distributions from WT and WAT and, in the event of winding up 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 Act, either in person or by proxy, at a meeting of either the Parent Company, WT and WAT (as the case maybe). The stapled securities have no par value.

	\$million	\$million	\$million	\$million
(b) Amount of contributed equity				
of the Parent Company	1,479.8	1,247.8	1,542.1	1,310.5
of WT and WAT	18,692.0	15,356.8	–	–
of the Group	20,171.8	16,604.6	1,542.1	1,310.5
Movement in contributed equity attributable to members of the Group				
Balance at the beginning of the year	16,604.6	16,261.3	1,310.5	1,225.9
Share placement/share purchase plan	2,960.0	–	202.2	–
Dividend/distribution reinvestment plan	673.4	112.8	33.9	9.1
Conversion of options	–	230.5	–	75.5
Costs associated with the issuance of securities	(66.2)	–	(4.5)	–
Balance at the end of the year	20,171.8	16,604.6	1,542.1	1,310.5

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	31 Dec 09 No. of options and rights	31 Dec 09 Weighted average exercise price \$	31 Dec 08 No. of options and rights	31 Dec 08 Weighted average exercise price \$
NOTE 23 SHARE BASED PAYMENTS					
(a) Options and rights over Westfield Group stapled securities					
– Executive performance rights	23(b)(i)	3,072,490	–	1,628,428	–
– Partnership incentive rights	23(b)(ii)	1,453,717	–	762,564	–
		4,526,207	–	2,390,992	–
Movement in options and rights on issue					
Balance at the beginning of the year		2,390,992	–	771,094	12.36
Movement in Executive performance rights					
Rights granted during the year		1,630,623	–	1,634,319	–
Rights exercised during the year		(2,876)	–	–	–
Rights forfeited during the year		(183,685)	–	(5,891)	–
Movement in Partnership incentive rights					
Rights granted during the year		691,153	–	762,564	–
Movement in Executive options ⁽ⁱ⁾					
Options exercised during the year					
– extinguished by issuance of new securities		–	–	(2,415)	–
– extinguished by payment of cash equal to the difference between market value and the exercise price		–	–	(90,000)	15.44
– extinguished by issuance of new securities for \$nil consideration equal to the difference between market value and the exercise price		–	–	(147,550)	15.30
Movement in WT 2009 options ⁽ⁱⁱ⁾					
Options exercised during the year					
– extinguished by issuance of new securities		–	–	(221,800)	13.31
– extinguished by payment of cash		–	–	(300)	13.31
Options lapsed during the year		–	–	(1,300)	13.31
Movement in Series G Special options ⁽ⁱⁱⁱ⁾					
Options cancelled during the year		–	–	(307,729)	17.59
Balance at the end of the year ^(iv)		4,526,207	–	2,390,992	–

⁽ⁱ⁾ The options and awards issued under the Executive Option Plan were extinguished in 2008.

⁽ⁱⁱ⁾ WT 2009 options were extinguished in 2008.

⁽ⁱⁱⁱ⁾ The Series G Special Options were cancelled in 2008.

^(iv) At 31 December 2009, the 4,526,207 rights (31 December 2008: 2,390,992 rights) on issue are convertible to 4,526,207 (31 December 2008: 2,390,992) Westfield Group stapled securities.

(b) Executive Performance Rights and Partnership Incentive Rights Plans

(i) The Executive Performance Rights Plan (EPR Plan) – Equity settled

	Number of rights 31 Dec 09	Number of rights 31 Dec 08
Movement in Executive Performance Rights		
Balance at the beginning of the year	1,628,428	–
Rights issued during the year	1,630,623	1,634,319
Rights exercised during the year	(2,876)	–
Rights forfeited during the year	(183,685)	(5,891)
Balance at the end of the year	3,072,490	1,628,428

NOTE 23 SHARE BASED PAYMENTS (CONTINUED)

(b) Executive Performance Rights and Partnership Incentive Rights Plans (continued)

(i) The Executive Performance Rights Plan (EPR Plan) – Equity settled (continued)

Vesting profile	Fair value granted \$million 31 Dec 09	Number of rights at ⁽ⁱ⁾ 31 Dec 09	Fair value of the rights at grant date (\$) 31 Dec 09	Fair value granted \$million 31 Dec 08	Number of rights at ⁽ⁱ⁾ 31 Dec 08	Fair value of the rights at grant date (\$) 31 Dec 08
2009	–	–	–	0.0	2,876	13.47
2010	11.9	884,821	13.47	12.9	956,515	13.47
2011	14.8	1,731,919	8.55	3.9	311,285	12.66
2012	4.7	455,750	10.35	4.2	357,752	11.82
	31.4	3,072,490	10.23	21.0	1,628,428	12.95

⁽ⁱ⁾ The exercise price for the EPR Plan is nil and there were no rights exercisable at 31 December in 2008 and 2009.

The EPR Plan is a plan in which senior executives and high performing employees participate. The Executive Chairman and Group Managing Directors do not participate in the EPR Plan. However, the Group Managing Directors participate in the EDA Plan. The fair value of rights issued under the EPR Plan is measured at each grant date using a Black Scholes option pricing model. The inputs include the Group's 15 day volume weighted average security price prior to the grant date, the risk free interest rate, expected volatility and expected dividend yield during the vesting period. Expected volatility is based on the historical security price volatility over the past 3 years. Executives are not able to call for early exercise of the rights, however there are provisions in the plan to allow for early vesting at the discretion of the Board. Vesting conditions such as the number of employees remaining in service is taken into account in determining the total amortisation for each reporting period. The terms of the EPR Plan are described in section 7.4.3 of the Directors' Report.

(ii) The Partnership Incentive Rights Plan (PIR Plan) – Equity settled

	Number of rights 31 Dec 09	Number of rights 31 Dec 08
Movement in Partnership Incentive Rights		
Balance at the beginning of the year	762,564	–
Rights issued during the year ⁽ⁱ⁾	691,153	440,220
Rights transferred from the Partnership Incentive Plan during the year ⁽ⁱⁱ⁾	–	322,344
Balance at the end of the year	1,453,717	762,564

⁽ⁱ⁾ As outlined in section 7.3.3 of the Directors' Report, certain performance hurdles must be met in order for participants to qualify for awards under the PIR Plan. The application of graduated scaling for entitlement to awards during the Financial Year resulted in participants receiving 85% of the targeted number of awards.

⁽ⁱⁱ⁾ As a result of changes in Australian tax legislation, performance rights may now be offered to certain executives in the Group as opposed to a synthetic incentive such as awards under the PIP Plan. With respect to some awards under the PIP Plan that were to be granted in the Financial Year as a result of the 2007 Qualifying Year hurdles having been met, these awards were converted to rights under the PIR Plan. As noted in section 7.4.3 of the Directors' Report, the PIR Plan operates essentially in the same manner as the PIP Plan except that on vesting Westfield Group stapled securities are issued as opposed to payment of a cash amount, based on the market value of the stapled securities. In addition, under the PIP Plan, distributions paid on a Westfield Group stapled security are notionally reinvested such that the number of Westfield Group securities in an award increase during the life of the award. This does not occur under the PIR Plan. Rather, the number of performance rights is adjusted to include an amount being an estimate of the distributions payable on a Westfield Group stapled security over the vesting period.

The effective date of the alteration to the PIP Plan was 1 January 2008. The market price of a Westfield Group stapled security at the date was \$19.35 per security. The terms of the PIR Plan are described in section 7.4.3 of the Directors' Report. The difference between the total value of the awards and rights as a result of the alteration is \$0.0 million. In 2008, 280,345 awards issued under the PIP Plan were converted to the PIR Plan under which 322,344 rights were issued.

Vesting profile	Fair value granted \$million 31 Dec 09	Number of rights at ⁽ⁱ⁾ 31 Dec 09	Fair value of the rights at grant date (\$) 31 Dec 09	Fair value granted \$million 31 Dec 08	Number of rights at ⁽ⁱ⁾ 31 Dec 08	Fair value of the rights at grant date (\$) 31 Dec 08
2010	2.9	157,453	18.13	2.9	157,453	18.13
2011	5.5	379,355	14.63	5.5	379,355	14.63
2012	5.0	558,858	8.93	2.7	225,756	11.82
2013	2.3	358,051	6.35	–	–	–
	15.7	1,453,717	10.78	11.1	762,564	14.52

⁽ⁱ⁾ The exercise price for the PIR Plan is nil and there were no rights exercisable at 31 December in 2008 and 2009.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2009

NOTE 23 SHARE BASED PAYMENTS (CONTINUED)

(b) Executive Performance Rights and Partnership Incentive Rights Plans (continued)

(ii) The Partnership Incentive Rights Plan (PIR Plan) – Equity settled (continued)

The senior leadership team of the Westfield Group participate in the PIR Plan. The Executive Chairman and Group Managing Directors do not participate in the PIR Plan. The fair value of rights issued under the PIR Plan is measured at each grant date using a Black Scholes option pricing model. The inputs include the Group's 15 day volume weighted average security price prior to the grant date, the risk free interest rate, expected volatility and expected dividend yield during the vesting period. Expected volatility is based on the historical security price volatility over the past 3 years. Other vesting conditions include growth in operational earnings and development projects starts during the qualifying year. Vesting conditions such as number of employees remaining in service is taken into account in determining the total amortisation for each reporting period. In calculating the Black Scholes' value of rights granted it has been assumed that the hurdle conditions are met and consequently, the value of the option is not reduced to reflect the hurdle conditions. The terms of the PIR Plan are described in section 7.4.3 of the Directors' Report.

Accounting for equity settled Share Based Payments

During the year, \$12.3 million (31 December 2008: \$8.1 million) was charged to the income statement as gross amortisation in respect of equity settled share based payments and the corresponding entry is recorded against employee share plan benefits reserve.

(c) Executive Deferred Award and Partnership Incentive Plans

(i) The Executive Deferred Award Plan (EDA Plan) – Cash settled

	Number of award securities 31 Dec 09	Weighted average grant price (\$) 31 Dec 09	Number of award securities 31 Dec 08	Weighted average grant price (\$) 31 Dec 08
Movement in Executive Deferred Awards				
Balance at the beginning of the year	5,164,251	18.42	5,029,578	18.52
Awards issued during the year	1,964,037	10.08	734,574	17.07
Distribution reinvested as awards during the year	573,564	10.98	309,856	17.43
Awards exercised during the year	(853,228)	17.56	(316,169)	16.23
Awards lapsed during the year	(406,367)	16.27	(593,588)	18.46
Balance at the end of the year	6,442,257	15.47	5,164,251	18.42

Vesting profile	Cumulative value granted \$million 31 Dec 09	Number of award securities 31 Dec 09	Weighted average grant price (\$) 31 Dec 09	Cumulative value granted \$million 31 Dec 08	Number of award securities 31 Dec 08	Weighted average grant price (\$) 31 Dec 08
2009	–	–	–	16.7	930,076	17.95
2010	26.2	1,403,290	18.68	42.9	2,301,126	18.65
2011	38.0	2,216,149	17.16	32.8	1,802,089	18.22
2012	34.2	2,700,072	12.68	2.7	130,960	20.60
2013	–	–	–	–	–	–
2014	1.2	122,746	10.12	–	–	–
	99.6	6,442,257	15.47	95.1	5,164,251	18.42

The EDA Plan is a plan in which senior executives and high performing employees participate. The fair value of the EDA Plan is measured at each reporting date using inputs that include the number of employees remaining in service, the volume weighted average of the Group stapled security prices and the distribution policy during the vesting period. The terms of the EDA Plan are described in section 7.4.3 of the Directors' Report.

NOTE 23 SHARE BASED PAYMENTS (CONTINUED)

(c) Executive Deferred Award and Partnership Incentive Plans (continued)

(ii) The Partnership Incentive Plan (PIP Plan) – Cash settled

	Number of award securities 31 Dec 09	Weighted average grant price (\$) 31 Dec 09	Number of award securities 31 Dec 08	Weighted average grant price (\$) 31 Dec 08
Movement in Partnership Incentive Plan				
Balance at the beginning of the year	1,854,178	17.29	1,880,586	17.66
Awards issued during the year ⁽ⁱ⁾	647,858	10.04	351,659	17.03
Distribution reinvested as awards during the year	144,793	10.98	88,108	17.44
Awards exercised during the year	(307,850)	15.40	–	–
Awards transferred to PIR Plan during the year ⁽ⁱⁱ⁾	–	–	(280,345)	19.35
Awards lapsed during the year	–	–	(185,830)	17.62
Balance at the end of the year	2,338,979	15.15	1,854,178	17.29

⁽ⁱ⁾ As outlined in section 7.3.3 of the Directors' Report, certain performance hurdles must be met in order for participants to qualify for awards under the PIP Plan. The application of graduated scaling for entitlement to awards during the Financial Year resulted in participants receiving 85% of the targeted number of awards.

⁽ⁱⁱ⁾ As a result of changes in Australian tax legislation, performance rights may now be offered to certain executives in the Group as opposed to a synthetic incentive such as awards under the PIP Plan. With respect to some awards under the PIP Plan that were to be granted in the Financial Year as a result of the 2007 Qualifying Year hurdles having been met, these awards were converted to rights under the Partnership Incentive Rights Plan. As noted in section 7.4.3 of the Directors' Report, the PIR Plan operates essentially in the same manner as the PIP Plan except that on vesting Westfield Group stapled securities are issued as opposed to payment of a cash amount, based on the market value of the stapled securities. In addition, under the PIP Plan, distributions paid on a Westfield Group stapled security are notionally reinvested such that the number of Westfield Group securities in an award increase during the life of the award. This does not occur under the PIR Plan. Rather, the number of performance rights is adjusted to include an amount being an estimate of the distributions payable on a Westfield Group stapled security over the vesting period.

The effective date of the alteration to the PIP Plan was 1 January 2008. The market price of a Westfield Group stapled security at the date was \$19.35 per security. The terms of the PIR Plan are described in section 7.4.3 of the Directors' Report. The difference between the total value of the awards and rights as a result of the alteration is \$0.0 million. In 2008, 280,345 awards issued under the PIP Plan were converted to the PIR Plan under which 322,344 rights were issued.

Vesting profile	Cumulative value granted \$million 31 Dec 09	Number of award securities 31 Dec 09	Weighted average grant price (\$) 31 Dec 09	Cumulative value granted \$million 31 Dec 08	Number of award securities 31 Dec 08	Weighted average grant price (\$) 31 Dec 08
2009	–	–	–	5.0	307,850	16.17
2010	10.5	644,616	16.33	13.1	753,887	17.34
2011	8.6	487,797	17.54	11.0	619,235	17.84
2012	6.5	369,285	17.62	2.9	173,206	17.03
2013	6.6	513,354	12.86	–	–	–
2014	3.2	323,927	10.04	–	–	–
	35.4	2,338,979	15.15	32.0	1,854,178	17.29

The senior leadership team of the Westfield Group, including the Group Managing Directors, participate in the PIP Plan. The Executive Chairman does not participate in the PIP Plan. The fair value of the PIP Plan is measured at each reporting date using inputs that include the Group achieving the performance hurdles, the number of employees remaining in service, the volume weighted average of the Group stapled security prices and the distribution policy during the vesting period. The terms of the PIP Plan are described in section 7.4.3 of the Directors' Report.

Accounting for cash settled Share Based Payments

The accounts of the Group and the remuneration disclosures in the Annual Report disclose the full liability to members of the grant of awards under the Group's equity-linked plans, and not simply the amortisation of the nominal amount of the grant when originally made.

At the date of granting an award, the nominal value of the award is adjusted for anticipated increases in the value of that award over its life. Assumptions regarding both future distributions and security price increases are made for the purposes of estimating the Group's future liability with respect to each award. The estimated future liability is then amortised over the life of the award. At the end of each accounting period the awards are marked to market, any gains and losses are amortised over the remaining life of the awards.

During the year, \$15.0 million (31 December 2008: \$14.1 million) was charged to the income statement as gross amortisation in respect of cash settled share based payments.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2009

	Consolidated		Parent Company	
	31 Dec 09	31 Dec 08	31 Dec 09	31 Dec 08
	\$million	\$million	\$million	\$million
NOTE 24 RESERVES				
of the Parent Company	(188.9)	220.2	0.9	–
of WT and WAT	(666.9)	572.1	–	–
of the Westfield Group	(855.8)	792.3	0.9	–
Total reserves of the Group				
Foreign currency translation reserve	(880.2)	784.3	–	–
Employee share plan benefits reserve	22.3	10.0	–	–
Equity share plan swaps reserve	2.1	(2.0)	–	–
Balance at the end of the year	(855.8)	792.3	–	–
Movement in foreign currency translation reserve				
The foreign currency translation reserve is to record net exchange differences arising from the translation of financial statements of foreign controlled entities and the net investments hedged in these entities.				
Balance at the beginning of the year	784.3	(295.4)	–	–
Foreign exchange movement				
– realised and unrealised differences on the translation of investment in foreign entities, currency loans and asset hedging derivatives which qualify for hedge accounting	(1,679.8)	1,081.8	–	–
– deferred tax effect	15.3	(2.1)	–	–
Balance at the end of the year	(880.2)	784.3	–	–
Movement in employee share plan benefits reserve				
The employee share plan benefits reserve is used to record the value of share based payments provided to employees as part of their remuneration.				
Balance at the beginning of the year	10.0	–	–	–
– equity settled share based payment	12.3	10.0	0.9	–
Balance at the end of the year	22.3	10.0	0.9	–
Movement in equity share plan swaps reserve				
The equity share plan swaps reserve reflects cumulative gains or losses on the equity share plan swaps that relates to future service provided.				
Balance at the beginning of the year	(2.0)	–	–	–
– gains/(losses) on employee share plan swaps	7.1	(5.7)	–	–
– amount (charged)/credited to income	(1.2)	2.9	–	–
– deferred tax effect on employee share plan swaps	(1.8)	0.8	–	–
Balance at the end of the year	2.1	(2.0)	–	–
NOTE 25 RETAINED PROFITS				
of the Parent Company	(326.2)	(55.3)	30.2	313.7
of WT and WAT	5,123.0	7,420.2	–	–
of the Group	4,796.8	7,364.9	30.2	313.7
Movement in retained profits				
Balance at the beginning of the year	7,364.9	11,626.0	313.7	689.2
Profit/(loss) after tax for the period	(457.8)	(2,196.6)	(87.0)	(181.3)
Dividend/distribution paid	(2,110.3)	(2,064.5)	(196.5)	(194.2)
Balance at the end of the year	4,796.8	7,364.9	30.2	313.7

		Consolidated		Parent Company
	Note	31 Dec 09 \$million	31 Dec 08 \$million	31 Dec 09 \$million
				31 Dec 08 \$million

NOTE 26 CASH AND CASH EQUIVALENTS

(a) Components of cash and cash equivalents

Cash		182.3	311.0	0.1	1.6
Bank overdrafts	19	(9.3)	(68.3)	–	–
Total cash and cash equivalents		173.0	242.7	0.1	1.6

(b) Reconciliation of profit/(loss) after tax to net cash flows from operating activities

Loss after tax		(450.1)	(2,182.1)	(87.0)	(181.3)
Property revaluations		3,037.0	2,610.2	–	–
Share of associates (profit)/loss in excess of dividend/distribution		498.9	749.3	–	–
Deferred tax benefit		(266.5)	(651.5)	–	–
Tax on capital transactions		7.1	20.3	–	–
Net fair value (gain)/loss of forward exchange contracts		(7.9)	396.4	–	–
Borrowing costs		(100.2)	1,715.9	17.5	43.3
Interest income		(8.9)	(47.5)	(33.7)	(64.1)
Net gain from capital transactions		(69.5)	(73.3)	–	–
Impairment charge on investment in subsidiaries		–	–	442.2	192.8
Decrease/(increase) in working capital attributable to operating activities		56.4	166.8	(63.2)	(73.5)
Net cash flows from/(used in) operating activities		2,696.3	2,704.5	275.8	(82.8)

NOTE 27 DIVIDENDS/DISTRIBUTIONS

(a) Final dividend/distribution paid

Dividend/distribution in respect of the 6 months to 31 December 2009
– paid on 26 February 2010

WT: 28.00 cents per unit, 65% estimated tax deferred	644.5	–	–	–
WAT: 19.00 cents per unit, 100% estimated tax deferred	437.4	–	–	–
Dividend/distribution in respect of the 6 months to 31 December 2008 – paid on 27 February 2009				
Parent Company 10.00 cents per share 60% franked	–	195.9	–	196.5
WT 26.00 cents per unit, 67% tax deferred	–	509.3	–	–
WAT 17.25 cents per unit, 54% tax deferred	–	337.9	–	–
Westfield Group 47.00 cents per stapled security (31 Dec 08: 53.25 cents)	1,081.9	1,043.1	–	196.5

Interim dividend/distributions of 47.00 cents were paid on 31 August 2009. Final dividend/distributions proposed were paid on 26 February 2010. The record date for the final dividends/distributions was 5pm, 11 February 2010. The Westfield Group Distribution Reinvestment Plan (DRP) was suspended from operation on 2 February 2010. Accordingly, the DRP was not in operation for the distribution paid on 26 February 2010.

	Consolidated		Parent Company	
	31 Dec 09	31 Dec 08	31 Dec 09	31 Dec 08
	\$million	\$million	\$million	\$million
(b) Dividends/distributions paid during the year				
Dividend/distribution in respect of the 6 months to 30 June 2009				
WT: 28.00 cents per unit, 65% estimated tax deferred	635.8	—	—	—
WAT: 19.00 cents per unit, 100% estimated tax deferred	431.4	—	—	—
Dividend/distribution in respect of the 6 months to 31 December 2008				
Parent Company 10.00 cents per share 60% franked	195.9	—	196.5	—
WT 26.00 cents per unit, 67% tax deferred	509.3	—	—	—
WAT 17.25 cents per unit, 54% tax deferred	337.9	—	—	—
Dividend/distribution in respect of the 6 months to 30 June 2008				
WT 28.25 cents per unit, 67% tax deferred	—	548.2	—	—
WAT 25.00 cents per unit, 54% tax deferred	—	485.2	—	—
Dividend/distribution in respect of the 6 months to 31 December 2007				
Parent Company 10.00 cents per share 100% franked	—	193.6	—	194.2
WT 23.00 cents per unit, 38% tax deferred	—	445.4	—	—
WAT 20.25 cents per unit, 87% tax deferred	—	392.1	—	—
	2,110.3	2,064.5	196.5	194.2

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

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2009

NOTE 27 DIVIDENDS/DISTRIBUTIONS (CONTINUED)

	Consolidated		Parent Company	
	31 Dec 09	31 Dec 08	31 Dec 09	31 Dec 08
	\$million	\$million	\$million	\$million
(c) Franking credit balance of the Parent Company				
The amount of franking credits available on a tax paid basis for future distributions are:				
– franking credits balance as at the end of the year at the corporate tax rate of 30% (31 December 2008: 30%)	28.3	12.5	28.3	12.5
– franking credits arising from the payment of income tax provided in this financial report	3.9	46.9	3.9	46.9
Franking credits available for distribution	32.2	59.4	32.2	59.4
– franking debits that arise from the payment of the final dividend	–	(50.5)	–	(50.5)
Franking credits available for future distributions	32.2	8.9	32.2	8.9
	\$	\$	\$	\$

NOTE 28 NET TANGIBLE ASSET BACKING

Net tangible asset backing per security	10.47	12.63	0.68	0.83
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Net tangible asset backing per security is calculated by dividing total equity attributable to stapled security holders of the Group by the number of securities on issue. The number of securities used in the calculation of the consolidated net tangible asset backing is 2,301,904,238 (31 December 2008: 1,958,901,610) and for Parent Company is 2,307,773,663 (31 December 2008: 1,964,771,035).

	Consolidated		Parent Company	
	31 Dec 09	31 Dec 08	31 Dec 09	31 Dec 08
	\$million	\$million	\$million	\$million
NOTE 29 LEASE COMMITMENTS				
Operating lease receivables				
Substantially all of the property owned and leased by the Group is leased to third party retailers. Lease terms vary between retailers and some leases include percentage rental payments based on sales revenue.				
Future minimum rental revenues under non-cancellable operating retail property leases				
Due within one year	2,302.9	2,516.1	–	–
Due between one and five years	6,410.9	7,240.1	–	–
Due after five years	4,777.0	5,868.5	–	–
	13,490.8	15,624.7	–	–

These amounts do not include percentage rentals which may become receivable under certain leases on the basis of retailer sales in excess of stipulated minimums and do not include recovery of outgoings.

Operating lease payables				
Expenditure contracted but not provided for				
Due within one year	19.0	20.6	–	–
Due between one and five years	54.9	75.7	–	–
Due after five years	4.5	6.1	–	–
	78.4	102.4	–	–

	Consolidated		Parent Company	
	31 Dec 09	31 Dec 08	31 Dec 09	31 Dec 08
	\$million	\$million	\$million	\$million
NOTE 30 CAPITAL EXPENDITURE COMMITMENTS				
Estimated capital expenditure committed at balance date but not provided for in relation to development projects.				
Due within one year	891.2	1,130.6	–	–
Due between one and five years	1,024.4	1,922.4	–	–
Due after five years	–	–	–	–
	1,915.6	3,053.0	–	–

NOTE 31 CONTINGENT LIABILITIES

Performance guarantees	601.6	784.2	–	–
Special tax assessment municipal bonds	41.5	56.1	–	–
Guaranteed borrowings of subsidiaries and controlled entities	–	–	13,662.4	17,143.6
	643.1	840.3	13,662.4	17,143.6

The Group's obligation in respect of performance guarantees may be called on at anytime dependant upon the performance or non performance of certain third parties.

From time to time, in the normal course of business, the 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 Group.

NOTE 32 SEGMENT REPORTING

Operating segments

The Group's operating segments are as follows:

a) Property investments

Property investments segment includes net property income from existing shopping centres and completed developments, revaluation of existing centres and other operational expenses. A geographic analysis of net property investment income is also provided.

b) Property and project management

Property and project management segment includes external fee income from third parties, primarily property management and development fees, and associated business expenses.

c) Development

The Group has a global program to redevelop its shopping centres and to develop new shopping centres. The development segment includes revaluation of redevelopments and development projects, and associated development expenses. It also includes income and expenses on properties held for future redevelopment and inter-segmental transactions.

The corporate business unit includes unallocated corporate entity expenses.

Transactions such as the change in fair value of financial instruments, impact of currency hedging, interest income, financing costs, tax benefit, net gain from capital transactions and the corporate business unit are not allocated to the above segments and are included in order to facilitate a reconciliation to the Group's net profit attributable to its members.

The Group's operational segment comprises the property investment and property and project management segments, which is consistent with the operational segment as disclosed in prior years' accounts.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2009

NOTE 32 SEGMENT REPORTING (CONTINUED)

A_Income and expenses

	Operational				
	Property investments \$million	Property and project management \$million	Development \$million	Corporate \$million	Consolidated \$million
31 December 2009					
Revenue					
Property revenue	3,425.9	–	32.4	0.7	3,459.0
Property development and project management revenue	–	573.7	–	–	573.7
Property and funds management income	–	90.3	–	–	90.3
	3,425.9	664.0	32.4	0.7	4,123.0
Share of after tax profit of equity accounted entities					
Property revenue	450.7	–	17.2	–	467.9
Property expenses and outgoings	(141.5)	–	(12.6)	–	(154.1)
Net interest expense	(43.9)	–	(26.3)	6.5	(63.7)
	265.3	–	(21.7)	6.5	250.1
Expenses					
Property expenses and outgoings	(1,034.4)	–	(17.5)	–	(1,051.9)
Property development and project management costs	–	(451.6)	(108.2)	–	(559.8)
Property and funds management costs	–	(42.2)	–	–	(42.2)
Corporate overheads	–	–	–	(37.0)	(37.0)
	(1,034.4)	(493.8)	(125.7)	(37.0)	(1,690.9)
Segment result	2,656.8	170.2	(115.0)	(29.8)	2,682.2
Segment revaluations and net gain from capital transactions					
Revaluation of properties and development projects	(2,569.3)	–	(467.7)	–	(3,037.0)
Equity accounted – revaluation of properties and development projects	(476.3)	–	(26.0)	–	(502.3)
Minority interest share of property revaluations	1.8	–	–	–	1.8
	(3,043.8)	–	(493.7)	–	(3,537.5)
Net gain from capital transactions					69.5
Inter-segmental transactions					
Transfer of completed developments			689.6		689.6
Carrying value of developments transferred			(689.6)		(689.6)
			–		–
Currency derivatives					53.4
Interest income					8.9
Financing costs					100.2
Tax benefit					175.0
Minority interest (excluding share of property revaluations)					(9.5)
Net profit/(loss) attributable to members of the Westfield Group⁽ⁱ⁾					(457.8)

⁽ⁱ⁾ Net loss attributable to members of the Westfield Group was \$457.8 million. Net loss after tax for the period which includes profit attributable to minority interests of \$7.7 million was \$450.1 million.

B_Assets and liabilities

Segment assets	41,626.0	71.8	3,686.3	–	45,384.1
Group assets					1,781.5
Total segment assets	41,626.0	71.8	3,686.3	–	47,165.6
Segment liabilities	1,626.3	120.2	89.1	–	1,835.6
Group liabilities					21,023.1
Total segment liabilities	1,626.3	120.2	89.1	–	22,858.7
Equity accounted associates included in segment assets	3,765.2	–	–	–	3,765.2
Additions to segment non current assets during the year	55.2	–	1,715.6	–	1,770.8

NOTE 32 SEGMENT REPORTING (CONTINUED)**C_Geographic information – Total revenue**

31 December 2009	Australia & New Zealand \$million	United Kingdom \$million	United States \$million	Consolidated \$million
Property revenue – consolidated	1,735.1	108.3	1,582.5	3,425.9
Property development revenue – consolidated	6.2	5.0	21.2	32.4
Property development and project management revenue	196.4	351.2	26.1	573.7
Property and funds management revenue	41.5	13.4	35.4	90.3
Share of after tax profit of equity accounted entities	97.5	52.7	99.9	250.1
Total revenue	2,076.7	530.6	1,765.1	4,372.4

D_Geographic information – Property investments segment

Property revenue – consolidated	1,735.1	108.3	1,582.5	3,425.9
Property revenue – equity accounted	130.4	88.0	232.3	450.7
Property expenses and outgoings – consolidated	(430.8)	(33.4)	(570.2)	(1,034.4)
Property expenses and outgoings – equity accounted	(32.9)	(28.5)	(80.1)	(141.5)
Net property investments income	1,401.8	134.4	1,164.5	2,700.7

E_Geographic information – Property investments assets and non current assets

Property investments assets	22,773.2	2,803.3	16,049.5	41,626.0
Non current assets	24,014.6	4,583.5	16,456.3	45,054.4
Group non current assets				1,363.0
Total non current assets	24,014.6	4,583.5	16,456.3	46,417.4

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2009

NOTE 32 SEGMENT REPORTING (CONTINUED)

A_Income and expenses

	Operational				
	Property investments \$million	Property and project management \$million	Development \$million	Corporate \$million	Consolidated \$million
31 December 2008					
Revenue					
Property revenue	3,166.0	–	43.6	3.2	3,212.8
Property development and project management revenue	–	1,049.9	–	–	1,049.9
Property and funds management income	–	88.5	–	–	88.5
	3,166.0	1,138.4	43.6	3.2	4,351.2
Share of after tax profit of equity accounted entities					
Property revenue	451.2	–	19.5	–	470.7
Property expenses and outgoings	(145.6)	–	(14.0)	–	(159.6)
Net interest expense	(47.4)	–	(27.2)	(17.3)	(91.9)
	258.2	–	(21.7)	(17.3)	219.2
Expenses					
Property expenses and outgoings	(1,010.1)	–	(17.6)	–	(1,027.7)
Property development and project management costs	–	(905.9)	(105.4)	–	(1,011.3)
Property and funds management costs	–	(41.6)	–	–	(41.6)
Corporate overheads	–	–	–	(39.5)	(39.5)
	(1,010.1)	(947.5)	(123.0)	(39.5)	(2,120.1)
Segment result	2,414.1	190.9	(101.1)	(53.6)	2,450.3
Segment revaluations and net gain from capital transactions					
Revaluation of properties and development projects	(2,437.6)	–	(172.6)	–	(2,610.2)
Equity accounted – revaluation of properties and development projects	(663.5)	–	(66.0)	–	(729.5)
Minority interest share of property revaluations	(5.3)	–	–	–	(5.3)
	(3,106.4)	–	(238.6)	–	(3,345.0)
Net gain from capital transactions					73.3
Inter-segmental transactions					
Transfer of completed developments			3,959.8		3,959.8
Carrying value of developments transferred			(3,959.8)		(3,959.8)
			–		–
Currency derivatives					(239.6)
Interest income					47.5
Financing costs					(1,715.9)
Tax benefit					542.0
Minority interest (excluding share of property revaluations)					(9.2)
Net profit/(loss) attributable to members of the Westfield Group⁽ⁱ⁾					(2,196.6)

⁽ⁱ⁾ Net loss attributable to members of the Westfield Group was \$2,196.6 million. Net loss after tax for the period which includes profit attributable to minority interests of \$14.5 million was \$2,182.1 million.

B_Assets and liabilities

Segment assets	49,477.6	140.1	3,792.7	–	53,410.4
Group assets					2,498.6
Total segment assets	49,477.6	140.1	3,792.7	–	55,909.0
Segment liabilities	1,753.7	118.3	384.0	–	2,256.0
Group liabilities					28,695.3
Total segment liabilities	1,753.7	118.3	384.0	–	30,951.3
Equity accounted associates included in segment assets	4,890.5	–	–	–	4,890.5
Additions to segment non current assets during the year	64.9	–	3,269.4	–	3,334.3

NOTE 32 SEGMENT REPORTING (CONTINUED)**C_Geographic information – Total revenue**

31 December 2008	Australia & New Zealand \$million	United Kingdom \$million	United States \$million	Consolidated \$million
Property revenue – consolidated	1,683.9	29.8	1,452.3	3,166.0
Property development revenue – consolidated	9.2	6.3	28.1	43.6
Property development and project management revenue	435.4	589.9	24.6	1,049.9
Property and funds management revenue	37.2	12.0	39.3	88.5
Share of after tax profit of equity accounted entities	88.4	38.5	92.3	219.2
Total revenue	2,254.1	676.5	1,636.6	4,567.2

D_Geographic information – Property investments segment

Property revenue – consolidated	1,683.9	29.8	1,452.3	3,166.0
Property revenue – equity accounted	125.6	117.1	208.5	451.2
Property expenses and outgoings – consolidated	(467.7)	(9.4)	(533.0)	(1,010.1)
Property expenses and outgoings – equity accounted	(34.8)	(41.6)	(69.2)	(145.6)
Net property investments income	1,307.0	95.9	1,058.6	2,461.5

E_Geographic information – Property investments assets and non current assets

Property investments assets	24,924.3	2,100.7	22,452.6	49,477.6
Non current assets	25,775.5	3,534.9	23,543.9	52,854.3
Group non current assets				1,893.3
Total non current assets	25,775.5	3,534.9	23,543.9	54,747.6

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2009

NOTE 33 CAPITAL RISK MANAGEMENT

The Group seeks to manage its capital requirements to maximise value to members through the mix of debt and equity funding, while ensuring that Group entities:

- comply with capital and distribution requirements of their constitutions and/or trust deeds;
- comply with capital requirements of relevant regulatory authorities;
- maintain strong investment grade credit ratings; and
- continue to operate as going concerns.

The Group assesses the adequacy of its capital requirements, cost of capital and gearing (i.e. debt/equity mix) as part of its broader strategic plan. The Group continuously reviews its capital structure to ensure:

- sufficient funds and financing facilities, on a cost effective basis are available to implement the Group's property development and business acquisition strategies;
- adequate financing facilities for unforeseen contingencies are maintained; and
- distributions to members are maintained within the stated distribution policy.

The Group is able to alter its capital mix by issuing new stapled securities and hybrid securities, activating its distribution reinvestment plan, electing to have the dividend reinvestment underwritten, adjusting the amount of distributions paid to members, activating a security buy back program, divesting assets to repay borrowings or adjusting the timing of capital expenditure for its property redevelopment pipeline.

The Group also protects its equity in assets by taking out insurance.

NOTE 34 FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments comprise cash, receivables, payables, interest bearing liabilities, other financial liabilities, other investments and derivative financial instruments.

The Group manages its exposure to key financial risks in accordance with the Group's treasury risk management policies. These policies have been established to manage the key financial risks such as interest rate, foreign exchange, counterparty credit and liquidity.

The Group's treasury risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group through its training and procedures, has developed a disciplined and constructive control environment in which relevant treasury and finance personnel understand their roles and obligations in respect of the Group's treasury management objectives.

The Group has an established Board approved risk management framework including policies, procedures, limits and allowed types of derivative financial instruments. The Board has appointed a Board Risk Management Committee comprising four directors. The Board Risk Management Committee reviews and oversees management's compliance with these policies, procedures and limits. The Board Risk Management Committee is assisted in its oversight role by the Group's Executive Risk Management Committee and internal audit function.

The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rates, foreign exchange, liquidity and credit risk. The Group enters into derivative financial instruments, principally interest rate swaps, interest rate options, cross currency swaps, forward exchange contracts and currency options. The purpose of these transactions is to manage the interest rate and currency risks arising from the Group's operations, cash flows, interest bearing liabilities and its net investments in foreign operations. The Group seeks to deal only with creditworthy counterparties and these assessments are regularly reviewed. Liquidity risk is monitored through the use of future rolling cash flow forecasts.

NOTE 35 INTEREST RATE RISK MANAGEMENT

The Group is exposed to interest rate risk on its borrowings and derivative financial instruments. This risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate interest bearing liabilities. Fixed rate debt is achieved either through fixed rate debt funding or through the use of derivative financial instruments approved by the Board. These activities are evaluated regularly to determine that the Group is not exposed to interest rate movements that could adversely impact its ability to meet its financial obligations and to comply with its borrowing covenants.

Summary of interest rate positions at balance date

The Group has interest risk on borrowings which are typically floating rate debt or notional borrowings entered into under currency derivatives. The exposures at reporting date together with the interest rate risk management transactions are as follows:

(i) Interest payable and receivable exposures

	Note	31 Dec 09 \$million	31 Dec 08 \$million
Principal amounts of all interest bearing liabilities:			
Current interest bearing liabilities	19	1,327.2	1,401.7
Non current interest bearing liabilities	19	14,790.1	19,587.3
Unsecured convertible notes	20	–	1.3
Share of equity accounted entities interest bearing liabilities	15(c)	1,207.1	1,607.4
Cross currency swaps			
– A\$	36(ii)	1,793.9	1,263.5
– £121.1 million (31 December 2008: £948.0 million)	36(i)	217.9	1,985.3
– £815.0 million (31 December 2008: nil)	36(iv)	1,466.6	–
– US\$452.8 million (31 December 2008: US\$485.1 million)	36(i)	503.1	703.3
– US\$3,352.5 million (31 December 2008: US\$3,952.5 million)	36(iv)	3,724.6	5,730.8
Foreign currency swaps			
– A\$	36(ii)	969.9	–
– £60.0 million (31 December 2008: nil)	36(ii)	108.0	–
Principal amounts subject to interest rate payable exposure		26,108.4	32,280.6

NOTE 35 INTEREST RATE RISK MANAGEMENT (CONTINUED)

Summary of interest rate positions at balance date (continued)

(i) Interest payable and receivable exposures (continued)

	Note	31 Dec 09 \$million	31 Dec 08 \$million
Principal amounts of all interest bearing assets:			
Cross currency swaps			
– A\$	36(i), 36(iv)	6,717.0	7,579.8
– €560.0 million (31 December 2008: €600.0 million)	36(i)	896.1	1,228.8
– US\$1,250.0 million (31 December 2008: nil)	36(ii)	1,388.7	–
– NZ\$429.3 million (31 December 2008: NZ\$1,617.5 million)	36(ii)	346.7	1,352.3
Foreign currency swaps			
– A\$	36(ii)	109.2	–
– US\$761.8 million (31 December 2008: nil)	36(ii)	846.4	–
Cash	26(a)	182.3	311.0
Share of equity accounted entities cash	15(c)	63.6	98.1
Principal amounts subject to interest rate receivable exposure		10,550.0	10,570.0
Principal amounts of net interest bearing liabilities subject to interest rate payable exposure		15,558.4	21,710.6
Principal amounts of fixed interest rate liabilities:			
Fixed rate loans			
– A\$	35(ii)	160.0	160.0
– €560.0 million (31 December 2008: €600.0 million)	35(ii)	896.1	1,228.8
– £600.0 million (31 December 2008: £600.0 million)	35(ii)	1,079.7	1,256.5
– US\$10,765.3 million (31 December 2008: US\$8,415.6 million)	35(ii)	11,960.1	12,201.8
Fixed rate derivatives			
– A\$	35(ii)	1,000.0	960.0
– £1,497.3 million (31 December 2008: £1,720.1 million)	35(ii)	2,694.4	3,602.3
– US\$6,029.0 million (31 December 2008: US\$6,144.0 million)	35(ii)	6,698.1	8,908.2
Foreign currency swaps			
– A\$	36(ii)	969.9	–
– £60.0 million (31 December 2008: nil)	36(ii)	108.0	–
Principal amounts on which interest rate payable exposure has been hedged		25,566.3	28,317.6
Principal amounts of fixed interest rate assets:			
Fixed rate derivatives			
– A\$	35(ii)	6,517.0	7,580.0
– €560.0 million (31 December 2008: €600.0 million)	35(ii)	896.1	1,228.8
– US\$1,900.0 million (31 December 2008: nil)	35(ii)	2,110.9	–
Foreign currency swaps			
– A\$	36(ii)	109.2	–
– US\$761.8 million (31 December 2008: nil)	36(ii)	846.4	–
Principal amounts on which interest rate receivable exposure has been hedged		10,479.6	8,808.8
Principal amounts on which net interest rate payable exposure has been hedged		15,086.7	19,508.8

At 31 December 2009, the Group has fixed 97% of its net interest payable exposure by way of fixed rate borrowings and interest rate derivatives of varying durations. The remaining 3% is exposed to floating rates on a principal payable of \$471.7 million, at an average interest rate of 5.2%, including margin (31 December 2008: 90% hedged with floating exposure of \$2,201.8 million at an average rate of 3.5%). Changes to the fair value of the fixed rate borrowings and derivatives due to interest rate movements are set out in Note 35(ii).

