26 March 2010

Westfield Group
Level 24, Westfield Towers
100 William Street
Sydney NSW 2011
GPO Box 4004
Sydney NSW 2001
Australia

Telephone **02 9358 7000**
Facsimile **02 9358 7077**
Internet **www.westfield.com**

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

Dear Sir/Madam

WESTFIELD GROUP (ASX:WDC)
ANNUAL FINANCIAL REPORTS FOR WESTFIELD TRUST AND WESTFIELD AMERICA TRUST

The following documents are attached:

1. Annual Financial Report for Westfield Trust for the financial year ended 31 December 2009; and

2. Annual Financial Report for Westfield America Trust for the financial year ended 31 December 2009.

Copies of the reports may be accessed on the Westfield website – www.westfield.com/corporate.

Yours faithfully
WESTFIELD GROUP

Simon Tuxen
Company Secretary

Encl.

Westfield Trust
Financial Report
31 December 2009

Westfield Management Limited ABN 41 001 670 579
AFSL No. 230329 as responsible entity of **Westfield Trust** ARSN 090 849 746

Directory

Westfield Group
Westfield Holdings Limited
ABN 66 001 671 496

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

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

Registered Office
Level 24, Westfield