		31 Dec 09 \$million	31 Dec 08 \$million
Interest rate sensitivity	Interest rate movement	(Increase)/decrease in interest expense	
The sensitivity of interest expense to changes in floating interest rates is as follows:			
	–1.0%	4.7	22.0
	–0.5%	2.4	11.0
	0.5%	(2.4)	(11.0)
	1.0%	(4.7)	(22.0)

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2009

NOTE 35 INTEREST RATE RISK MANAGEMENT (CONTINUED)

Summary of interest rate positions at balance date (continued)

(ii) Fixed rate debt and interest rate swaps

The Group is exposed to interest rate risk on its borrowings and derivative financial instruments. This risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate interest bearing liabilities. Fixed rate debt is achieved either through fixed rate debt funding or through the use of derivative financial instruments approved by the Board. These activities are evaluated regularly to ensure that the Group is not exposed to interest rate movements that could adversely impact its ability to meet its financial obligations and to ensure compliance with borrowing covenants.

Notional principal or contract amounts of the Group's consolidated and share of equity accounted fixed rate debt and interest rate swaps:

	Interest rate swaps		Fixed rate borrowings		Interest rate swaps		Fixed rate borrowings	
Fixed rate debt and swaps contracted as at the reporting date and outstanding at	31 Dec 09 Notional principal amount million	31 Dec 09 Average rate	31 Dec 09 Principal amount million	31 Dec 09 Average rate including margin	31 Dec 08 Notional principal amount million	31 Dec 08 Average rate	31 Dec 08 Principal amount million	31 Dec 08 Average rate including margin
A\$ receivable								
31 December 2008	–	–	–	–	A\$7,580.0	6.50%	–	–
31 December 2009	A\$6,517.0	6.38%	–	–	A\$6,517.0	6.43%	–	–
31 December 2010	A\$5,750.0	6.44%	–	–	A\$5,750.0	6.50%	–	–
31 December 2011	A\$4,450.0	6.37%	–	–	A\$5,000.0	6.37%	–	–
31 December 2012	A\$3,700.0	6.43%	–	–	A\$4,136.0	6.40%	–	–
31 December 2013	A\$1,450.0	6.44%	–	–	A\$2,200.0	6.41%	–	–
31 December 2014	A\$500.0	6.75%	–	–	A\$1,250.0	6.51%	–	–
€ receivable								
31 December 2008	–	–	–	–	€600.0	3.58%	–	–
31 December 2009	€560.0	3.58%	–	–	€600.0	3.58%	–	–
31 December 2010	€560.0	3.58%	–	–	€600.0	3.58%	–	–
31 December 2011	€560.0	3.58%	–	–	€600.0	3.58%	–	–
US\$ receivable								
31 December 2009	US\$1,900.0	1.75%	–	–	–	–	–	–
31 December 2010	US\$1,600.0	2.02%	–	–	–	–	–	–
31 December 2011	US\$1,900.0	2.68%	–	–	–	–	–	–
31 December 2012	US\$950.0	2.72%	–	–	–	–	–	–
31 December 2013	US\$750.0	2.55%	–	–	–	–	–	–
31 December 2014	US\$750.0	2.55%	–	–	–	–	–	–
A\$ payable								
31 December 2008	–	–	–	–	A\$(960.0)	4.29%	A\$(160.0)	5.46%
31 December 2009	A\$(1,000.0)	5.92%	A\$(160.0)	5.46%	A\$(1,000.0)	5.85%	A\$(160.0)	5.46%
31 December 2010	A\$(1,440.0)	5.98%	–	–	A\$(1,437.5)	6.20%	–	–
31 December 2011	A\$(1,715.5)	5.46%	–	–	A\$(2,263.0)	5.63%	–	–
31 December 2012	A\$(1,702.0)	5.98%	–	–	A\$(2,138.0)	6.01%	–	–
31 December 2013	A\$(1,038.0)	6.46%	–	–	A\$(1,788.0)	6.41%	–	–
31 December 2014	A\$(1,013.0)	6.08%	–	–	A\$(1,763.0)	6.20%	–	–
31 December 2015	A\$(1,408.5)	6.18%	–	–	A\$(1,408.5)	6.18%	–	–
31 December 2016	A\$(503.5)	6.26%	–	–	A\$(503.5)	6.26%	–	–
31 December 2017	A\$(503.5)	6.26%	–	–	A\$(503.5)	6.26%	–	–
€ payable								
31 December 2008	–	–	–	–	–	–	€(600.0)	3.58%
31 December 2009	–	–	€(560.0)	3.58%	–	–	€(600.0)	3.58%
31 December 2010	–	–	€(560.0)	3.58%	–	–	€(600.0)	3.58%
31 December 2011	–	–	€(560.0)	3.58%	–	–	€(600.0)	3.58%

NOTE 35 INTEREST RATE RISK MANAGEMENT (CONTINUED)

Summary of interest rate positions at balance date (continued)

(ii) Fixed rate debt and interest rate swaps (continued)

	Interest rate swaps		Fixed rate borrowings		Interest rate swaps		Fixed rate borrowings	
	31 Dec 09 Notional principal amount million	31 Dec 09 Average rate	31 Dec 09 Principal amount million	31 Dec 09 Average rate including margin	31 Dec 08 Notional principal amount million	31 Dec 08 Average rate	31 Dec 08 Principal amount million	31 Dec 08 Average rate including margin
Fixed rate debt and swaps contracted as at the reporting date and outstanding at								
£ payable								
31 December 2008	–	–	–	–	£(1,720.1)	4.72%	£(600.0)	5.39%
31 December 2009	£(1,497.3)	4.57%	£(600.0)	5.39%	£(1,976.6)	4.90%	£(600.0)	5.39%
31 December 2010	£(1,654.8)	4.42%	£(600.0)	5.39%	£(2,066.6)	4.82%	£(600.0)	5.39%
31 December 2011	£(1,254.8)	4.88%	£(600.0)	5.39%	£(1,576.6)	4.89%	£(600.0)	5.39%
31 December 2012	£(1,082.5)	4.81%	£(600.0)	5.39%	£(1,332.5)	4.83%	£(600.0)	5.39%
31 December 2013	£(1,082.5)	4.81%	£(600.0)	5.39%	£(1,332.5)	4.83%	£(600.0)	5.39%
31 December 2014	£(790.0)	4.75%	£(600.0)	5.39%	£(1,040.0)	4.78%	£(600.0)	5.39%
31 December 2015	£(400.0)	4.97%	£(600.0)	5.39%	£(600.0)	4.98%	£(600.0)	5.39%
31 December 2016	£(50.0)	5.13%	£(600.0)	5.39%	£(150.0)	5.11%	£(600.0)	5.39%
31 December 2017	£(150.0)	5.11%	–	–	£(150.0)	5.11%	–	–
US\$ payable								
31 December 2008	–	–	–	–	US\$(6,144.0)	5.82%	US\$(8,415.6)	5.51%
31 December 2009	US\$(6,029.0)	5.57%	US\$(10,765.3)	6.07%	US\$(7,199.0)	5.54%	US\$(7,605.4)	5.82%
31 December 2010	US\$(2,372.0)	5.72%	US\$(9,751.6)	6.14%	US\$(6,599.0)	5.55%	US\$(6,803.9)	5.93%
31 December 2011	US\$(2,512.0)	5.63%	US\$(8,925.4)	6.04%	US\$(7,029.6)	5.54%	US\$(5,980.3)	5.75%
31 December 2012	US\$(5,449.0)	5.55%	US\$(7,987.7)	6.08%	US\$(6,149.0)	5.54%	US\$(5,045.4)	5.76%
31 December 2013	US\$(4,635.0)	5.54%	US\$(7,453.0)	6.13%	US\$(5,334.9)	5.53%	US\$(4,513.8)	5.81%
31 December 2014	US\$(4,175.0)	5.44%	US\$(5,088.6)	6.29%	US\$(4,775.0)	5.45%	US\$(2,852.6)	6.22%
31 December 2015	US\$(2,850.0)	5.47%	US\$(4,218.9)	6.43%	US\$(3,350.0)	5.47%	US\$(2,736.4)	6.28%
31 December 2016	US\$(1,600.0)	5.47%	US\$(3,089.0)	6.71%	US\$(1,900.0)	5.45%	US\$(1,610.1)	6.71%
31 December 2017	US\$(1,000.0)	3.94%	US\$(2,715.9)	6.82%	–	–	US\$(1,241.0)	6.96%
31 December 2018	US\$(1,000.0)	3.94%	US\$(1,470.7)	6.70%	–	–	–	–
31 December 2019	–	–	US\$(216.1)	6.75%	–	–	–	–

The Group's interest rate swaps do not meet the accounting requirements to qualify for hedge accounting treatment. Gains or losses arising from changes in fair value have been reflected in the income statement as a component of interest expense. The gain for the year ended 31 December 2009 was \$1,270.8 million (31 December 2008: loss of \$991.9 million). At 31 December 2009, the aggregate fair value is a payable of \$449.2 million (31 December 2008: \$1,832.7 million).

		31 Dec 09 \$million	31 Dec 08 \$million
Fair value sensitivity			
The sensitivity of fair value to changes in interest rates is as follows:	Interest rate movement	(Increase)/decrease in interest expense	
	–1.0%	(237.4)	(715.4)
	–0.5%	(117.0)	(351.5)
	0.5%	112.5	336.9
	1.0%	222.6	656.7

All fixed rate borrowings are carried at amortised cost, therefore increases or decreases arising from changes in fair value have not been recorded in these financial statements. The increase in fair value of borrowings for the year ended 31 December 2009 was \$2,917.2 million (31 December 2008: decrease of \$2,143.6 million). The difference between the carrying value and fair value of fixed rate debt at 31 December 2009 is a payable of \$477.0 million (31 December 2008: receivable of \$2,440.2 million).

		31 Dec 09 \$million	31 Dec 08 \$million
Fair value sensitivity			
The sensitivity of fair value to changes in interest rates is as follows:	Interest rate movement	(Increase)/decrease in fair value of borrowings	
	–1.0%	(573.3)	(471.9)
	–0.5%	(286.0)	(232.2)
	0.5%	277.4	225.9
	1.0%	553.7	444.5

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FOR THE YEAR ENDED 31 DECEMBER 2009

NOTE 35 INTEREST RATE RISK MANAGEMENT (CONTINUED)

Summary of interest rate positions at balance date (continued)

(iii) Interest rate caps

The Group is exposed to interest rate risk on its borrowings and derivative financial instruments. This risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate interest bearing liabilities. Fixed rate debt is achieved either through fixed rate debt funding or through the use of derivative financial instruments approved by the Board. These activities are evaluated regularly to ensure that the Group is not exposed to interest rate movements that could adversely impact its ability to meet its financial obligations and to ensure compliance with borrowing covenants.

Notional principal of the Group's consolidated and share of equity accounted interest rate caps:

	Interest rate caps		Interest rate caps	
	31 Dec 09 Notional principal amount million	31 Dec 09 Strike rate	31 Dec 08 Notional principal amount million	31 Dec 08 Strike rate
Interest rate caps contracted as at the reporting date and outstanding at				
A\$ payable				
31 December 2010	A\$(1,500.0)	6.50%	–	–
31 December 2011	A\$(1,500.0)	6.50%	–	–
31 December 2012	A\$(1,500.0)	6.50%	–	–
US\$ payable				
31 December 2010	US\$(500.0)	1.32%	–	–
31 December 2011	US\$(500.0)	1.32%	–	–

The Group's interest rate caps do not meet the accounting requirements to qualify for hedge accounting treatment. Gains or losses arising from changes in fair value have been reflected in the income statement as a component of interest expense. The loss for the year ended 31 December 2009 was \$4.7 million (31 December 2008: nil). At 31 December 2009, the aggregate fair value is a payable of \$4.7 million (31 December 2008: nil).

		31 Dec 09 \$million	31 Dec 08 \$million
Fair value sensitivity			
The sensitivity of fair value to changes in interest rates is as follows:			
	Interest rate movement	(Increase)/decrease in interest expense	
	–1.0%	(15.2)	–
	–0.5%	(8.6)	–
	0.5%	11.1	–
	1.0%	24.6	–

NOTE 36 EXCHANGE RATE RISK MANAGEMENT

The Group is exposed to exchange rate risk on its foreign currency earnings, its distribution, its foreign currency denominated shopping centre assets and other assets. The Group manages these exposures by entering into foreign currency derivative instruments and by borrowing in foreign currencies.

Summary of foreign exchange balance sheet positions at balance date

The Group's foreign exchange exposures at reporting date together with the foreign exchange risk management transactions which have been entered into to manage these exposures are as follows:

	Note	31 Dec 09 million	Consolidated 31 Dec 08 million
Foreign currency net investments			
The Group had floating currency exposure, after taking into account the effect of foreign exchange derivatives, at reporting date of:			
US\$ net assets		US\$14,026.4	US\$15,563.3
US\$ borrowings		US\$(11,099.1)	US\$(9,874.3)
US\$ cross currency swaps	36(i)	US\$(452.8)	US\$(485.1)
US\$ currency swaps	36(ii)	US\$2,011.8	–
US\$ denominated net assets		US\$4,486.3	US\$5,203.9
NZ\$ net assets		NZ\$2,885.9	NZ\$3,145.8
NZ\$ borrowings		NZ\$(404.4)	NZ\$(1,548.9)
NZ\$ cross currency swaps	36(ii)	NZ\$429.3	NZ\$1,617.5
NZ\$ denominated net assets		NZ\$2,910.8	NZ\$3,214.4
£ net assets		£2,175.1	£2,280.7
£ borrowings		£(1,037.8)	£(1,384.4)
£ cross currency swaps	36(i)	£(121.1)	£(948.0)
£ currency swaps	36(ii)	£(60.0)	–
£ denominated net assets		£956.2	£(51.7)

The Group's foreign currency net investments are subject to exchange rate risk. Gains and losses arising from changes in fair value of the Group's foreign currency denominated shopping centre and other assets together with associated hedging instruments are reflected in the foreign currency translation reserve where the Group has satisfied the accounting requirements to qualify for hedge accounting treatment.

Where the Group does not satisfy the hedge accounting requirements, the changes in fair value are reflected in the income statement as either foreign exchange gains or losses as appropriate.

		31 Dec 09 \$million	31 Dec 08 \$million	31 Dec 09 \$million	31 Dec 08 \$million
Foreign currency sensitivity					
The sensitivity to changes in the A\$/US\$ rate is as follows:	A\$/US\$ Currency movement		Gain/(loss) to foreign currency translation reserve		Gain/(loss) to income statement
	-10 cents	447.7	1,279.5	166.6	-
	-5 cents	210.7	589.7	77.3	-
	+5 cents	(188.5)	(510.0)	(67.9)	-
	+10 cents	(358.2)	(955.4)	(128.8)	-
The sensitivity to changes in the A\$/NZ\$ rate is as follows:	A\$/NZ\$ Currency movement		Gain/(loss) to foreign currency translation reserve		Gain/(loss) to income statement
	-10 cents	176.0	121.8	29.1	108.4
	-5 cents	84.3	58.2	14.0	51.8
	+5 cents	(77.8)	(53.6)	(12.6)	(47.7)
	+10 cents	(149.7)	(103.0)	(23.5)	(92.3)
The sensitivity to changes in the A\$/£ rate is as follows:	A\$/£ Currency movement		Gain/(loss) to foreign currency translation reserve		Gain/(loss) to income statement
	-10 pence	401.3	-	(23.7)	(28.7)
	-5 pence	180.8	-	(10.7)	(12.7)
	+5 pence	(151.0)	-	8.9	10.3
	+10 pence	(278.9)	-	16.5	18.7

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NOTE 36 EXCHANGE RATE RISK MANAGEMENT (CONTINUED)

(i) Net investment hedges of the Group's foreign currency assets and liabilities

The following table details the cross currency swaps outstanding at reporting date. These contracts have been designated and qualify as hedges of net investment of foreign operations.

Cross currency swaps contracted as at the reporting date and outstanding at	Weighted average exchange rate		Amount receivable/(payable)			
	31 Dec 09	31 Dec 08	31 Dec 09 million	31 Dec 09 million	31 Dec 08 million	31 Dec 08 million
£						
Contracts to receive A\$ and pay £						
31 December 2008	–	0.4263	–	–	A\$1,911.8	£(815.0)
31 December 2009	–	0.4263	–	–	A\$1,911.8	£(815.0)
31 December 2010	–	0.4263	–	–	A\$1,735.8	£(740.0)
31 December 2011	–	0.4264	–	–	A\$1,383.7	£(590.0)
31 December 2012	–	0.4264	–	–	A\$856.0	£(365.0)
31 December 2013	–	0.4265	–	–	A\$504.1	£(215.0)
31 December 2014	–	0.4270	–	–	A\$210.8	£(90.0)
Contracts to receive € ⁽ⁱ⁾ and pay £						
31 December 2008	–	0.6648	–	–	€200.0	£(133.0)
31 December 2009	0.6488	0.6648	€186.7	£(121.1)	€200.0	£(133.0)
31 December 2010	0.6488	0.6648	€186.7	£(121.1)	€200.0	£(133.0)
31 December 2011	0.6488	0.6648	€186.7	£(121.1)	€200.0	£(133.0)
US\$						
Contracts to receive € ⁽ⁱ⁾ and pay US\$						
31 December 2008	–	1.2128	–	–	€400.0	US\$(485.1)
31 December 2009	1.2128	1.2128	€373.3	US\$(452.8)	€400.0	US\$(485.1)
31 December 2010	1.2128	1.2128	€373.3	US\$(452.8)	€400.0	US\$(485.1)
31 December 2011	1.2128	1.2128	€373.3	US\$(452.8)	€400.0	US\$(485.1)

⁽ⁱ⁾ The receive € exposure is matched with a pay € exposure in the income statement.

These cross currency swaps are effective net investment hedges and recorded directly in the foreign currency translation reserve. The loss for the year ended 31 December 2009 was \$210.3 million (31 December 2008: gain of \$129.9 million). At 31 December 2009, the aggregate fair value is a receivable of \$188.4 million (31 December 2008: \$398.7 million).

	31 Dec 09 \$million	31 Dec 08 \$million
Foreign currency sensitivity		
The sensitivity to changes in the A\$/US\$ rate is as follows:	A\$/US\$ Currency movement	Gain/(loss) to foreign currency translation reserve
	-10 cents	(62.9) (119.3)
	-5 cents	(29.6) (55.0)
	+5 cents	26.5 47.5
	+10 cents	50.3 89.1
The sensitivity to changes in the A\$/£ rate is as follows:	A\$/£ Currency movement	Gain/(loss) to foreign currency translation reserve
	-10 pence	(47.8) (525.9)
	-5 pence	(21.5) (232.2)
	+5 pence	18.0 188.2
	+10 pence	33.2 343.8

NOTE 36 EXCHANGE RATE RISK MANAGEMENT (CONTINUED)

(ii) *Other foreign currency derivatives in respect of the Group's foreign currency assets and liabilities*

The following table details the other financial derivatives in respect of the Group's foreign currency assets and liabilities outstanding at reporting date. These contracts do not qualify as hedges of net investments of foreign operations.

Foreign currency swaps contracted as at the reporting date and maturing during the year ended	Weighted average exchange rate		Amount receivable/(payable)			
	31 Dec 09	31 Dec 08	31 Dec 09 million	31 Dec 09 million	31 Dec 08 million	31 Dec 08 million
US\$						
Contracts to buy US\$ and sell A\$						
31 December 2010	0.7855	–	US\$761.8	A\$(969.9)	–	–
£						
Contracts to buy A\$ and sell £						
31 December 2010	0.5494	–	A\$109.2	£(60.0)	–	–
Cross currency swaps contracted as at the reporting date and outstanding at						
US\$						
Contracts to receive US\$ and pay A\$						
31 December 2009	0.8574	–	A\$(1,457.9)	US\$1,250.0	–	–
31 December 2010	0.8574	–	A\$(1,457.9)	US\$1,250.0	–	–
31 December 2011	0.8574	–	A\$(1,457.9)	US\$1,250.0	–	–
31 December 2012	0.8273	–	A\$(906.6)	US\$750.0	–	–
31 December 2013	0.8273	–	A\$(906.6)	US\$750.0	–	–
31 December 2014	0.8273	–	A\$(906.6)	US\$750.0	–	–
NZ\$						
Contracts to receive NZ\$ and pay A\$						
31 December 2008	–	1.2802	–	–	A\$(1,263.5)	NZ\$1,617.5
31 December 2009	1.2774	1.2801	A\$(336.0)	NZ\$429.3	A\$(1,225.3)	NZ\$1,568.5
31 December 2010	1.2774	1.2806	A\$(336.0)	NZ\$429.3	A\$(1,166.6)	NZ\$1,494.0
31 December 2011	1.2774	1.2806	A\$(336.0)	NZ\$429.3	A\$(1,166.6)	NZ\$1,494.0
31 December 2012	1.2774	1.2804	A\$(336.0)	NZ\$429.3	A\$(990.9)	NZ\$1,268.8
31 December 2013	1.2774	1.2816	A\$(336.0)	NZ\$429.3	A\$(817.8)	NZ\$1,048.1
31 December 2014	1.2800	1.2834	A\$(209.8)	NZ\$268.5	A\$(644.6)	NZ\$827.3
31 December 2015	1.2800	1.2816	A\$(209.8)	NZ\$268.5	A\$(474.8)	NZ\$608.5
31 December 2016	1.2800	1.2824	A\$(209.8)	NZ\$268.5	A\$(304.5)	NZ\$390.5
31 December 2017	1.2800	1.2843	A\$(75.0)	NZ\$96.0	A\$(169.7)	NZ\$218.0

At 31 December 2009, none of the above described foreign exchange derivatives qualify for hedge accounting and gains or losses arising from changes in fair value have been reflected in the income statement. The loss for the year ended 31 December 2009 was \$224.3 million (31 December 2008: gain of \$37.1 million). The aggregate fair value of other foreign currency derivatives at 31 December 2009 is a payable of \$146.3 million (31 December 2008: receivable of \$78.0 million).

		31 Dec 09 \$million	31 Dec 08 \$million
Foreign currency sensitivity			
The sensitivity to changes in the A\$/US\$ rate is as follows:		A\$/US\$ Currency movement	Gain/(loss) to income statement
		–10 cents	270.7
		–5 cents	126.3
		+5 cents	(111.8)
		+10 cents	(212.1)
The sensitivity to changes in the A\$/£ rate is as follows:		A\$/£ Currency movement	Gain/(loss) to income statement
		–10 pence	(23.7)
		–5 pence	(10.7)
		+5 pence	8.9
		+10 pence	16.5
The sensitivity to changes in the A\$/NZ\$ rate is as follows:		A\$/NZ\$ Currency movement	Gain/(loss) to income statement
		–10 cents	29.1
		–5 cents	14.0
		+5 cents	(12.6)
		+10 cents	(23.5)

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FOR THE YEAR ENDED 31 DECEMBER 2009

NOTE 36 EXCHANGE RATE RISK MANAGEMENT (CONTINUED)

(iii) Forward exchange derivatives to hedge the Group's foreign currency earnings

These derivatives manage the impact of exchange rate movements on the Group's foreign currency denominated earnings and the Group's distribution.

The following table details the forward exchange contracts outstanding at reporting date. These mitigate the impact of exchange rate movements on the Group's distribution and are ineffective hedges for accounting purposes.

Forward exchange contracts contracted as at the reporting date and maturing during the year ended	Weighted average exchange rate		Amount receivable/(payable)			
	31 Dec 09	31 Dec 08	31 Dec 09 million	31 Dec 09 million	31 Dec 08 million	31 Dec 08 million
NZ\$						
Contracts to buy A\$ and sell NZ\$						
31 December 2009	–	1.1509	–	–	A\$173.1	NZ\$(199.2)
31 December 2010	1.1860	1.1860	A\$152.2	NZ\$(180.5)	A\$152.2	NZ\$(180.5)
31 December 2011	1.2084	1.2084	A\$154.9	NZ\$(187.2)	A\$154.9	NZ\$(187.2)
31 December 2012	1.2172	1.2172	A\$135.8	NZ\$(165.3)	A\$135.8	NZ\$(165.3)
31 December 2013	1.2245	1.2245	A\$78.2	NZ\$(95.7)	A\$78.2	NZ\$(95.7)
US\$						
Contracts to buy A\$ and sell US\$						
31 December 2009	–	0.7102	–	–	A\$292.9	US\$(208.0)
	–	0.9079	–	–	A\$(145.3)	US\$131.9
31 December 2010	0.7270	0.7270	A\$228.7	US\$(166.3)	A\$228.7	US\$(166.3)
	0.8043	0.8745	A\$(164.5)	US\$132.3	A\$(85.2)	US\$74.5
31 December 2011	0.7765	0.7765	A\$186.1	US\$(144.5)	A\$186.1	US\$(144.5)
	0.7195	–	A\$(128.1)	US\$92.2	–	–
31 December 2012	0.8241	0.8064	A\$123.9	US\$(102.1)	A\$242.4	US\$(195.5)
	0.8114	–	A\$(15.2)	US\$12.3	–	–
31 December 2013	0.8136	0.8136	A\$197.3	US\$(160.5)	A\$197.3	US\$(160.5)
31 December 2014	0.7869	–	A\$93.3	US\$(73.4)	–	–

At 31 December 2009, none of the above described foreign exchange contracts qualify for hedge accounting and gains or losses arising from changes in fair value have been reflected in the income statement. The gain for the year ended 31 December 2009 was \$98.6 million (31 December 2008: loss of \$280.2 million). The aggregate fair value of foreign exchange contracts at 31 December 2009 is a receivable of \$35.0 million (31 December 2008: payable of \$63.6 million).

		31 Dec 09 \$million	31 Dec 08 \$million
Foreign currency sensitivity	A\$/NZ\$ Currency movement		Gain/(loss) to income statement
The sensitivity to changes in the A\$/NZ\$ rate is as follows:			
	-10 cents	(42.5)	(57.5)
	-5 cents	(20.3)	(27.4)
	+5 cents	19.0	25.0
	+10 cents	36.5	47.3
	A\$/US\$ Currency movement		Gain/(loss) to income statement
The sensitivity to changes in the A\$/US\$ rate is as follows:			
	-10 cents	(53.2)	(170.7)
	-5 cents	(25.0)	(77.7)
	+5 cents	23.0	66.5
	+10 cents	44.0	124.2

(iv) Cross currency interest rate swaps to hedge the Group's foreign currency earnings

The following table details the cross currency interest rate swaps outstanding at reporting date. These mitigate the impact of exchange rate movements on the Group's earnings and are ineffective hedges for accounting purposes.

At 31 December 2009, none of the above described foreign exchange derivatives qualify for hedge accounting and gains or losses arising from changes in fair value have been reflected in the income statement. The gain for the year ended 31 December 2009 was \$269.1 million (31 December 2008: loss of \$431.0 million). At 31 December 2009, the aggregate fair value is a receivable of \$577.9 million (31 December 2008: \$308.8 million).

NOTE 37 CREDIT AND LIQUIDITY RISK MANAGEMENT

At 31 December 2009, the aggregate credit risk in respect of derivative financial instruments is \$1,297.3 million (31 December 2008: \$1,794.5 million). In accordance with the Group policy, credit risk is spread among a number of creditworthy counterparties within specified limits. The Group had 43% of its aggregate credit risk spread over three counterparties each with an S&P long term rating of A+ or higher. The remainder is spread over counterparties each with less than 10% of the aggregate credit risk and with an S&P long term rating of A or higher.

Interest bearing liabilities, and funding facilities and their maturity profiles, are set out in Note 19.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2009

NOTE 38 FINANCIAL COVENANTS

The Group is required to comply with certain financial covenants in respect of its borrowings facilities and bond offerings. The major financial covenants are summarised as follows:

- Leverage ratio (net debt to net assets)
 - less than 65%
- Secured debt ratio (secured debt to total assets)
 - less than 45%
- Interest cover ratio (EBITDA to gross interest expense excluding gains or losses from mark to market)
 - greater than 1.5 times
- Unencumbered leverage ratio (unencumbered assets to unsecured debt)
 - less than 125% (and greater than 150% on certain facilities)

At 31 December 2009 and 2008, the Group was in compliance with all the above financial covenants.

NOTE 39 FINANCIAL RISK – PARENT COMPANY

The Parent Company's principal financial instruments comprise cash, receivables, payables, interest bearing liabilities, other financial liabilities, and investments in subsidiaries.

As a member of the Group, the Parent Company is covered under the same policies and procedures outlined above. Refer to Note 34 for the management of the Group's key financial risks.

The Parent Company does not deal in derivative financial instruments. All the risk management activities are undertaken by controlled entities.

The Parent Company is exposed to interest and foreign exchange risk on intercompany loans and investment in subsidiaries.

The intercompany loans payable and receivable in the parent company are payable and receivable on demand.

(i) Intercompany loans payable and receivable

Where the Parent Company undertakes a borrowing in a foreign currency, the foreign exchange risk is mitigated by the Parent Company entering into an equal and opposite deal with a controlled entity. Hence the foreign exchange and interest exposure in the original transaction is substantially mitigated.

At 31 December 2009, the foreign currency loans are ineffective hedges for accounting purposes and gains or losses arising from changes in fair value have been reflected in the income statement. The loss for the year ended 31 December 2009 was \$5.1 million (31 December 2008: \$3.3 million).

At 31 December 2009, the net currency exposure on these loans is a receivable of £17.1 million (31 December 2008: £16.5 million).

		31 Dec 09 \$million	31 Dec 08 \$million
Foreign currency sensitivity	A\$/£ Currency movement		Gain/(loss) to income statement
The sensitivity to changes in the A\$/£ rate is as follows:			
	–10 pence	6.8	9.2
	–5 pence	3.0	4.0
	+5 pence	(2.5)	(3.3)
	+10 pence	(4.7)	(6.0)

(ii) Investments in subsidiaries

Investments in subsidiaries denominated in foreign currency and subsidiaries which are involved in hedging activities are carried at the lower of cost or recoverable amount. Any decrements are recorded directly in the income statement.

The Parent Company is exposed to foreign exchange translation risk on its investments in subsidiaries which are denominated in foreign currencies, when assessing recoverable amount. The Parent Company does not specifically hedge these items in its own financial statements, these activities are carried out on a Group basis in accordance with the policies outlined above.

NOTE 40 INTEREST BEARING LIABILITIES, INTEREST AND DERIVATIVE CASH FLOW MATURITY PROFILE

	Consolidated		Parent Company	
	31 Dec 09 \$million	31 Dec 08 \$million	31 Dec 09 \$million	31 Dec 08 \$million
Maturity profile of the principal amounts of current and non current interest bearing liabilities (refer Note 19) together with the aggregate future estimated interest thereon, and the estimated impact of contracted interest and currency derivative cash flows is set out below:				
Due within one year	1,318.3	1,514.1	541.9	572.6
Due between one and five years	9,417.8	14,504.6	–	–
Due after five years	9,647.0	10,362.8	–	–
	20,383.1	26,381.5	541.9	572.6

Contingent liabilities are set out in Note 31 and are not included in the amounts shown above.

NOTE 41 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Set out below is a comparison by category of carrying amounts and fair values of all the Group's financial instruments.

	31 Dec 09 \$million	Fair value 31 Dec 08 \$million	Carrying amount 31 Dec 09 \$million	31 Dec 08 \$million
Consolidated assets				
Cash	182.3	311.0	182.3	311.0
Trade debtors ⁽ⁱ⁾	53.1	50.9	53.1	50.9
Receivables ⁽ⁱ⁾	234.6	360.5	234.6	360.5
Other investments ⁽ⁱⁱ⁾	559.0	833.6	559.0	833.6
Derivative assets ⁽ⁱⁱ⁾	1,299.9	1,794.5	1,299.9	1,794.5
Consolidated liabilities				
Payables ⁽ⁱ⁾	2,093.9	2,540.1	2,093.9	2,540.1
Interest bearing liabilities ⁽ⁱⁱ⁾				
– Fixed rate debt	13,896.8	11,615.4	13,419.8	14,055.6
– Floating rate debt	2,688.8	6,922.5	2,697.5	6,933.4
Other financial liabilities ⁽ⁱⁱ⁾	1,709.0	1,857.8	1,709.0	1,857.8
Derivative liabilities ⁽ⁱⁱ⁾	1,090.6	2,853.9	1,090.6	2,853.9
Parent Company assets				
Receivables	2,230.3	3,278.4	2,230.3	3,278.4
Parent Company liabilities				
Payables	1,960.6	2,274.9	1,960.6	2,274.9
Interest bearing liabilities	541.9	572.6	541.9	572.6

⁽ⁱ⁾ These financial assets and liabilities are not subject to interest rate risk and the fair value approximates carrying amount.

⁽ⁱⁱ⁾ These financial assets and liabilities are subjected to interest rate and market risks, the basis of determining the fair value is set out in the fair value hierarchy below.

Determination of fair value

As at 31 December 2009, the Group held the following financial instruments that were measured at fair value.

The Group uses the following hierarchy for determining and disclosing the fair value of a financial instrument. The valuation techniques comprise:

Level 1: the fair value is calculated using quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: the fair value is estimated using inputs other than quoted prices that are observable, either directly (as prices) or indirectly (derived from prices).

Level 3: the fair value is estimated using inputs that are not based on observable market data.

	31 Dec 09 \$million	Level 1 \$million	Level 2 \$million	Level 3 \$million
Consolidated assets measured at fair value				
Other investments				
– Listed investments	96.7	96.7	–	–
– Unlisted investments	462.3	–	–	462.3
Derivative assets				
– Interest rate derivatives	905.8	–	905.8	–
– Currency derivatives	391.4	–	391.4	–
– Equity share plan swaps	2.7	–	2.7	–
Consolidated liabilities measured at fair value				
Interest bearing liabilities				
– Fixed rate debt	13,896.8	–	13,896.8	–
– Floating rate debt	2,688.8	–	2,688.8	–
Other financial liabilities				
– Property linked notes	1,253.6	–	–	1,253.6
– Redeemable preference shares/units	455.4	–	–	455.4
Derivative liabilities				
– Interest rate derivatives	781.8	–	781.8	–
– Currency derivatives	307.4	–	307.4	–
– Equity share plan swaps	1.4	–	1.4	–

During the year, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2009

NOTE 41 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

	Unlisted investments ⁽ⁱ⁾ 31 Dec 09 \$million	Property linked notes ⁽ⁱⁱ⁾ 31 Dec 09 \$million	Redeemable preference shares/units ⁽ⁱⁱⁱ⁾ 31 Dec 09 \$million
Level 3 fair value movement			
Balance at the beginning of the year	731.3	1,271.8	584.7
Disposals	(115.4)	–	–
Net revaluation increment/(decrement) to income statement	–	(18.2)	5.4
Retranslation of foreign operations	(153.6)	–	(134.7)
Balance at the end of the year	462.3	1,253.6	455.4

⁽ⁱ⁾ The fair value of the unlisted investments has been determined by reference to the fair value of the underlying investment properties which are valued by independent appraisers.

⁽ⁱⁱ⁾ The fair value of the property linked notes has been determined by reference to the fair value of the relevant Westfield shopping centres (refer Note 20 (a)).

⁽ⁱⁱⁱ⁾ The fair value of the redeemable preference shares/units has generally been determined by applying the relevant earnings yield to the underlying net income of the relevant securities. At 31 December 2009, an increment of 1% in the earnings yield would result in an additional gain of \$62.7 million in the income statement. Similarly, a decrement of 1% to the yield would result in an additional loss of \$83.0 million in the income statement.

	Consolidated 31 Dec 09 \$000	31 Dec 08 \$000	Parent Company 31 Dec 09 \$000	31 Dec 08 \$000
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NOTE 42 AUDITOR'S REMUNERATION

Amounts received or due and receivable by the auditors of the Parent Company and any other entity in the Group for:

– Audit or review of the financial reports	5,534	5,939	150	150
– Assurance and compliance services	729	543	–	–
– Technical accounting advice and services	63	97	–	–
	6,326	6,579	150	150

Amounts received or due and receivable by affiliates of the auditors of the Parent Company for:

– Audit or review of the financial reports	4,259	5,412	–	–
– Taxation advice and compliance	356	304	–	–
– Technical accounting advice and services	97	19	–	–
	4,712	5,735	–	–
	11,038	12,314	150	150

NOTE 43 SUPERANNUATION COMMITMENTS

The Group sponsors accumulation style superannuation funds and plans to provide retirement benefits to its employees. There are no unfunded liabilities in respect of these superannuation funds and plans. The Group does not sponsor defined benefits style superannuation funds and plans.

NOTE 44 RELATED PARTY DISCLOSURES

Information required to be disclosed concerning relationships, transactions and balances with related parties of the Group is set out in this Note unless disclosed elsewhere in this financial report.

(a) Nature of relationship with related parties

(i) Consolidated

Key Management Personnel of the entity

Refer to the Remuneration Report in the Directors' Report for details of Key Management Personnel.

Other Related Parties

LFG Holdings Pty Limited, its related entities and other entities controlled by members of the Lowy family (LFG) are considered to be related parties of the Group. This is due to LFG being under the control or significant influence of certain Directors of the Group, being Mr Frank Lowy, Mr David Lowy, Mr Steven Lowy and Mr Peter Lowy.

(ii) Parent

Subsidiaries

Details of Parent Company interests in subsidiaries are disclosed in Note 46.

Key Management Personnel of the entity

Refer to the Remuneration Report in the Directors' Report for details of Key Management Personnel.

Other Related Parties

The related parties noted under the consolidated description above are also related parties of the Parent Company.

(b) Transactions and their terms and conditions with related parties

(i) Consolidated

Transactions with Key Management Personnel of the entity

Refer to the Remuneration Report in the Directors' Report for remuneration of Key Management Personnel.

The Group owns two aircraft for business use by its executives. One is located in Australia and the other is located in the United States. During the year, Mr Peter Lowy (31 December 2008: Mr David Lowy and Mr Peter Lowy) hired the aircraft (when the aircraft is not required for business use) and was charged by the Group. The rate used for determining the amounts charged for aircraft usage was reviewed by an independent expert and determined to be an arm's length rate. Amounts charged to the Directors totalled \$163,868 (31 December 2008: \$71,876) during the period, and was payable on seven day terms.

Other Related Parties

The Group and LFG have entered into arrangements regarding the Group's business use of LFG aircraft and related expenditure. These arrangements are on arm's length terms and they were reviewed by an independent expert. Details of these arrangements are as follows:

- The Group entered into arrangements regarding the use of aircraft owned by LFG. The charges for these aircraft were on normal arm's length rates. During the period the Group incurred costs amounting to \$1,445,041 (31 December 2008: \$1,655,046) in relation to the use of these aircraft. Amounts charged are payable on 30 day terms.
- The Group has aircraft operation, maintenance, crew sharing, and hangar facility agreements with LFG. The agreements enable the parties to, where possible, cooperate with each other with a view to enhancing the economy of operation of their respective aircraft through their combined resources and purchasing power, including in relation to the cost of fuel, parts, maintenance, landing, engineering, insurance and aircrew services. During the period the Group charged LFG \$741,530 (31 December 2008: \$395,226) in relation to the provision of aircrew, maintenance and hangar facility to LFG, which were payable on seven day terms. Also during the period, the Group was charged \$205,795 (31 December 2008: \$284,747) for use of aircraft crew employed by LFG, which are payable on 30 day terms.

LFG currently subleases premises from the Group. During the period \$345,913 (31 December 2008: \$317,005) was charged to LFG covering rental and outgoings with respect to these leases. The leases are on arm's length terms and conditions. Rental is charged monthly and payable on seven day terms.

During the period the Group paid amounts totalling \$14,634 (31 December 2008: \$18,134) for rental accommodation owned by LFG.

During the period the Group charged LFG \$286,640 (31 December 2008: \$141,300) for service costs in relation to the provision of communication services.

During the period the Group provided telecommunication and security services to certain Executive Directors necessary for them to fulfill their responsibilities.

At year end the following amounts were recorded in the Group's balance sheet as receivable with the following related parties:

Nature	Type	2009	2008
Owing from LFG	Current receivable	nil	nil

No provision for doubtful debts has been recognised or bad debts incurred with respect to amounts payable or receivable from related parties during the period.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2009

NOTE 44 RELATED PARTY DISCLOSURES (CONTINUED)

(b) Transactions and their terms and conditions with related parties (continued)

(ii) Parent

Subsidiaries

Investments held in subsidiaries are disclosed in Note 46.

Included in the operating result of the Parent Company is dividend income of \$347.9 million (31 December 2008: nil) received from subsidiary companies.

Included in the operating result of the Parent Company is management fee expenses of \$3.5 million (31 December 2008: \$3.5 million) payable to subsidiary companies.

Included in the operating result is a net interest income of \$0.4 million (31 December 2008: \$0.5 million) relating to loans with subsidiaries.

Included in the operating result is a net foreign currency loss of \$1.6 million (31 December 2008: \$0.7 million) relating to foreign currency loans with subsidiaries.

Key Management Personnel of the entity

Details of transactions with Key Management Personnel are disclosed in part b(i) above.

Other Related Parties

Details of transactions with Other Related Parties are disclosed in part b(i) above.

NOTE 45 REMUNERATION, OPTION AND SHAREHOLDINGS OF KEY MANAGEMENT PERSONNEL

(a) Remuneration of Key Management Personnel

The amounts below represent the total remuneration amounts for Key Management Personnel of the Westfield Group. The Group has applied AASB 124 *Related Party Disclosure* which allows certain remuneration details to be disclosed in the Directors' Report rather than the Financial Report so as to avoid duplication of information. These transferred disclosures have been audited. As such refer to the Remuneration Report in the Directors' Report for further details concerning Key Management Personnel remuneration disclosures.

The aggregate remuneration for the 12 months was:

		Short term benefits			Post Employment	Share Based	Total
	Cash salary, fees and short term compensated absences	Short term cash profit sharing and other bonuses	Non-monetary benefits	Other short term employee benefits ⁽¹⁾	Other post employment benefits	Amortisation of cash and equity settled share based payments ⁽²⁾	
Key Management Personnel	\$	\$	\$	\$	\$	\$	\$
Key Management Personnel – Directors							
31 December 2009	15,606,028	12,918,745	902,584	(129,332)	67,679	3,776,076	33,141,780
31 December 2008	15,622,858	15,000,000	1,054,041	218,315	126,062	2,559,452	34,580,728
Key Management Personnel – Excluding Directors							
31 December 2009	4,601,753	4,476,534	1,065,449	29,350	–	4,793,523	14,966,609
31 December 2008	4,530,449	4,530,449	1,401,337	570,042	–	4,819,278	15,851,555
Total Key Management Personnel							
31 December 2009	20,207,781	17,395,279	1,968,033	(99,982)	67,679	8,569,599	48,108,389
31 December 2008	20,153,307	19,530,449	2,455,378	788,357	126,062	7,378,730	50,432,283

⁽¹⁾ Other short term employee benefits represents amounts accrued with respect to annual leave and long service leave entitlements unless stated otherwise.

⁽²⁾ Cash settled share based payments represent amounts amortised relating to the EDA and PIP Plans. Equity settled share based payments represent amounts amortised relating to the EPR and the PIR Plans. Refer to the Remuneration Report in the Directors' Report for further details regarding the operation of these plans.

NOTE 45 REMUNERATION, OPTION AND SHAREHOLDINGS OF KEY MANAGEMENT PERSONNEL (CONTINUED)**(b) Option holdings of Key Management Personnel**

During the financial year and comparative financial year, no options or awards were issued to the Key Management Personnel under the Executive Option Plan or the Executive Performance Share Plan (together known as the Option Plans). None of the Key Management Personnel hold any options or awards under the Option Plans. Rights held by Key Management Personnel under the EPR Plan and the PIR Plan are disclosed in the Directors' Report.

(c) Shareholdings of Key Management Personnel

Stapled securities held in the Group (number)	Balance at 1 Jan 2009	Granted as remuneration	On exercise of options	Net change other	Balance at 31 Dec 2009
F P Lowy	179,598,386			–	179,598,386
D H Lowy					
P S Lowy					
S M Lowy					
R L Furman	50,000			–	50,000
P H Goldsmith	–			5,000	5,000
D M Gonski	320,439			19,139	339,578
F G Hilmer	238,512			–	238,512
S P Johns	1,550,484			1,362	1,551,846
J McFarlane	–			51,951	51,951
B M Schwartz ⁽²⁾	–			11,110	11,110
J Sloan	1,000			2,000	3,000
G H Weiss	21,739			498	22,237
C M Zampatti ⁽³⁾	341,578			4,759	346,337
P K Allen	96,597			–	96,597
M J Gutman	50,950			–	50,950
R R Jordan	698,119			–	698,119
J M Widdup	5,000			–	5,000
Total	182,972,804	–	–	95,819	183,068,623

⁽¹⁾ The aggregate interest of the Lowy Directors includes family holdings and interests held by Westfield Officers Superannuation Fund (formerly known as Westfield Superannuation C Fund) and Amondi Pty Limited as trustee of the Westfield Executive Option Plan Trust. The net change includes the acquisitions, transfers and disposals of those entities. The Lowy Directors did not dispose of any stapled securities.

⁽²⁾ Mr Schwartz was appointed to the Board on 6 May 2009.

⁽³⁾ Ms Zampatti retired from the Board on 5 May 2009. This represents Ms Zampatti's holding of WDC stapled securities at the date of her retirement.

d) Other transactions and balances with Key Management Personnel

(i) Other related party transactions and balances with Key Management Personnel are included in Note 44.

(ii) During the financial year, transactions occurred between the Group and Key Management Personnel which were within normal employee, customer or supplier relationships on terms and conditions no more favourable than those available to other employees, customers or suppliers, being the performance of contracts of employment; the reimbursement of expenses; and the payment of dividends/distributions by the Group in respect of stapled securities held in the Group.

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NOTE 46 DETAILS OF CONTROLLED ENTITIES AND EQUITY ACCOUNTED ENTITIES

Name of entity	31 Dec 09 – Interest			31 Dec 08 – Interest		
	Beneficial ⁽ⁱ⁾ Parent Company %	Westfield Group %	Consolidated or Equity accounted %	Beneficial ⁽ⁱ⁾ Parent Company %	Westfield Group %	Consolidated or Equity accounted %
ENTITIES INCORPORATED IN AUSTRALIA						
Parent Company						
Westfield Holdings Limited	100.0	100.0	100.0	100.0	100.0	100.0
Consolidated Controlled Entities						
Adurant Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Alphen Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Amondi Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Annsa Pty Ltd	100.0	100.0	100.0	100.0	100.0	100.0
Bobian Pty Limited ⁽ⁱⁱ⁾	–	–	–	100.0	100.0	100.0
Bondi Junction Trust	–	100.0	100.0	–	100.0	100.0
Bradford Trust	15.0	100.0	100.0	15.0	100.0	100.0
Cairns Investment Trust – Shares Trust	100.0	100.0	100.0	100.0	100.0	100.0
Cairns Investment Trust – Units Trust	–	100.0	100.0	–	100.0	100.0
Carindale Property Trust	–	50.0	100.0	–	50.0	100.0
Cavemont Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Croissy Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Descon Invest Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Fidele Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Fidele Trust	–	100.0	100.0	–	100.0	100.0
Fountain Gate Trust	–	100.0	100.0	–	100.0	100.0
Gaural Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Greissen Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Lourens Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Lycus Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Marchet Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Market Street Investment Trust	–	100.0	100.0	–	100.0	100.0
Market Street Property Trust	–	100.0	100.0	–	100.0	100.0
Market Street Special Trust	–	100.0	100.0	–	100.0	100.0
MH (No. 1) Trust	15.0	100.0	100.0	15.0	100.0	100.0
MH (No. 2) Trust	15.0	100.0	100.0	15.0	100.0	100.0
Nauthiz Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
The No. 5 Trust	100.0	100.0	100.0	100.0	100.0	100.0
Orta Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Parliv Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Regional Shopping Centre Nominees Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Rismond Pty Limited ⁽ⁱⁱⁱ⁾	–	–	–	100.0	100.0	100.0
Samel Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stonehenge Pty Limited	–	50.0	50.0	–	50.0	50.0
Stratford City (No.1) Trust	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City (No.2) Trust	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City (No.3) Trust	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City (No.4) Trust	15.0	100.0	100.0	15.0	100.0	100.0
Titania Services Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Variscite Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
VIC Shopping Centre Trust	–	100.0	100.0	–	100.0	100.0
W.D. Trust	–	100.0	100.0	–	100.0	100.0
WASCF Alliances Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
WCSCF Management Trust	15.0	100.0	100.0	15.0	100.0	100.0
WestArt Trust	–	100.0	100.0	–	100.0	100.0
Westfield (Parramatta) Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Alliances (NZ) Pty Limited ⁽ⁱⁱⁱ⁾	–	–	–	100.0	100.0	100.0
Westfield Alliances Carindale Pty Limited	85.0	100.0	100.0	85.0	100.0	100.0
Westfield Alliances Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield America Management Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield America Trust	4.1	100.0	100.0	4.1	100.0	100.0
Westfield American Investments Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Bradford Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield C Fund Pty Limited	50.0	50.0	50.0	50.0	50.0	50.0
Westfield Capital Assets Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Capital Corporation Finance Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Capital Corporation Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Capital Financial Services Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Carindale Management Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0

NOTE 46 DETAILS OF CONTROLLED ENTITIES AND EQUITY ACCOUNTED ENTITIES (CONTINUED)

Name of entity	31 Dec 09 – Interest			31 Dec 08 – Interest		
	Beneficial ⁽ⁱ⁾ Parent Company %	Westfield Group %	Consolidated or Equity accounted %	Beneficial ⁽ⁱ⁾ Parent Company %	Westfield Group %	Consolidated or Equity accounted %
ENTITIES INCORPORATED IN AUSTRALIA (CONTINUED)						
Consolidated Controlled Entities (continued)						
Westfield Chatswood Trust	–	100.0	100.0	–	100.0	100.0
Westfield Custodian Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Design and Construction Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Developments Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield European Investments Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Executive Option Plan Trust	–	–	100.0	–	–	100.0
Westfield Finance (Aust) Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Funds Management Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Gift Cards No. 2 Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Gift Cards Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Internet Shoppingtown Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Management Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Morley Trust	–	100.0	100.0	–	100.0	100.0
Westfield No. 1 Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield No. 4 Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Nominees Pty Limited	50.0	50.0	50.0	50.0	50.0	50.0
Westfield Northgate Trust	–	100.0	100.0	–	100.0	100.0
Westfield Projects (Australia) Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Promotion Fund Management Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield QLD No 1 Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield QLD No 2 Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Queensland Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield R.S.C.F. Management Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Services Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Services Trust	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Shopping Centre Management Co (A.C.T.) Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Shopping Centre Management Co (Qld.) Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Shopping Centre Management Co (S.A.) Pty Ltd	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Shopping Centre Management Co (Vic.) Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Shopping Centre Management Co Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Shoppingtown Carousel Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Shoppingtown Property Trust	–	100.0	100.0	–	100.0	100.0
Westfield Sub Trust C	–	100.0	100.0	–	100.0	100.0
Westfield Sub Trust D	–	100.0	100.0	–	100.0	100.0
Westfield Sub Trust E	–	100.0	100.0	–	100.0	100.0
Westfield Sub Trust F	–	100.0	100.0	–	100.0	100.0
Westfield Sub Trust G	–	100.0	100.0	–	100.0	100.0
Westfield Sub Trust H	–	100.0	100.0	–	100.0	100.0
Westfield Sub Trust I	–	100.0	100.0	–	100.0	100.0
Westfield Sub Trust J	–	100.0	100.0	–	100.0	100.0
Westfield Sub Trust K	–	100.0	100.0	–	100.0	100.0
Westfield Sub Trust No. 2	–	100.0	100.0	–	100.0	100.0
Westfield Trust	–	100.0	100.0	–	100.0	100.0
Westfield Tuggerah Trust	–	100.0	100.0	–	100.0	100.0
Westfield U.S. Investments Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
WestNM Trust	100.0	100.0	100.0	100.0	100.0	100.0
WestUS Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
WestUS Trust	100.0	100.0	100.0	100.0	100.0	100.0
WFA Finance (Aust) Pty Limited	4.1	100.0	100.0	4.1	100.0	100.0
White City Investments Trust	15.0	100.0	100.0	15.0	100.0	100.0
Woodfield Pty Limited ⁽ⁱⁱⁱ⁾	–	–	–	100.0	100.0	100.0
WRS Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
WSF Fund Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
WT Finance (Aust) Pty Limited	–	100.0	100.0	–	100.0	100.0
Zed Investments Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0

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FOR THE YEAR ENDED 31 DECEMBER 2009

NOTE 46 DETAILS OF CONTROLLED ENTITIES AND EQUITY ACCOUNTED ENTITIES (CONTINUED)

Name of entity	31 Dec 09 – Interest			31 Dec 08 – Interest		
	Beneficial ⁽ⁱ⁾ Parent Company %	Westfield Group %	Consolidated or Equity accounted %	Beneficial ⁽ⁱ⁾ Parent Company %	Westfield Group %	Consolidated or Equity accounted %
ENTITIES INCORPORATED IN AUSTRALIA (CONTINUED)						
Equity Accounted Entities						
AMP Capital Pacific Fair and Macquarie Shopping Centre Fund	–	10.0	10.0	–	10.0	10.0
Cairns Central Ltd	50.0	50.0	50.0	50.0	50.0	50.0
CMS General Trust	–	50.0	50.0	–	50.0	50.0
CMS Property Trust	–	50.0	50.0	–	50.0	50.0
KSC Trust	–	33.3	33.3	–	33.3	33.3
Mount Druitt Shopping Centre Trust	–	50.0	50.0	–	50.0	50.0
SA Shopping Centre Trust	–	50.0	50.0	–	50.0	50.0
Southland Trust	–	50.0	50.0	–	50.0	50.0
Tea Tree Plaza Trust	–	50.0	50.0	–	50.0	50.0
ENTITIES INCORPORATED IN IRELAND						
Consolidated Controlled Entities						
Belfast WCSCF Finance Limited	66.7	66.7	66.7	66.7	66.7	66.7
Derby WCSCF Finance Limited	66.7	66.7	66.7	66.7	66.7	66.7
Guildford Finance Limited	100.0	100.0	100.0	100.0	100.0	100.0
Merry Hill WCSCF Finance Limited	66.7	66.7	66.7	66.7	66.7	66.7
Tunbridge Wells WCSCF Finance Limited	66.7	66.7	66.7	66.7	66.7	66.7
Westfield Europe Finance (No. 2) Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Europe Finance PLC	100.0	100.0	100.0	100.0	100.0	100.0
ENTITIES INCORPORATED IN JERSEY						
Consolidated Controlled Entities						
Aldeburgh Ltd	51.0	100.0	100.0	51.0	100.0	100.0
Bradford Shopping Centre Jersey Unit Trust	15.0	100.0	100.0	15.0	100.0	100.0
Sprucefield No. 1 General Partner Limited	25.5	50.0	50.0	25.5	50.0	50.0
Sprucefield No. 1 Limited Partnership	51.0	100.0	100.0	51.0	100.0	100.0
Sprucefield No. 2 General Partner Limited	51.0	100.0	100.0	51.0	100.0	100.0
Sprucefield No. 2 Limited Partnership	51.0	100.0	100.0	51.0	100.0	100.0
Sprucefield Unit Trust	51.0	100.0	100.0	51.0	100.0	100.0
Stratford City Hotel Jersey Unit Trust (No.1)	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Hotel Jersey Unit Trust (No.2)	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Offices Jersey Unit Trust (No.1)	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Offices Jersey Unit Trust (No.2)	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Offices Jersey Unit Trust (No.3)	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Offices Jersey Unit Trust (No.4)	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Offices Jersey Unit Trust (No.5)	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Offices Jersey Unit Trust (No.6)	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Shopping Centre Jersey Unit Trust (No.1)	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Shopping Centre Jersey Unit Trust (No.2)	15.0	100.0	100.0	15.0	100.0	100.0
The Westfield Jersey Unit Trust	100.0	100.0	100.0	100.0	100.0	100.0
UK Shopping Centres Trustee (No.1) Limited	100.0	100.0	100.0	100.0	100.0	100.0
UK Shopping Centres Trustee (No.2) Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Bradford Car Park Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Management Jersey (Nominee) Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Management Jersey Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield MH (No.1) Jersey Unit Trust	24.4	66.0	66.0	24.4	66.0	66.0
Westfield MH (No.2) Jersey Unit Trust	24.4	66.0	66.0	24.4	66.0	66.0
Westfield MH (No.3) Jersey Unit Trust	24.4	66.0	66.0	24.4	66.0	66.0
Westfield MH (No.4) Jersey Unit Trust	24.4	66.0	66.0	24.4	66.0	66.0
Westfield MH (No.5) Jersey Unit Trust	24.4	66.0	66.0	24.4	66.0	66.0
Westfield MH (No.6) Jersey Unit Trust	24.4	66.0	66.0	24.4	66.0	66.0
Westfield MH (No.7) Jersey Unit Trust	24.4	66.0	66.0	24.4	66.0	66.0
Westfield MH (No.8) Jersey Unit Trust	24.4	66.0	66.0	24.4	66.0	66.0
Westfield UK Acquisitions (Jersey) Limited	51.0	100.0	100.0	51.0	100.0	100.0
Westfield UK Acquisitions No. 2 (Jersey) Limited	51.0	100.0	100.0	51.0	100.0	100.0
White City Jersey Unit Trust (No. 1)	15.0	100.0	100.0	15.0	100.0	100.0
Equity Accounted Entities						
W (No.1) GP (Nominee A) Limited	50.0	50.0	50.0	50.0	50.0	50.0
W (No.1) GP (Nominee B) Limited	50.0	50.0	50.0	50.0	50.0	50.0
W (No.2) GP (Nominee A) Limited	50.0	50.0	50.0	50.0	50.0	50.0
W (No.2) GP (Nominee B) Limited	50.0	50.0	50.0	50.0	50.0	50.0

NOTE 46 DETAILS OF CONTROLLED ENTITIES AND EQUITY ACCOUNTED ENTITIES (CONTINUED)

Name of entity	31 Dec 09 – Interest			31 Dec 08 – Interest		
	Beneficial ⁽ⁱ⁾ Parent Company %	Westfield Group %	Consolidated or Equity accounted %	Beneficial ⁽ⁱ⁾ Parent Company %	Westfield Group %	Consolidated or Equity accounted %
ENTITIES INCORPORATED IN JERSEY (CONTINUED)						
Equity Accounted Entities (continued)						
W (No.3) GP (Nominee A) Limited	50.0	50.0	50.0	50.0	50.0	50.0
W (No.3) GP (Nominee B) Limited	50.0	50.0	50.0	50.0	50.0	50.0
W (No.4) GP (Nominee A) Limited	50.0	50.0	50.0	50.0	50.0	50.0
W (No.4) GP (Nominee B) Limited	50.0	50.0	50.0	50.0	50.0	50.0
W (No.5) GP (Nominee A) Limited	50.0	50.0	50.0	50.0	50.0	50.0
W (No.5) GP (Nominee B) Limited	50.0	50.0	50.0	50.0	50.0	50.0
W (No.6) GP (Nominee A) Limited	50.0	50.0	50.0	50.0	50.0	50.0
W (No.6) GP (Nominee B) Limited	50.0	50.0	50.0	50.0	50.0	50.0
W (No.7) GP (Nominee A) Limited	50.0	50.0	50.0	50.0	50.0	50.0
W (No.7) GP (Nominee B) Limited	50.0	50.0	50.0	50.0	50.0	50.0
W (No.7) GP (Nominee C) Limited	50.0	50.0	50.0	50.0	50.0	50.0
W (No.7) GP (Nominee D) Limited	50.0	50.0	50.0	50.0	50.0	50.0
W (No.7) GP (Nominee E) Limited	50.0	50.0	50.0	50.0	50.0	50.0
W (No.7) GP (Nominee F) Limited	50.0	50.0	50.0	50.0	50.0	50.0
WCSCF CastleCourt Jersey Unit Trust	33.3	33.3	33.3	33.3	33.3	33.3
WCSCF Derby Jersey Unit Trust	33.3	33.3	33.3	33.3	33.3	33.3
WCSCF Tunbridge Wells Jersey Unit Trust	33.3	33.3	33.3	33.3	33.3	33.3
ENTITIES INCORPORATED IN LUXEMBOURG						
Consolidated Controlled Entities						
Darmor SA ⁽ⁱⁱ⁾	–	–	–	100.0	100.0	100.0
Equity Accounted Entities						
WCSCF Finance Sarl	33.3	33.3	33.3	33.3	33.3	33.3
ENTITIES INCORPORATED IN MALAYSIA						
Consolidated Controlled Entities						
Westasia Malls Sdn. Bhd.	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Shoppingtowns Corporation Sdn Bhd	100.0	100.0	100.0	100.0	100.0	100.0
ENTITIES INCORPORATED IN NEW ZEALAND						
Consolidated Controlled Entities						
Absynnian Holding Limited	1.0	100.0	100.0	1.0	100.0	100.0
Albany Shopping Centre (No 2) Limited	–	100.0	100.0	–	100.0	100.0
Albany Shopping Centre Limited	–	100.0	100.0	–	100.0	100.0
Cedarville Properties Limited	–	100.0	100.0	–	100.0	100.0
Chartwell Shopping Centre Limited	–	100.0	100.0	–	100.0	100.0
Copthorne Investments Limited	–	100.0	100.0	–	100.0	100.0
Downtown Shopping Centre (No 2) Limited	–	100.0	100.0	–	100.0	100.0
Downtown Shopping Centre Limited	–	100.0	100.0	–	100.0	100.0
Glenfield Mall Limited	–	100.0	100.0	–	100.0	100.0
Johnsonville Shopping Centre Limited	–	100.0	100.0	–	100.0	100.0
Kroftfield Properties Limited	–	100.0	100.0	–	100.0	100.0
Manukau City Centre Limited	–	100.0	100.0	–	100.0	100.0
Petavid Investments Limited	–	100.0	100.0	–	100.0	100.0
Queensgate Centre Limited	–	100.0	100.0	–	100.0	100.0
Redisville Enterprises Limited	–	100.0	100.0	–	100.0	100.0
Riccarton Shopping Centre (1997) Limited	–	100.0	100.0	–	100.0	100.0
Shore City Centre (1993) Limited	–	100.0	100.0	–	100.0	100.0
St Lukes Group (No. 2) Limited	–	100.0	100.0	–	100.0	100.0
St Lukes Group (No. 3) Limited	–	100.0	100.0	–	100.0	100.0
St Lukes Group Holdings Limited	–	100.0	100.0	–	100.0	100.0
St Lukes Group Limited	–	100.0	100.0	–	100.0	100.0
St Lukes Square (1993) Limited	–	100.0	100.0	–	100.0	100.0
The Plaza Pakuranga Limited	–	100.0	100.0	–	100.0	100.0
WestCity Shopping Centre Limited	–	100.0	100.0	–	100.0	100.0
Westfield (New Zealand) Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Finance (NZ) Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Leasing (NZ) Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Properties (New Zealand) Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Shopping Centre Management Co (NZ) Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Trust (NZ) Limited	–	100.0	100.0	–	100.0	100.0
WT Finance (NZ) Limited	–	100.0	100.0	–	100.0	100.0

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FOR THE YEAR ENDED 31 DECEMBER 2009

NOTE 46 DETAILS OF CONTROLLED ENTITIES AND EQUITY ACCOUNTED ENTITIES (CONTINUED)

Name of entity	31 Dec 09 – Interest			31 Dec 08 – Interest		
	Beneficial ⁽ⁱ⁾ Parent Company %	Westfield Group %	Consolidated or Equity accounted %	Beneficial ⁽ⁱ⁾ Parent Company %	Westfield Group %	Consolidated or Equity accounted %
ENTITIES INCORPORATED IN SINGAPORE						
Consolidated Controlled Entities						
WRMS Pte Limited	100.0	100.0	100.0	100.0	100.0	100.0
ENTITIES INCORPORATED IN UNITED KINGDOM						
Consolidated Controlled Entities						
Belfast Business Management Limited	66.7	66.7	66.7	66.7	66.7	66.7
Belfast Investments General Partner Limited	100.0	100.0	100.0	100.0	100.0	100.0
Belfast Investments Limited Partnership	66.3	66.3	66.3	66.3	66.3	66.3
Belfast Investments Trustee Limited	100.0	100.0	100.0	100.0	100.0	100.0
Bradford Shopping Centre (No.1) General Partner Limited	100.0	100.0	100.0	100.0	100.0	100.0
Bradford Shopping Centre (No.1) Limited Partnership	15.0	100.0	100.0	15.0	100.0	100.0
Bradford Shopping Centre (No.1) Nominee A Limited	100.0	100.0	100.0	100.0	100.0	100.0
Bradford Shopping Centre (No.1) Nominee B Limited	100.0	100.0	100.0	100.0	100.0	100.0
Cable Plaza Ltd	51.0	100.0	100.0	51.0	100.0	100.0
Castle & Pedmore Houses Ltd	51.0	100.0	100.0	51.0	100.0	100.0
Crossmane Ltd	51.0	100.0	100.0	51.0	100.0	100.0
Derby Business Management Limited	66.7	66.7	66.7	100.0	100.0	100.0
Derby Investments General Partner Limited	66.7	66.7	66.7	100.0	100.0	100.0
Derby Investments Limited Partnership	66.7	66.7	66.7	100.0	100.0	100.0
Derby Investments Trustee Limited	66.7	66.7	66.7	100.0	100.0	100.0
Fox Retail General Partner Limited ⁽ⁱⁱ⁾	–	–	–	100.0	100.0	100.0
Guildford Business Management Limited	100.0	100.0	100.0	100.0	100.0	100.0
Guildford Investments General Partner Limited	100.0	100.0	100.0	100.0	100.0	100.0
Guildford Investments Limited Partnership	100.0	100.0	100.0	100.0	100.0	100.0
Guildford Investments Trustee Limited	100.0	100.0	100.0	100.0	100.0	100.0
Merry Hill Management Services Ltd	51.0	100.0	100.0	51.0	100.0	100.0
Merry Hill Services Ltd	51.0	100.0	100.0	51.0	100.0	100.0
Merry Hill Trading Ltd	51.0	100.0	100.0	51.0	100.0	100.0
Nottingham Business Management Limited	100.0	100.0	100.0	100.0	100.0	100.0
Nottingham Investments General Partner Limited	100.0	100.0	100.0	100.0	100.0	100.0
Nottingham Investments Limited Partnership	100.0	100.0	100.0	100.0	100.0	100.0
Nottingham Investments Trustee Limited	100.0	100.0	100.0	100.0	100.0	100.0
Retail Utilities Solutions Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Developments Limited	51.0	100.0	100.0	51.0	100.0	100.0
Stratford City Hotels (No.1) General Partner Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Hotels (No.1) Limited Partnership	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Hotels (No.1) Nominee A Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Hotels (No.1) Nominee B Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Hotels (No.2) General Partner Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Hotels (No.2) Limited Partnership	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Hotels (No.2) Nominee A Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Hotels (No.2) Nominee B Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Hotels (No.3) General Partner Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Hotels (No.3) Nominee A Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Hotels (No.3) Nominee B Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Offices (No.1) General Partner Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Offices (No.1) Limited Partnership	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Offices (No.1) Nominee A Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Offices (No.1) Nominee B Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Offices (No.2) General Partner Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Offices (No.2) Limited Partnership	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Offices (No.2) Nominee A Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Offices (No.2) Nominee B Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Offices (No.3) General Partner Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Offices (No.3) Limited Partnership	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Offices (No.3) Nominee A Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Offices (No.3) Nominee B Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Offices (No.4) General Partner Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Offices (No.4) Limited Partnership	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Offices (No.4) Nominee A Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Offices (No.4) Nominee B Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Offices (No.5) General Partner Limited	100.0	100.0	100.0	100.0	100.0	100.0

NOTE 46 DETAILS OF CONTROLLED ENTITIES AND EQUITY ACCOUNTED ENTITIES (CONTINUED)

Name of entity	31 Dec 09 – Interest			31 Dec 08 – Interest		
	Beneficial ⁽ⁱ⁾ Parent Company %	Westfield Group %	Consolidated or Equity accounted %	Beneficial ⁽ⁱ⁾ Parent Company %	Westfield Group %	Consolidated or Equity accounted %
ENTITIES INCORPORATED IN UNITED KINGDOM (CONTINUED)						
Consolidated Controlled Entities (continued)						
Stratford City Offices (No.5) Limited Partnership	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Offices (No.5) Nominee A Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Offices (No.5) Nominee B Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Offices (No.6) General Partner Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Offices (No.6) Limited Partnership	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Offices (No.6) Nominee A Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Offices (No.6) Nominee B Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Shopping Centre (No.1) General Partner Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Shopping Centre (No.1) Limited Partnership	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Shopping Centre (No.1) Nominee A Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Shopping Centre (No.1) Nominee B Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Shopping Centre (No.2) General Partner Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Shopping Centre (No.2) Limited Partnership	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Shopping Centre (No.2) Nominee A Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Shopping Centre (No.2) Nominee B Limited	100.0	100.0	100.0	100.0	100.0	100.0
The Sprucefield Centre Limited	25.5	50.0	50.0	25.5	50.0	50.0
The Westfield UK Limited Partnership	100.0	100.0	100.0	100.0	100.0	100.0
The White City (Shepherds Bush) Limited Partnership	51.0	100.0	100.0	51.0	100.0	100.0
Tunbridge Wells Business Management Limited	66.7	66.7	66.7	66.7	66.7	66.7
Tunbridge Wells Investments General Partner Limited	100.0	100.0	100.0	100.0	100.0	100.0
Tunbridge Wells Investments Limited Partnership	66.3	66.3	66.3	66.3	66.3	66.3
Tunbridge Wells Investments Trustee Limited	100.0	100.0	100.0	100.0	100.0	100.0
WCSCF General Partner Limited	100.0	100.0	100.0	100.0	100.0	100.0
WCSCF Management General Partner Limited	100.0	100.0	100.0	100.0	100.0	100.0
WCSCF Management Limited Partnership	15.4	100.0	100.0	15.4	100.0	100.0
WCSCF Management Trustee Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Acquisitions PLC	51.0	100.0	100.0	51.0	100.0	100.0
Westfield Bradford No. 2 Limited	51.0	100.0	100.0	51.0	100.0	100.0
Westfield Bradford Limited	51.0	100.0	100.0	51.0	100.0	100.0
Westfield Merry Hill Limited	51.0	100.0	100.0	51.0	100.0	100.0
Westfield MH Acquisitions Ltd	51.0	100.0	100.0	51.0	100.0	100.0
Westfield MH Group Ltd	51.0	100.0	100.0	51.0	100.0	100.0
Westfield MH Holdings Ltd	51.0	100.0	100.0	51.0	100.0	100.0
Westfield MH Investments Ltd	51.0	100.0	100.0	51.0	100.0	100.0
Westfield MH Leaseholds Ltd	51.0	100.0	100.0	51.0	100.0	100.0
Westfield MH Participations Ltd	51.0	100.0	100.0	51.0	100.0	100.0
Westfield MH Phase 1 Limited	51.0	100.0	100.0	51.0	100.0	100.0
Westfield MH Properties Ltd	51.0	100.0	100.0	51.0	100.0	100.0
Westfield MH Waterfront Ltd	51.0	100.0	100.0	51.0	100.0	100.0
Westfield Shoppingtowns Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield UK Finance Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield UK General Partner Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield UK Operations Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield UK Trustee Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield White City GP Ltd	51.0	100.0	100.0	51.0	100.0	100.0
Westfield White City HC Ltd	51.0	100.0	100.0	51.0	100.0	100.0
Westfield White City LP Ltd	51.0	100.0	100.0	51.0	100.0	100.0
Westfield White City SAGP Ltd	51.0	100.0	100.0	51.0	100.0	100.0
Westfield White City SALP Ltd	51.0	100.0	100.0	51.0	100.0	100.0
Westfield Wholesale (Nominee) Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Wholesale General Partner Limited	100.0	100.0	100.0	100.0	100.0	100.0
White City (Shepherds Bush) General Partner Limited	51.0	100.0	100.0	51.0	100.0	100.0
White City Acquisitions (Nominee One) Ltd	51.0	100.0	100.0	51.0	100.0	100.0
White City Acquisitions (Nominee Two) Ltd	51.0	100.0	100.0	51.0	100.0	100.0

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2009

NOTE 46 DETAILS OF CONTROLLED ENTITIES AND EQUITY ACCOUNTED ENTITIES (CONTINUED)

Name of entity	31 Dec 09 – Interest			31 Dec 08 – Interest		
	Beneficial ⁽ⁱ⁾ Parent Company %	Westfield Group %	Consolidated or Equity accounted %	Beneficial ⁽ⁱ⁾ Parent Company %	Westfield Group %	Consolidated or Equity accounted %
ENTITIES INCORPORATED IN UNITED KINGDOM (CONTINUED)						
Consolidated Controlled Entities (continued)						
White City Acquisitions Ltd	51.0	100.0	100.0	51.0	100.0	100.0
White City Business Management (No. 1) Limited	100.0	100.0	100.0	100.0	100.0	100.0
White City Developments Ltd	51.0	100.0	100.0	51.0	100.0	100.0
White City Investments (No. 1) General Partner Limited	100.0	100.0	100.0	100.0	100.0	100.0
White City Investments (No. 1) Limited Partnership	15.0	100.0	100.0	15.0	100.0	100.0
White City Investments (No. 1) Nominee A Limited	100.0	100.0	100.0	100.0	100.0	100.0
White City Investments (No. 1) Nominee B Limited	100.0	100.0	100.0	100.0	100.0	100.0
White City Shopping Limited	51.0	100.0	100.0	51.0	100.0	100.0
Equity Accounted Entities						
Belfast SLP General Partner Limited	33.3	33.3	33.3	33.3	33.3	33.3
Belfast SLP Limited Partnership	33.3	33.3	33.3	33.3	33.3	33.3
Broadmarsh Retail General Partner Limited	75.0	75.0	75.0	75.0	75.0	75.0
Broadmarsh Retail (Nominee No.1) Limited	75.0	75.0	75.0	75.0	75.0	75.0
Broadmarsh Retail (Nominee No.2) Limited	75.0	75.0	75.0	75.0	75.0	75.0
Derby SLP General Partner Limited	33.3	33.3	33.3	33.3	33.3	33.3
Derby SLP Limited Partnership	33.3	33.3	33.3	33.3	33.3	33.3
DGL Acquisitions Limited	25.5	50.0	50.0	25.5	50.0	50.0
Duelguide Finance Limited	25.5	50.0	50.0	25.5	50.0	50.0
Duelguide Holdings Limited	25.5	50.0	50.0	25.5	50.0	50.0
Duelguide Limited	25.5	50.0	50.0	25.5	50.0	50.0
Duelguide Mezzanine Limited	25.5	50.0	50.0	25.5	50.0	50.0
MH (No.1) General Partner Limited	50.0	50.0	50.0	50.0	50.0	50.0
MH (No.1) Limited Partnership	12.6	33.4	33.4	12.6	33.4	33.4
MH (No.2) General Partner Limited	50.0	50.0	50.0	50.0	50.0	50.0
MH (No.2) Limited Partnership	12.6	33.4	33.4	12.6	33.4	33.4
MH (No.3) General Partner Limited	50.0	50.0	50.0	50.0	50.0	50.0
MH (No.3) Limited Partnership	12.6	33.4	33.4	12.6	33.4	33.4
MH (No.4) General Partner Limited	50.0	50.0	50.0	50.0	50.0	50.0
MH (No.4) Limited Partnership	12.6	33.4	33.4	12.6	33.4	33.4
MH (No.5) General Partner Limited	50.0	50.0	50.0	50.0	50.0	50.0
MH (No.5) Limited Partnership	12.6	33.4	33.4	12.6	33.4	33.4
MH (No.6) General Partner Limited	50.0	50.0	50.0	50.0	50.0	50.0
MH (No.6) Limited Partnership	12.6	33.4	33.4	12.6	33.4	33.4
MH (No.7) General Partner Limited	50.0	50.0	50.0	50.0	50.0	50.0
MH (No.7) Limited Partnership	12.6	33.4	33.4	12.6	33.4	33.4
MH (No.8) General Partner Limited	50.0	50.0	50.0	50.0	50.0	50.0
MH (No.8) Limited Partnership	12.4	33.1	33.1	12.4	33.1	33.1
MH (No.1) Nominee A Limited	50.0	50.0	50.0	50.0	50.0	50.0
MH (No.1) Nominee B Limited	50.0	50.0	50.0	50.0	50.0	50.0
MH (No.2) Nominee A Limited	50.0	50.0	50.0	50.0	50.0	50.0
MH (No.2) Nominee B Limited	50.0	50.0	50.0	50.0	50.0	50.0
MH (No.3) Nominee A Limited	50.0	50.0	50.0	50.0	50.0	50.0
MH (No.3) Nominee B Limited	50.0	50.0	50.0	50.0	50.0	50.0
MH (No.4) Nominee A Limited	50.0	50.0	50.0	50.0	50.0	50.0
MH (No.4) Nominee B Limited	50.0	50.0	50.0	50.0	50.0	50.0
MH (No.5) Nominee A Limited	50.0	50.0	50.0	50.0	50.0	50.0
MH (No.5) Nominee B Limited	50.0	50.0	50.0	50.0	50.0	50.0
MH (No.6) Nominee A Limited	50.0	50.0	50.0	50.0	50.0	50.0
MH (No.6) Nominee B Limited	50.0	50.0	50.0	50.0	50.0	50.0
MH (No.7) Nominee A Limited	50.0	50.0	50.0	50.0	50.0	50.0
MH (No.7) Nominee B Limited	50.0	50.0	50.0	50.0	50.0	50.0
MH (No.8) Nominee A Limited	50.0	50.0	50.0	50.0	50.0	50.0
MH (No.8) Nominee B Limited	50.0	50.0	50.0	50.0	50.0	50.0
The Broadmarsh Retail Limited Partnership	75.0	75.0	75.0	75.0	75.0	75.0
The Westfield Core Shopping Centre Fund Limited Partnership	33.3	33.3	33.3	33.3	33.3	33.3
WCSCF Business Management Limited	33.3	33.3	33.3	33.3	33.3	33.3
Wilmslow (No. 1) General Partner Limited	50.0	50.0	50.0	50.0	50.0	50.0
The Wilmslow (No. 1) Limited Partnership	33.3	33.3	33.3	33.3	33.3	33.3
Wilmslow (No. 2) General Partner Limited	50.0	50.0	50.0	50.0	50.0	50.0
The Wilmslow (No. 2) Limited Partnership	50.0	50.0	50.0	50.0	50.0	50.0

NOTE 46 DETAILS OF CONTROLLED ENTITIES AND EQUITY ACCOUNTED ENTITIES (CONTINUED)

Name of entity	31 Dec 09 – Interest			31 Dec 08 – Interest		
	Beneficial ⁽ⁱ⁾ Parent Company %	Westfield Group %	Consolidated or Equity accounted %	Beneficial ⁽ⁱ⁾ Parent Company %	Westfield Group %	Consolidated or Equity accounted %
ENTITIES INCORPORATED IN UNITED KINGDOM (CONTINUED)						
Equity Accounted Entities (continued)						
Wilmslow (No. 3) General Partner Limited	50.0	50.0	50.0	50.0	50.0	50.0
The Wilmslow (No. 3) Limited Partnership	33.3	33.3	33.3	50.0	50.0	50.0
Wilmslow (No. 3) Nominee A Limited	50.0	50.0	50.0	50.0	50.0	50.0
Wilmslow (No. 3) Nominee B Limited	50.0	50.0	50.0	50.0	50.0	50.0
Wilmslow (No. 4) General Partner Limited	50.0	50.0	50.0	50.0	50.0	50.0
The Wilmslow (No. 4) Limited Partnership	50.0	50.0	50.0	50.0	50.0	50.0
Wilmslow (No. 5) General Partner Limited	50.0	50.0	50.0	50.0	50.0	50.0
The Wilmslow (No. 5) Limited Partnership	50.0	50.0	50.0	50.0	50.0	50.0
Wilmslow (No. 6) General Partner Limited	50.0	50.0	50.0	50.0	50.0	50.0
The Wilmslow (No. 6) Limited Partnership	33.3	33.3	33.3	33.3	33.3	33.3
Wilmslow (No.7) General Partner Limited	50.0	50.0	50.0	50.0	50.0	50.0
The Wilmslow (No.7) Limited Partnership	50.0	50.0	50.0	50.0	50.0	50.0
Tunbridge Wells SLP General Partner Limited	33.3	33.3	33.3	33.3	33.3	33.3
Tunbridge Wells SLP Limited Partnership	33.3	33.3	33.3	33.3	33.3	33.3
ENTITIES INCORPORATED IN UNITED STATES						
Consolidated Controlled Entities						
1801 Avenue of the Stars, LP	18.8	100.0	100.0	16.4	100.0	100.0
21919 Erwin Street, LLC	18.8	100.0	100.0	16.4	100.0	100.0
21945 Erwin Street, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Agoura Hills Acquisition, LLC ⁽ⁱⁱ⁾	–	–	–	16.4	100.0	100.0
Anita Associates	18.8	100.0	100.0	16.4	100.0	100.0
Annapolis Holdings, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Annapolis Land II, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Annapolis Land, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Annapolis Mall, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Annapolis Mall, LP	18.8	100.0	100.0	16.4	100.0	100.0
Annapolis Manager, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Annapolis Parcel, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Annapolis Shoppingtown, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Arch Real Estate, LLC ⁽ⁱⁱ⁾	–	–	–	16.4	100.0	100.0
Avenue of the Stars, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Bellweather Properties of Florida (Limited)	18.8	100.0	100.0	16.4	100.0	100.0
Bradford Shopping Centre (No. 1), LLC	15.0	100.0	100.0	15.0	100.0	100.0
Bradford Shopping Centre (No. 2), LLC	15.0	100.0	100.0	15.0	100.0	100.0
Bradford Shopping Centre US Limited Partnership	15.0	100.0	100.0	15.0	100.0	100.0
Brandon Land Partners, Ltd	18.8	100.0	100.0	16.4	100.0	100.0
Brandon Shopping Center Partners, Ltd	18.8	100.0	100.0	16.4	100.0	100.0
Broward Mall, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Broward Mall II, LLC ⁽ⁱⁱ⁾	–	–	–	16.4	100.0	100.0
Broward Mall MM, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Bunworth Enterprises, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Bunworth Holdings, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Capital Mall Company	18.8	100.0	100.0	16.4	100.0	100.0
Capital Mall GP, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Capital Mall Holdings, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Capital Mall I, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Capital Mall Land, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Capital Shopping Center, LLC	18.8	100.0	100.0	16.4	100.0	100.0
CC Building GP, LLC	18.8	100.0	100.0	16.4	100.0	100.0
CC Building, LP	18.8	100.0	100.0	16.4	100.0	100.0
Century City Mall, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Citrus Park Venture, LP	18.8	100.0	100.0	16.4	100.0	100.0
CMF Culver City, LLC (formerly CMF Fox Hills, LLC)	18.8	100.0	100.0	16.4	100.0	100.0
CMF MP North, LLC	18.8	100.0	100.0	16.4	100.0	100.0
CMF MP South, LLC	18.8	100.0	100.0	16.4	100.0	100.0
CMF NCF North, LLC	18.8	100.0	100.0	16.4	100.0	100.0
CMF NCF South, LLC	18.8	100.0	100.0	16.4	100.0	100.0
CMF PCR, LLC	18.8	100.0	100.0	16.4	100.0	100.0
CMF PWC, LLC	18.8	100.0	100.0	16.4	100.0	100.0
CMF Richland, LLC	18.8	100.0	100.0	16.4	100.0	100.0

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2009

NOTE 46 DETAILS OF CONTROLLED ENTITIES AND EQUITY ACCOUNTED ENTITIES (CONTINUED)

Name of entity	31 Dec 09 – Interest			31 Dec 08 – Interest		
	Beneficial ⁽ⁱ⁾ Parent Company %	Westfield Group %	Consolidated or Equity accounted %	Beneficial ⁽ⁱ⁾ Parent Company %	Westfield Group %	Consolidated or Equity accounted %
ENTITIES INCORPORATED IN UNITED STATES (CONTINUED)						
Consolidated Controlled Entities (continued)						
CMF Santa Anita, LLC	18.8	100.0	100.0	16.4	100.0	100.0
CMF UTC North, LLC	18.8	100.0	100.0	16.4	100.0	100.0
CMF UTC South, LLC	18.8	100.0	100.0	16.4	100.0	100.0
CMF Wheaton Borrower, LLC ⁽ⁱⁱ⁾	–	–	–	16.4	100.0	100.0
CMF, Inc.	18.8	100.0	100.0	16.4	100.0	100.0
Connecticut Post Mall, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Crestwood Holdings, LLC ⁽ⁱⁱ⁾	–	–	–	16.4	100.0	100.0
Crestwood Plaza MM, LLC ⁽ⁱⁱ⁾	–	–	–	16.4	100.0	100.0
Culver City GP, LLC (formerly Fox Hill GP, LLC)	18.8	100.0	100.0	16.4	100.0	100.0
Culver City Mall, LP (formerly Fox Hill Mall, LLC)	18.8	100.0	100.0	16.4	100.0	100.0
Downtown Plaza, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Eastland Holdings, LLC ⁽ⁱⁱ⁾	–	–	–	16.4	100.0	100.0
Eastland Manager, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Eastland Shopping Center, LLC	18.8	100.0	100.0	16.4	100.0	100.0
EWB Escondido Associates, LP	18.8	100.0	100.0	16.4	100.0	100.0
Fashion Square, LLC	18.8	100.0	100.0	16.4	100.0	100.0
FH Financing, LLC ⁽ⁱⁱ⁾	–	–	–	16.4	100.0	100.0
Fox Valley Mall, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Franklin Park Parcel, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Franklin Residential Parcel, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Global REIT Investments, LLC ⁽ⁱⁱ⁾	–	–	–	16.4	100.0	100.0
Great Northern Partnership	18.8	100.0	100.0	16.4	100.0	100.0
Growth Head GP, LLC	18.8	100.0	100.0	16.4	100.0	100.0
GSP Investor, LLC	18.8	100.0	100.0	–	–	–
Guardian Real Estate, LLC ⁽ⁱⁱ⁾	–	–	–	15.0	100.0	100.0
Hahn UPI	18.8	100.0	100.0	16.4	100.0	100.0
Hawthorn Furniture, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Hawthorn Theatre, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Hawthorn, LP	18.8	100.0	100.0	16.4	100.0	100.0
Head Acquisition, LP	18.8	100.0	100.0	16.4	100.0	100.0
Horton Land, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Horton Plaza GP, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Horton Plaza Venture, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Horton Plaza, LP	18.8	100.0	100.0	16.4	100.0	100.0
International Property Investments, LLC ⁽ⁱⁱ⁾	–	–	–	15.0	100.0	100.0
Louis Joliet Holdings, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Louis Joliet Shoppingtown, LP	18.8	100.0	100.0	16.4	100.0	100.0
MainPlace Shoppingtown, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Meriden Square #2, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Meriden Square #3, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Meriden Square Partnership	18.8	100.0	100.0	16.4	100.0	100.0
Metreon, LLC	18.8	100.0	100.0	16.4	100.0	100.0
MH (No. 1) US, LP	15.0	100.0	100.0	15.0	100.0	100.0
MH (No. 2) US, LP	15.0	100.0	100.0	15.0	100.0	100.0
Mid Rivers Holdings, LLC ⁽ⁱⁱ⁾	–	–	–	16.4	100.0	100.0
Mid Rivers Land Holdings, LLC ⁽ⁱⁱ⁾	–	–	–	16.4	100.0	100.0
Mid Rivers Land MM, LLC ⁽ⁱⁱ⁾	–	–	–	16.4	100.0	100.0
Mission Valley Center, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Mission Valley Partnership	18.8	100.0	100.0	16.4	100.0	100.0
Mission Valley Service, LLC ⁽ⁱⁱ⁾	–	–	–	16.4	100.0	100.0
Mission Valley Shoppingtown, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Missouri Residential I, LLC	18.8	100.0	100.0	16.4	100.0	100.0
North County Fair, LP	18.8	100.0	100.0	16.4	100.0	100.0
Oakridge Mall GP, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Oakridge Mall, LP	18.8	100.0	100.0	16.4	100.0	100.0
Old Orchard License Holdings, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Old Orchard Urban, LP	18.8	100.0	100.0	16.4	100.0	100.0
Parkway Plaza GP, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Parkway Plaza, LP	18.8	100.0	100.0	16.4	100.0	100.0
PCRGF, LP	18.8	100.0	100.0	16.4	100.0	100.0
Plaza Bonita GP, LLC	18.8	100.0	100.0	16.4	100.0	100.0

NOTE 46 DETAILS OF CONTROLLED ENTITIES AND EQUITY ACCOUNTED ENTITIES (CONTINUED)

Name of entity	31 Dec 09 – Interest			31 Dec 08 – Interest		
	Beneficial ⁽ⁱ⁾ Parent Company %	Westfield Group %	Consolidated or Equity accounted %	Beneficial ⁽ⁱ⁾ Parent Company %	Westfield Group %	Consolidated or Equity accounted %
ENTITIES INCORPORATED IN UNITED STATES (CONTINUED)						
Consolidated Controlled Entities (continued)						
Plaza Bonita II, LP	18.8	100.0	100.0	16.4	100.0	100.0
Plaza Bonita IV, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Plaza Bonita Parking GP, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Plaza Bonita, LP	18.8	100.0	100.0	16.4	100.0	100.0
Plaza Camino Real, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Plaza Camino Real, LP	18.8	100.0	100.0	16.4	100.0	100.0
Plaza Camino Service, LLC ⁽ⁱⁱ⁾	–	–	–	16.4	100.0	100.0
Plaza West Covina GP, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Plaza West Covina, LP	18.8	100.0	100.0	16.4	100.0	100.0
Promenade, LP	18.8	100.0	100.0	16.4	100.0	100.0
Residential Real Estate I, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Residential Rental and Investments, Inc.	18.8	100.0	100.0	16.4	100.0	100.0
Roseville Parcel, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Roseville Shoppingtown, LLC	18.8	100.0	100.0	16.4	100.0	100.0
S.F. Centre Limited Partnership	18.8	100.0	100.0	16.4	100.0	100.0
S.F. Centre, LLC	18.8	100.0	100.0	16.4	100.0	100.0
S.F. Shopping Centre Associates, LP	18.8	100.0	100.0	16.4	100.0	100.0
Santa Ana Venture	18.8	100.0	100.0	16.4	100.0	100.0
Santa Anita Fashion Park, LP	18.8	100.0	100.0	16.4	100.0	100.0
Santa Anita GP, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Santa Anita Service, LLC ⁽ⁱⁱ⁾	–	–	–	16.4	100.0	100.0
Santa Anita Shoppingtown, LP	18.8	100.0	100.0	16.4	100.0	100.0
Sarasota Property, LLC ⁽ⁱⁱ⁾	–	–	–	16.4	100.0	100.0
Sarasota Shoppingtown, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Sargent Drive Holding, LLC ⁽ⁱⁱ⁾	–	–	–	16.4	100.0	100.0
Solano Mall, LP	18.8	100.0	100.0	16.4	100.0	100.0
South County Center, LLC	18.8	100.0	100.0	16.4	100.0	100.0
South County Holdings, LLC	18.8	100.0	100.0	16.4	100.0	100.0
South County Post Office, LLC	18.8	100.0	100.0	16.4	100.0	100.0
South Shore Mall Holdings, LLC	18.8	100.0	100.0	16.4	100.0	100.0
South Shore Mall, LLC	18.8	100.0	100.0	16.4	100.0	100.0
South Shore Manager, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Southgate Plaza, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Southlake Indiana, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Southpark Mall, LLC	18.8	100.0	100.0	16.4	100.0	100.0
SSM Land, LLC	18.8	100.0	100.0	16.4	100.0	100.0
St. Louis Assets, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Stratford City Hotels (No. 1), LLC	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Hotels (No. 2), LLC	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Hotels US Limited Partnership	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Offices (No. 1), LLC	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Offices (No. 2), LLC	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Offices US Limited Partnership	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Shopping Centre (No. 1), LLC	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Shopping Centre (No. 2), LLC	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Shopping Centre (No. 3), LLC	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Shopping Centre (No. 4), LLC	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Shopping Centre US (No. 1) Limited Partnership	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Shopping Centre US (No. 2) Limited Partnership	15.0	100.0	100.0	15.0	100.0	100.0
Sunrise Mall, LLC	18.8	100.0	100.0	16.4	100.0	100.0
The Connecticut Post, LP	18.8	100.0	100.0	16.4	100.0	100.0
Topanga Plaza Owner, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Topanga Plaza, LP ⁽ⁱⁱ⁾	–	–	–	16.4	100.0	100.0
Trumbull Shopping Center # 1, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Trumbull Shopping Center # 2, LLC	18.8	100.0	100.0	16.4	100.0	100.0
UC Century Genpar, LLC	18.8	100.0	100.0	16.4	100.0	100.0
UK Shopping Centres (No.1), LLC	15.0	100.0	100.0	15.0	100.0	100.0
UK Shopping Centres (No.2), LLC	15.0	100.0	100.0	15.0	100.0	100.0
UK Shopping Centres (No.3), LLC	15.0	100.0	100.0	15.0	100.0	100.0

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2009

NOTE 46 DETAILS OF CONTROLLED ENTITIES AND EQUITY ACCOUNTED ENTITIES (CONTINUED)

Name of entity	31 Dec 09 – Interest			31 Dec 08 – Interest		
	Beneficial ⁽ⁱ⁾ Parent Company %	Westfield Group %	Consolidated or Equity accounted %	Beneficial ⁽ⁱ⁾ Parent Company %	Westfield Group %	Consolidated or Equity accounted %
ENTITIES INCORPORATED IN UNITED STATES (CONTINUED)						
Consolidated Controlled Entities (continued)						
UK Shopping Centres (No.4), LLC	15.0	100.0	100.0	15.0	100.0	100.0
UPI Associates	18.8	100.0	100.0	16.4	100.0	100.0
Urban Roseville, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Urban Shopping Centers, LP	18.8	100.0	100.0	16.4	100.0	100.0
Vancouver Holdings, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Vancouver Mall II, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Vancouver Mall II, LP	18.8	100.0	100.0	16.4	100.0	100.0
Vancouver Mall III, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Vancouver Mall, LLC	18.8	100.0	100.0	16.4	100.0	100.0
WALP Service, LLC	18.8	100.0	100.0	16.4	100.0	100.0
WAP HC, Inc.	18.8	100.0	100.0	16.4	100.0	100.0
WCI Finance, LLC	18.8	100.0	100.0	16.4	100.0	100.0
WCM (BOS), LLC	18.8	100.0	100.0	16.4	100.0	100.0
WCMI (Texas), LLC	18.8	100.0	100.0	16.4	100.0	100.0
WCSCF Management (No. 1), LLC	15.0	100.0	100.0	15.0	100.0	100.0
WCSCF Management (No. 2), LLC	15.0	100.0	100.0	15.0	100.0	100.0
WCSCF Management US, LP	15.0	100.0	100.0	15.0	100.0	100.0
WDI Operations, LLC	18.8	100.0	100.0	16.4	100.0	100.0
WEA Belden, LLC	18.8	100.0	100.0	16.4	100.0	100.0
WEA Brandon I GP, LLC	18.8	100.0	100.0	16.4	100.0	100.0
WEA Brandon II GP, LLC	18.8	100.0	100.0	16.4	100.0	100.0
WEA Chesterfield, LLC ⁽ⁱⁱ⁾	–	–	–	16.4	100.0	100.0
WEA Chicago Ridge, LLC	18.8	100.0	100.0	16.4	100.0	100.0
WEA Citrus GP, LLC	18.8	100.0	100.0	16.4	100.0	100.0
WEA Countryside GP, LLC	18.8	100.0	100.0	16.4	100.0	100.0
WEA Crestwood Plaza, LLC ⁽ⁱⁱ⁾	–	–	–	16.4	100.0	100.0
WEA CT Houses, LLC	18.8	100.0	100.0	16.4	100.0	100.0
WEA Eastridge GP, LLC	18.8	100.0	100.0	16.4	100.0	100.0
WEA Eastridge, LP	18.8	100.0	100.0	16.4	100.0	100.0
WEA Finance, LLC	18.8	100.0	100.0	16.4	100.0	100.0
WEA Fox Valley GP, LLC	18.8	100.0	100.0	16.4	100.0	100.0
WEA Garden State Plaza GP, LLC ⁽ⁱⁱ⁾	–	–	–	16.4	100.0	100.0
WEA Gateway, LLC	18.8	100.0	100.0	16.4	100.0	100.0
WEA Great Northern GP II, LLC	18.8	100.0	100.0	16.4	100.0	100.0
WEA Great Northern GP, LLC	18.8	100.0	100.0	16.4	100.0	100.0
WEA Great Northern Mall, LLC	18.8	100.0	100.0	16.4	100.0	100.0
WEA GSP, Inc. ⁽ⁱⁱ⁾	–	–	–	16.4	100.0	100.0
WEA Hawthorn Shopping Center GP, LLC	18.8	100.0	100.0	16.4	100.0	100.0
WEA Hawthorn Theatre MM, LLC	18.8	100.0	100.0	16.4	100.0	100.0
WEA Meriden Square No.2, LLC	18.8	100.0	100.0	16.4	100.0	100.0
WEA Meriden Square, LLC	18.8	100.0	100.0	16.4	100.0	100.0
WEA North Bridge, LLC	18.8	100.0	100.0	16.4	100.0	100.0
WEA Northwest Indiana Holdings, LLC 1	18.8	100.0	100.0	16.4	100.0	100.0
WEA NY Houses, LLC	18.8	100.0	100.0	16.4	100.0	100.0
WEA NY, Inc.	18.8	100.0	100.0	16.4	100.0	100.0
WEA Old Orchard GP, LLC	18.8	100.0	100.0	16.4	100.0	100.0
WEA Palm Desert, LP	18.8	100.0	100.0	16.4	100.0	100.0
WEA San Francisco GP, LLC	18.8	100.0	100.0	16.4	100.0	100.0
WEA Solano BB, LLC	18.8	100.0	100.0	16.4	100.0	100.0
WEA Southcenter, LLC	18.8	100.0	100.0	16.4	100.0	100.0
WEA Southgate Plaza, LLC	18.8	100.0	100.0	16.4	100.0	100.0
WEA Southlake, LLC	18.8	100.0	100.0	16.4	100.0	100.0
WEA Southpark, LLC	18.8	100.0	100.0	16.4	100.0	100.0
WEA Valley Fair UTC, LP	18.8	100.0	100.0	16.4	100.0	100.0
WEA Valley Fair, LP	18.8	100.0	100.0	16.4	100.0	100.0
WEA VTC GP, LLC	18.8	100.0	100.0	16.4	100.0	100.0
WEA VTC LP, LLC	18.8	100.0	100.0	16.4	100.0	100.0
West County Center, LLC	18.8	100.0	100.0	16.4	100.0	100.0
West Valley Development, LLC	18.8	100.0	100.0	16.4	100.0	100.0
West Valley Partnership	18.8	100.0	100.0	16.4	100.0	100.0
West Valley, LP	18.8	100.0	100.0	16.4	100.0	100.0

NOTE 46 DETAILS OF CONTROLLED ENTITIES AND EQUITY ACCOUNTED ENTITIES (CONTINUED)

Name of entity	31 Dec 09 – Interest			31 Dec 08 – Interest		
	Beneficial ⁽ⁱ⁾ Parent Company %	Westfield Group %	Consolidated or Equity accounted %	Beneficial ⁽ⁱ⁾ Parent Company %	Westfield Group %	Consolidated or Equity accounted %
ENTITIES INCORPORATED IN UNITED STATES (CONTINUED)						
Consolidated Controlled Entities (continued)						
Westfield 816-818 Mission Street, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Westfield America GP, Inc.	18.8	100.0	100.0	16.4	100.0	100.0
Westfield America GP, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Westfield America Investor, LP	18.8	100.0	100.0	16.4	100.0	100.0
Westfield America Shopping Centers, LP	18.8	100.0	100.0	16.4	100.0	100.0
Westfield America, Inc.	18.8	100.0	100.0	16.4	100.0	100.0
Westfield America, LP	18.8	100.0	100.0	16.4	100.0	100.0
Westfield Beneficiary 1, Inc.	18.8	100.0	100.0	16.4	100.0	100.0
Westfield Beneficiary 2, Inc.	18.8	100.0	100.0	16.4	100.0	100.0
Westfield Beverage, Inc.	18.8	100.0	100.0	16.4	100.0	100.0
Westfield Branding, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Westfield Brandon Partners, Ltd (formerly Brandon Partners, Ltd)	18.8	100.0	100.0	16.4	100.0	100.0
Westfield Bulletin Building, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Westfield Centers, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Westfield Concession Management II, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Westfield Concession Management, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Westfield Development, Inc.	18.8	100.0	100.0	16.4	100.0	100.0
Westfield Digital Services, Inc.	18.8	100.0	100.0	–	–	–
Westfield Emporium, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Westfield Franklin Park Mall II, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Westfield Franklin Park Mall, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Westfield Franklin Park Mezz II, LLC ⁽ⁱⁱ⁾	–	–	–	16.4	100.0	100.0
Westfield Garden State, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Westfield GEX, LLC ⁽ⁱⁱⁱ⁾	–	–	–	16.4	100.0	100.0
Westfield GEX2, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Westfield Gift Card Management, Inc.	18.8	100.0	100.0	16.4	100.0	100.0
Westfield Growth II, LP	18.8	100.0	100.0	16.4	100.0	100.0
Westfield Growth, LP	18.8	100.0	100.0	16.4	100.0	100.0
Westfield Head, LP	18.8	100.0	100.0	16.4	100.0	100.0
Westfield Independence Mall, LP	18.8	100.0	100.0	16.4	100.0	100.0
Westfield Independence, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Westfield Louis Joliet, Inc.	18.8	100.0	100.0	16.4	100.0	100.0
Westfield Management Acquisition, Inc. ⁽ⁱⁱⁱ⁾	–	–	–	16.4	100.0	100.0
Westfield Management Company	18.8	100.0	100.0	16.4	100.0	100.0
Westfield Management, Inc. ⁽ⁱⁱⁱ⁾	–	–	–	16.4	100.0	100.0
Westfield Metreon, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Westfield North Bridge, Inc. ⁽ⁱⁱⁱ⁾	–	–	–	16.4	100.0	100.0
Westfield Project Management, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Westfield Sacramento Acquisition Associates, LP	18.8	100.0	100.0	16.4	100.0	100.0
Westfield San Francisco I, LLC ⁽ⁱⁱⁱ⁾	–	–	–	16.4	100.0	100.0
Westfield San Francisco, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Westfield SF, LP	18.8	100.0	100.0	16.4	100.0	100.0
Westfield Subsidiary REIT 1, Inc.	18.8	100.0	100.0	16.4	100.0	100.0
Westfield Subsidiary REIT 2, Inc.	18.8	100.0	100.0	16.4	100.0	100.0
Westfield Topanga Owner, LP	18.8	100.0	100.0	16.4	100.0	100.0
Westfield U.S. Holdings, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Westfield Urban Preferred, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Westfield Urban, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Westfield USA Centres, Inc.	100.0	100.0	100.0	100.0	100.0	100.0
Westfield World Trade Retail, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Westfield WTC Holding, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Westfield, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Westland Mall, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Westland Properties, Inc.	18.8	100.0	100.0	16.4	100.0	100.0
Westland Realty Beneficiary, Inc.	18.8	100.0	100.0	16.4	100.0	100.0
Westland Shopping Center, LP, A California Limited Partnership	18.8	100.0	100.0	16.4	100.0	100.0
Westland Shopping Center, LP	18.8	100.0	100.0	16.4	100.0	100.0
Westland South Shore Mall, LP	18.8	100.0	100.0	16.4	100.0	100.0
Wheaton Plaza No.1, LLC	18.8	100.0	100.0	16.4	100.0	100.0
Wheaton Plaza Regional Shopping Center, LLP	18.8	100.0	100.0	16.4	100.0	100.0

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2009

NOTE 46 DETAILS OF CONTROLLED ENTITIES AND EQUITY ACCOUNTED ENTITIES (CONTINUED)

Name of entity	31 Dec 09 – Interest			31 Dec 08 – Interest		
	Beneficial ⁽ⁱ⁾ Parent Company %	Westfield Group %	Consolidated or Equity accounted %	Beneficial ⁽ⁱ⁾ Parent Company %	Westfield Group %	Consolidated or Equity accounted %
ENTITIES INCORPORATED IN UNITED STATES (CONTINUED)						
Consolidated Controlled Entities (continued)						
White City Investments (No. 1), LLC	15.0	100.0	100.0	15.0	100.0	100.0
White City Investments (No. 2), LLC	15.0	100.0	100.0	15.0	100.0	100.0
White City Investments US, LP	15.0	100.0	100.0	15.0	100.0	100.0
WHL (USA), Inc.	100.0	100.0	100.0	100.0	100.0	100.0
Equity Accounted Entities						
Abbey Acquisition, LLC	8.2	43.3	43.3	7.1	43.3	43.3
Bulletin Building Owner, LLC	9.4	50.0	50.0	8.2	50.0	50.0
Bulletin Building, LLC	9.4	50.0	50.0	8.2	50.0	50.0
Emporium Development, LLC	9.4	50.0	50.0	8.2	50.0	50.0
Emporium Mall, LLC	9.4	50.0	50.0	8.2	50.0	50.0
Fashion Square Service TRS, Inc.	9.4	50.0	50.0	8.2	50.0	50.0
GSP Holdings, LLC	9.4	50.0	50.0	8.2	50.0	50.0
GSP Service TRS, Inc.	9.4	50.0	50.0	8.2	50.0	50.0
MBM Associates	0.2	1.0	1.0	0.2	1.0	1.0
MerchantWired, LLC	1.8	9.7	9.7	1.6	9.7	9.7
Montgomery Mall Borrower, LLC	9.4	50.0	50.0	8.2	50.0	50.0
Montgomery Mall Condo, LLC	9.4	50.0	50.0	8.2	50.0	50.0
Montgomery Mall of Maryland, LLC	9.4	50.0	50.0	8.2	50.0	50.0
Montgomery Mall, LLC	9.4	50.0	50.0	8.2	50.0	50.0
Montgomery Service, Inc.	9.4	50.0	50.0	8.2	50.0	50.0
North Bridge Service TRS, Inc. ⁽ⁱⁱ⁾	–	–	–	5.5	33.3	33.3
Northbridge Retail Company, LLC	6.3	33.3	33.3	5.5	33.3	33.3
R A Hotel Partners, LP	8.2	43.3	43.3	7.1	43.3	43.3
R A Hotel, Inc.	8.2	43.3	43.3	7.1	43.3	43.3
R A West, Inc.	8.2	43.3	43.3	7.1	43.3	43.3
RNA-NY, LLC	8.2	43.3	43.3	7.1	43.3	43.3
Rolim Real Estate Investments, Inc.	8.2	43.3	43.3	7.1	43.3	43.3
Rolim West, LLC	8.2	43.3	43.3	7.1	43.3	43.3
RoPro TRS, Inc.	8.2	43.3	43.3	7.1	43.3	43.3
Sherman Oaks Fashion Associates, LP	9.4	50.0	50.0	8.2	50.0	50.0
Tri-Party Miscellaneous, LLC	8.2	43.3	43.3	7.1	43.3	43.3
Tri-Party Non-856 Assets, LLC	8.2	43.3	43.3	7.1	43.3	43.3
University Towne Center, LLC	9.4	50.0	50.0	8.2	50.0	50.0
UTC Venture, LLC	9.4	50.0	50.0	8.2	50.0	50.0
V F Mall, LLC	9.4	50.0	50.0	8.2	50.0	50.0
Valencia Town Center Associates, LP	9.4	50.0	50.0	8.2	50.0	50.0
Valencia Town Center Venture, GP, LLC	9.4	50.0	50.0	8.2	50.0	50.0
Valencia Town Center Venture, LP	9.4	50.0	50.0	8.2	50.0	50.0
Valley Fair UTC, LLC	9.4	50.0	50.0	8.2	50.0	50.0
VF/UTC Service, Inc.	9.4	50.0	50.0	8.2	50.0	50.0
Westfield Paramus 1, Inc.	9.4	50.0	50.0	8.2	50.0	50.0
Westfield Paramus 2, Inc. ⁽ⁱⁱⁱ⁾	–	–	–	8.2	50.0	50.0
Westfield Paramus Holdings 1, LLC	9.4	50.0	50.0	8.2	50.0	50.0
Westfield Paramus Holdings 2, LLC	9.4	50.0	50.0	8.2	50.0	50.0
Westfield Paramus Holdings 3, LLC	9.4	50.0	50.0	8.2	50.0	50.0
Westfield Valencia, LLC	9.4	50.0	50.0	8.2	50.0	50.0
Westland Garden State Plaza, LP	9.4	50.0	50.0	8.2	50.0	50.0

⁽ⁱ⁾ Beneficial interest in underlying controlled and equity accounted entities reflects the Parent Company being Westfield Holdings Limited and its subsidiaries (excluding WT and WAT) and the Westfield Group's ownership interest as determined under International Financial Reporting Standards (IFRS) excluding certain convertible redeemable preference shares/units and other redeemable preference units which have been accounted for as other financial liabilities in these financial statements.

⁽ⁱⁱ⁾ Entity dissolved/deregistered during the financial year.

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;
- (b) in the Directors opinion, the Financial Statements and notes thereto are in accordance with the Corporations Act 2001, including sections 296 and 297; and
- (c) they have been provided with the declarations required by section 295A of the Corporations Act 2001 (Cwlth).

Made on 15 March 2010 in accordance with a resolution of the Board of Directors.



F P Lowy AC
Executive Chairman



F G Hilmer AO
Director

Independent Audit Report

TO MEMBERS OF WESTFIELD HOLDINGS LIMITED



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WESTFIELD HOLDINGS LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Westfield Holdings Limited which comprises the balance sheet as at 31 December 2009 and the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have met the independence requirements of 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 the services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.

Auditor's Opinion

In our opinion:

1. the financial report of Westfield Holdings Limited is in accordance with the *Corporations Act 2001*, including:
 - i giving a true and fair view of the financial position of Westfield Holdings Limited and the consolidated entity at 31 December 2009 and of their performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
2. the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 100 to 122 of the directors' report for the year ended 31 December 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Westfield Holdings Limited for the year ended 31 December 2009, complies with section 300A of the *Corporations Act 2001*.

A stylized signature of the Ernst & Young firm, written in a cursive script.

Ernst & Young

Sydney, 15 March 2010

A handwritten signature of S J Ferguson, written in a cursive script.

S J Ferguson
Partner

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Directors' Report

The Directors of Westfield Holdings Limited (Company) submit the following report for the period from 1 January 2009 to 31 December 2009 (Financial Year).

1. OPERATIONS AND ACTIVITIES

1.1 Review of Operations and Results of Operations

A review of the operations for the Financial Year of the Company and the other entities required by the accounting standards to be included in the consolidated financial statements (collectively the Group) and the results of those operations are contained in the Chairman's and Group Managing Directors' Reviews, at pages 4 to 14 of the Annual Report.

The significant changes in the Group's state of affairs during the Financial Year were as follows:

- Raising approximately \$9.1 billion of both debt and equity which included \$3.6 billion through the placement of new stapled securities and the Group's Distribution Reinvestment Plan and \$5.5 billion of debt which included US\$2.7 billion 144A bond issues in May and August 2009.
- The completion of four major developments at an aggregate cost of \$483 million at Riccarton in New Zealand and projects at Santa Anita, Culver City and Galleria at Roseville, all in California, United States.
- Ongoing development activity was predominantly concentrated on two projects, in Sydney (Australia) and Stratford (United Kingdom), with both projects forecast to complete in 2011/2012.

In addition, in August 2009, the Group advised the market that effective from the 2010 calendar year, the distribution payout level will be set between 70% to 75% of operational earnings and associated income hedging. The first distribution to feature this new payout level will be the August 2010 distribution.

The change in the distribution payout level will enable the Group to retain approximately \$500 million a year. This will be deployed in the Group's future investment activities including strategic developments which have target long term investment returns of between 12% to 15% and any acquisition opportunities which may arise.

1.2 Principal Activities

The principal activities of the Group during the Financial Year were the ownership, development, design, construction, funds/asset management, leasing and marketing activities undertaken with respect to its global portfolio of retail properties. There were no significant changes in the nature of those activities during the Financial Year.

1.3 Subsequent Events

No matter or circumstance has arisen since the end of the Financial Year that has significantly affected, or may significantly affect, the Group's operations in future financial years, the results of the Group's operations in future financial years or the Group's state of affairs in future financial years.

1.4 Future Developments, Business Strategy and Prospects

Details of the Group's future developments, business strategy and prospects are outlined in the Chairman's Review and Managing Directors' Review at pages 4 to 14 of the Annual Report.

1.5 Environmental Performance

Environmental laws and regulations in force in the various jurisdictions in which the Group operates are applicable to areas of the Group's operations and in particular to its development, construction and shopping centre management activities. The Group has in place procedures to identify and comply with such requirements including, where applicable, obtaining and complying with the conditions of relevant authority consents and approvals and the obtaining of any necessary licences. These compliance procedures are regularly reviewed and audited and their application closely monitored. Further information in relation to the Group's philosophy in relation to the environment and the community is set out at pages 16 to 17 of the Annual Report.

2. DIVIDENDS

The following dividends were paid to members during the Financial Year.

An aggregate dividend of \$196,477,104 for the six months ended 31 December 2008 was paid on 27 February 2009⁽¹⁾. This represented 10.00 cents per share final dividend (60% franked at the corporate tax rate of 30%) for all ordinary shares.

No dividend was declared for the six months ended 30 June 2009.

No dividend was declared for the six months ended 31 December 2009.

3. DIRECTORS AND SECRETARIES

3.1 Board Membership and Qualifications

The following Directors served on the Board for the Financial Year: Mr F P Lowy, Mr D H Lowy, Professor F G Hilmer, Mr R L Furman, Lord P H Goldsmith, Mr D M Gonski, Mr S P Johns, Mr P S Lowy, Mr S M Lowy, Mr J McFarlane, Mr B M Schwartz, Professor J Sloan, Dr G H Weiss and Ms C M Zampatti.

The composition of the Board changed during the Financial Year with the retirement of Ms Carla Zampatti on 5 May 2009 and the appointment of Mr Brian Schwartz on 6 May 2009.

Details of the qualifications, experience and special responsibilities of each of the Company's Directors as at the date of this report are set out on pages 24 to 25 of the Annual Report.

3.2 Directors' Relevant Interests

The names of the Directors in office and the relevant interests of each Director in ordinary stapled securities of the Westfield Group as at the date of this report are shown below.

Director	Number of Stapled Securities
F P Lowy	179,598,386
D H Lowy	
P S Lowy	
S M Lowy	
R L Furman	50,000
P H Goldsmith	5,000
D M Gonski	243,057
F G Hilmer	205,904
S P Johns	1,512,655
J McFarlane	51,951
B M Schwartz	11,110
J Sloan	3,000
G H Weiss	22,237

Ms Zampatti retired from the Board on 5 May 2009. On the date of retirement, Ms Zampatti held 346,337 ordinary stapled securities in the Westfield Group.

None of the Directors hold options over any issued or unissued stapled securities in the Westfield Group.

None of the Directors are party to or entitled to a benefit under a contract which confers a right to call for, or be delivered, interests or securities in the Group.

None of the Directors hold debentures of the Westfield Group.

⁽¹⁾ A distribution of 53.25 cents per ordinary WDC stapled security was paid on 27 February 2009. This distribution is an aggregate of a dividend from the Company, and a distribution from each of Westfield Trust and Westfield America Trust. The figure reported here only represents that component of the aggregate Westfield Group distribution being the dividend of the Company.

Directors' Report (continued)

3.3 Directors' Attendance at Meetings

The number of Directors' meetings, including meetings of Committees of the Board of Directors, held during the Financial Year and the number of those meetings attended by each of the Directors are shown below:

Number of meetings held:

Board of Directors:	10
Audit and Compliance Committee:	4
Remuneration Committee:	4
Nomination Committee:	2
Board Risk Management Committee:	4

Directors	Board		Audit & Compliance		Remuneration		Nomination		Board Risk Management	
	A	B	A	B	A	B	A	B	A	B
F P Lowy	10	10	–	–	–	–	2	2	–	–
D H Lowy	10	9	–	–	–	–	–	–	4	4
P S Lowy	10	10	–	–	–	–	–	–	–	–
S M Lowy	10	10	–	–	–	–	–	–	–	–
R L Furman	10	7	–	–	4	4	–	–	–	–
P H Goldsmith	10	10	–	–	–	–	–	–	–	–
D M Gonski	10	10	4	4	4	4	2	2	–	–
F G Hilmer	10	9	4	4	4	4	–	–	–	–
S P Johns	10	10	4	4	–	–	–	–	4	4
J McFarlane	10	10	–	–	–	–	–	–	2	2
B M Schwartz*	4	4	2	2	–	–	–	–	–	–
J Sloan	10	10	–	–	–	–	1	1	–	–
G H Weiss	10	10	–	–	–	–	–	–	4	4
C M Zampatti**	5	5	–	–	–	–	1	1	–	–

Key: A = Number of meetings eligible to attend

B = Number of meetings attended

* Mr Schwartz was appointed to the Board on 6 May 2009.

** Ms Zampatti retired from the Board on 5 May 2009.

3.4 Directors' Directorships of Other Listed Companies

The following table sets out the directorships of other listed companies held by the Company's Directors during the three years preceding the end of the Financial Year and up to the date of this report, and the period of each directorship:

Director	Company	Date appointed	Date resigned
F P Lowy	Westfield America Management Limited*	20 February 1996	Continuing
	Westfield Management Limited**	16 January 1979	Continuing
D H Lowy	Consolidated Media Holdings Limited ⁽¹⁾	31 May 2006	8 April 2009
	Crown Limited	6 July 2007	Continuing
	Westfield America Management Limited*	13 July 2004	Continuing
	Westfield Management Limited**	13 July 2004	Continuing
P S Lowy	Westfield America Management Limited*	20 February 1996	Continuing
	Westfield Management Limited**	1 May 1986	Continuing
S M Lowy	Westfield America Management Limited*	20 February 1996	Continuing
	Westfield Management Limited**	28 June 1989	Continuing
R L Furman	Westfield America Management Limited*	29 May 2002	Continuing
	Westfield Management Limited**	13 July 2004	Continuing
P H Goldsmith	Westfield America Management Limited*	28 August 2008	Continuing
	Westfield Management Limited**	28 August 2008	Continuing
D M Gonski	ASX Limited ⁽²⁾	1 June 2007	Continuing
	Australia and New Zealand Banking Group Limited	7 February 2002	30 June 2007
	Coca-Cola Amatil Limited	1 October 1997	Continuing
	Westfield America Management Limited*	13 July 2004	Continuing
	Westfield Management Limited**	13 July 2004	Continuing
F G Hilmer	Westfield America Management Limited*	13 July 2004	Continuing
	Westfield Management Limited**	13 July 2004	Continuing

Director	Company	Date appointed	Date resigned
S P Johns	Brambles Limited	21 August 2006 ⁽³⁾	Continuing
	Leighton Holdings Limited	21 December 2009	Continuing
	Spark Infrastructure Group	8 November 2005 ⁽⁴⁾	Continuing
	Westfield America Management Limited*	20 February 1996	Continuing
	Westfield Management Limited**	11 November 1985	Continuing
J McFarlane	Australian & New Zealand Banking Group Limited	1 October 1997	30 September 2007
	Westfield America Management Limited*	26 February 2008	Continuing
	Westfield Management Limited**	26 February 2008	Continuing
B M Schwartz	Brambles Limited	13 March 2009	Continuing
	Insurance Australia Group	1 January 2005	Continuing
	Westfield America Management Limited*	6 May 2009	Continuing
	Westfield Management Limited**	6 May 2009	Continuing
J Sloan	Lend Lease Primelife Limited	30 May 2006	28 April 2009
	Santos Limited	5 September 1994	6 May 2009
	Westfield America Management Limited*	26 February 2008	Continuing
	Westfield Management Limited**	26 February 2008	Continuing
G H Weiss	Ariadne Australia Limited	28 November 1989	Continuing
	Canberra Investment Corporation Limited	27 September 1995	28 August 2008
	Capral Limited ⁽⁵⁾	25 November 2003	6 November 2008
	Premier Investments Limited	11 March 1994	Continuing
	Tag Pacific Limited	1 October 1988	Continuing
	Tower Australia Group Limited ⁽⁶⁾	8 August 2006	8 August 2008
	Tower Limited	27 March 2003	4 October 2007
	Westfield America Management Limited*	13 July 2004	Continuing
	Westfield Management Limited**	29 May 2002	Continuing
C M Zampatti	Westfield America Management Limited*	13 July 2004	5 May 2009
	Westfield Management Limited**	13 July 2004	5 May 2009

⁽¹⁾ Formerly Publishing and Broadcasting Limited.

⁽²⁾ Formerly Australian Stock Exchange Limited.

⁽³⁾ While Mr Johns was appointed to the Board on this date, Brambles Limited did not list on the ASX until 27 November 2006.

⁽⁴⁾ While Mr Johns was appointed to the Board on this date, Spark Infrastructure Group did not list on the ASX until 16 December 2005.

⁽⁵⁾ Formerly Capral Aluminium Limited.

⁽⁶⁾ In November 2006, Tower Limited separated its Australian and New Zealand businesses. Shares in Tower Australia Group Limited commenced trading on the ASX on 21 November 2006.

Notes:

* Westfield America Management Limited, as responsible entity of Westfield America Trust, a managed investment scheme which securities are stapled to units in Westfield Trust and shares in the Company and which trade on the ASX as Westfield Group.

** Westfield Management Limited, as responsible entity of a) Westfield Trust, a managed investment scheme which securities are stapled to units in Westfield America Trust and shares in the Company and which trade on the ASX as Westfield Group; and b) Carindale Property Trust, a listed managed investment scheme. Westfield Management Limited became responsible entity of Carindale Property Trust on 21 December 2000.

3.5 Secretaries

As at the date of this report, the Company had the following Secretaries:

Mr Simon J Tuxen

Simon Tuxen joined Westfield in July 2002 as Group General Counsel and Company Secretary. He holds a Bachelor of Laws degree, and has practised as a solicitor and corporate lawyer for over 28 years. Prior to joining Westfield, Mr Tuxen was the General Counsel of BIL International Limited in Singapore, Group Legal Manager of the Jardine Matheson Group in Hong Kong and a partner with Mallesons Stephen Jaques from 1987 to 1993.

Ms Maureen T McGrath

Maureen McGrath joined Westfield in May 2000 and was appointed a Secretary of the Company in July 2002. She holds Bachelor of Jurisprudence and Bachelor of Laws degrees and has practised as a solicitor and corporate lawyer for over 21 years. Ms McGrath was a solicitor and later a senior associate with Mallesons Stephen Jaques for 11 years before joining Westfield in 2000.

4. OPTIONS

Details of the unissued ordinary shares in the Company under options as at the date of this report are provided in Note 23 to the Financial Statements (page 54).

Details of fully paid ordinary shares in the Company which were issued during or since the end of the Financial Year as a result of the exercise of options over unissued shares are provided in Note 22 to the Financial Statements (page 53).

5. INDEMNITIES AND INSURANCE PREMIUMS

Subject to the following, no indemnity was given or insurance premium paid during or since the end of the Financial Year for a person who is or has been an officer or auditor of the Group.

The Company's Constitution provides that a person who is or has been a Director or Secretary of the Company is entitled to be indemnified out of the property of the Company against liabilities incurred by the person in that capacity and for all legal costs incurred in defending or resisting (or otherwise in connection with) proceedings in which the person becomes involved because of that capacity. The indemnity does not apply to the extent that the Company is forbidden by statute to indemnify the person or the indemnity would, if given, be made void by statute.

The Group has paid premiums for directors' and officers' liability insurance in respect of Directors, Secretaries and Executive Officers of the Group as permitted by the Corporations Act 2001. The terms of the insurance policy prohibit disclosure of details of the nature of the liabilities covered by, and the amounts of the premiums payable under, that insurance policy.

Directors' Report (continued)

6. AUDIT

6.1 Audit and Compliance Committee

As at the date of this report, the Company had an Audit and Compliance Committee of the Board of Directors.

6.2 Non-Audit Services and Audit Independence

Details of the amount paid to the auditor, which includes amounts paid for non-audit services, are set out in Note 42 to the Financial Statements (page 78). The Board is satisfied that the provision of non-audit services by the auditor during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. Furthermore, the provision of non-audit services by the auditor during the year did not compromise the independence requirements under the Corporations Act 2001 because:

- the Group's Charter of Non-Audit Services sets out the categories of non-audit services that the auditor may or may not undertake. Those categories of permitted services remain subject to the overriding principle that a non-audit service may not be provided in circumstances where it would be detrimental to the actual or perceived independence of the statutory auditor;
- the Charter of Non-Audit Services provides a mechanism by which approval for non-audit services proposed to be performed by the auditor is required to be given prior to the provision of such non-audit services, providing an appropriate review point for independence issues prior to engagement;
- under the Charter of Non-Audit Services, the auditor is required to report at least twice each year as to its compliance with the terms of the Charter and, in all instances, confirm the position that the independence of Ernst & Young as statutory auditor has been maintained;
- the auditor has provided an Auditor's Independence Declaration to the Board declaring that there has been no contravention of the auditor independence requirements of the Act or of any applicable code of professional conduct and that the Charter of Non-Audit Services has been complied with.

6.3 Auditor's Independence Declaration to the Directors of Westfield Holdings Limited



Auditor's Independence Declaration

The Auditor's Independence Declaration to be included in the Directors' Report will be as follows:

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 year ended 31 December 2009, 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.

Ernst & Young

Sydney, 15 March 2010

S J Ferguson
Partner

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7. REMUNERATION REPORT

7.1 Remuneration Committee

7.1.1 Role of the Committee

The Westfield Group's remuneration arrangements are overseen by the Remuneration Committee. The Committee's activities are governed by its Charter, a copy of which is available at the Corporate Governance section of the westfield.com/corporate website.

The responsibilities of the Remuneration Committee include:

- determining and reviewing remuneration policies to apply to members of the Board and to Westfield Group executives;
- determining the specific remuneration packages for Executive Directors and key members of the senior executive team (including base pay, incentive payments, equity linked plan participation and other contractual benefits);
- reviewing contractual rights of termination for members of the senior executive team;
- reviewing the appropriateness of the Group's succession planning policies;
- reviewing policy for participation by senior executives in equity linked plans;
- reviewing management's recommendations of the total proposed awards to be issued under each equity linked plan; and
- administering the equity linked plans as required in accordance with the rules of the plans.

The deliberations of the Committee, including any recommendations made by it on remuneration issues, are then considered by the Board.

7.1.2 Membership and meetings

The current members of the Committee are:

Name	Position held	Status
Frederick G Hilmer	Chairman	Independent Director
Roy L Furman	Member	Independent Director
David M Gonski	Member	Independent Director

The Committee met four times in the Financial Year. All members of the Committee attended all meetings.

7.2 Remuneration of Non-Executive Directors

7.2.1 Policy

The Group's remuneration of the Non-Executive Directors is straightforward. Non-Executive Directors are paid fees for service on the Board and its Committees as detailed in this report and are reimbursed for out of pocket expenses. No other bonuses or benefits are paid either during the tenure of a Non-Executive Director or on retirement. Non-Executive Directors do not participate in any of the Group's incentive plans. None of the Non-Executive Directors were paid an amount before they took office as consideration for agreeing to hold office.

Non-Executive Director remuneration comprises a base fee (which is inclusive of superannuation guarantee contributions), a committee fee and, where relevant, an additional fee for deputy chair of the Board and for committee chair.

The aggregate pool available for payment of fees to Non-Executive Directors of the Westfield Group is currently a maximum of \$2.5 million. That amount was approved by members at the Annual General Meeting of the Company held on 23 May 2008.

The fees paid to the Non-Executive Directors in the Financial Year are set out in section 7.2.2. For 2010, on the recommendation of the Remuneration Committee, the Board has determined that Non-Executive Directors' remuneration will not be increased. This also applies to the Deputy Chairman's loading and all committee fees.

The remuneration of the Non-Executive Directors is determined by the Board (within the limits set by Westfield Group members), acting on recommendations made by the Remuneration Committee. The objective of the Committee in making its recommendations is to attract, retain and properly motivate Non-Executive Directors who will, through their contribution to the Board, work towards creating sustainable value for members and other stakeholders.

In making recommendations to the Board, the Remuneration Committee takes into account advice from independent consultants and advisers on domestic and international trends in non-executive director remuneration. In arriving at recommendations, the advisers consider a wide range of factors including the Westfield Group's financial profile, the complexity and geographic spread of its business and the size and scope of the workload and responsibilities assumed by the Non-Executive Directors.

7.2.2 Remuneration of Non-Executive Directors

The table below sets out the remuneration for the Non-Executive Directors for the Financial Year.

Name	Year	Base fee ⁽¹⁾ \$	Deputy Chair fee \$	Audit & Compliance Committee \$	Board Risk Management Committee \$	Nomination Committee \$	Remuneration Committee \$	Consultancy fees \$	Total \$
D H Lowy	2009	175,000	30,000	–	24,000	–	–	–	229,000
	2008	175,000	30,000	–	24,000	–	–	–	229,000
P H Goldsmith ⁽²⁾	2009	175,000	–	–	–	–	–	–	175,000
	2008	60,051	–	–	–	–	–	–	60,051
R L Furman	2009	175,000	–	–	–	–	12,000	–	187,000
	2008	175,000	–	–	–	–	12,000	–	187,000
D M Gonski	2009	175,000	–	20,000	–	6,000	12,000	–	213,000
	2008	175,000	–	20,000	–	6,000	12,000	–	213,000
F G Hilmer	2009	175,000	–	30,000	–	–	18,000	–	223,000
	2008	175,000	–	30,000	–	–	18,000	–	223,000
S P Johns	2009	175,000	–	20,000	18,000	–	–	–	213,000
	2008	175,000	–	20,000	18,000	–	–	420,000 ⁽³⁾	633,000
J McFarlane ⁽⁴⁾	2009	175,000	–	–	6,330 ⁽⁸⁾	–	–	–	181,330
	2008	148,077	–	–	–	–	–	–	148,077
B M Schwartz ⁽⁵⁾	2009	114,423	–	7,033 ⁽⁸⁾	–	–	–	–	121,456
	2008	–	–	–	–	–	–	–	–
J Sloan ⁽⁶⁾	2009	175,000	–	–	–	2,110 ⁽⁸⁾	–	–	177,110
	2008	148,077	–	–	–	–	–	–	148,077
G H Weiss	2009	175,000	–	–	18,000	–	–	–	193,000
	2008	175,000	–	–	18,000	–	–	–	193,000
C M Zampatti ⁽⁷⁾	2009	60,577	–	–	–	2,077 ⁽⁸⁾	–	–	62,654
	2008	175,000	–	–	–	6,000	–	–	181,000

⁽¹⁾ Base fees are inclusive of superannuation contributions for the Australian based Non-Executive Directors.

⁽²⁾ Lord (Peter) Goldsmith joined the Board on 28 August 2008. Accordingly, his fees for 2008 are on a pro-rata basis.

⁽³⁾ Following his retirement as an Executive Director in October 2003, Mr Johns provided consultancy services in relation to special projects (including major acquisitions) and other corporate finance, treasury and investor relations issues. These consultancy arrangements expired with effect from 31 December 2008.

⁽⁴⁾ Mr McFarlane joined the Board on 26 February 2008. Accordingly, his fees for 2008 are on a pro-rata basis.

⁽⁵⁾ Mr Schwartz joined the Board on 6 May 2009. Accordingly, there are no comparative figures for 2008.

⁽⁶⁾ Professor Sloan joined the Board on 26 February 2008. Accordingly, her fees for 2008 are on a pro-rata basis.

⁽⁷⁾ Ms Zampatti retired from the Board on 5 May 2009. Accordingly, her fees for 2009 are on a pro-rata basis.

⁽⁸⁾ This is a pro-rata fee as service on the committee commenced or ceased during the Financial Year.

Directors' Report (continued)

7.2.3 Other entitlements

Short term employee benefits

The fees paid to the Non-Executive Directors are disclosed in the table in section 7.2.2.

Non-Executive Directors are not paid any or have no entitlement to any other short term benefits. In particular, the Non-Executive Directors are not entitled to:

- short term compensated absences such as annual leave and personal leave;
- short term cash profit sharing or other cash or performance related bonuses; or
- non-monetary or other short term employee benefits.

Post-employment benefits

Non-Executive Directors are not entitled to:

- superannuation entitlements other than entitlements arising from contributions deducted from the base fees paid to Non-Executive Directors as required by law; or
- any other post-employment benefit.

Other long-term employee benefits

Non-Executive Directors are not paid and have no entitlement to any long term employee benefits.

Termination benefits

Non-Executive Directors are not entitled to any payment on termination other than the balance of outstanding fees.

Share based payments

Non-Executive Directors do not participate in the Westfield Group's equity linked incentive plans and are not entitled to share based compensation.

7.2.4 Board changes

Ms Carla Zampatti retired as a Director on 5 May 2009.

Mr Brian Schwartz was appointed as a Director at the Annual General Meeting of the Company held on 6 May 2009.

7.3 Remuneration of the Senior Executive Team

7.3.1 Policy and environment

The Charter for the Remuneration Committee, as adopted by the Board, requires the Group to adopt policies and procedures which:

- properly motivate and reward executives having regard to the overall performance of the Group, the performance of the executive measured against pre-determined objectives and the external compensation environment;
- enable the Group to attract and retain key executives who will create sustainable value for members and other stakeholders; and
- appropriately align the interests of executives with members.

In implementing its remuneration policies and procedures, the Group seeks to comply with applicable legal requirements and appropriate standards of governance.

The Group's current remuneration structure combines base salary with short term cash incentives and medium to long term equity linked incentives. The Group has sought to ensure that all elements of its executive remuneration remain competitive on a global basis.

In this report, reference to the Group's equity linked incentive plans are to the Executive Deferred Award Plan (EDA Plan), the Partnership Incentive Plan (PIP Plan), the Executive Performance Rights Plan (EPR Plan) and the Partnership Incentive Rights Plan (PIR Plan), collectively referred to as the "Plans".⁽¹⁾

The total remuneration package of each executive is designed to ensure an appropriate mix of base salary with short and medium to long term incentives. The Remuneration Committee considers that this structure places an appropriate premium on performance and helps reinforce the alignment between the interests of executives and stakeholders in the Westfield Group.

The Group's remuneration practices are regularly benchmarked against its competitors in all markets. This extends beyond salary and short term performance bonuses to the Group's equity linked incentive schemes which are an important part of the package used by the Group to attract, incentivise and retain executives.

In reviewing the remuneration policies and practices in the Financial Year against the specific remuneration objectives of the Group, the following general observations were made by the Remuneration Committee.

Performance

The senior executive team again performed strongly in the Financial Year, particularly having regard to the difficult market conditions which continued to prevail in the Financial Year. The Group's forecast for 2009 (published in January 2009) assumed a continuance of difficult trading conditions in the United States, the United Kingdom and New Zealand, offset in part by ongoing solid performance in Australia. Those assumptions proved to be correct over the course of the Financial Year. Despite general instability in the global economic and retail environment, the Group was able to achieve operational earnings within the forecast range. In doing so, the Group demonstrated the benefit of creating and maintaining a portfolio of high quality assets which produce predictable earnings.

The high regard in which the Group's management is held is a product of the perceived capabilities of the Group in a variety of areas including the Group's focus on enhancing shareholder wealth over time, excellence in operations and capital management, good judgement and financial discipline in acquisitions and divestments and articulating a clear strategy for long term growth.

Westfield's executive management is widely regarded as a dedicated, highly competent and committed team. That reputation is confirmed by regular independent surveys commissioned by the Group and is frequently acknowledged by the Group's members as well as market analysts and commentators around the world.

The specific achievements of the Group in the Financial Year are discussed in more detail in the Chairman's Review and the Group Managing Directors' Review at pages 4 to 14 of the Annual Report. As noted in those reviews, the Group achieved its major operating targets for the Financial Year including the full year forecast earnings and distribution of 94 cents which was within the range of anticipated earnings and distribution first announced to the market in January 2009.

The size and scope of the Group's business and the philosophy of intensive management of the Group's business mean that the management team faces challenges which demand highly skilled and committed executives.

These executives must also be capable of supporting, and transferring skills to, the Group's business in various locations around the world. In recent years, the continued expansion of the Group's business has placed additional pressure on the Group's human resources. Executives from Australia/New Zealand and the United States have been relocated to other countries to bolster resources and to ensure that there is an appropriate transfer of operating culture and knowledge from the more established countries in which the Group operates. This process continued during the Financial Year.

⁽¹⁾ As the terms of the PIP Plan and the PIR Plan are essentially the same (other than the PIP Plan being cash settled and the PIR Plan being equity settled), unless the context otherwise appears a reference to the PIP Plan is also a reference to the PIR Plan. The same convention also applies to the EDA Plan and the EPR Plan.

Retention

The Committee regards the ability of the Group to achieve continuity within the executive team as a significant continuing objective. Given the size, geographic spread and complexity of the Group's business, that continuity is considered to be vital to the continued success of the business.

In 2008, it was noted that, for the first time in a number of years, there was an easing in the global demand and competition for skilled executives in most areas of the Group's business. As a consequence, the pressure to increase remuneration (including the grant of "retention awards" under the equity linked incentive plans) in order to retain the Group's executive team eased due to declining global demand in a wide range of job types.

This significant change in the commercial environment was reflected in a number of specific remuneration policies which were adopted at the end of 2008. That trend continued in the Financial Year and the policies adopted for 2009/2010 reflect those continuing circumstances. Those policies are discussed in section 7.3.2. However, in the second half of the Financial Year, in certain of the markets where the Group operates (particularly Australia), there was increasing pressure on remuneration for highly experienced executives and particular job types. Subject to the global economy continuing to stabilise through 2010, the Board expects that trend to continue as the Group's competitors in various markets recover from difficult financial circumstances and look to enhance the quality of their management teams through recruitment.

The equity linked incentive plans operated by the Group are regarded by the Board as an essential retention tool for the senior executive team. The unusual design of the PIP Plan with a Qualifying Year (during which performance is measured and qualification against a targeted number of awards for that year is determined) coupled with a five year vesting period is intended to encourage and reward high performance and facilitate retention of executives for an extended period. The fact that the average length of service for the PIP Plan participants is 12 years is a strong indication that the PIP Plan remains a significant factor in achieving continuity in the senior executive team.

Alignment

As noted above, it is the objective of the Group to appropriately align executive remuneration with the interests of members.

That alignment is achieved in a number of ways including:

- (a) through the application of appropriate performance criteria in the short term variable bonus system; and
- (b) through the participation by the executive team in the Group's equity linked incentive plans.

Broadly, as executives gain seniority in the Group, the balance of the mix between salary, short term variable bonus and participation in equity linked incentives plans moves to a higher proportion of variable cash remuneration (as opposed to fixed salary) and equity linked rewards (rather than cash payments). These elements of executive remuneration are considered to be "at risk" as they are dependent on the performance of the relevant executive and/or the performance of the Group over the life of the award.

As explained in detail in section 7.4.2, the Group's short term variable bonus scheme rewards executives for performance against financial and non-financial objectives which are specific to that executive and which are considered to be in the interests of the Group and its members.

As regards the Group's equity linked incentive plans, the alignment of interests with members is created in a number of ways which are discussed below:

- (a) in the case of the PIP Plan, being the plan in which the most senior executives in the Group participate, alignment is created through the performance hurdles which are established for each Qualifying Year (see section 7.3.3). These hurdles focus on the fundamentals of the Group's business and on the performance of the executive team in meeting the operational, development and corporate targets set by the Board. The Board is of the view that if the management team maintains its focus on these fundamentals, members will be rewarded, over time, by superior performance;
- (b) the structure of the Group's Plans and the specific performance hurdles set for the PIP Plan are designed to avoid encouraging excessive risk taking by the senior executive team;
- (c) through the three to five year vesting periods which are imposed under the Plans (see section 7.4.3). By requiring executives to serve lengthy periods with the Group in order to achieve vesting, the Group is better able to achieve its retention objectives. Consequently, the practice of paying disproportionate cash bonuses for achieving short term objectives (with questionable long term benefits) is avoided; and
- (d) the value of maturing awards under each of the Group's equity linked plans mirrors, in all respects, the performance of the Group's securities on the ASX. As a consequence of the declining equity markets which have impacted property securities globally (including the Westfield Group), the value of unvested awards which will be received by executives participating in the Plans has reduced significantly. By way of example, the reduction in the market value of equity linked incentives held by the senior executive team as a consequence of security price movements in the Financial Year is evident from the remuneration summaries for the Specified Executives as set out in sections 7.7.3 and 7.7.4.

7.3.2 Specific remuneration policies for 2009/2010

Before outlining the Group's policies for 2009/2010, it is useful to revisit the policies adopted at the end of 2008, as applicable to the Financial Year.

In November/December 2008, despite the unusually difficult operating environment, the Board and the Remuneration Committee acknowledged the extremely strong performance of the management team in the 2008 financial year. Very few entities were able to achieve growth in operational earnings (from 94.7 cents per security to 100 cents per security⁽²⁾) which Westfield was able to achieve in that year. The Group forecast growth in operational earnings in January 2008 and was able to deliver against that forecast at the end of that year.

Despite that strong performance, by the end of 2008, the Remuneration Committee and the Board were also conscious that the global environment was deteriorating and that it was likely that 2009 would be a difficult year. In addition to a continuation of the volatile operating environment, the Group's earnings were expected to be negatively impacted by currency movements. This was reflected in the Group's forecast operational earnings for 2009 of 97 cents to \$1.00 per security (compared with \$1.00 per security in 2008), which was subsequently reduced to a range of 94 cents to 97 cents as a result of the \$2.9 billion institutional placement which was undertaken in February 2009.

⁽²⁾ On a constant currency basis as at December 2008

Directors' Report (continued)

Having regard to the remuneration environment which existed in December 2008 and the anticipated difficult operating conditions in 2009, the Remuneration Committee and the Board set the following policies (as noted in the 2008 Annual Report) in relation to the remuneration of the Board and the senior executive team in 2008/2009:

- there was no increase in the fees payable to Non-Executive Directors in 2009;
- with two exceptions arising as a consequence of promotions, there were no base salary increases for the senior executive team in the Financial Year;
- the aggregate increase for other executives and staff for 2009 was capped at 4% per annum (to reflect increases in the cost of living);
- other than the exceptions noted above, the total target remuneration (including short term bonuses and equity linked incentives) for the senior executive team in 2009 was capped at the same level as 2008; and
- in almost all cases for the senior executive team, the short term variable bonuses paid to executives for 2008 were at, or below, the same level as were paid in 2007.

In short, for the Financial Year, the Board imposed a freeze on all elements of remuneration of the senior executive team and the Non-Executive Directors. The Board also noted in the 2008 Annual Report (at page 91) that, as a consequence of the declining equity markets which impacted property securities globally (including the Westfield Group), the value of unvested awards held by executives participating in the Plans had reduced significantly since the date of grant.

Although during the course of the Financial Year, there was a stabilisation in operating conditions, a significant improvement in financial markets and a modest recovery in the price of the Group's securities when compared with the low levels experienced in early 2009, the Remuneration Committee and the Board have again recognised the difficult operating conditions which exist in markets other than Australia.

In these circumstances, the Board has adopted the following broad remuneration policies for 2009/2010:

- there will be a continuation of the remuneration freeze for all senior executives (except where an executive is promoted). Consequently, with two exceptions as a result of promotion, there were no base salary increases for the senior executive team for 2010;
- other than the exceptions noted above, the total target remuneration (including short term bonuses and equity linked incentives) for the senior executive team in 2010 has been capped at the same level as 2009;
- in almost all cases for the senior executive team, the short term variable bonuses paid to executives for 2009 were capped at the same level as were paid in 2008. In many cases, short term variable bonuses were paid at a level below the bonus paid in 2008;
- notwithstanding that the Group's operational earnings per security were within the forecast range of 94–97 cents, the short term variable bonuses paid to the Executive Chairman and to the Group Managing Directors were set at 85% of their respective targets;
- further, vesting of awards under the PIP and the PIR Plans reduced (by application of the performance hurdle) to 85% of target for the 2009 Qualifying Year (see section 7.3.3 below);
- the aggregate increase for other executives and staff for 2010 was capped at 2.5% per annum (to reflect increases in the cost of living); and
- there will be no increase in the fees payable to Non-Executive Directors in 2010.

The Board is of the view that the remuneration policies of the Group as applied in the Financial Year and to the 2010 financial year demonstrate continued restraint which is both appropriate and necessary given the continued challenges posed by an uncertain operating environment.

7.3.3 Review of equity linked incentive plans for 2009

In 2004, the Group introduced two new equity linked incentive plans: the EDA Plan and the PIP Plan. Following changes to Australian tax laws in 2007, the Group introduced two new performance rights plans which function in the same manner as the EDA and the PIP Plans except that entitlements are satisfied by the issue or transfer of a Westfield Group security to the plan participants (as opposed to payment of a cash amount). The operation of each of these plans is described in greater detail in section 7.4.3.

Awards made under the EDA Plan are generally in the nature of a deferral (for a period of three years) of a part of the remuneration payable to an executive in respect of the performance of that executive in a financial year.

Equally, the PIP Plan (see section 7.4.3) is intended to reward strong performance by the senior executive team (measured against performance hurdles set in respect of the year in which the hurdles apply, known as the Qualifying Year) and to provide an incentive for executives to remain with the Group over the subsequent vesting period of four years.

2009 Qualifying Year

In respect of the hurdle(s) to apply to the PIP and the PIR Plans for the 2009 Qualifying Year, the Remuneration Committee and the Board continued to focus on measures which reflect the underlying operating strength of the business.

However, as was noted in the 2008 Annual Report, the Board acknowledged in December 2008 that capital expenditure would be heavily constrained in 2009 and accordingly the market was advised that the Group did not expect to commence any large projects in 2009. Rather, the Group's development focus was on the significant projects which had already commenced at Stratford City in the United Kingdom and the Sydney City redevelopment in Australia. In view of this, the Board determined that there would be no performance hurdle relating to development starts during the 2009 Qualifying Year. This hurdle had been adopted in previous years as the basis for qualification for 25% of total PIP awards.

Rather, given the challenges presented by difficult global operating conditions, the Board determined that the hurdle for the vesting of awards in the 2009 Qualifying Year would be based solely on achieving the Group's targets for operational earnings per security. As in previous years, the Board set a graduated scale of vesting having regard to performance against targets for operational earnings per security. That scale was referable to the Group's budget (taking into account the \$2.9 billion institutional placement in February 2009) for the Financial Year.

This hurdle is the most fundamental measure of the health of the operating business of the Group and is completely aligned with the interests of members. Earnings from the Operational segment are the best measure of the profitability of the core operating business of the Group without regard to issues not relating to the underlying operations (such as profits/losses arising through revaluations and currency movements). Operational earnings are reported to the market semi-annually and are the source from which distributions are paid to members.

Performance against this hurdle is measured in a single Qualifying Year. To the extent that awards are granted based on performance in the 2009 Qualifying Year, with a subsequent vesting requirement being that the executive remains with the Group for a further four years. As noted above, the Committee considers that the structure of annual awards with performance hurdles measured in a single Qualifying Year and vesting over an extended period provides an appropriate balance between providing performance incentive and retention.

It has been the practice of the Board to advise the nature of the current hurdle(s) applicable to the equity linked incentive plans without publishing the precise targets which have been set in any Qualifying Year.

However, the hurdle recommended by the Remuneration Committee and approved by the Board for the 2009 Qualifying Year incorporated a graduated scale of growth in operational earnings which contemplated participants earning between 0% and 100% of the targeted number of awards, depending on the level of operational earnings per security which is achieved. If those earnings fell below the minimum level set in the graduated scale, no part of the value of the awards which are contingent on meeting this hurdle would vest.

In the 2009 Qualifying Year, the application of that graduated scale resulted in participants in the PIP Plan receiving 85% of the targeted number of awards. Although operational earnings were within the range of 94 to 97 cents as forecast to the market in January 2009, they were at the lower end of that range and, as a consequence, the executives' entitlement to awards was impacted.

2010 Qualifying Year

In relation to the 2010 Qualifying Year, the Board has resolved to continue with a single performance hurdle which focuses solely on operational earnings. For the reasons discussed above in relation to the 2009 Qualifying Year, the Board considers that achieving stable operational earnings which are in line with the Group's budgets as approved by the Board remains the most fundamental management objective. The focus on achieving this objective results in an appropriate alignment of the interests of both the senior management team and the Group's members (see the discussion above in relation to the 2009 Qualifying Year).

Consistent with the policy adopted by the Board in the 2009 Qualifying Year, the Board has determined that a return to a performance hurdle based on development starts is not appropriate for the 2010 Qualifying Year.

As was the case in the Financial Year, the hurdle recommended by the Remuneration Committee and approved by the Board for the 2010 Qualifying Year incorporates a graduated scale of growth in operational earnings which contemplates participants earning within a range of 0% and 150% of the targeted number of awards, depending on the level of operational earnings per security which is achieved. Performance against this hurdle will be measured by converting foreign currency earnings to Australian dollars at the exchange rates detailed in the budget.

If operational earnings exceed budget, PIP Plan participants may earn a number of bonus awards (up to 50% of the original target) which also vest on a graduated scale. If those earnings fall below the budgeted target, the number of awards earned by participants in the PIP Plan will reduce on a graduated scale, provided that if operational earnings fall below the minimum level set in the graduated scale, no part of the value of the awards which are contingent on meeting this hurdle will vest.

As in previous years, the Remuneration Committee has considered and taken advice regarding the introduction of a hurdle based on measurement of total return to shareholders (TRS) (based on a combination of distributions and capital growth in the price of Westfield Group securities) compared to an identified peer group. The Committee again rejected the use of a TRS based hurdle primarily due to unwillingness on the part of the Board and the Committee to determine entitlement to executive rewards by reference to movements in the price of Westfield Group securities and due to the absence of an appropriate peer group in Australia or internationally to act as a benchmark against which to measure TRS performance. The Group's position on this issue has been elaborated in previous Remuneration Reports.

The philosophy of the Group has been, and remains, that the Group's long term success is a product of sound operating performance and strategic decision making and that the focus of the executive team should remain on the underlying business and not on the price of the Group's securities. The Committee is of the view that if the management team maintains its intensive focus on these fundamentals, members will be rewarded, over time, by superior market performance.

The Remuneration Committee and the Board are satisfied that the proposed hurdle for the 2010 Qualifying Year and the remuneration structure in general are appropriate having regard to the general objectives referred to above.

7.3.4 External consultants

In setting remuneration levels and formulating human resources policies generally, the Committee and the Board utilise the services of specialist human resources and remuneration consultants.

Mr Mark Bieler of Bieler & Associates (based in New York), in conjunction with the Group's human resources managers in each of the jurisdictions, provides advice to the Remuneration Committee and the Board and coordinates the work performed for the Group by other external consultants (including Egan Associates in Australia, Mercers in the United States and Watson & Wyatt in the United Kingdom).

Mr Bieler attends all Remuneration Committee and Board meetings where human resources and remuneration items are discussed. He is available to consult directly with Committee members (or other Directors) at all times.

The Group undertakes, through the consultants referred to above, an annual review in each country of operation to analyse matters such as overall market trends, benchmarking between specific job types and with different industries, changing or emerging remuneration strategies and market predictions for the following financial year. The results of this review are an important part of the remuneration review process.

In Australia, Egan Associates also prepare specific reports regarding the remuneration of the Executive Chairman and each of the Group Managing Directors. Those reports are commissioned and received by the Chair of the Remuneration Committee.

7.4 Components of Westfield Executive Remuneration

7.4.1 Base salary

Base salary is set by reference to the executive's position, performance and experience. In order to attract and retain executives of the highest quality and, in the expectation that executives will meet the high standards set by the Westfield Group, the Group aims to set competitive rates of base salary. Base salary levels are benchmarked regularly against local and (where appropriate) international competitors and are reviewed on an annual basis having regard to performance, external market forces and, where relevant, promotion.

7.4.2 Short term variable bonus

Variable rewards are closely linked to the performance of the executive measured against objectives which are established each year pursuant to a performance review and development system. Under that system, senior management and the executives work together to establish agreed business and personal development objectives. These objectives are designed to recognise and reward both financial and non-financial performance. The objectives will vary according to the role of the particular executive and will typically relate to development, construction, retail management or corporate targets.

A target figure (as a percentage of base pay) for the short term variable cash component of the compensation package is advised to the executive at the commencement of each year. The actual bonus awarded is determined by reference to the performance of the executive against the agreed performance objectives, the corporate performance of the Group and any other aspect of the executive's performance which is considered relevant in the context of the review.

In special circumstances, executives may earn an additional bonus in excess of the agreed target percentage of base pay in recognition of the contribution made by that executive to a major transaction or corporate project. As with the annual performance bonus, payment of a special or project bonus to any member of the senior executive team is at the discretion of the Remuneration Committee.

Cash based incentives for the Executive Chairman, the Group Managing Directors and the Group's most senior executives are determined by the Remuneration Committee having regard to personal objectives which are set as part of the performance review and development system and to more general operational and financial objectives of the Westfield Group. The measures are chosen based on key contributions expected of that executive in order to enhance the overall performance of the Group. The Remuneration Committee will also consider any special contribution made by the executive in any major acquisition or capital transaction during the year.

Directors' Report (continued)

7.4.3 Equity linked incentive plans

The Westfield Group has four equity linked incentive plans. The EDA Plan and the PIP Plan which were introduced following the merger in 2004 to replace the Westfield Executive Option Plan and the Westfield Executive Share Performance Plan as the ongoing equity linked incentive plans of the Group. In 2008, the Group introduced the EPR Plan and the PIR Plan which are described in more detail below.

Mechanics of the Plans

Under the EDA Plan and the PIP Plan, awards granted to executives are more in the nature of "restricted stock" whereby, on maturity, the executive is entitled to receive, for no further consideration, one Westfield Group security for each award. However, as explained below these equity linked plans are synthetic and executives receive cash payments rather than physical securities.

The relevant common features of both the EDA Plan and the PIP Plan are as follows:

- based on principles and remuneration bands agreed with the Remuneration Committee, participating executives earn the opportunity to participate based on a set percentage of their base salary. For example, an employee earning a base salary of \$200,000 may be granted the opportunity to participate in the Plan up to 10% of that base salary or \$20,000;
- immediately prior to the commencement of participation in the Plan, that dollar amount is converted into an award which is based on the then current market price of Westfield Group stapled securities. In the above example, assuming a market price of \$10.00 per stapled security, the participant would receive an award equal to the economic benefit of 2,000 Westfield Group stapled securities;
- during the vesting period of three to five years, distributions paid on stapled securities are nominally reinvested under the Plans such that the number of stapled securities in an award (and on which the payout is calculated) will increase during the life of the award. This feature will cease with awards granted from 1 January 2010. Rather, the number of awards will be adjusted to include an amount being an estimate of the distributions payable on a Westfield Group stapled security over the vesting period (but, in the case of the PIP Plan, excluding the Qualifying Year);
- assuming the executive remains employed by the Group through the vesting period and, any applicable performance hurdles are satisfied, the executive will receive a payout equal to the capital value of the stapled securities in the award. That is, the executive receives a cash payment (rather than physical securities) which reflects the capital value of the number of "synthetic securities" comprised in that award as at the vesting date.

As noted above, the right to receive a cash payout under either the EDA Plan or the PIP Plan is dependent on the executive remaining employed by the Westfield Group throughout the vesting period. In special circumstances (e.g. death, redundancy or retirement), the Board retains a discretion under the Plans to allow vesting of all or part of the awards granted under the Plans (see section 7.7.1 below).

The EDA Plan

The EDA Plan is a broader based plan in which senior executives and high performing employees participate. The EDA Plan uses the deferral of vesting of a portion of the short term incentive as part of a broader strategy for retaining the services of those executives participating in the Plan.

The issue of awards under the EDA Plan is based on the same criteria as the short term variable bonus. That is, the grant of entitlements is closely linked to the performance of the executive measured against objectives established each year pursuant to a performance review and development system. Those objectives are designed to recognise achievement of both financial and non-financial objectives. Executives qualify to receive a payout of that deferred compensation by satisfying the requirement that they remain in the employment of the Westfield Group through the vesting period. That vesting period is currently three years. There are no additional performance hurdles applicable during the vesting period.

Since 2005, the Board has also utilised the EDA Plan to make non-recurring awards (known as retention awards) to the Group's most senior executives with the specific aim of retaining the services of those executives over a period of two to five years. In the Financial Year, there were no retention awards issued to any of the executives participating in the PIP Plan. Neither the Executive Chairman nor the Group Managing Directors receive these retention awards (although the Group Managing Directors do participate in the EDA Plan through deferral of part of their short term incentives).

These retention awards are intended to provide a further incentive to a small number of the Group's most senior executives in order to better secure their services over the vesting period. In granting these awards, the sole objective of the Group is retention of key executives for an extended period. Where the retention awards are issued to executives who also participate in the PIP Plan, the vesting of the awards is subject to a performance hurdle which requires that, over the vesting period, each executive must achieve at least 50% of his or her short term variable bonus in each of those years. Failure to achieve that hurdle in any year will result in the full amount of the awards being forfeited.

The PIP Plan

The structure of the PIP Plan reflects the decision by the Group to move away from market priced options as the preferred form of long term incentive.

Only the senior leadership team of the Westfield Group participates in the PIP Plan. There are currently 20 executives world-wide, including the Group Managing Directors, participating in the PIP Plan. The Executive Chairman does not participate in the PIP Plan.

The PIP Plan itself is designed to encourage a "partnership" amongst the senior leadership team of the Westfield Group which will emphasise the strategic leadership role of that team. Through the PIP Plan, the members of that partnership will be provided with a benefit which is fully aligned with the interests of members as discussed in section 7.3.1.

The operation of the PIP Plan and the manner of calculation of the payout to which the executive is entitled is as described above.

The performance hurdle(s) applicable under the PIP Plan are determined annually by the Remuneration Committee when determining which executives will be invited to participate in the PIP Plan. Executives are informed of those hurdles at the same time as they are advised of the potential number of "synthetic securities" for which they will qualify if the performance hurdles are achieved. More than one hurdle may be set in any year.

The year in which the performance hurdles apply is known as the Qualifying Year. Actual performance against the hurdles which apply during the Qualifying Year will determine the final number of awards which the executive will receive at the end of that year. If performance against a hurdle is such that full qualification for awards is not achieved, there is no provision in the Plan for re-testing in subsequent years. The Board will revise hurdles during a Qualifying Year only where required as a consequence of a capital transaction undertaken by the Group (e.g. a major capital raising).

No payments are made to the executive at the end of that Qualifying Year. Rather, the awards in the PIP Plan are confirmed at that time and vest on two dates: 50% at the end of year four and 50% at the end of year five. No other performance hurdles are imposed during the vesting period.

The hurdle chosen by the Remuneration Committee for the 2010 Qualifying Year is discussed in section 7.3.3.

By adopting this combination of the application of performance hurdles in the Qualifying Year and the employee being required to stay for the subsequent four to five year vesting period, the Westfield Group aims, through the issue of awards under the PIP Plan, to incentivise achievement of targeted objectives and assist in the retention of the senior leadership team for an extended period. Executives participating in the PIP Plan will be required to remain with the Group for a period of five years in order to get the full benefit of each award.

The EPR Plan and the PIR Plan

In 2004, the Group moved to “synthetic” equity linked incentive plans as certain Australian taxation concessions in place at the time in relation to options over shares issued under employee share plans did not apply equally to options granted to employees over units in a trust. As a consequence, it was not practical for the Group to issue options over Westfield Group securities. Rather, the Group introduced the synthetic plans (EDA and PIP Plans) as described above which result in a cash payment to executives based on the value of Westfield Group securities rather than being settled through the issue or transfer of actual securities.

In 2007, the Federal government introduced legislation to correct this position with regard to stapled entities, such as the Westfield Group, where a share in a company (Westfield Holdings Limited) is stapled to units in a trust (Westfield Trust and Westfield America Trust).

The EPR Plan and the PIR Plan operate in much the same manner as the EDA Plan and the PIP Plan except that entitlements are satisfied by the delivery of Westfield Group securities (as opposed to the payment of a cash amount).

The EPR Plan and the PIR Plan also offer participants the opportunity to defer the time at which they are taxed once the performance rights vest. Typically, on delivery of securities, participants will be taxed on the value of the securities (as ordinary income). These plans enable participants to defer the taxing point if they elect to have a restriction period on dealing with securities that vest under the Plans. If such an election is made, securities delivered upon vesting will be placed in a “holding lock”. This means that, while the securities will be registered in the name of the participant and they will have a right to vote and receive distributions, the participant will not be able to sell or transfer the securities during the restriction period. The restriction period is up to ten years from the date of the grant of the performance rights.

2010 Amendments

In 2010 the EDA Plan and the PIP Plan have been amended. Any awards granted after 1 January 2010 will be on the terms of the amended plans.

As noted at section 7.4.3 above, the notional distribution reinvestment provisions of the EDA Plan and the PIP Plan will no longer apply to awards granted from 1 January 2010. Rather, the number of awards will be adjusted once only at the time of issue to include an amount being an estimate of the distributions payable on a Westfield Group stapled security over the vesting period. Although the economics of the Plans remain essentially the same, this change has clear benefits in the administration of the Plans.

Participants will qualify to receive a cash amount on the qualification date or, in certain circumstances, the date that they cease to be an employee of the Group. Depending on age, length of service and the date of retirement executives may be eligible to continue to participate in the Plans up to the vesting date if they retire prior to that date.

The circumstances in which a participant’s award will be forfeited include the following:

- (a) a “Summary Termination Event” occurring in respect of a participant (this includes the participant engaging in serious misconduct or, in certain cases, being convicted of a criminal offence); and

- (b) the participant failing to comply with a “Competition and Confidentiality Condition” (which will include standard confidentiality, non-compete and non-solicitation conditions).

In the case of death or total and permanent disablement, the awards will fully vest with the exception of retention awards in which case a pro-rata payment will be made.

If a participant is made redundant or Westfield terminates their employment other than for cause, a pro-rata payment will be made to that participant. However, no payment will be made in these circumstances in respect of any retention awards.

7.4.4 Hedging policy

In addition to the restrictions placed on entering into hedging arrangements by operation of the Group’s Security Trading Policy, participants in the Plans are prohibited from entering into hedging arrangements in respect of unvested awards or rights in any of the Plans.

The primary purpose of this prohibition is to ensure that, at all times until awards granted to executives under the Plans have vested, there is complete alignment between the interests of the executive and the interests of the Group and its members. In the Board’s view, that alignment potentially ceases if an executive’s economic interest in the benefit of an award or right is hedged – with the effect that the executive is not affected (or is affected to a lesser extent), by positive or negative movements in the market value of Westfield Group securities.

Executives are prohibited from entering into or renewing hedging or financial instruments in connection with their unvested entitlements under the Plans. This includes instruments such as equity swaps, caps and collars and other types of hedges, which are entered into for the purpose of mitigating the financial impact of movements in the price of Westfield Group securities to the extent such movements impact the value of awards made under the Plans.

7.5 Performance of the Westfield Group

Full details of the Group’s various financial and operating achievements are contained in the Chairman’s Review and the Group Managing Directors’ Review at pages 4 to 14 of the Annual Report.

Although the performance of the Group by comparison with its domestic and international peers is reviewed regularly, the remuneration policy of the Group is more focused on achievement of the Group’s internal financial and operational objectives. The Group regards achievement of these objectives as the appropriate criteria for determining remuneration rather than simply measuring relative performance against a market index or an external comparator group.

The following pages contain an analysis of the Group’s performance using various metrics applied over time.

7.5.1 Operational earnings on a constant currency basis⁽¹⁾

Growth in earnings from the Operational segment on a constant currency basis measures the profitability of the core operating business of the Group without regard to issues not relating to the underlying operations (such as profits/losses arising through revaluations and currency movements). The Operational segment analysis for last five years is detailed below.

Financial year to 31 December	Operational segment earnings \$m	Operational segment earnings growth (annual %)	Operational segment earnings (cents per security)	Operational segment earnings per security (annual %)
2009	2,063.9	5.9	92.01	(8.3)
2008	1,948.4	9.6	100.30	4.9
2007	1,777.6	10.5	95.65	5.0
2006	1,608.1	8.6	91.10	6.1
2005	1,449.9	— ⁽²⁾	84.09	— ⁽²⁾

⁽¹⁾ Constant currency is achieved by retranslating each item in the prior period income statement at the current period exchange rate. The average exchange rates are A\$/US\$ 0.7986 (31/12/08 0.8598, 31/12/07 0.8388, 31/12/06 0.7535 & 31/12/05 0.7622); A\$/£ 0.5074 (31/12/08 0.4596; 31/12/07 0.4188, 31/12/06 0.4091 & 31/12/05 0.4191); A\$/NZ\$ 1.2477 (31/12/08 1.1934; 31/12/07 1.1397, 31/12/06 1.1627 & 31/12/05 1.0823).

⁽²⁾ As the financial year was a shortened financial year from 30 June 2004 to 31 December 2004, there is no comparable period by which to compare the Group’s operational earnings growth.

Directors' Report (continued)

7.5.2 Earnings per security

Details of the Group's earnings per security for the last five financial years are detailed below.

Financial year to 31 December	Westfield Group's EPS (cents)	Westfield Group's EPS growth (annual %)
2009	(20.41)	82.7
2008	(117.79)	(163.7)
2007	184.93 ⁽¹⁾	(41.5)
2006	316.27 ⁽¹⁾	27.8
2005	247.53	— ⁽²⁾

⁽¹⁾ The number of stapled securities used in the calculation of EPS includes an adjustment for the bonus element of the pro-rata entitlement offer which was completed in July 2007, being 4.376 million securities for the period to July 2007 and 8.641 million securities for the full year ended 31 December 2006.

⁽²⁾ As the financial year was a shortened financial year from 30 June 2004 to 31 December 2004, there is no comparable period by which to compare the Group's EPS growth.

Significant fluctuations in EPS growth occur from year to year. Under AIFRS, EPS growth includes non-cash items such as movements in the value of properties in the Group's portfolio and mark to market adjustments of financial instruments. Because of the impact of these non cash items on the Group's profit and loss statement, since the adoption of AIFRS reporting, EPS has not been used by the Group as a key metric for assessment of the Group's performance. As noted above, growth in operational earnings on a constant currency basis is regarded as the more important measure of the Group's performance.

7.5.3 Distributions per security

Distributions paid by the Group for the last five financial years are as follows:

Financial year to 31 December	Annual distributions per stapled security (cents)	Annual distributions total (\$)
2009	94.00	2,149,100,000
2008	106.50	2,076,500,000
2007	106.50	1,977,500,000
2006	106.50	1,872,100,000
2005	106.57	1,838,300,000

7.5.4 WDC security price

Movement in the Westfield Group's security price for the last five financial years is shown in the chart below.

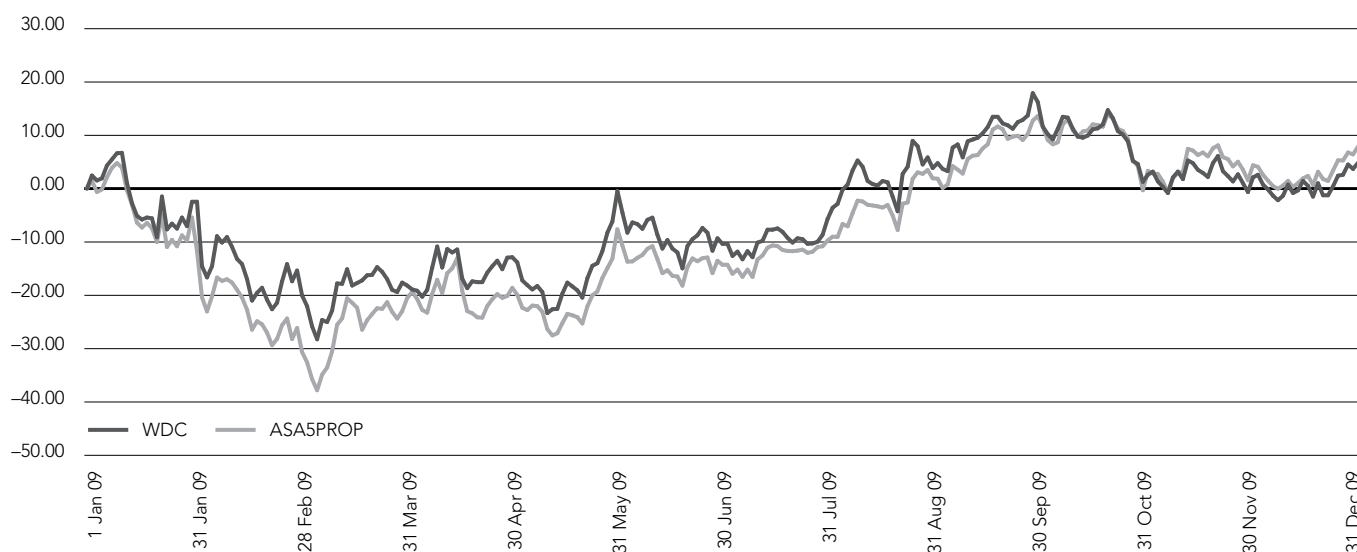


Source: Bloomberg

7.5.5 Performance against S&P/ASX A-REIT Index 1 January 2009 – 31 December 2009

The Westfield Group is included in the S&P/ASX A-REIT Index with a weighting of approximately 39.8% of that index as at 31 December 2009.

The chart below shows the performance of the Group against the S&P/ASX A-REIT Index from 1 January 2009 to 31 December 2009. Importantly, given that the Westfield Group is a major component of that Index, the relative performance of the Group against the Index (excluding the Westfield Group) would be significantly improved over that shown in the chart. This also applies to the longer term comparison as shown in the chart at section 7.5.6.



Source: Bloomberg

7.5.6 Performance against S&P/ASX A-REIT Index since 1 January 2005

As evidenced by the chart below, the performance of the Westfield Group has approximated the movements in the Index for much of the last four years, with a significant out performance by the Group over the past year.



Source: Bloomberg

7.6 Remuneration of the Executive Directors

At the date of this report, there were three Executive Directors in office, Mr Frank Lowy, Executive Chairman and the Group Managing Directors, Mr Peter Lowy and Mr Steven Lowy.

The remuneration of the Executive Directors is determined by the Board, acting on recommendations made by the Remuneration Committee.

The Group's remuneration practices are regularly benchmarked against its competitors in all markets. In making recommendations to the Board, the Remuneration Committee takes into account advice from independent consultants and advisers on domestic and international trends in remuneration for Executive Directors. In arriving at recommendations, the advisers consider a wide range of factors including the Westfield Group's financial profile, the complexity and geographic spread of its business and the size and scope of the workload and responsibilities assumed by the Executive Directors.

7.6.1 Executive Chairman

The term of Mr Frank Lowy's service agreement expired 31 December 2009 and was extended on the same terms until 31 December 2010. These arrangements are renewable by agreement between the parties at the end of that period. Mr Lowy did not enter into a Service Agreement (as referred to in section 7.7.1) during the Financial Year.

Directors' Report (continued)

Mr Lowy's remuneration for the Financial Year is as follows:

- (a) a base salary of \$8 million; and
- (b) an annual performance bonus of \$5.95 million; and
- (c) other benefits as detailed in the table below. The Chairman's entitlement to these non monetary benefits has not changed from previous financial years. However, the cost to the Group of providing these benefits decreased in the Financial Year, as shown in the table below.

Mr Lowy's total remuneration for the Financial Year decreased by approximately 8%.

Mr Lowy does not participate in the Group's equity linked incentive plans.

Mr Lowy's service agreement does not contain provision for any payment on termination by the Group (with or without cause) other than the retirement benefit referred to and shown in the table below.

The performance hurdles for the payment of Mr Lowy's bonus were the same performance hurdles as those applied to the 2009 Qualifying Year hurdles for the PIP Plan (see section 7.3.3). As a consequence, Mr Lowy's performance bonus was paid at 85% of target.

Mr Lowy's service agreement provides for a retirement benefit of one month's salary for each year of service on termination of his services. This benefit will continue to be calculated based on his salary in the 2003/2004 year (increased annually by CPI) and not the higher amount payable in accordance with the post merger arrangements. The amount accrued for the Financial Year (being \$67,679) was lower than for 2008 (being \$126,062) as a consequence of a lower CPI adjustment on Mr Lowy's entitlement.

In setting Mr Lowy's remuneration, a wide variety of matters are taken into account.

The Remuneration Committee has taken external advice from the Group's human resources consultants and has commissioned a report from Egan Associates regarding the level of Mr Lowy's remuneration

compared with Australian and international chief executive officers. That external advice is considered in detail by the Remuneration Committee in making its recommendations to the Board.

The Remuneration Committee and the Board have particular regard to Mr Lowy's status as one of Australia's most respected and influential chief executive officers. As a founder of the Westfield Group and having occupied the position of Managing Director/Chief Executive Officer since its inception, Mr Lowy is regarded in Australia and internationally as an outstanding and unique Chief Executive Officer who has presided, for 50 years, over the growth of a global retail business which is the largest, by market capitalisation, in the world.

Mr Lowy's knowledge, not only of the Westfield Group and its corporate history but of the broader industry in which the Group operates globally, is broadly acknowledged. With 50 years direct experience in the design, construction and management of shopping centres and associated fund and asset management, Mr Lowy's experience and reputation is unrivalled in the global retail property industry.

The Board also had regard to the fact that Mr Lowy does not participate in the Group's equity linked incentive plans and has not done so over the past 20 years. Given Mr Lowy's significant holdings in the Westfield Group over time, the Remuneration Committee and the Board have, over that period, been satisfied that there is appropriate alignment between Mr Lowy's interest and those of shareholders despite the fact that Mr Lowy does not participate in those Plans. Rather, the vast majority of Mr Lowy's remuneration is paid in cash and is fully disclosed below.

The summary below outlines Mr Lowy's fixed and at risk remuneration for the Financial Year. Based on the independent advice received by the Remuneration Committee and the Board, and having regard to the unique circumstances applicable to Mr Lowy, the Board regards this remuneration as reasonable and appropriate.

Component of remuneration	A\$ 2009	A\$ 2008	% change from 2008
<i>Short term employee benefits</i>			
– Base salary ⁽¹⁾	8,000,000	8,000,000	
Fixed			
– Cash bonus (accrued) ⁽²⁾	5,950,000	7,000,000	
At risk			
– Other short term employee benefits ⁽³⁾	11,693	24,657	
Fixed			
– Non monetary benefits ⁽⁴⁾	902,584	1,054,041	
Fixed			
<i>Post employment employee benefits</i>			
– Pension and superannuation benefits	–	–	
Fixed			
– Retirement benefits ⁽⁵⁾	67,679	126,062	
<i>Other long term benefits</i>	–	–	
<i>Termination benefits</i>	–	–	
<i>Share based payments⁽⁶⁾</i>	–	–	
Total remuneration	14,931,956	16,204,760	-7.9%

⁽¹⁾ Mr Lowy's base salary is inclusive of superannuation contributions.

⁽²⁾ Mr Lowy's bonus for the Financial Year was 85% of his targeted bonus. No part of this bonus is payable in respect of any future financial year.

⁽³⁾ Comprising annual leave and long service leave entitlements.

⁽⁴⁾ Other benefits comprise usage of the Group's aircraft which is classified as private usage (\$899,674). The entitlement to private usage of the Group's aircraft by Mr Lowy is up to a maximum of 75 hours per annum. The value of private usage (including fringe benefits tax) in any year is disclosed as remuneration. Unused entitlements are carried forward to future periods. During the Financial Year, the Chairman waived his entitlement to 20 hours of unused private usage of the aircraft.

⁽⁵⁾ Mr Lowy's service arrangements provide for a retirement benefit of one month's salary for each year of service on termination of his services. This benefit will continue to be calculated based on his salary in the 2003/2004 year (increased annually by CPI) and not the higher amount payable in accordance with the post merger arrangements.

⁽⁶⁾ The Chairman does not participate in the Group's equity linked incentive plans. He was not paid or entitled to any share based compensation in the Financial Year.

7.6.2 Group Managing Directors

The employment arrangements of the Group Managing Directors are detailed as follows.

Mr Peter Lowy

- Has been with the Group since 1983.
- Has resided in the United States since 1990.
- All aspects of Mr Lowy's remuneration are reviewed annually by the Remuneration Committee and the Board. To assist in that review, an external review is conducted by Egan Associates to determine the appropriate level of remuneration having regard to a wide range of factors including the specific responsibilities attached to the position, remuneration of executives within Australian and international REITs (and other comparable industries) and other matters relating specifically to Westfield.
- Base salary of US\$2.5 million per annum for the Financial Year.
- Mr Lowy's performance bonus was paid at 85% of target for the Financial Year. That level of vesting is consistent with the performance bonus paid to the Executive Chairman.
- Mr Lowy qualified for awards under the PIP Plan at 85% of target for the 2009 Qualifying Year (see sections 7.3.3 and 7.4.3).
- During the Financial Year, Mr Lowy entered into a Service Agreement with the Group (see section 7.7.1 for further details regarding the terms of that agreement, including termination entitlements).

The summary below outlines Mr Peter Lowy's fixed and at risk remuneration for the Financial Year.

Component of remuneration ⁽¹⁾	US\$ 2009	US\$ 2008	% change from 2008
<i>Short term employee benefits</i>			
– Base salary	2,500,000	2,500,000	
– Fixed			
– Cash bonus (accrued) ⁽²⁾	2,850,000	3,360,000	
– At risk			
<i>Total base salary and cash bonus</i>	5,350,000	5,860,000	–8.7%
– Other short term employee benefits ⁽³⁾	–	89,346	
– Fixed			
– Non monetary benefits	–	–	
– Fixed			
<i>Total short term employee benefits</i>	5,350,000	5,949,346	
<i>Post employment employee benefits</i>			
– Pension and superannuation benefits	–	–	
<i>Share based payments⁽⁴⁾</i>			
– Cash settled EDA/PIP Plan (at risk) ⁽⁵⁾	1,507,787	1,100,308	
<i>Other long term benefits</i>	–	–	
Total remuneration	6,857,787	7,049,654	–2.7%

⁽¹⁾ As Mr Peter Lowy is based in the United States his remuneration is disclosed in local US currency.

⁽²⁾ Mr Lowy's bonus for the Financial Year was 85% of his targeted bonus. No part of this bonus is payable in respect of any future financial year.

⁽³⁾ Comprising annual leave entitlements.

⁽⁴⁾ Mr Lowy does not hold any options or other equity instruments as part of his remuneration. Mr Lowy does not participate in the EPR Plan or the PIR Plan. Refer to the tables at 7.6.3 and 7.6.4 for details of awards held by Mr Lowy under the EDA Plan and the PIP Plan.

⁽⁵⁾ This disclosure does not represent the face value of awards granted to Mr Peter Lowy under the EDA and PIP Plans in the Financial Year. The amount shown in this remuneration table is an accounting calculation which amortises the value of all outstanding EDA and PIP Plan awards held by Mr Lowy. This disclosure includes the full cost of these awards to the Group and is not simply an amortisation of an accounting value of the awards determined at the date of grant. Further details of this calculation are provided in Note 23 to the Financial Statements (at page 57) under the heading "Accounting for cash settled Share Based Payments". The result of using this method is that upon maturity of each award, the full cost to the Group and the total benefit received by the executive has been included in the remuneration disclosures made in respect of that executive.

Directors' Report (continued)

Mr Steven Lowy

- Has been with the Group since 1987.
- All aspects of Mr Lowy's remuneration are reviewed annually by the Remuneration Committee and the Board. To assist in that review, an external review is conducted by Egan Associates to determine the appropriate level of remuneration having regard to a wide range of factors including the specific responsibilities attached to the position, remuneration of executives within Australian and international REITs (and other comparable industries) and other matters relating specifically to Westfield.
- Base salary of A\$2.5 million per annum for the Financial Year.
- Mr Lowy's performance bonus was paid at 85% of target for the Financial Year. That level of vesting is consistent with the performance bonus paid to the Executive Chairman.
- Mr Lowy qualified for awards under the PIP Plan at 85% of target for the 2009 Qualifying Year (see sections 7.3.3 and 7.4.3).
- During the Financial Year, Mr Lowy entered into a Service Agreement with the Group (see section 7.7.1 for further details regarding the terms of that agreement, including termination entitlements).

The summary below outlines Mr Steven Lowy's fixed and at risk remuneration for the Financial Year.

Component of remuneration ⁽¹⁾	A\$ 2009	A\$ 2008	% change from 2008
<i>Short term employee benefits</i>			
– Base salary ⁽²⁾	2,500,000	2,500,000	
Fixed			
– Cash bonus (accrued) ⁽³⁾	3,400,000	4,000,000	
At risk			
<i>Total base salary and cash bonus</i>	5,900,000	6,500,000	–9.2%
– Other short term employee benefits ⁽⁴⁾	(141,025)	89,743	
Fixed			
– Non monetary benefits	–	–	
Fixed			
<i>Total short term employee benefits</i>	5,758,975	6,589,743	
<i>Post employment employee benefits</i>			
– Pension and superannuation benefits	–	–	
<i>Share based payments⁽⁵⁾</i>			
– Cash settled EDA/PIP Plan (at risk) ⁽⁶⁾	1,888,038	1,279,726	
<i>Other long term benefits</i>	–	–	
Total remuneration	7,647,013	7,869,469	–2.8%

⁽¹⁾ As Mr Steven Lowy is based in Australia his remuneration is disclosed in A\$.

⁽²⁾ Mr Lowy's base salary is inclusive of superannuation contributions.

⁽³⁾ Mr Lowy's bonus for the Financial Year was 85% of his targeted bonus. No part of this bonus is payable in respect of any future financial year.

⁽⁴⁾ Comprising annual leave and long service leave entitlements.

⁽⁵⁾ Mr Lowy does not hold any options or other equity instruments as part of his remuneration. Mr Lowy does not participate in the EPR Plan or the PIR Plan. Refer to the tables at 7.6.3 and 7.6.4 for details of awards held by Mr Lowy under the EDA Plan and the PIP Plan.

⁽⁶⁾ This disclosure does not represent the face value of awards granted to Mr Steven Lowy under the EDA and PIP Plans in the Financial Year. The amount shown in this remuneration table is an accounting calculation which amortises the value of all outstanding EDA and PIP Plan awards held by Mr Lowy. This disclosure includes the full cost of these awards to the Group and is not simply an amortisation of an accounting value of the awards determined at the date of grant. Further details of this calculation are provided in Note 23 to the Financial Statements (at page 57) under the heading "Accounting for cash settled Share Based Payments". The result of using this method is that upon maturity of each award, the full cost to the Group and the total benefit received by the executive has been included in the remuneration disclosures made in respect of that executive.

7.6.3 Group Managing Directors: participation in the EDA Plan⁽¹⁾

The following chart details awards under the EDA Plan held by the Group Managing Directors. There has been no alteration to the terms of the grants to either of the Group Managing Directors under the EDA Plan since the grant date.

Executive	Date of Grant	Number of Awards at Grant Date	Vesting Date	Reinvestment Awards ⁽²⁾	Total Awards Held	Fair Value at Grant ⁽³⁾ \$	Market Value at 3 Mar 10 ⁽⁴⁾ \$	Performance Hurdles
Peter Lowy Group Managing Director	1 January 2007	43,928	1 January 2010 ⁽⁵⁾	9,652	53,580	984,562	N/A	N/A
	1 January 2008	49,912	15 December 2010	8,060	57,972	916,164	698,563	N/A
	1 January 2009	84,661	15 December 2011	7,925	92,586	971,690	1,115,661	N/A
Steven Lowy Group Managing Director	1 January 2007	43,928	1 January 2010 ⁽⁵⁾	9,652	53,580	984,562	N/A	N/A
	1 January 2008	49,912	15 December 2010	8,060	57,972	916,164	698,563	N/A
	1 January 2009	84,661	15 December 2011	7,925	92,586	971,690	1,115,661	N/A

⁽¹⁾ In Australia the issuer of awards under the EDA Plan is Westfield Holdings Limited. In the United States, it is Westfield LLC.

⁽²⁾ Aggregate figure in relation to the notional reinvestment of distributions for the distributions paid in February and August of 2007, 2008 and 2009. The notional reinvestment of distributions feature of the EDA Plan will not apply to awards granted on or after 1 January 2010. Rather, the number of awards will be adjusted to include an amount being an estimate of the distributions payable on a Westfield Group stapled security over the vesting period.

⁽³⁾ The fair value of the awards issued under the EDA Plan is based on the estimated fair value of earnings. This is calculated by discounting the total value of the anticipated impact of future distributions and share price movements. The fair value of the awards issued under the EDA Plan is calculated on the assumption that the employee remains employed with the Group for the full term of the EDA Plan.

⁽⁴⁾ The market value at 3 March 2010 is based on the closing price of \$12.05.

⁽⁵⁾ These awards vested (and were paid) in January 2010. The payout amount was A\$646,175 for each Group Managing Director.

7.6.4 Group Managing Directors: participation in the PIP Plan⁽¹⁾

The following chart details awards under the PIP Plan held by the Group Managing Directors.

Executive	Date of Grant	Number of Awards at Grant Date	Vesting Date	Reinvestment Awards ⁽²⁾	Total Awards Held	Fair Value at Grant ⁽³⁾ \$	Market Value at 3 Mar 10 ⁽⁴⁾ \$	Performance Hurdles
Peter Lowy Group Managing Director	1 January 2006	55,732 ⁽⁵⁾	55,732: 01/01/10 ⁽⁶⁾	16,479	72,211	1,117,684	N/A	Satisfied
	1 January 2007	100,925	50,463: 01/01/10 ⁽⁷⁾	11,088	61,551	1,107,759	N/A	Satisfied
			50,462: 01/01/11	11,088	61,550	1,200,073	741,678	Satisfied
	1 January 2008	103,360	51,680: 15/12/10 51,680: 15/12/11	16,688	120,048	2,387,266	1,446,578	Satisfied
	1 January 2009	117,440	58,720: 15/12/11 58,720: 14/12/12	10,994	128,434	2,059,746	1,547,630	Satisfied
Steven Lowy Group Managing Director	1 January 2010	202,907 ⁽⁸⁾	99,206: 14/12/12 103,701: 16/12/13	N/A	202,907	2,019,785	2,445,029	85% Satisfied
	1 January 2006	55,732 ⁽⁵⁾	55,732: 01/01/10 ⁽⁶⁾	16,479	72,211	1,117,684	N/A	Satisfied
	1 January 2007	100,925	50,463: 01/01/10 ⁽⁷⁾	11,088	61,551	1,107,759	N/A	Satisfied
			50,462: 01/01/11	11,088	61,550	1,200,073	741,678	Satisfied
	1 January 2008	103,360	51,680: 15/12/10 51,680: 15/12/11	16,688	120,048	2,387,266	1,446,578	Satisfied
Steven Lowy Group Managing Director	1 January 2009	117,440	58,720: 15/12/11 58,720: 14/12/12	10,994	128,434	2,059,746	1,547,630	Satisfied
	1 January 2010	202,907 ⁽⁸⁾	99,206: 14/12/12 103,701: 16/12/13	N/A	202,907	2,019,785	2,445,029	85% Satisfied

⁽¹⁾ In Australia the issuer of awards under the PIP Plan is Westfield Holdings Limited. In the United States, it is Westfield LLC.

⁽²⁾ Aggregate figure in relation to the notional reinvestment of distributions for the distributions paid in February and August of 2006, 2007, 2008 and 2009. The notional reinvestment of distributions feature of the PIP Plan will not apply to awards granted on or after 1 January 2010. Rather, the number of awards will be adjusted to include an amount being an estimate of the distributions payable on a Westfield Group stapled security over the vesting period.

⁽³⁾ The fair value of the awards issued under the PIP Plan is based on the estimated fair value of earnings. This is calculated by discounting the total value of the anticipated impact of future distributions and share price movements. The fair value of the awards issued under the PIP Plan is calculated on the assumption that the employee remains employed with the Group for the full term of the PIP Plan.

⁽⁴⁾ The market value at 3 March 2010 is based on the closing price of \$12.05.

⁽⁵⁾ This number represents 50% of the original number of the awards, as awards under the PIP Plan vest in two tranches. These awards are tranche 2 of the awards first granted in 2006. Tranche 1 vested on 1 January 2009.

⁽⁶⁾ These awards vested (and were paid) in January 2010. The payout amount was A\$870,865 for each Group Managing Director.

⁽⁷⁾ These tranche 1 awards vested (and were paid) in January 2010. The payout amount was A\$742,305 for each Group Managing Director.

⁽⁸⁾ As the Qualifying Hurdles were only satisfied as to 85%, 169,323 base awards were granted. The difference of 33,584 represents a gross up of awards for an adjustment for future distributions. See note 1 above. If the Qualifying Hurdles for the Financial Year were met in full the Managing Directors would have been entitled to 238,714 awards (including gross up of future distributions).

Directors' Report (continued)

7.7 Executive Remuneration and Termination Arrangements

7.7.1 Service agreements and termination arrangements

This report incorporates details of the Specified Executives, being the executives (other than the Directors) numbering at least five, who received the highest remuneration for the Financial Year.

Mr Peter Allen, Group Chief Financial Officer and each of Mr Michael Gutman, Mr Robert Jordan (as Managing Directors of the UK and Europe, and Australia and New Zealand, respectively) and Mr John Widdup (Chief Operating Officer, United States) are also the Key Management Personnel as defined under AASB 124. Mr Peter Leslie (Senior Executive Vice President – Leasing) who relocated to the United States from Australia during the Financial Year is also disclosed as a Specified Executive.

During the Financial Year, the Group entered into Service Agreements with the Group Managing Directors and each of the Specified Executives. Previously, none of these executives had written contracts. Rather, their employment was managed in accordance with well established policies and procedures developed by the Group over time. The Service Agreements entered into between the Group and each of these executives is in a common form and is consistent with those policies and procedures.

The Service Agreements outline the elements of remuneration which may be conferred on the executive during their period of employment by the Group (including base salary, performance bonus and participation in the Group's equity linked incentive plans). The agreement is silent on the details of that remuneration. Those details are determined annually by the Board and advised to the executive by letter.

The Service Agreements do not have a fixed term. They may be terminated by the relevant Group employer at any time by giving the relevant executive one month notice. The executive may terminate the contract at any time by giving the Group three months notice.

Payments to the executive on termination are also common to each Service Agreement. The principles applicable to termination payment by the Group, as applied by the Group prior to execution of the Service Agreements and now reflected in those Service Agreements, are as follows:

(a) Resignation (excluding retirement) and termination by the Group for cause

An executive who resigns from the Group to pursue other opportunities or who is dismissed by the Group for cause (broadly defined to include serious misconduct, fraud or dishonest conduct or a refusal to comply with lawful directions) is entitled to minimal benefits on termination.

The executive is entitled only to accrued base salary and statutory entitlements to the date of departure. Payment of a pro-rata bonus for the relevant year may be considered in exceptional circumstances. All unvested entitlements under the Group's equity linked incentive plans are forfeited, without payment, on termination.

(b) Redundancy or termination by the Group (other than for cause)

An executive made redundant by the Group or who is terminated without cause is entitled to receive:

- accrued statutory entitlements;
- a pro-rata performance bonus to the date of termination;
- a redundancy payment of between twelve and twenty four months base salary depending on the length of service of the executive plus one month base salary in lieu of notice; and
- pro-rata vesting of outstanding awards under the Group's equity linked incentive plans (excluding any awards which lapsed as a consequence of a failure to satisfy a performance hurdle).

(c) Death or permanent disability

If an executive dies or suffers a permanent disability during the term of employment the entitlements payable to that executive (or the estate of that executive) are as follows:

- accrued statutory entitlements;
- a pro-rata performance bonus to the date of termination; and
- full vesting of outstanding awards under the Group's equity linked incentive plans (excluding any awards which lapsed as a consequence of a failure to satisfy a performance hurdle) other than "retention awards" which vest pro-rata to the date of termination.

(d) Retirement

The Group recognises that if an executive satisfies the retirement conditions (see below), the termination of the employment should be treated in a different manner to a resignation in the ordinary course.

Provided an executive has reached the age of 55 years with at least 5 years continuous service or the aggregate of the age of the participant and the number of years of service with the Group is equal to or greater than 70, the executive will be entitled to the following benefits:

- accrued statutory entitlements;
- a pro-rata performance bonus to the date of retirement; and
- the right to continue in the Group's equity linked incentive plans until the date of vesting of outstanding awards granted prior to the date of retirement (excluding any awards which lapsed as a consequence of a failure to satisfy a performance hurdle) or, in circumstances where continued participation in the Plans is not permitted under the terms of the Plans, the executive is entitled to a cash payment from the Group equal to the amount that would have been received had the executive been permitted to continue in the Plans.

Where permitted by law, the Group imposes a further requirement that, following retirement, the executive complies with certain continuing non-compete obligations which, if not satisfied, will result in forfeiture of all awards then outstanding.

The Remuneration Committee and the Board believe that these policies provide appropriate incentives (and disincentives) on termination which balances the interests of the Group and its members with the policy objective of providing commercially reasonable payments to executives which reflect the circumstances of their departure. As has been noted above, the retention of senior executives is a key objective of the Group. It is also an objective of the Board to keep long serving executives participating in the equity linked incentive plans right up to the point of their retirement. The Board believes that the policies described above assist in achieving those objectives.

The table below outlines the terms of the Service Agreements with Specified Executives.

Name and Title	Employing Company	Commencement Date	Term	Termination Provisions/Benefits
Peter Allen Group Chief Financial Officer	Westfield Limited	4 March 1996	Mr Allen's contract continues in force until terminated by either party in accordance with its terms. This includes: <ul style="list-style-type: none"> – the Group may in its discretion terminate Mr Allen's employment on one month notice of termination; – the Group may summarily terminate Mr Allen's employment for cause; – Mr Allen may terminate his employment on three months notice to the Group. 	Refer section 7.7.1
Michael Gutman Managing Director, UK and Europe	Westfield Limited	22 September 1993	Mr Gutman's contract continues in force until terminated by either party in accordance with its terms. This includes: <ul style="list-style-type: none"> – the Group may in its discretion terminate Mr Gutman's employment on one month notice of termination; – the Group may summarily terminate Mr Gutman's employment for cause; – Mr Gutman may terminate his employment on three months notice to the Group. 	Refer section 7.7.1
Robert Jordan Managing Director, Australia and New Zealand	Westfield Limited	24 August 1987	Mr Jordan's contract continues in force until terminated by either party in accordance with its terms. This includes: <ul style="list-style-type: none"> – the Group may in its discretion terminate Mr Jordan's employment on one month notice of termination; – the Group may summarily terminate Mr Jordan's employment for cause; – Mr Jordan may terminate his employment on three months notice to the Group. 	Refer section 7.7.1
Peter Leslie Senior Executive Vice President Leasing, United States	Westfield LLC	1 October 2001	Mr Leslie's contract continues in force until terminated by either party in accordance with its terms. This includes: <ul style="list-style-type: none"> – the Group may in its discretion terminate Mr Leslie's employment on one month notice of termination; – the Group may summarily terminate Mr Leslie's employment for cause; – Mr Leslie may terminate his employment on three months notice to the Group. 	Refer section 7.7.1
John Widdup Chief Operating Officer, United States	Westfield LLC	5 April 1994	Mr Widdup's contract continues in force until terminated by either party in accordance with its terms. This includes: <ul style="list-style-type: none"> – the Group may in its discretion terminate Mr Widdup's employment on one month notice of termination; – the Group may summarily terminate Mr Widdup's employment for cause; – Mr Widdup may terminate his employment on three months notice to the Group. 	Refer section 7.7.1

Directors' Report (continued)

7.7.2 Remuneration: Specified Executives

The remuneration of the Specified Executives is summarised in the tables below.

Mr Peter Allen: Fixed and at risk remuneration for the Financial Year

Component of remuneration ⁽¹⁾	A\$ 2009	A\$ 2008	% change from 2008
<i>Short term employee benefits</i>			
– Base salary ⁽²⁾	1,200,000	1,200,000	
Fixed			
– Cash bonus (accrued) ⁽³⁾	1,200,000	1,200,000	
At risk			
<i>Total base salary and cash bonus</i>	2,400,000	2,400,000	0.0%
– Other short term employee benefits ⁽⁴⁾	(19,231)	188,508	
Fixed			
– Non monetary benefits	–	–	
Fixed			
<i>Total short term employee benefits</i>	2,380,769	2,588,508	
<i>Post employment employee benefits</i>			
– Pension and superannuation benefits	–	–	
<i>Share based payments⁽⁵⁾</i>			
– Cash settled EDA/PIP Plan (at risk)	187,975	699,661	
– Equity settled EPR/PIR Plan (at risk)	1,067,602	547,719	
<i>Other long term benefits</i>	–	–	
Total remuneration	3,636,346	3,835,888	–5.2%

⁽¹⁾ As Mr Allen is based in Australia his remuneration is disclosed in A\$.

⁽²⁾ Mr Allen's base salary is inclusive of superannuation contributions.

⁽³⁾ No amount of Mr Allen's bonus was forfeited. No part of this bonus is payable in respect of any future financial year.

⁽⁴⁾ Comprising annual leave and long service leave entitlements.

⁽⁵⁾ Refer to the tables in sections 7.7.3 to 7.7.6.

Mr Michael Gutman: Fixed and at risk remuneration for the Financial Year

Component of remuneration ⁽¹⁾	A\$ 2009	A\$ 2008	% change from 2008
<i>Short term employee benefits</i>			
– Base salary ⁽²⁾	1,200,000	1,200,000	
Fixed			
– Cash bonus (accrued) ⁽³⁾	1,200,000	1,200,000	
At risk			
<i>Total base salary and cash bonus</i>	2,400,000	2,400,000	0.0%
– Other short term employee benefits ⁽⁴⁾	19,230	78,242	
Fixed			
– Non monetary benefits ⁽⁵⁾	282,342	691,971	
Fixed			
<i>Total short term employee benefits</i>	2,701,572	3,170,213	
<i>Post employment employee benefits</i>			
– Pension and superannuation benefits	–	–	
<i>Share based payments⁽⁶⁾</i>			
– Cash settled EDA/PIP Plan (at risk)	187,135	708,720	
– Equity settled EPR/PIR Plan (at risk)	902,268	482,582	
<i>Other long term benefits</i>	–	–	
Total remuneration	3,790,975	4,361,515	–13.1%

⁽¹⁾ Mr Gutman is based between Australia and the United Kingdom. As he is paid in A\$ his remuneration is disclosed in A\$.

⁽²⁾ Mr Gutman's base salary is inclusive of superannuation contributions.

⁽³⁾ No amount of Mr Gutman's bonus was forfeited. No part of this bonus is payable in respect of any future financial year.

⁽⁴⁾ Comprising annual leave and long service leave entitlements.

⁽⁵⁾ Comprising normal expatriate benefits including medical benefits, accommodation, home leave plus fringe benefit tax on those benefits.

⁽⁶⁾ Refer to the tables in sections 7.7.3 to 7.7.6.

Mr Robert Jordan: Fixed and at risk remuneration for the Financial Year

Component of remuneration ⁽¹⁾	A\$ 2009	A\$ 2008	% change from 2008
<i>Short term employee benefits</i>			
– Base salary ⁽²⁾	1,200,000	1,200,000	
Fixed			
– Cash bonus (accrued) ⁽³⁾	1,200,000	1,200,000	
At risk			
<i>Total base salary and cash bonus</i>	2,400,000	2,400,000	0.0%
– Other short term employee benefits ⁽⁴⁾	(3,078)	219,899	
Fixed			
– Non monetary benefits	–	–	
Fixed			
<i>Total short term employee benefits</i>	2,396,922	2,619,899	
<i>Post employment employee benefits</i>			
– Pension and superannuation benefits	–	–	
<i>Share based payments⁽⁵⁾</i>			
– Cash settled EDA/PIP Plan (at risk)	187,975	715,082	
– Equity settled EPR/PIR Plan (at risk)	907,425	469,441	
<i>Other long term benefits</i>	–	–	
Total remuneration	3,492,322	3,804,422	–8.2%

⁽¹⁾ As Mr Jordan is based in Australia his remuneration is disclosed in A\$.

⁽²⁾ Mr Jordan's base salary is inclusive of superannuation contributions.

⁽³⁾ No amount of Mr Jordan's bonus was forfeited. No part of this bonus is payable in respect of any future financial year.

⁽⁴⁾ Comprising annual leave and long service leave entitlements.

⁽⁵⁾ Refer to the tables in sections 7.7.3 to 7.7.6.

Mr Peter Leslie: Fixed and at risk remuneration for the Financial Year

Component of remuneration ⁽¹⁾	US\$ 2009
<i>Short term employee benefits</i>	
– Base salary ⁽²⁾	707,797
Fixed	
– Cash bonus (accrued) ⁽³⁾	1,150,000
At risk	
<i>Total base salary and cash bonus</i>	1,857,797
– Other short term employee benefits ⁽⁴⁾	31,486
Fixed	
– Non monetary benefits ⁽⁵⁾	279,610
Fixed	
<i>Total short term employee benefits</i>	2,168,893
<i>Post employment employee benefits</i>	
– Pension and superannuation benefits	–
<i>Share based payments⁽⁶⁾</i>	
– Cash settled EDA/PIP Plan (at risk)	483,291
– Equity settled EPR/PIR Plan (at risk)	145,591
<i>Other long term benefits</i>	–
Total remuneration	2,797,775

⁽¹⁾ Mr Leslie is based in the United States and his remuneration is disclosed in local US currency. Mr Leslie was not a Specified Executive in 2008. Accordingly, 2008 comparative information is not shown.

⁽²⁾ Base salary is inclusive of superannuation guarantee contributions earned prior to his expatriation to the US.

⁽³⁾ No amount of Mr Leslie's bonus was forfeited. No part of this bonus is payable in respect of any future financial year.

⁽⁴⁾ Comprising annual leave and long service leave entitlements.

⁽⁵⁾ Comprising normal expatriate benefits including medical benefits, accommodation, home leave plus fringe benefit tax on those benefits.

⁽⁶⁾ Refer to the tables in sections 7.7.3 to 7.7.6.

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Mr John Widdup: Fixed and at risk remuneration for the Financial Year

Component of remuneration ⁽¹⁾	US\$ 2009	US\$ 2008	% change from 2008
<i>Short term employee benefits</i>			
– Base salary	800,000	800,000	
– Cash bonus (accrued) ⁽²⁾	700,000	800,000	
– At risk			
<i>Total base salary and cash bonus</i>	1,500,000	1,600,000	-6.3%
– Other short term employee benefits ⁽³⁾	25,897	71,701	
– Non monetary benefits ⁽⁴⁾	625,390	609,912	
– Fixed			
<i>Total short term employee benefits</i>	2,151,287	2,281,613	
<i>Post employment employee benefits</i>			
– Pension and superannuation benefits	–	–	
<i>Share based payments⁽⁵⁾</i>			
– Cash settled EDA/PIP Plan (at risk)	526,877	432,205	
– Equity settled EPR/PIR Plan (at risk)	553,743	596,178	
<i>Other Long Term Benefits</i>	–	–	
Total remuneration	3,231,907	3,309,996	-2.4%

⁽¹⁾ Mr Widdup is based in the United States and his remuneration is disclosed in local US currency.

⁽²⁾ Mr Widdup's bonus for the Financial Year was 85% of his targeted bonus. No part of this bonus is payable in respect of any future financial year.

⁽³⁾ Comprising annual leave and long service leave entitlements.

⁽⁴⁾ Comprising normal expatriate benefits including medical benefits, accommodation, home leave plus fringe benefit tax on those benefits.

⁽⁵⁾ Refer to the tables in sections 7.7.3 to 7.7.6.

7.7.3 Specified Executives: participation in the EDA Plan⁽¹⁾

The following chart details awards under the EDA Plan held by Specified Executives. There has been no alteration to the terms of the grants to any of the Specified Executives under the EDA Plan since the grant date.

Executive	Date of Grant	Number of Awards at Grant Date	Vesting Date	Reinvestment Awards ⁽²⁾	Total Awards Held	Fair Value at Grant ⁽³⁾ \$	Market Value at 3 Mar 10 ⁽⁴⁾ \$	Performance Hurdles
Peter Allen ⁽⁵⁾ Group Chief Financial Officer	1 January 2006	288,355	1 January 2011	85,239	373,594	6,786,595	4,501,808	N/A
	1 January 2007	20,672	1 January 2010 ⁽⁶⁾	4,543	25,215	463,362	N/A	N/A
	1 January 2008	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	1 January 2009	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Michael Gutman ⁽⁷⁾ Managing Director, UK and Europe	1 January 2006	288,355	1 January 2011	85,239	373,594	6,786,595	4,501,808	N/A
	1 January 2007	22,063	1 January 2010 ⁽⁸⁾	4,851	26,914	494,531	N/A	N/A
	1 January 2008	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	1 January 2009	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Robert Jordan ⁽⁹⁾ Managing Director, Australia and New Zealand	1 January 2006	288,355	1 January 2011	85,239	373,594	6,786,595	4,501,808	N/A
	1 January 2007	20,672	1 January 2010 ⁽¹⁰⁾	4,543	25,215	463,362	N/A	N/A
	1 January 2008	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	1 January 2009	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Peter Leslie ⁽¹¹⁾ Senior Executive Vice President – Leasing, United States	1 January 2007	15,504	1 January 2010 ⁽¹²⁾	3,409	18,913	316,318	N/A	N/A
	1 January 2007	103,359	1 January 2012	22,705	126,064	2,162,382	1,519,071	N/A
	1 January 2008	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	1 January 2009	38,563	15 December 2011	3,610	42,173	442,613	508,185	N/A
John Widdup ⁽¹³⁾ Chief Operating Officer, United States	1 January 2007	14,729	1 January 2010 ⁽¹⁴⁾	3,238	17,967	330,155	N/A	N/A
	1 January 2007	31,008	1 May 2010	6,814	37,822	677,036	455,755	N/A
	1 January 2008	18,851	15 December 2010	3,044	21,895	346,039	263,835	N/A
	1 January 2009	46,276	15 December 2011	4,332	50,608	531,141	609,826	N/A

⁽¹⁾ In Australia and New Zealand, the issuer of awards under the EDA Plan is Westfield Holdings Limited. In the United States it is Westfield LLC and in the United Kingdom Westfield Shoppingtowns Limited.

⁽²⁾ Aggregate figure in relation to the notional reinvestment of distributions for the distributions paid in February and August 2006, 2007, 2008 and 2009. The notional reinvestment of distributions feature of the EDA Plan will not apply to awards granted on or after 1 January 2010. Rather, the number of awards will be adjusted to include an amount being an estimate of the distributions payable on a Westfield Group stapled security over the vesting period.

⁽³⁾ The fair value of the awards issued under the EDA Plan is based on the estimated fair value of earnings. This is calculated by discounting the total value of the anticipated impact of future distributions and share price movements. The fair value of the awards issued under the EDA Plan is calculated on the assumption that the employee remains employed with the Group for the full term of the EDA Plan.

⁽⁴⁾ The market value at 3 March 2010 is based on the closing price of \$12.05.

⁽⁵⁾ In 2008 and 2009, Mr Allen participated in the EPR Plan. Refer table at 7.7.5.

⁽⁶⁾ These awards vested and have been paid. The payout amount was \$304,093.

⁽⁷⁾ Certain overseas executives were given the election to participate in the EDA Plan or the EPR Plan. Mr Gutman made the election in respect of awards granted in 2008 and 2009 to participate in the EPR Plan. Refer table at 7.7.5.

⁽⁸⁾ These awards vested and have been paid. The payout amount was \$324,583.

⁽⁹⁾ In 2008 and 2009, Mr Jordan participated in the EPR Plan. Refer table at 7.7.5.

⁽¹⁰⁾ These awards vested and have been paid. The payout amount was \$304,093.

⁽¹¹⁾ Mr Leslie participated in the EPR Plan in 2008 before his expatriation to the United States. Refer table at 7.7.5. In 2009, Mr Leslie participated in the US EDA Plan in respect of awards granted in the Financial Year.

⁽¹²⁾ These awards vested and have been paid. The payout amount was A\$228,091.

⁽¹³⁾ Certain overseas executives were given the election to participate in the EDA Plan or the EPR Plan. Mr Widdup made the election in respect of retention awards granted in 2008 to participate in the EPR Plan. Refer table at 7.7.5. Mr Widdup elected to participate in the EDA Plan with respect to awards granted to him in the Financial Year.

⁽¹⁴⁾ These awards vested and have been paid. The payout amount was A\$216,682.

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7.7.4 Specified Executives: participation in the PIP Plan⁽¹⁾

The following chart details awards under the PIP Plan held by Specified Executives. With respect to the awards granted on 1 January 2010, details of the alterations to the terms of the PIP Plan are outlined in section 7.4.3 and footnote 2 to this table.

Executive	Date of Grant	Number of Awards at Grant Date	Vesting Date	Reinvestment Awards ⁽²⁾	Total Awards Held	Fair Value at Grant ⁽³⁾ A\$	Market Value at 3 Mar 10 ⁽⁴⁾ A\$	Performance Hurdles
Peter Allen⁽⁵⁾ Group Chief Financial Officer	1 January 2006	22,295	22,295: 01/01/10 ⁽⁶⁾	6,595	28,890	517,012	N/A	Satisfied
	1 January 2007	46,140	23,070: 01/01/10 ⁽⁷⁾ 23,070: 01/01/11	5,070 5,070	28,140 28,140	464,869 503,609	N/A 339,087	Satisfied Satisfied
	1 January 2008	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	1 January 2009	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	1 January 2010	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Michael Gutman⁽⁸⁾ Managing Director, UK and Europe	1 January 2006	22,295	22,295: 01/01/10 ⁽⁹⁾	6,595	28,890	517,012	N/A	Satisfied
	1 January 2007	41,285	20,643: 01/01/10 ⁽¹⁰⁾ 20,642: 01/01/11	4,538 4,538	25,181 25,180	415,955 450,617	N/A 303,419	Satisfied Satisfied
	1 January 2008	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	1 January 2009	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	1 January 2010	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Robert Jordan⁽¹¹⁾ Managing Director, Australia and New Zealand	1 January 2006	22,295	22,295: 01/01/10 ⁽¹²⁾	6,595	28,890	517,012	N/A	Satisfied
	1 January 2007	46,140	23,070: 01/01/10 ⁽¹³⁾ 23,070: 01/01/11	5,070 5,070	28,140 28,140	464,869 503,609	N/A 339,087	Satisfied Satisfied
	1 January 2008	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	1 January 2009	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	1 January 2010	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Peter Leslie⁽¹⁴⁾ Senior Executive Vice President – Leasing, United States	1 January 2010	47,137 ⁽¹⁵⁾	23,047: 14/12/12 24,090: 16/12/13	N/A	47,137	469,213	568,001	85% Satisfied
John Widdup⁽¹⁶⁾ Chief Operating Officer, United States	1 January 2008	20,672	10,336: 15/12/10 10,336: 15/12/11	3,342	24,014	431,588	289,369	Satisfied
	1 January 2009	25,134	12,567: 15/12/11 12,567: 14/12/12	2,354	27,488	440,923	331,230	Satisfied
	1 January 2010	40,582 ⁽¹⁷⁾	19,842: 14/12/12 20,740: 16/12/13	N/A	40,582	403,963	489,013	85% Satisfied

⁽¹⁾ In Australia and New Zealand, the issuer of awards under the PIP Plan is Westfield Holdings Limited. In the United States it is Westfield LLC and in the United Kingdom Westfield Shoppingtowns Limited.

⁽²⁾ Aggregate figure in relation to the notional reinvestment of distributions for the distributions paid in February and August 2006, 2007, 2008 and 2009. The notional reinvestment of distributions feature of the PIP Plan will not apply to awards granted on or after 1 January 2010. Rather, the number of awards will be adjusted to include an amount being an estimate of the distributions payable on a Westfield Group stapled security over the vesting period.

⁽³⁾ The fair value of the awards issued under the PIP Plan is based on the estimated fair value of earnings. This is calculated by discounting the total value of the anticipated impact of future distributions and security price movements. The fair value of the awards issued under the PIP Plan is calculated on the assumption that the employee remains employed with the Group for the full term of the PIP Plan.

⁽⁴⁾ The market value at 3 March 2010 is based on the closing price of \$12.05.

⁽⁵⁾ In 2008 and 2009, Mr Allen participated in the PIR Plan. Refer table at 7.7.6.

⁽⁶⁾ This second tranche of awards vested and was paid in January 2010. The payout amount was \$348,413.

⁽⁷⁾ This first tranche of awards vested and was paid in January 2010. The payout amount was \$339,368.

⁽⁸⁾ Certain overseas executives were given the election to participate in the PIP Plan or the PIR Plan. Mr Gutman made the election in respect of awards granted in 2008 and 2009 to participate in the PIR Plan. Refer table at 7.7.6.

⁽⁹⁾ This second tranche of awards vested and was paid in January 2010. The payout amount was \$348,413.

⁽¹⁰⁾ This first tranche of awards vested and was paid in January 2010. The payout amount was \$303,683.

⁽¹¹⁾ In 2008 and 2009, Mr Jordan participated in the PIR Plan. Refer table at 7.7.6.

⁽¹²⁾ This second tranche of awards vested and was paid in January 2010. The payout amount was \$348,413.

⁽¹³⁾ This first tranche of awards vested and was paid in January 2010. The payout amount was \$339,368.

⁽¹⁴⁾ Mr Leslie did not participate in the PIP Plan prior to his expatriation to the United States in 2009. Mr Leslie participated in the PIP Plan in respect of awards granted only in this Financial Year but does not commence until the following financial year. Refer table at 7.7.6 for Mr Leslie's participation in the PIR Plan in 2007 and 2008.

⁽¹⁵⁾ As the Qualifying Hurdles were only satisfied as to 85%, 39,335 base awards were granted. The difference of 7,802 represents a gross up of awards for an adjustment for future distributions. See note 2 above. If the Qualifying Hurdles for the Financial Year were met in full Mr Leslie would have been entitled to 55,456 awards (including gross up of future distributions).

⁽¹⁶⁾ Certain overseas executives were given the election to participate in the PIP Plan or the PIR Plan. Mr Widdup made the election in respect of awards granted in the Financial Year to participate in the PIP Plan.

⁽¹⁷⁾ As the Qualifying Hurdles were only satisfied as to 85%, 33,865 base awards were granted. The difference of 6,717 represents a gross up of awards for an adjustment for future distributions. See note 2 above. If the Qualifying Hurdles for the Financial Year were met in full Mr Widdup would have been entitled to 47,743 awards (including gross up of future distributions).

7.7.5 Specified Executives: participation in the EPR Plan⁽¹⁾

Executive	Commencement Date	Number of Awards at Grant Date	Vesting Date	Total Awards Held	Fair Value at Grant ⁽²⁾ \$	Market Value at 3 Mar 10 ⁽³⁾ \$	Performance Hurdles
Peter Allen ⁽⁴⁾							
Group Chief	1 January 2008	52,302	15 December 2010	52,302	704,508	630,239	N/A
Financial Officer	1 January 2009	96,352	15 December 2011	96,352	737,093	1,161,042	N/A
Michael Gutman ⁽⁵⁾							
Managing Director, UK and Europe	1 January 2008	34,868	15 December 2010	34,868	469,672	420,159	N/A
	1 January 2009	64,235	15 December 2011	64,235	491,398	774,032	N/A
Robert Jordan ⁽⁶⁾							
Managing Director, Australia and New Zealand	1 January 2008	34,868	15 December 2010	34,868	469,672	420,159	N/A
	1 January 2009	64,235	15 December 2011	64,235	491,398	774,032	N/A
Peter Leslie ⁽⁷⁾							
Senior Executive Vice President – Leasing, United States	1 January 2008	20,920	15 December 2010	20,920	281,792	252,086	N/A
	1 January 2009	N/A	N/A	N/A	N/A	N/A	N/A
John Widdup ⁽⁸⁾							
Chief Operating Officer, United States	1 January 2008	219,950	15 December 2011	219,950	2,773,570	2,650,398	N/A
	1 January 2009	N/A	N/A	N/A	N/A	N/A	N/A

⁽¹⁾ In Australia, the issuer of rights under the EPR Plan is Westfield Holdings Limited. In the United States it is Westfield LLC and in the United Kingdom Westfield Shoppingtowns Limited.

⁽²⁾ The fair value of the awards issued under the EPR Plan is calculated using the Black Scholes option pricing methodology. The fair value of the awards issued under the EPR Plan is calculated on the assumption that the employee remains employed with the Group for the full term of the EPR Plan.

⁽³⁾ The market value at 3 March 2010 is based on the closing price of \$12.05.

⁽⁴⁾ In 2008 and 2009, Mr Allen did not participate in the EDA Plan.

⁽⁵⁾ From 1 January 2008, certain overseas executives were given the election to participate in the EDA Plan or the EPR Plan. Mr Gutman made the election in respect of awards granted in the Financial Year to participate in the EPR Plan.

⁽⁶⁾ In 2008 and 2009, Mr Jordan did not participate in the EDA Plan.

⁽⁷⁾ Mr Leslie participated in the EDA Plan in respect of awards granted in the Financial Year. Refer table at 7.7.3.

⁽⁸⁾ From 1 January 2008, certain overseas executives were given the election to participate in the EDA Plan or the EPR Plan. Mr Widdup made the election in respect of retention awards granted in 2008 to participate in the EPR Plan. Mr Widdup participated in the EDA Plan in respect of awards granted in the Financial Year. Refer table at 7.7.3.

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7.7.6 Specified Executives: participation in the PIR Plan⁽¹⁾

Executive	Commencement Date	Number of Awards at Grant Date	Vesting Date	Total Awards Held	Fair Value at Grant ⁽²⁾ \$	Market Value at 3 Mar 10 ⁽³⁾ \$	Performance Hurdles
Peter Allen ⁽⁴⁾ Group Chief Financial Officer	1 January 2008	55,470	27,095: 15/12/10 28,375: 15/12/11	55,470	980,701	668,414	Satisfied
	1 January 2009	71,572	34,868: 15/12/11 36,704: 14/12/12	71,572	873,527	862,443	Satisfied
	1 January 2010	113,289 ⁽⁵⁾	54,600: 14/12/12 58,689: 16/12/13	113,289	753,237	1,365,132	85% Satisfied
Michael Gutman ⁽⁶⁾ Managing Director, UK and Europe	1 January 2008	54,174	26,462: 15/12/10 27,712: 15/12/11	54,174	957,788	652,797	Satisfied
	1 January 2009	71,572	34,868: 15/12/11 36,704: 14/12/12	71,572	873,527	862,443	Satisfied
	1 January 2010	113,289 ⁽⁵⁾	54,600: 14/12/12 58,689: 16/12/13	113,289	753,237	1,365,132	85% Satisfied
Robert Jordan ⁽⁷⁾ Managing Director, Australia and New Zealand	1 January 2008	55,470	27,095: 15/12/10 28,375: 15/12/11	55,470	980,701	668,414	Satisfied
	1 January 2009	71,572	34,868: 15/12/11 36,704: 14/12/12	71,572	873,527	862,443	Satisfied
	1 January 2010	113,289 ⁽⁵⁾	54,600: 14/12/12 58,689: 16/12/13	113,289	753,237	1,365,132	85% Satisfied
Peter Leslie ⁽⁸⁾ Senior Executive Vice President – Leasing, United States	1 January 2008	12,326	6,021: 15/12/10 6,305: 15/12/11	12,326	217,922	148,528	Satisfied
	1 January 2009	14,313	6,973: 15/12/11 7,340: 14/12/12	14,313	174,688	172,472	Satisfied
	1 January 2010	N/A	N/A	N/A	N/A	N/A	N/A
John Widdup ⁽⁹⁾ Chief Operating Officer, United States	1 January 2008	N/A	N/A	N/A	N/A	N/A	N/A
	1 January 2009	N/A	N/A	N/A	N/A	N/A	N/A
	1 January 2010	N/A	N/A	N/A	N/A	N/A	N/A

⁽¹⁾ In Australia, the issuer of rights under the PIR Plan is Westfield Holdings Limited. In the United States it is Westfield LLC and in the United Kingdom Westfield Shoppingtowns Limited.

⁽²⁾ The fair value of the awards issued under the PIR Plan is calculated using the Black Scholes option pricing methodology. The fair value of the awards issued under the PIR Plan is calculated on the assumption that the employee remains employed with the Group for the full term of the PIR Plan.

⁽³⁾ The market value at 3 March 2010 is based on the closing price of \$12.05.

⁽⁴⁾ In 2008 and 2009, Mr Allen did not participate in the PIP Plan.

⁽⁵⁾ If the Qualifying Hurdles for the Financial Year were met in full the participants would have been entitled to 133,282 awards. However, as the Qualifying Hurdles were only satisfied as to 85%, 113,289 awards were granted.

⁽⁶⁾ From 1 January 2008, certain overseas executives were given the election to participate in the PIP Plan or the PIR Plan. Mr Gutman made the election in respect of awards granted in the Financial Year to participate in the PIR Plan.

⁽⁷⁾ In 2008 and 2009, Mr Jordan did not participate in the PIP Plan.

⁽⁸⁾ Mr Leslie participated in the PIR Plan prior to his expatriation to the United States in the Financial Year. Mr Leslie elected to participate in the PIP Plan in respect of awards granted in the Financial Year. Refer table at 7.7.4.

⁽⁹⁾ From 1 January 2008, certain overseas executives were given the election to participate in the PIP Plan or the PIR Plan. Mr Widdup made the election in respect of awards granted in 2008 and 2009 to participate in the PIP Plan.

Directors' Report (continued)

8. ASIC DISCLOSURES

8.1 Rounding

The Company is of a kind referred to in Australian Securities & 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.

8.2 Synchronisation of Financial Year

Carindale Property Trust is a consolidated entity of the Company. By an order dated 27 June 2005 made by the Australian Securities & 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.

This report is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors.



F P Lowy AC
Executive Chairman

15 March 2010



F G Hilmer AO
Director

Corporate Governance Statement

The Westfield Group through its Boards and executives recognises the need to establish and maintain corporate governance policies and practices which reflect the requirements of the market regulators and participants and the expectations of members and others who deal with the Westfield Group. These policies and practices remain under constant review as the corporate governance environment and good practice evolve.

This statement outlines the Westfield Group's system of governance during the Financial Year and the extent of the Group's compliance with them as at the end of the Financial Year by reference to the second edition of the Corporate Governance Principles and Recommendations published in August 2007 by the ASX Corporate Governance Council and to the Corporations Act 2001.

As at 31 December 2009, the Westfield Group achieved substantial compliance with the recommendations. Corporate governance documentation including charters and relevant corporate policies and codes referred to in this statement can be found on the westfield.com/corporate, in the corporate governance section.

As part of the Board's commitment to maintaining a high standard of corporate governance, the Board recently commissioned Cameron Ralph Pty Limited to conduct a comprehensive and independent assessment of the performance of the Board and to make recommendations regarding possible improvements to any aspect of the Board's policies or procedures. The commentary and findings in relation to the Cameron Ralph assessment of the Westfield Group Board are set out in section 2.1 of this statement.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

1.1 Functions of Board and Management

The Westfield Group operates as a single economic entity under a triple stapled structure.

The Boards of the Company, Westfield Management Limited (Westfield Management) (as responsible entity of Westfield Trust) and Westfield America Management Limited (Westfield America Management) (as responsible entity of Westfield America Trust) each have common membership.⁽¹⁾ Each Board has adopted a common Board Charter which is a statement of the objectives, responsibilities and framework for the operation of the Board.

The Charter also formalises the matters that are reserved for the Board. Specifically, the Board reserved its authority over the following matters except where such matters are expressly delegated to a committee of the Board, a Group Managing Director or another nominated member of the senior management team:

- **strategy and direction** – setting overall strategic direction and plans for each of the Group's major business units, key business and financial objectives and approving the distribution policy, amounts and timing of distribution payments and significant acquisitions or disposals of assets and significant expenditure;
- **financial controls, compliance and risk management** – approving annual operating and capital expenditure budgets for the Group, treasury policies, financial statements, published reports and any significant changes in accounting policies or procedures, establishing and reviewing the effectiveness of the internal control systems and risk management processes and compliance with statutory and regulatory obligations;
- **capital structure** – approving any changes to the capital structure including any reductions in share capital, buy backs or issue of new securities other than in accordance with the Group's equity based incentive plans;

- **appointments** – appointing Directors to the Board and the Company Secretary, appointing and evaluating the performance of Group Managing Directors and the Group Chief Financial Officer and appointing the external auditors;
- **delegation of authority** – approving any changes to the membership or charter of any committee of the Board, determining the scope of authority delegated to a Group Managing Director or the Group Chief Financial Officer and any other significant matters;
- **policies** – initiating significant policies for the Westfield Group including the Code of Conduct, security trading policies for Directors and senior executives, health and safety policies, risk management policies and continuous disclosure and communications policies;
- **corporate governance matters** – determining the independence and remuneration of non-executive Directors, resolutions and documentation to be put to members in general meeting and approving announcements and press releases concerning matters decided by the Board.

The Board is accountable to members and seeks to ensure that the business objectives of the Westfield Group are aligned with the expectations of members and that the operations of the Group are being effectively managed in a manner that is focussed on those business objectives as well as conforming to regulatory and ethical requirements.

The Board has delegated a number of these responsibilities to its Committees. The role and responsibilities of this Committee are explained later in this statement.

The Board has delegated the day to day management of the business of the Westfield Group to management through the Executive Chairman and the Group Managing Directors subject to the agreed authority limits applicable to the senior executive management team.

The Board has delegated to management responsibility for:

- **strategy** – development of strategies for approval by the Board;
- **management** – managing the Westfield Group in accordance with the strategy, business plans and policies approved by the Board;
- **financial performance** – developing the Group's annual budget, managing day to day operations within the budget and ensuring that the financial reports present a true and fair view of the Group's financial condition and operational results and are in accordance with the relevant accounting standards;
- **risk management** – maintaining effective risk management frameworks and internal control systems;
- **continuous disclosure** – keeping the Board and the market fully informed about material developments;
- **selection of senior management** – making recommendations for the appointment of senior executives, determining terms of appointment, evaluating performances and developing and maintaining succession plans for senior management.

⁽¹⁾ Unless otherwise specified, the Boards of the individual entities sit as the Westfield Group Board. For the balance of this statement, the Westfield Group Board will be referred to as the Board.

1.2 Process for Evaluating the Performance of Senior Executives

The Group has an established process of objective setting and performance review of all staff. In particular, senior executives who have a discretionary element to their total remuneration package, have set objectives which are agreed at the commencement of each financial year. Their performance against these objectives is assessed annually in a meeting with the manager to whom they report, in addition to regular feedback during the performance period. In that meeting, the potential future development of that executive is also discussed along with any training required to enhance the prospects of the development objectives being achieved.

In the case of the senior executive team (including the Group Managing Directors) an assessment of their performance is undertaken by the Remuneration Committee and the Board. Issues relating to remuneration are dealt with in more detail in the Remuneration Report which forms part of the Directors' Report.

In addition to the induction program provided to new employees generally, new members of the senior executive team undertake a bespoke induction program tailored to their needs, which includes individual meetings with every member of the senior executive team. Training and development programs are also available to ensure that senior executives update their skills and knowledge on a regular basis.

1.3 Performance Evaluation

During the Financial Year, each member of the senior executive team, including the Group Managing Directors, was subject to a performance review as described in 1.2 above.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

The membership of the Board is reviewed by the full Board from time to time having regard to the ongoing needs of the Group. It is the policy of the Board that its membership should reflect an appropriate balance between executives possessing extensive direct experience and expertise in the core business activities of the Westfield Group, and non-executive members who have outstanding track records and reputations at the highest levels of business and commerce generally and who bring to the Board a broad range of general commercial expertise and experience.

The Board should be of a size and composition that is conducive to effective decision making with the benefit of a variety of perspectives and skills and in the interests of the Westfield Group.

The appointment of a new member to the Board is made after consultation with the Nomination Committee and the Board. In most cases, Directors are initially appointed by the full Board and are then subject to election by members of Westfield Holdings Limited at the Annual General Meeting following their appointment and, except in the case of the Managing Director (or one of them when there is more than one Managing Director), are subject to re-election by members of Westfield Holdings Limited every three years.

The Directors of the Westfield Group are required to act honestly, diligently, transparently and in the best interests of members and to endeavour to ensure that the business of the Group is managed and conducted efficiently and that members' value is enhanced and members' expectations are met or exceeded.

2.1 Independent Directors

The composition of the Board is set out in the table below:

Name	Position held	Independent (Y/N)	Date appointed to Company Board	Date appointed to WML Board ⁽¹⁾	Date appointed to WAML Board ⁽¹⁾	Length of tenure at 31/12/09 ⁽²⁾
Frank P Lowy	Executive Chairman/ Executive Director	N	1960	1979	1996	49 years ⁽³⁾
David H Lowy	Deputy Chairman/ Non-Executive Director	N	1981	2004	2004	28 years
Frederick G Hilmer	Lead Independent Director/ Non-Executive Director	Y	1991	2004	2004	18 years
Roy L Furman	Non-Executive Director	Y	2004	2004	2002	7 years
Peter H Goldsmith	Non-Executive Director	Y	2008	2008	2008	1 year
David M Gonski	Non-Executive Director	Y	1985	2004	2004	24 years
Stephen P Johns	Non-Executive Director	N	1985	1985	1996	24 years
Peter S Lowy	Group Managing Director/ Executive Director	N	1987	1986	1996	23 years
Steven M Lowy	Group Managing Director/ Executive Director	N	1989	1989	1996	20 years
John McFarlane	Non-Executive Director	Y	2008	2008	2008	2 years
Brian M Schwartz ⁽⁴⁾	Non-Executive Director	Y	2009	2009	2009	6 months
Judith Sloan	Non-Executive Director	Y	2008	2008	2008	2 years
Gary H Weiss	Non-Executive Director	Y	2004	2002	2004	7 years

⁽¹⁾ Professor Fred Hilmer, Mr David Lowy and Mr David Gonski, previously served as Directors of this Board, but resigned in May 2002. This date reflects the most recent date of appointment to this Board.

⁽²⁾ Length of tenure calculated from year of first appointment to the Company (or any of its predecessor vehicles), Westfield Management or Westfield America Management.

⁽³⁾ This includes Mr Lowy's service on the Boards of predecessor vehicles.

⁽⁴⁾ Mr Brian Schwartz was appointed to the Board on 6 May 2009.

Corporate Governance Statement (continued)

Biographies of the Directors are included in the section on the Board of Directors in the Annual Report.

The Board currently has 13 members. Of these, 8 are independent Non-Executive Directors. These Directors are considered by the Board to be independent of management and free from any business or other relationship or any other circumstance that could materially interfere with the exercise of objective, unfettered or independent judgement. Therefore, a majority of the Directors on the Board are independent.

The Board considers that it should include significant representation by directors who are capable and willing to make decisions which are in the best interests of members free from interests and influences which conflict with that duty and are also independent of management.

The Board Charter requires that the Board regularly assesses the independence of each Director in light of the terms of the Charter, the interests they have disclosed and such other factors as the Board determines are appropriate to take into account.

In making this determination the Board is seeking to assess whether Directors are:

- independent of management; and
- free of any business or other relationship that could materially interfere or be perceived to materially interfere with their unfettered and independent judgement; and
- capable of making decisions without bias and which are in the best interests of all members.

A Non-Executive Director will not be regarded as an independent director if that Director:

- (a) is a substantial securityholder of the Westfield Group or an officer of, or otherwise associated directly with, a substantial securityholder of the Westfield Group;
- (b) within the last three years has been employed in an executive capacity by any member of the Group, or been a Director after ceasing to hold any such employment;
- (c) within the last three years has been a partner or a senior management executive with audit responsibilities of a firm which has acted in the capacity of statutory auditor of any member of the Group;
- (d) within the last three years has been a principal, employee or consultant of a material professional adviser to any member of the Group – for this purpose a material professional adviser is an adviser whose billings to the Group exceed 1% of the adviser's total revenues;
- (e) is a principal, employee or associate of a material supplier to, or material customer of, any member of the Group – for this purpose a material supplier to the Group means a supplier whose revenues from the Group exceed 5% of the supplier's total revenues. A material customer is a customer whose payments to the Group exceed 1% of the customer's operating costs;
- (f) has a material contractual relationship with any member of the Group other than as a Director of the Westfield Group Board; and
- (g) has any interest or business or other relationship which could materially interfere with the Director's ability to act in the best interests of the Group and independently of management.

As regards the Non-Executive Directors, applying the criteria set out in the Board Charter, the Board reached the following conclusions:

- Mr David Lowy is not independent given that he was formerly a managing director of the Company and that he has declared an interest as an associate of a substantial securityholder.
- Mr Stephen Johns is not independent (following his resignation as an executive in October 2003) given his long standing executive role with the Westfield Group.
- Professor Frederick Hilmer, Mr Roy Furman, Lord (Peter) Goldsmith, Mr David Gonski, Mr John McFarlane, Mr Brian Schwartz, Professor Judith Sloan and Dr Gary Weiss are all independent Directors.

In relation to Professor Hilmer and Mr Gonski the Board noted the observations of certain investors and governance commentators that neither of those Directors could be considered independent because of the length of their tenure as Non-Executive Directors of Westfield Holdings Limited. Although the Corporate Governance Principles and Recommendations do not deem independence to have been lost after a specific period in office, the contention is that, in the absence of evidence to the contrary, that loss of independence should be assumed.

The Nomination Committee and the Board have concluded that the independence of Professor Hilmer and Mr Gonski has not been affected by their lengthy tenure on the Board. That conclusion was reached based on the Board's knowledge of the contributions made by each Director to the business of the Board and its Committees, including the willingness of both Directors to freely express their views and opinions on matters being considered by the Board including on those occasions where those views are contrary to those expressed by the Executive Directors and management. The Non-Executive Directors serving on the Board noted that, having regard to the number of relatively recent appointments, the continued presence of these experienced Non-Executive Directors was an important factor in providing continuity in decision making and knowledge of the Group's corporate history.

In determining the independence of Lord Goldsmith, the Board noted that Lord Goldsmith is the European Chair of Litigation at Debevoise & Plimpton LLP (Debevoise), based in London. Debevoise is one of many firms which provide legal services to the Westfield Group in the United States. The fees charged by Debevoise in the United States are on arm's length terms and are no more favourable than those paid to other advisers providing similar services. The Board noted that the fees derived by Debevoise represented considerably less than 1% of the total revenues of Debevoise's operations in the United States in the same period and an even smaller percentage of the revenues of the global Debevoise firm. The Board considered that the engagement of Debevoise was not a material contractual relationship to the Westfield Group or to Debevoise, such as might give rise to any actual or perceived loss of independence on the part of Lord Goldsmith.

Professor Judith Sloan currently sits on the board of directors of the Lowy Institute for International Policy, an independent international policy think tank providing analysis on international issues affecting Australians. The Lowy Institute is a not for profit organisation and members of the board, a majority of whom are independent of the Lowy family, do not receive any remuneration for provision of their services. In the Board's view, the fact that Professor Sloan sits on the board of the Lowy Institute does not interfere with the exercise by Professor Sloan of objective, unfettered or independent judgement or her ability to act in the best interests of the Group.

In relation to Mr Schwartz, it should be noted that, whilst working with Ernst & Young, the Group's auditors, Mr Schwartz was not personally involved in the Westfield Group audit at any time. Mr Schwartz left Ernst & Young more than five years ago. As a result, the Board does not regard Mr Schwartz's prior association with Ernst & Young as an impediment to treating Mr Schwartz as an independent Director. Furthermore, Mr Schwartz's other previous and current roles are not considered by the Board to give rise to any actual or perceived loss of independence on the part of Mr Schwartz.

In reaching these conclusions, the Board also had regard to the following observations by Cameron Ralph in its assessment of the Board (see below).

"Cameron Ralph was satisfied that the Board has both people and processes that enable it to apply independent judgement to its actions and decisions. The presence on the Board of the major shareholder, several Executive Directors and Non-Executive Directors with long tenures, has not detracted from the Board's effectiveness or its ability to act in the best interests of all shareholders."

Each Non-Executive Director has signed a letter of appointment which, amongst other things, places an onus on each independent Director to disclose immediately to the Board any matter or circumstance which he/she believes may impact his/her status as an independent Director. Where the Board concludes that a Director has lost his/her status as an independent Director, that conclusion will be advised to the market.

The Nomination Committee's Charter discloses a process for selection and appointment of new Directors and re-election of incumbent Directors. The role and responsibilities of the Nomination Committee are set out later in this statement.

Cameron Ralph Assessment

In January 2010, at the commission of the Board, Cameron Ralph Pty Limited (Cameron Ralph) completed a comprehensive, independent assessment of the Board of the Westfield Group. Cameron Ralph also examined the Board for any potential governance risk arising from the Board's composition, in particular with regards to the Board's compliance with the ASX Corporate Governance Council's Principles and Recommendations in relation to independence.

Cameron Ralph considered materials provided by the Company, interviewed each of the Directors and a number of senior executives, and reviewed Board papers and decision processes for a range of key decisions made over the past year.

Overall, Cameron Ralph rated the Board of Westfield Group as SUPERIOR⁽²⁰¹⁰⁾. In making this assessment, Cameron Ralph noted that the Westfield Group Board demonstrates superior capabilities across all of the critical elements of board effectiveness⁽¹⁾ and that there is very low risk of governance negatively impacting on shareholder value.

Cameron Ralph noted the unique context for Westfield as a very large listed company with strong founding family presence and a highly focussed and vertically integrated business operating on a global scale.

Areas in which the Board demonstrated strengths include:

- the mix of skills, experience and perspectives;
- a highly constructive group dynamic, including evidence of the Board's effective influence on decision making and strategy;
- a robust decision-making process; and
- a highly skilled Chairman.

Cameron Ralph has presented its findings to the Board of the Westfield Group and made several recommendations for improvement of Board processes and communication. The Board has accepted those recommendations and agreed to implement them in 2010.

2.2 Chairperson and Independence

The Westfield Group notes the ASX Corporate Governance Council recommendations that listed companies have an independent director as chairman and that the roles of chairman and Chief Executive Officer are not held by the same person. Notwithstanding these recommendations, and for the reasons set out below, the Board considers that Mr Frank Lowy is the most appropriate person to act as Chairman of the Westfield Group Boards, notwithstanding that he is the Chief Executive Officer of the Company and is not an independent Director.

Mr Lowy is the co-founder of the Westfield Group and has overseen the success of the Group since 1960. With over 50 years direct experience in the design, construction and management of shopping centres and associated fund and asset management, Mr Lowy's deep knowledge and experience and reputation is unrivalled in the industry.

In Australia and internationally, Mr Lowy is regarded as an exceptional and unique Chief Executive Officer who has overseen the growth of a global retail real estate business which, by equity market capitalisation, is the largest in the world. Mr Lowy's knowledge of Westfield, its corporate history, its growth and of the broader industry in which the Group operates, both locally and globally, is widely acknowledged. For these reasons, the Board takes the view that it is in the best interests of members that Mr Lowy, with his extensive background and experience, be the Chairman of the Westfield Group Boards and the Chief Executive Officer of the Company.

In arriving at this view, the Board observes the following:

- the appointment of Professor Hilmer as the lead independent Director. Where necessary, Professor Hilmer will act as a liaison point for independent Directors and confer with the Chairman and with independent Directors on Board matters;
- there is a majority of independent Directors serving on the Board (8 out of the 13 Directors on the Board); and
- the delegation of certain responsibilities to Board committees (of which the Chairman is not a member), the Chairman being a member of the Nomination Committee only.

2.3 Nomination Committee

The Nomination Committee is a committee of the Company only, given that Westfield Management and Westfield America Management are each committed to having a common Board of Directors as a result of the stapled structure of the Group.

The objective of the Nomination Committee is to support and advise the Board in relation to the selection and appointment of high calibre Directors who are able to meet the needs of the Group presently and in the future and the ongoing evaluation and review of the performance of the Board and the Directors.

The Committee comprises the following members:

Name	Position held	Status
Frank P Lowy	Chairman	Executive Director*
David M Gonski	Member	Independent Director
Judith Sloan	Member	Independent Director

* The Board recognises the ASX's recommendation that the Nomination Committee should be chaired by an independent director.

⁽¹⁾ Cameron Ralph makes this assessment solely of the corporate governance risk with respect to the company at the specified point in time. The rating cannot, and does not, represent a credit assessment, or an assessment of the company's suitability as an investment, or an assessment with respect to its corporate governance risk at any other time or in changed circumstances.

Corporate Governance Statement (continued)

The Committee met twice during the Financial Year. Ms Carla Zampatti, who retired from the Board on 5 May 2009, was also a member of the Nomination Committee up to the date of her retirement. Ms Zampatti attended one meeting of the Nomination Committee prior to retiring from the Board. Professor Judith Sloan was appointed to the Committee on 25 August 2009 and attended one meeting of the Nomination Committee during the Financial Year. All other members of the Committee attended all meetings of the Nomination Committee.

The functions undertaken by the Committee in discharging that responsibility include:

- assessing periodically the skills of current Board members against the collective skill set required by the Board to discharge competently the Board's duties, having regard to the strategic direction of the Group;
- regularly reviewing and making recommendations to the Board regarding the structure, size and composition (including the balance of skills, knowledge and experience) of the Board and reviewing the effectiveness of the Board as a whole and keeping under review the leadership needs of the Group, both executive and non-executive;
- identifying suitable candidates (executive and non-executive) to fill Board vacancies as and when they arise and nominating candidates for approval of the Board;
- reviewing annually the performance of the Board; and
- ensuring the existence of proper succession planning processes and plans for the Board.

The Nomination Committee Charter, as approved by the Board, appears in the Corporate Governance section of the westfield.com/corporate website.

Recommendations regarding future appointment of additional directors will be made by the Nomination Committee and considered by the Board having regard to:

- the assessment made on the skill set required to discharge the responsibilities of the Board compared with the skills currently represented on the Board;
- the current strategic direction of the Westfield Group and the consequent need to consider skills which may be required in the future; and
- the suitability of available candidates identified following an appropriate search process undertaken in the context of a detailed description of the role and capabilities required for a particular appointment.

Recommendations made by the Nomination Committee will be considered by the Board, which retains an unfettered discretion on the appointment of a Director to fill a casual vacancy or act as an additional Director, prior to the formal election of that Director by the members of the Company at a general meeting.

An induction program exists for new directors joining the Westfield Board to help familiarise them with matters relating to the current issues before the Board. New Board members are provided with the opportunity to experience first hand the operations of the Group and to meet and discuss all aspects of the Group's operations with key members of executive management. As part of the induction program, the Company Secretary provides access to information in areas such as operations, finance, treasury and risk management to assist the new Board member as required.

New Directors receive a letter of appointment which sets out the main terms and conditions on which each Director is appointed. This letter provides that if a Director ceases to be a Director of the Company for any reason, he/she must also resign as a Director of Westfield Management and Westfield America Management. The letter of appointment conforms with the Recommendations of the ASX Corporate Governance Council.

The letter of appointment also sets out a procedure by which Directors are able to take independent professional advice at the Group's expense. Directors are encouraged to direct any enquiries or requests for additional information to the Company Secretary, who will facilitate a response to the query and/or provide the Director with the requested information.

On an ongoing basis, Directors are provided with periodic updates on legal and corporate developments, particularly those pertaining to matters relating to the responsibilities of boards and directors generally, changes to the Corporations Act, corporate governance principles, tax and accounting developments and other matters of interest. Management also makes regular presentations to the Board and Board Committees on operational, financial, treasury, legal and tax issues of relevance to the Board.

The Company Secretary is appointed and removed by the Board. The Company Secretary works with the Chairman, the Board and the Board Committees on all governance related issues. All Directors have access to the Company Secretary for the purpose of obtaining information or advice. The Company Secretary may also retain the services of independent advisory bodies if requested by the Board or Board Committees. The office of the Company Secretary is responsible for the systems and processes that enable the Board to perform its role and also provides secretariat services for each of the Board Committees. The Committee agendas, paper and minutes are available to all members of the Board.

The Board undertakes ongoing self assessment and review of its performance and of the performance of the Board Committees. Board surveys are conducted on a regular basis in order to establish the views of all Directors on these issues.

During the Financial Year, the Committee discussed a range of issues relating to the roles, skills and performance of the Board, its procedures and practices. Overall, the Committee found that the Board has a wide diversity of skills, experience and views and that there are no obvious deficiencies in the collective skill set of the Board. The Committee is of the view that the Board has continued to work in a cohesive, focused and strategic way with Directors actively encouraged to express a full range of views.

The Board is committed to transparency in assessing the performance of the Board. As part of this commitment, Cameron Ralph Pty Limited was commissioned to complete a comprehensive, independent assessment of the Board of Westfield Group (see section 2.1 of this statement).

PRINCIPLE 3: PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING

3.1 Code of Conduct

Directors' Code of Conduct

The Directors' Code of Conduct summarises the responsibilities of the Westfield Group Directors in maintaining the Group's commitment to high standards of ethical conduct. A copy of the Code of Conduct appears in the Corporate Governance section of the westfield.com/corporate website.

Compliance Manual

The Westfield Group has developed a Compliance Manual which provides detailed guidance to employees of the Group on the laws applicable in the jurisdiction in which they work and the standards of conduct and the procedures to be adopted to comply with those laws. For example, the Australian Compliance Manual deals with issues such as:

- occupational health and safety;
- trade practices;
- employment;
- retail tenancy legislation;
- environmental compliance;
- Corporations Act and ASX Listing Rules requirements; and
- complaints handling procedures.

Westfield Values

The conduct of all Westfield Group employees is governed by a set of core principles which incorporate the fundamental principles to which employees are expected to adhere when dealing with other staff members, customers and retailers, members of the Group and the community. These values include requirements that Westfield staff, at all times:

- welcome a diversity of people;
- create a healthy and safe work environment;
- create an environment that motivates and allows staff to contribute and develop;
- display honest, just and fair management in all dealings with staff;
- meet the commitments of the Westfield Group;
- examine ways to continually improve processes in a manner which adds value;
- provide members with sustainable superior returns on a sustainable basis;
- constantly seek new opportunities and pursue sound growth and earning opportunities;
- conduct our activities in a safe and environmentally responsible manner;
- contribute expertise and resources to promote positive interaction between all members of the community; and
- act at all times as a leading corporate citizen in adhering to applicable laws and meeting the community's expectations regarding corporate behaviour.

Staff Code of Conduct

Westfield's core principles are supplemented by the Staff Code of Conduct which is provided to all employees at the time of joining the Group and which deals, in broad terms, with issues such as:

- the high standards of personal conduct and ethical behaviour expected of all employees;
- the duty of employees to avoid conflicts of interest which may arise if the employee or any person or entity associated with that employee has a business arrangement or relationship with a Group company outside their normal employment relationship;
- the duty of employees to maintain confidentiality with respect to the Group's information and information provided by our retailers and customers;
- the duty of employees to avoid discrimination against any person; and
- the Group's policy prohibiting harassment in any form.

The Staff Code of Conduct, which is provided to, and acknowledged by, all employees who join Westfield, and the Compliance Manual are each reviewed on a regular basis to ensure they remain current and relevant. Compliance seminars to update staff on changes to legal requirements and procedures are conducted on a regular basis and all staff in the relevant divisions are required to attend.

It is the responsibility of each Director and employee to understand the Westfield values and Code of Conduct and other policies applicable to them and to bring to the attention of senior management any conduct or activities which may be in breach of those policies so that a proper investigation can be conducted.

Serious breaches of these policies (including matters such as suspicions of fraud or financial impropriety, auditing issues, improper or unethical behaviour or criminal activities) must be reported immediately to a compliance officer in the relevant country or to the Group Compliance Officer for investigation in accordance with the Group's policies. Where appropriate, the police or other regulatory authority will be informed.

Complaints are treated in a confidential manner. No action of any kind will be taken against a Westfield employee, adviser or contractor who, in good faith, makes an allegation against the Westfield Group, any employee, adviser or contractor, whether or not that complaint is confirmed by subsequent investigation.

Whistleblower Policy

The whistleblower policy forms an integral part of Westfield's compliance program. The policy has been adopted to ensure that concerns regarding unethical, unlawful or improper conduct may be raised without fear of reprisal.

Under the policy, Westfield has appointed Whistleblower Protection Officers in each country in which it operates. Employees are encouraged to report any genuine matter or behaviour that they honestly believe contravenes Westfield's Code of Conduct, policies or the law. Such matters may include any actual or suspected:

- conduct or practices which are illegal or breach any law;
- corrupt activities;
- theft or fraud;
- misleading or deceptive conduct of any kind;
- harm to public health or safety or the health or safety of any Westfield employee.

The Group will investigate all reported concerns appropriately and will, where applicable, provide feedback regarding the investigation's outcome. Westfield will take any necessary action in response to a report and where no action is taken, an explanation will be provided. Where appropriate, a third party may be engaged to assist in the investigation.

Every six months a report is provided to the Westfield Audit and Compliance Committee summarising the whistleblower activities for the period.

3.2 Security Trading Policy

As part of its corporate governance framework, the Westfield Group is committed to promoting knowledge and awareness by its employees of the legal, regulatory and governance requirements to which the Group and its employees are subject, including prohibitions against insider trading.

All Directors and employees are subject to Corporations Act restrictions on buying, selling or subscribing for securities in the Westfield Group or any listed entity in respect of which a Group company is the responsible entity if they are in possession of price sensitive information (i.e. information which a reasonable person would expect to have a material impact on the price or value of the relevant security) which has not been published.

In addition, members of the Board and certain employees within the Westfield Group who have been notified that this policy applies to them are prohibited from trading in Westfield Group securities in certain defined black-out periods, which include periods leading up to an announcement of results.

At any other time, any member of the Board wishing to trade in the Group's securities must obtain a clearance from the Company Secretary.

A copy of the Security Trading Policy appears in the Corporate Governance section of the westfield.com/corporate website.

3.3 Hedging of Executive Awards and Performance Rights Policy

In addition to the restrictions placed on entering into hedging arrangements by operation of the Group's Security Trading Policy, executives participating in the Group's long term incentive plans are prohibited from entering into hedging arrangements in respect of their unvested entitlements under any of the incentive plans operated by the Group.

Executives are prohibited from entering into or renewing hedging or financial instruments in connection with their unvested entitlements under any of the incentive plans. This includes instruments such as equity swaps, caps and collars and other types of hedges, which are entered into for the purpose of mitigating the financial impact of movements in the price of Westfield Group securities to the extent such movements impact the value of awards made under the incentive plans.

An unvested entitlement refers to any entitlement which is made under any of the incentive plans operated by the Group and which has not been paid or issued to the executive.

Corporate Governance Statement (continued)

The primary purpose of this prohibition is to ensure that, at all times, until entitlements granted to the executives under the incentive plans have vested, there is complete alignment between the interests of the executive and the interests of the Group and its members. In the Board's view, that alignment potentially ceases if the executive's economic interest in the benefit of an entitlement is hedged, with the effect that the executive is no longer affected (or is affected to a lesser extent) by positive or negative movements in the market value of the Westfield securities.

A copy of the Hedging of Executive Awards and Performance Rights Policy is available in the Corporate Governance section of the westfield.com/corporate website.

PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

4.1 Audit and Compliance Committee

Composition

The primary function of the Westfield Group's Audit and Compliance Committee is to ensure that an effective internal control framework exists within the Group, through the establishment and maintenance of adequate internal controls to safeguard the assets of the business and to ensure the integrity and reliability of financial and management reporting systems.

The composition of the Audit and Compliance Committee of each of the Company, Westfield Management and Westfield America Management is identical so that each Committee has the same membership and, for all purposes, act as one "Westfield Group" Committee.

The composition of the Audit and Compliance Committee is as set out in the table below:

Name	Position held	Status
Frederick G Hilmer	Chairman	Independent Director
David M Gonski	Member	Independent Director
Stephen P Johns	Member	Non-Executive Director
Brian M Schwartz	Member	Independent Director

The Committee met four times during the Financial Year. Mr Schwartz was appointed to the Committee on 25 August 2009 and attended two meetings during the Financial Year. All other members of the Committee attended all of the meetings.

Biographies of the members of the Audit and Compliance Committee are included in the section on the Board of Directors in the Annual Report.

Compliance officers have been appointed for the Australian, United States, United Kingdom and New Zealand operations of the Group. Those officers are responsible for reviewing and monitoring the efficacy of compliance systems within the Group on an ongoing basis to ensure appropriate measures are in place to educate staff as to their compliance responsibilities and to report to the Audit and Compliance Committee on those matters.

Audit and Compliance Committee Charter

The objective of the Audit and Compliance Committee is to assist the Board in fulfilling its corporate governance responsibilities by:

- reviewing the adequacy of, and, where necessary, questioning the action and judgment of management in relation to the Group's half-yearly and annual financial reports prepared for release to members, the ASX, regulators and to the public;
- reporting to the Board on the half-year and annual reports and financial statements of the Group;
- making recommendations regarding the appointment, evaluation and removal of the Group's external auditor and reviewing and reporting to the Board on the adequacy, scope and quality of the annual statutory audit and half-year audit review and on the integrity and reliability of the financial statements;
- monitoring and reviewing the effectiveness of the Group's internal control environment, including the effectiveness of internal control procedures;
- monitoring and reviewing the reliability of financial reporting;
- monitoring and reviewing the compliance of the Group with applicable laws and regulations;

- monitoring and reviewing the scope of the internal audit function to ensure that its resources are adequate and used effectively, including the co-ordination of the internal and external audit functions; and
- monitoring the adequacy and effectiveness of compliance systems in relation to the legal exposures of the Group.

The Audit and Compliance Committee meets with external auditors at least twice each year (and more frequently if required) to review the adequacy of existing external audit arrangements and the scope of the audit. The internal and external auditors have a direct line of communication at any time to either the Chairman of the Audit and Compliance Committee or the Chairman of the Board. The Audit and Compliance Committee reports to the Board after each Committee meeting.

The internal and external auditors, the Group Chief Financial Officer and the Group Compliance Officer are invited to attend Audit and Compliance Committee meetings at the discretion of the Committee. At least annually, the Audit and Compliance Committee meets with the internal auditor and external auditors without management being present.

Charter of Non-Audit Services

The Board has adopted a Charter of Non-Audit Services.

The purpose of this Charter is to ensure that the Group's external auditor carries out the statutory audit function in a manner which is, at all times, demonstrably independent of the Westfield Group. The Charter sets out guidelines under which the Group may engage the auditor to provide certain non-audit services without impairing the auditor's objectivity or independence.

The Westfield Group recognises that a high quality, independent statutory audit is fundamental to the maintenance of sound corporate governance and to the proper functioning of the capital markets. It is an integral part of the process of providing members with clear, comprehensive and reliable financial information. This Charter reflects the Group's desire to preserve the independence of the statutory audit process.

Under the terms of the Charter the lead audit partner (having primary responsibility for the audit) and the audit partner responsible for reviewing the audit must rotate every five years. The Committee requires that a succession plan be presented to it for approval by the external auditor at least one year before the rotation is due to occur.

The Charter of Non-Audit Services also sets out some key requirements in the relationship between the external auditor and the Group and defines the scope and value of the non-audit services which may be provided by the external auditor to the Westfield Group without impacting the actual or perceived independence of the external auditor. The Charter also requires an annual confirmation by the external auditor regarding compliance with the terms of the Charter and a variety of other issues which impact the actual and perceived independence of the external auditor.

The Charter of Non-Audit Services appears in the Corporate Governance section of the westfield.com/corporate website.

4.2 Compliance Sub-Committee of the Audit and Compliance Committee

Under the Corporations Act, Westfield Management and Westfield America Management, as the responsible entities of Westfield Trust and Westfield America Trust respectively, are required to register a Compliance Plan with the Australian Securities and Investment Commission (ASIC). The Compliance Plan outlines the measures which are to be applied by the responsible entity to ensure compliance with the Corporations Act and the respective Trust's Constitution.

The Compliance Sub-Committee (a sub-committee of the Audit and Compliance Committee) is responsible for monitoring Westfield's compliance with the Compliance Plan and reports on its findings to the Board through the Audit and Compliance Committee.

The members of the Compliance Sub-Committee are Mr John Studdy AM (Chairman) and Mr Stephen Johns. Mr Studdy served as a Director on the Board until he retired in May 2007.

The Sub-Committee met four times during the Financial Year. Mr Studdy attended three of the four meetings. Mr Johns attended all of the meetings.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

5.1 Continuous Disclosure and Communications Policy

The Westfield Group's Continuous Disclosure and Communications Policy underlines the Group's commitment to ensuring that the Group's members and the market are provided with high quality, relevant and accurate information regarding its activities in a timely manner and that investors are able to trade in Westfield Group securities in a market which is efficient, competitive and informed as well as ensuring that market participants have an equal opportunity to review and assess information disclosed by the Group. The Group is also committed to complying with continuous disclosure obligations contained in the applicable ASX Listing Rules and the Corporations Act.

The Policy includes a vetting and authorisation process so that all disclosures are factual, do not omit material matters and are expressed in a clear and objective manner. The Policy also outlines how the Group identifies and distributes information to members and the market generally.

The Continuous Disclosure and Communications Policy appears in the Corporate Governance section of the westfield.com/corporate website.

PRINCIPLE 6: RESPECT THE RIGHTS OF MEMBERS

6.1 Communications with Members

The Westfield Group is committed to providing all members with comprehensive, timely and equal access to information about its activities to enable them to make informed investment decisions.

Westfield employs a wide range of communication approaches including direct communications with members, publication of all relevant company information in the Investor Services section of the westfield.com/corporate website, access to market briefings via webcasting and teleconferencing facilities.

The Group continues to use its website as a means of providing information to members and the broader investment community. A section of this website is dedicated to Westfield's investors. Media releases, investor presentations and interim and full-year financial reports are available for review on the westfield.com/corporate website. These announcements, presentations and reports are placed on the website immediately after they have been released to the ASX. An archive of announcements, presentations and reports is retained on the website for at least three years. Members with access to email can, through the westfield.com/corporate website, elect to be placed on an email mailing list in order to be sent certain corporate information as it is released.

Also available for review on the westfield.com/corporate website are notices of members' meetings and explanatory documents issued by Westfield in respect of those meetings. These are retained on the website for at least three years. Annual General Meetings (AGM) are broadcast live on the westfield.com/corporate website. A copy of the Chairman's address to the AGM, the AGM presentation and the outcome of voting on the items of business are posted to the website following the AGM.

Members are encouraged to attend the AGM held each year and to use these opportunities to ask questions. The external auditor attends the AGM and is available to answer questions. Members may appoint proxies electronically through the westfield.com/corporate website.

The Group encourages members to access the Annual Report online as this assists with the Group's commitment to the environment, as well as being more cost efficient. A printed copy of the Annual Report will only be sent to those members who have made an election to receive it. Otherwise members will be notified when the Annual Report is available to be accessed online at the westfield.com/corporate website. Members have also been encouraged to provide the Group with email addresses so that the Group can notify members when the Annual Report is available and to keep members updated on other member communications.

As the usage and acceptance of electronic communication in the community increases, the Westfield Group continues to work closely with its share registrar to investigate the potential for increased use of electronic means of communicating with its investors.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

7.1 Risk Oversight and Management and Internal Control

The responsibilities of the Board Risk Management Committee are detailed in the Board Risk Management Committee Charter, which is available in the Corporate Governance section of the westfield.com/corporate website.

The objective of the Committee is to assist the Board by monitoring and reviewing the corporate policies for identifying and managing relevant risks associated with the business of the Group and the adequacy of the Group's practices and procedures in implementing those policies. This involves monitoring and reviewing:

- in conjunction with management, the Group's policies regarding risk oversight and risk management which are incorporated in the Enterprise Risk Management Policy and Enterprise Risk Management Framework;
- the appropriateness of the Enterprise Risk Management Policy and internal control systems adopted by the Group;
- the Group's continuing processes for:
 - the identification of material financial, legal and operational risks associated with the conduct of the business of the Group;
 - the maintenance of appropriate internal control systems designed to manage key risk areas;
 - assessing the above matters in conjunction with management and the internal and external auditors; and
 - monitoring and reporting against compliance with the Enterprise Risk Management Policy and Enterprise Risk Management Framework.

As at the date of the Annual Report, the composition of the Board Risk Management Committee is as set out in the table below:

Name	Position held	Status
David H Lowy	Chairman	Non-Executive Director
Stephen P Johns	Member	Non-Executive Director
John McFarlane	Member	Independent Director
Gary H Weiss	Member	Independent Director

The Committee met four times during the Financial Year. Mr McFarlane was appointed to the Committee on 25 August 2009 and attended two meetings during the Financial Year. All the other members of the Committee attended all the meetings of the Committee.

The Charter of the Board Risk Management Committee appears in the Corporate Governance section of the westfield.com/corporate website.

Operating a vertically integrated shopping centre group undertaking ownership, construction, funds and asset management, property management, leasing and marketing inevitably involves risks of various kinds. Westfield's objective is to ensure that those business risks are identified and considered and that, where it is practical and economic, steps are taken to mitigate the impact of any risk which may eventuate.

Westfield regards risk management as an essential element in its management processes with linkages to every aspect of the Group's business including the acquisition of new centres, development of existing centres, expansion into new markets, relationships with major tenants and suppliers and treasury and capital management activities.

Westfield's approach to risk management involves:

- pro-actively identifying risk;
- properly assessing and making informed decisions on risk issues;
- ensuring that sound risk management issues are in place; and
- reviewing, as part of its regular business processes, the operation and adequacy of its risk management systems and the assumptions which dictate those systems.

Corporate Governance Statement (continued)

Risk management at Westfield is aimed at managing the level of risk within parameters which are acceptable to the Group, rather than seeking to eliminate all risks. Westfield's risk management systems promote the need for informed and measured decision making on risk issues based on a systematic approach to risk identification, assessment, control, review and reporting.

The Westfield Group Board has adopted an Enterprise Risk Management Policy which is a general statement of the Group's philosophy with respect to risk management practices. The policy also states the responsibilities of various interested parties including the Board, various committees and executives generally. The Enterprise Risk Management Policy operates in conjunction with the Enterprise Risk Management Framework (also adopted by the Board) which outlines the framework adopted by the Group to identify, assess, manage and monitor the various risks inherent in the Group's business.

The Group's implementation of the Enterprise Risk Management Policy and Framework has been undertaken as follows:

- in conjunction with KPMG, each country and the corporate head office (Sydney) identified and assessed relevant risks;
- a risk profile was created with respect to each risk detailing current controls and planned improvements in those controls;
- each risk profile is reviewed as part of the budget process or more frequently if a change in circumstance occurs which materially impacts on the Group's assessment of the identified risk;
- planned process improvements are noted in an action register and followed up to ensure appropriate action is taken.

7.2 Management of Material Business Risks

In addition to the Board Risk Management Committee, there is an Executive Risk Management Committee which comprises the Group Chief Financial Officer, the Group General Counsel, a Deputy Group Chief Financial Officer, the Chief Operating Officers and the Chief Risk Officer. This committee is responsible for:

- assisting in the formulation of all aspects of the risk management process to be adopted by the Group;
- overseeing the implementation of the Group's policies and procedures by management by ensuring that all phases of the process of identification, assessment, control, review and reporting are reflected appropriately in the business processes of the Group;
- ensuring that there is a proper allocation of responsibility for the implementation and conduct of the risk management process as between the Group's management in the various jurisdictions; and
- implementing appropriate systems for confirming compliance with all relevant laws and other regulatory obligations are complied with and for ensuring that the risk management processes of the Group are such that the Group Managing Directors and the Chief Financial Officer are able to give those certifications which are required to be given in order to comply with the Corporations Act, applicable accounting standards and the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

The Executive Risk Management Committee reports to the Board, through the Board Risk Management Committee, on the effectiveness of the Group's management of its material risks.

7.3 Executive Chairman, Group Managing Directors and Chief Financial Officer Assurance

The Executive Chairman, the Group Managing Directors and the Group Chief Financial Officer confirm in writing to the Board, at the time the financial statements are being considered for approval by the Board, that in all material respects:

- the financial statements present a true and fair view; and
- that this assertion is founded on a sound system of financial risk management and internal compliance and control which implements the policies adopted by the Board; and
- that the Group's financial risk management and internal compliance and control systems are operating efficiently and effectively in all material respects in relation to financial reporting risks.

The Board receives regular reports from management, the Audit and Compliance Committee and the Board Risk Management

Committee on areas where there are considered to be significant business risks and on the management of those risks. The internal audit function also monitors these risks and reports to the Audit and Compliance and Board Risk Management Committees.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

The Group's remuneration policy is designed to attract and retain high calibre directors and senior executives capable of meeting the specific management needs of the Group.

The Group's current remuneration objectives and policies regarding determination of base pay, the short term variable bonus and long term equity linked incentives are explained in the Remuneration Report which forms part of the Directors' Report.

Details of the remuneration of all Directors, the five executives receiving the highest remuneration and key management personnel within the Group are set out in the Remuneration Report and the Financial Statements.

8.1 Remuneration Committee

The Remuneration Committee is a committee of the Company only, as Westfield Trust and Westfield America Trust, as well as their responsible entities, have no employees.

The composition of the Remuneration Committee is as set out in the table below:

Name	Position held	Status
Frederick G Hilmer	Chairman	Independent Director
Roy L Furman	Member	Independent Director
David M Gonski	Member	Independent Director

The Committee met four times during the Financial Year. All members of the Committee attended those meetings.

The Charter of the Remuneration Committee may be viewed on the Corporate Governance section of the westfield.com/corporate website.

The responsibilities of the Remuneration Committee include:

- determining and reviewing remuneration policies to apply to members of the Board and to executives within the Group;
- determining the specific remuneration packages for Executive Directors (including base pay, incentive payments, equity linked plan participation and other contractual benefits);
- reviewing contractual rights of termination for members of the senior executive team;
- reviewing and approving the policy for participation by senior executives in equity linked plans;
- reviewing and approving management's recommendations of the total proposed awards to be issued under each plan; and
- administering the equity linked plans as required in accordance with the rules of the plans.

8.2 Structure of Non-Executive Directors' Remuneration

Fees paid to Non-Executive Directors are determined by the Board, within the current maximum aggregate limit set by members of the Company. Current fees and emoluments are fully disclosed in the Remuneration Report section of the Directors' Report. Directors' fees are reviewed annually by the Remuneration Committee and by the Board taking into consideration the level of fees paid to non-executive directors by companies of a similar size and stature.

Non-Executive Directors are paid their fees in cash. The Non-Executive Directors do not participate in schemes designed for the remuneration of executives, nor do they receive options or bonus payments. The gross fee received by Non-Executive Directors is inclusive of any contribution that the Westfield Group is obliged to pay pursuant to the superannuation guarantee legislation. Non-Executive Directors are not entitled to any payment on retirement or resignation.

In making recommendations to the Board, the Remuneration Committee takes into account advice from independent consultants and advisers on domestic and international trends in non-executive director remuneration. In arriving at recommendations, the advisers consider a wide range of factors including the Westfield Group's financial profile, the complexity and geographic spread of its business and the size and scope of the workload and responsibilities assumed by the Non-Executive Directors.

These independent consultants are engaged directly by the Remuneration Committee and attend Committee meetings.

8.3 Equity Linked Executive Remuneration

In 2004, following the Westfield Group Merger (Merger), two equity linked plans, the Executive Deferred Award Plan (EDA Plan) and the Partnership Incentive Plan (PIP Plan) were introduced to replace the Westfield Executive Option Plan and Westfield Executive Performance Share Plan. A description of these plans and their operation is included in the Remuneration Report section of the Directors' Report.

Although benefits payable under the EDA Plan and the PIP Plan are affected by movements in the value of Westfield Group stapled securities and distributions paid on those securities, on the vesting of entitlements under these plans, no equity is issued to participating executives. On vesting of an award under the EDA Plan or the PIP Plan, the executive receives a cash payment equal to the aggregate of distributions and capital growth of a Westfield Group security over the life of the award. The cash proceeds are taxed in the hands of the executive as ordinary income in the year of receipt. Implementation of these plans did not require member approval under the Corporations Act, the ASX Listing Rules or any other relevant legislation.

The fundamental reason why the EDA and PIP Plans are cash settled rather than equity settled is that tax laws previously in force did not provide the same exemptions for options over trust units as existed over shares in listed companies.

In 2007 the Federal Government introduced legislation to correct this position with regard to stapled securities, such as the Westfield Group, where a share in a company (Westfield Holdings Limited) is stapled to units in a trust (Westfield Trust and Westfield America Trust).

As a result of this change, in 2008, the Group introduced performance rights plans (Performance Right Plans) in Australia and selectively in the United States and United Kingdom.

The Performance Rights Plans were not introduced generally across all jurisdictions because, having considered various options, the Group determined that it was not feasible to introduce a global equity settled incentive plan which was appropriate for broad distribution to all participants in the existing incentive plans. The Group considered that the administrative burden which would be placed on executives who would be required to make arrangements to receive and sell Westfield Group stapled securities in the Australian market outweighed any perceived advantages of an equity settled plan. Accordingly, the Group decided that it would continue with the existing EDA and PIP Plans in all jurisdictions, apart from Australia and a small group of participants in the United States and the United Kingdom.

The Performance Rights Plans operate essentially in the same manner as the EDA and PIP Plans except that entitlements will be satisfied by the issue or transfer of Westfield Group stapled securities to the plan participant on maturity or vesting of the right (as opposed to the payment of a cash amount). A description of these plans and their operation is included in the Remuneration Report section of the Directors' Report.

With regards to both equity linked and equity settled incentive plans, the Board has adopted a Hedging of Executive Awards and Performance Rights Policy that prohibits executives who participate in the Group's equity linked or equity settled incentive plans from entering into any hedging arrangements or other derivative transactions in respect of outstanding benefits (whether or not those benefits are subject to unsatisfied performance hurdles) under those plans.

The primary purpose of the prohibition is to ensure that, at all times until the awards vest, there is a complete alignment between the interests of the Group and its members and the interests of the executive participating in the incentive plans. That alignment potentially ceases if the executive's economic interest in the award is hedged, with the effect that the executive is not affected or is affected to a lesser extent by the positive or negative movement in the value of the Group's securities. This policy can be accessed on the Corporate Governance section of the westfield.com/corporate website.

ASX CORPORATE GOVERNANCE COUNCIL

Corporate Governance Principles and Recommendations

ASX Principle		Reference*	Comply (Y/N)
Principle 1: Lay solid foundations for management and oversight			
1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	Corporate Governance Statement – section 1.1	Y
1.2	Companies should disclose the process for evaluating the performance of senior executives.	Corporate Governance Statement – sections 1.2 and 1.3	Y
1.3	Companies should provide the following information: <ul style="list-style-type: none"> – an explanation of any departure from Recommendations 1.1, 1.2 or 1.3; – whether a performance evaluation for senior executives has taken place in the reporting period and whether it was in accordance with the process disclosed. A statement of matters reserved for the board, or the board charter or the statement of areas of delegated authority to senior executives should be made publicly available, ideally by posting it to the company's website in a clearly marked corporate governance section.	N/A Corporate Governance Statement – section 1.3 The Board Charter can be found at westfield.com/corporate	Y

* the reference refers to the corresponding paragraph in the Corporate Governance Statement or to the Directors' Report.

Corporate Governance Statement (continued)

ASX CORPORATE GOVERNANCE COUNCIL (CONTINUED)

Corporate Governance Principles and Recommendations

	ASX Principle	Reference*	Comply (Y/N)
Principle 2: Structure the board to add value			
2.1	A majority of the board should be independent directors.	Corporate Governance Statement – section 2.1	Y
2.2	The chair should be an independent director.	Corporate Governance Statement – section 2.2	N
2.3	The roles of chair and chief executive officer should not be exercised by the same individual.	Corporate Governance Statement – section 2.2	N
2.4	The board should establish a nomination committee. The nomination committee should be structured so that it:	Corporate Governance Statement – section 2.3	Y
	– consists of a majority of independent directors;		Y
	– is chaired by an independent director;		N
	– has at least three members.		Y
2.5	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	Corporate Governance Statement – sections 2.3 and 2.4	Y
2.6	Companies should provide the following information in the corporate governance statement of the annual report:	Corporate Governance Statement	Y
	– the skills, experience and expertise relevant to the position of director held by each director in office at the date of the annual report;	Section 2.1 – cross reference to Directors' biographies	Y
	– the names of the directors considered by the board to constitute independent directors and the company's materiality thresholds;	Section 2.1	Y
	– the existence of any of the relationships listed in Box 2.1 and an explanation of why the board considers a director to be independent, notwithstanding the existence of those relationships;	Section 2.1	Y
	– a statement as to whether there is a procedure agreed by the board for directors to take independent professional advice at the expense of the company;	Section 2.4	Y
	– the period of office held by each director in office at the date of the annual report;	Section 2.1	Y
	– the names of members of the nomination committee and their attendance at meetings of the committee;	Section 2.3	Y
	– whether a performance evaluation for the board, its committee and directors has taken place in the reporting period and whether it was in accordance with the process disclosed;	Sections 2.1 and 2.4	Y
	– an explanation of any departures from recommendations 2.1, 2.2, 2.3, 2.4, 2.5 or 2.6.	Section 2.2	
	The following material should be made publicly available, ideally by posting it to the company's website in a clearly marked corporate governance section:		
	– a description of the procedure for the selection and appointment of new directors and the re-election of incumbent directors;	Sections 2.3 and 2.4	Y
	– the charter of the nomination committee or a summary of the role, rights, responsibilities and membership requirements for that committee;	The charter of the Nomination Committee can be found at westfield.com/corporate	Y
	– the board's policy for the nomination and appointment of directors.	Section 2.3	Y
Principle 3: Promote ethical and responsible decision making			
3.1	Companies should establish a code of conduct and disclose the code or a summary of the code as to:	Corporate Governance Statement – section 3.1	Y
	– the practices necessary to maintain confidence in the company's integrity;	The Directors' Code of Conduct can be found at westfield.com/corporate	Y
	– the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders;		
	– the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.		
3.2	Companies should establish a policy concerning trading in company securities by directors, senior executives and employees and disclose the policy or a summary of that policy.	Corporate Governance Statement – section 3.2	Y

* the reference refers to the corresponding paragraph in the Corporate Governance Statement or to the Directors' Report.

ASX CORPORATE GOVERNANCE COUNCIL (CONTINUED)

Corporate Governance Principles and Recommendations

	ASX Principle	Reference*	Comply (Y/N)
3.3	<p>Companies should provide the following information:</p> <p>An explanation of any departures from Recommendations 3.1, 3.2 or 3.3.</p> <p>The following material should be made publicly available, ideally by posting it to the company's website in a clearly marked corporate governance section:</p> <ul style="list-style-type: none"> – any applicable code of conduct or a summary; – the trading policy or a summary. 	<p>N/A</p> <p>The Directors' Code of Conduct, Security Trading Policy and Hedging of Executive Awards and Performance Rights Policy can be found at westfield.com/corporate</p>	Y
Principle 4: Safeguard integrity in financial reporting			
4.1	The board should establish an audit committee.	Corporate Governance Statement – section 4.1	Y
4.2	<p>The audit committee should be structured so that it:</p> <ul style="list-style-type: none"> – consists only of non-executive directors; – consists of a majority of independent directors; – is chaired by an independent chair, who is not chair of the board; – has at least three members. 	Corporate Governance Statement – section 4.1	Y
4.3	The audit committee should have a formal charter.	Corporate Governance Statement – section 4.1	Y
4.4	<p>Companies should provide the following information:</p> <ul style="list-style-type: none"> – the names and qualifications of those appointed to the audit committee and their attendance at meetings of the committee; – the number of meetings of the audit committee; – explanation of any departures from Recommendations 4.1, 4.2, 4.3 or 4.4. <p>The following material should be made publicly available, ideally by posting it to the company's website in a clearly marked corporate governance section:</p> <ul style="list-style-type: none"> – the audit committee charter; – information on procedures for the selection and appointment of the external auditor, and for the rotation of external audit engagement partners. 	<p>Corporate Governance Statement – section 4.1</p> <p>N/A</p> <p>The Audit and Compliance Committee Charter and the Charter of Non-Audit Services can be found at westfield.com/corporate</p>	Y
Principle 5: Make timely and balanced disclosure			
5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at senior executive level for that compliance and disclose those policies or a summary of those policies.	Corporate Governance Statement – section 5.1	Y
5.2	<p>An explanation of any departures from Recommendations 5.1 or 5.2 should be included in the corporate governance statement in the annual report.</p> <p>The policies or a summary of those policies designed to guide compliance with Listing Rule disclosure requirements should be made publicly available, ideally by posting them to the company's website in a clearly marked corporate governance section.</p>	<p>N/A</p> <p>The Continuous Disclosure and Communications Policy can be found at westfield.com/corporate</p>	Y

* the reference refers to the corresponding paragraph in the Corporate Governance Statement or to the Directors' Report.

Corporate Governance Statement (continued)

ASX CORPORATE GOVERNANCE COUNCIL (CONTINUED)

Corporate Governance Principles and Recommendations

	ASX Principle	Reference*	Comply (Y/N)
Principle 6: Respect the rights of shareholders			
6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	Corporate Governance Statement – section 6.1	Y
6.2	An explanation of any departure from Recommendations 6.1 or 6.2 should be included in the corporate governance statement in the annual report. The company should describe how it will communicate with its shareholders publicly, ideally by posting this information on the company's website in a clearly marked corporate governance section.	N/A The Continuous Disclosure and Communications Policy can be found at westfield.com/corporate	Y
Principle 7: Recognise and manage risk			
7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Corporate Governance Statement – section 7.1	Y
7.2	The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	Corporate Governance Statement – section 7.2	Y
7.3	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system or risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Corporate Governance Statement – section 7.3	Y
7.4	The following material should be included in the corporate governance statement in the annual report: – an explanation of any departures from Recommendations 7.1, 7.2, 7.3 or 7.4; – whether the board has received the report from management under Recommendation 7.2; – whether the board has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) under Recommendation 7.3. The following material should be made publicly available, ideally by posting it to the company's website in a clearly marked corporate governance section: – a summary of the company's policies on risk oversight and management of material business risks.	N/A Corporate Governance Statement – sections 7.2 and 7.3 The Charter of the Board Risk Management Committee can be found at westfield.com/corporate	Y
Principle 8: Remunerate fairly and responsibly			
8.1	The board should establish a remuneration committee.	Corporate Governance Statement – section 8.1	Y
8.2	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	Corporate Governance Statement – section 8 and cross reference to Remuneration Report	Y
8.3	The following material or a clear cross reference to the location of the material should be included in the corporate governance statement in the annual report: – the names of the members of the remuneration committee and their attendance at meetings of the committee; – the existence and terms of any schemes for retirement benefits, other than superannuation, for non-executive directors; – an explanation of any departures from Recommendations 8.1, 8.2 or 8.3. The following material should be made publicly available, ideally by posting it to the company's website in a clearly marked corporate governance section: – the charter of the remuneration committee or a summary of the role, rights, responsibilities and membership requirements for that committee; – a summary of the company's policy on prohibiting entering into transactions in associated products which limit the economic risk of participating in unvested entitlements under any equity-based remuneration schemes.	Corporate Governance Statement – section 8.1 Remuneration Report N/A The Charter of the Remuneration Committee and the Hedging of Executive Awards and Performance Rights Policy can be found at westfield.com/corporate	Y

* the reference refers to the corresponding paragraph in the Corporate Governance Statement or to the Directors' Report.

Investor Relations

Westfield Group is listed on the Australian Securities Exchange (ASX) under the code "WDC".

Please visit our website at www.westfield.com/corporate for a variety of investor information on the Group.

For ease of navigation, the site map information below has been reorganised by subject.

Westfield Group Website – Site Map

About Westfield Group

- Group Overview
- Board of Directors
- Senior Management
- Corporate Governance
- Environment & Community
- Corporate Offices
- History 1960-2000
- Timeline

News & Announcements

- Media Releases
- ASX Announcements
- Presentations & Briefings
- Annual Reports
- Financial Results
- Calendar

Property Portfolio

- Australia
- New Zealand
- United Kingdom
- United States

Investor Services

- Security Price
- WDC Securityholding Information
- Guide for New Investors
- American Depositary Receipt Program (ADR)
- Frequently Asked Questions
- Register for E-News
- Contact Investor Services

Careers

- Australia
- New Zealand
- United Kingdom
- United States

Electronic Information

By becoming an electronic investor and registering your email address, you can receive via email Group news, notifications and announcements, dividend/distribution statements, taxation statements and annual reports.

Secure Access to Your Securityholding

Details 24 Hours a Day.

Online – You can go to www.westfield.com/corporate/investor-services to access your securityholding information as well as extensive information on the Group including the latest media releases, result announcements, presentations and more.

To view your securityholding, you will need your Holder Number (SRN/HIN) and will be asked to verify your registered postcode (inside Australia) or your country of residence (outside Australia).

Phone – You can confirm your holding balance, request forms and access distribution and trading information by phoning:

1300 132 211 or call +61 3 9415 4070 (outside Australia) then, pressing 1.

You will be asked to enter your Holder Number (SRN/HIN).

Westfield Group Securities

Westfield Group securities commenced trading on the ASX on 5 July 2004 under the code "WDC".

A Westfield Group stapled security comprises:

- 1 Westfield Holdings share
- 1 Westfield Trust unit
- 1 Westfield America Trust unit;

and trade together as one security.

Westfield Group Distribution Details

Your interim distribution will be paid at the end of August and your final distribution paid at the end of February. Details of the 2009 year distribution are provided in the table below. To ensure timely receipt of your distribution, please consider the following:

Direct Credit

You can receive your distribution payment efficiently and safely by having it direct credited to your bank account. If you wish to register for direct credit, please complete the form and return it to the registry. This form can be downloaded from www.westfield.com/corporate/investor-services or by phoning our Registry on 1300 132 211 (Please have your Holder Number (SRN/HIN) available to quote). Alternatively, you can update your details directly online at www.westfield.com/corporate/investor-services/wdc-securityholding-information and by clicking on "Your Online Securityholding Details".

Distribution Reinvestment Plan (DRP)

The Westfield Group DRP was introduced in February 2005. A copy of the Plan Rules and DRP Application Form can be downloaded from www.westfield.com/corporate/investor-services or by phoning our Registry on 1300 132 211 (Please have your Holder Number (SRN/HIN) available to quote). Alternatively, you can update your participation details directly online at www.westfield.com/corporate/investor-services/wdc-securityholding-information and by clicking on "Your Online Securityholding Details".

	Ordinary Securities	DRP Securities
Dividends/distributions for the year ended 31 December 2009	94.00	47.00
Interim dividend/distribution for the six months ended 30 June 2009 paid on 31 August 2009	47.00	47.00
Dividend in respect of a Westfield Holdings share	n/a	n/a
Distribution in respect of a Westfield Trust unit	28.00	28.00
Distribution in respect of a Westfield America Trust unit	19.00	19.00
Final dividend/distribution for the six months ended 31 December 2009 paid on 26 February 2010	47.00	0.00⁽¹⁾
Dividend in respect of a Westfield Holdings share	n/a	n/a
Distribution in respect of a Westfield Trust unit	28.00	0.00
Distribution in respect of a Westfield America Trust unit	19.00	0.00

⁽¹⁾ The DRP was suspended for the December 2009 Distribution.

Investor Relations (continued)

Tax File Number (TFN)

You are not required by law to provide your Tax File Number (TFN), Australian Business Number (ABN) or Exemption.

However, if you do not provide your TFN, ABN or Exemption, withholding tax at the highest marginal rate, currently 46.5% for Australian resident members, may be deducted from distributions paid to you. If you have not supplied this information and wish to do so, please advise our Registry or your sponsoring broker.

Alternatively, you can update your details directly online at www.westfield.com/corporate/investor-services/wdc-securityholding-information and by clicking on "Your Online Securityholding Details".

Annual Tax Statement and 2010 Tax Guide

The Annual Tax Statement and Tax Guide are dispatched to securityholders in July each year.

Copies of historic statements are also available at: www.westfield.com/corporate/investor-services.

Un-presented Cheques & Unclaimed Funds

If you believe you have un-presented cheques please contact the Registry who will be able to do a search for you and assist you in recovering your funds. The Registry will be able to do a search going back seven years. Before this period, you would need to contact the NSW Office of State Revenue. If you believe you have unclaimed money please refer to the NSW Office of State Revenue website at www.osr.nsw.gov.au, where you can search for your funds and make a claim to recover your funds online.

Australian Capital Gains Tax Considerations

A Westfield Group stapled security comprises three separate assets for capital gains tax purposes. For capital gains tax purposes you need to apportion the cost of each stapled security and the proceeds on sale of each stapled security over the separate assets that make up the stapled security. This apportionment should be done on a reasonable basis. One possible method of apportionment is on the basis of the relative Net Tangible Assets (NTAs) of the individual entities.

These are set out by entity in the table below.

Relative Net Tangible Assets (NTA) of entities in Westfield Group	30 Jun 09	31 Dec 09
Westfield Holdings	4.63%	4.01%
Westfield Trust	71.32%	74.59%
Westfield America Trust	24.05%	21.40%

American Depositary Receipts (ADR)

Westfield Group established its ADR program in November 2006 providing a tradeable security in the United States.

Details of the ADR program are available on our website at: www.westfield.com/corporate/investor-services/american-depository-receipts.

Contact Details

All changes of name, address, tax file number, payment instructions and document requests should be passed to the Registry or alternatively, you can update your details directly online at www.westfield.com/corporate/investor-services/wdc-securityholding-information and by clicking on "Your Online Securityholding Details".

Principal Share Registry

Computershare Investor Services P/L
GPO Box 2975
Melbourne VIC 3001
Telephone 1300 132 211
International +61 3 9415 4070
Facsimile +61 3 9473 2500
web.queries@computershare.com.au

All other queries are best directed to Westfield Group Investor Relations:

Level 24, 100 William Street
Sydney NSW 2011, Australia
GPO Box 4004
Sydney NSW 2001
Telephone +61 2 9358 7877
Facsimile +61 2 9358 7881
investor@au.westfield.com
www.westfield.com/corporate

Investor Feedback

If you have any complaints or feedback, please direct these in writing to Westfield Group Investor Relations at GPO Box 4004, Sydney NSW 2001.

Westfield Group Calendar

February

- Full Year Results released
- Income distribution for 6 months ending December

March

- Annual Report released

May

- Annual General Meeting
- 1st Quarter Update

July

- Annual Tax Statements released

August

- Half Year Results released
- Income distribution for the 6 months ending June

November

- 3rd Quarter Update

Members' Information

FOR THE YEAR ENDED 31 DECEMBER 2009

Twenty Largest Holders of Stapled Securities in Westfield Group*

		Number of Securities	% of Issued Securities
1.	HSBC Custody Nominees (Australia) Limited	607,024,396	26.30
2.	J P Morgan Nominees Australia Limited	357,054,790	15.47
3.	National Nominees Limited	299,028,621	12.96
4.	Citicorp Nominees Pty Limited	124,842,096	5.41
5.	Cordera Holdings Pty Limited	119,507,561	5.18
6.	ANZ Nominees Limited <Cash Income A/C>	55,483,704	2.40
7.	Cogent Nominees Pty Limited	36,908,295	1.60
8.	AMP Life Limited	34,122,349	1.48
9.	Citicorp Nominees Pty Limited <CFS WSLE Property Secs A/C>	33,259,489	1.44
10.	Queensland Investment Corporation	18,254,663	0.79
11.	Franley Holdings Pty Limited	16,975,434	0.74
12.	Cogent Nominees Pty Limited <SMP Accounts>	16,532,631	0.72
13.	Mr Frank P Lowy	14,107,391	0.61
14.	RBC Dexia Investor Services Australia Nominees Pty Limited <APN A/C>	12,946,946	0.56
15.	Citicorp Nominees Pty Limited <CFSIL CWLTH Property 1 A/C>	10,626,483	0.46
16.	Citicorp Nominees Pty Limited <CFSIL CFS WS Indx Prop A/C>	8,984,353	0.39
17.	Bond Street Custodians Limited <ENH Property Securities A/C>	8,668,209	0.38
18.	Bond Street Custodians Limited <Property Securities A/C>	8,108,503	0.35
19.	Amondi Pty Ltd <W E O P T A/C>	5,869,425	0.25
20.	Citicorp Nominees Pty Limited <CFS WSLE Geared Shr Fnd A/C>	5,631,207	0.24
		1,793,936,546	77.73

* Ordinary shares in Westfield Holdings Limited are stapled to units in Westfield Trust and Westfield America Trust.

The stapled securities trade on the Australian Securities Exchange under the code WDC.

Voting Rights

Westfield Holdings Limited – At a meeting of members, on a show of hands, every person present who is a member or representative of a member has one vote, and on a poll every member present in person or by proxy or attorney and every person who is a representative of a member has one vote for each share they hold or represent.

Westfield Trust & Westfield America Trust – At a meeting of members, on a show of hands, every person present who is a member or representative of a member has one vote, and on a poll, every member present in person or by proxy or attorney and every person who is a representative of a member has one vote for each dollar value of the total interest they have in the respective trusts.

Distribution Schedule

Category	No. of Options*	No. of Option Holders	No. of Stapled Securities**	No. of Security Holders	% of Securities in each Category
1 – 1,000	0	0	37,619,144	75,086	1.62
1,001 – 5,000	0	0	146,927,145	66,713	6.37
5,001 – 10,000	0	0	53,448,100	7,652	2.32
10,001 – 100,000	52,500	1	85,868,731	3,857	3.72
100,001 and over	27,608,709	3	1,983,910,543	287	85.97
Total	27,661,209	4	2,307,773,663	153,595	100.00

As at 26 February 2010, 4,340 security holders held less than a marketable parcel of quoted securities in the Westfield Group.

The number of options on issue include options on issue by each of the Company and Westfield America Trust. Under the stapling arrangements each entity is required to issue securities/units on the exercise of options in one of the other entities.

* The 27,661,209 represent options on issue to four subsidiaries of the Company. Due to the stapling structure of the Westfield Group, these options could not be exercised by these subsidiaries. In addition there are also 4,526,207 performance rights on issue to a total of 156 Westfield Group employees. Under the stapling arrangement each of the Company, Westfield Trust and Westfield America Trust is required to issue securities/units on the vesting of a performance right.

** Subsidiaries of the Company also hold 83,084,363 units in Westfield America Trust which units are not stapled or quoted. Consequently, there are 2,390,858,026 units in Westfield America Trust on issue.

Substantial Securityholders

The names of the Group's substantial securityholders and the number of ordinary stapled securities in which each has a relevant interest, as disclosed in substantial shareholding notices given to the Group, are as follows:

Members of the Lowy family and associates	179,598,386
Commonwealth Bank of Australia	151,483,363
Vanguard Investments Australia Ltd	117,007,468
ING Group (and its related body corporates)	117,485,239
BlackRock Investment Management (Australia) Limited	147,243,880

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
100 William Street
Sydney NSW 2011

Telephone: +61 2 9358 7000
Facsimile: +61 2 9358 7077

United States Office

12th Floor
11601 Wilshire Boulevard
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 1023

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

Simon J Tuxen
Maureen T McGrath

Auditors

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

Investor Information

Westfield Group
Level 24, Westfield Towers
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 2975
Melbourne VIC 3001

Telephone: +61 3 9415 4070
Enquiries: 1300 132 211
Facsimile: +61 3 9473 2500
E-mail: webqueries@computershare.com.au
Website: www.computershare.com

ADR Registry

Bank of New York Mellon
Depository Receipts Division
101 Barclay Street
22nd Floor
New York, New York 10286
Telephone: +1 212 815 2293
Facsimile: +1 212 571 3050
Website: www.adrbny.com

Code: WFGPY

Listing

Australian Securities Exchange – WDC

Website

westfield.com/corporate

**Mixed Sources**

Product group from well-managed
forests and other controlled sources
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The papers used in the production of this years Westfield Group reports are produced using environmentally responsible papers produced from FSC (mixed sources) certified pulp from well managed forests. Sumo Offset Laser is an environmentally responsible paper manufactured under the environmental management system ISO 14001 using Elemental Chlorine Free (ECF) pulp sourced from certified, well managed forests. Sumo Offset Laser is FSC Chain of Custody (CoC) certified (mixed sources), and both Novatech and Nordset are environmentally responsible papers produced from FSC (mixed sources) certified pulp from well managed forests and are Elemental Chlorine Free (ECF). They are manufactured by Nordland Papier, a company certified with environmental management systems ISO 14001 and EMAS, the EU Eco-management & Audit Scheme (Reg. No.D-162-00007). Nordset and Novatech have also been awarded the EU "Flower" Eco-label certification.

Robert G Elstone
Managing Director & CEO



ASX Limited
ABN 98 008 624 691
20 Bridge Street
Sydney NSW 2000
PO Box H224
Australia Square
NSW 1215

Telephone 61 2 9227 0501
Facsimile 61 2 9227 0007
www.asx.com.au

5 March 2010

Mr Frank Lowy AC
Chairman
Westfield Group
Level 24 Westfield Towers
100 William Street
SYDNEY NSW 2011

Dear *Frank*,

WESTFIELD GROUP 50TH LISTING ANNIVERSARY

The Australian Securities Exchange (ASX) congratulates the Westfield Group on the forthcoming 50th anniversary of its admission to the official list of the ASX on the 14 September 2010.

The half-century is a tremendous achievement – it is older than the ASX itself.

Westfield listed on the then Sydney Stock Exchange (the ASX was formed in 1987) in September 1960 with the issue of 300,000 ordinary shares priced at five shillings each, to fund the expansion of its shopping centre business in Australia.

The wisdom of the decision to join the public market and Westfield's successful growth ever since, are evidenced by the Group's ranking in 2010 as regularly among the top-10 largest domestic entities listed on the ASX by market capitalisation. During the last 50 years Westfield has accumulated over \$59.5 billion in assets under management and now operates a global portfolio of 119 shopping centres in Australia, New Zealand, the United Kingdom and the United States. In 1960, the average value of each industrial company listed in Australia was 1.4 million pounds. Today, the Westfield Group alone is valued close to \$28 billion, making it the largest listed retail property group in the world.

Westfield has come to embody many of the most desirable features of a share market listing, including strong leadership, financial stability and long-term performance. It has created thousands of stimulating employment opportunities and delivered many communities a range of quality services. It has also generated considerable wealth for its investors, having paid \$15.6 billion in dividends over the last 50 years.

ASX is delighted to continue providing Westfield access to Australia's capital markets to fund its future expansion and the ongoing prosperity of its investors. We are proud to be associated with such an iconic, highly regarded brand at the same time as believing that ASX has also contributed to Westfield's success.

We look forward to continuing the partnership with Westfield through its listing on ASX for decades to come.

Yours sincerely

Australian Securities Exchange

Australian Stock Exchange
Sydney Futures Exchange

Australian Clearing House
SFE Clearing Corporation

ASX Settlement and Transfer Corporation
Austraclear

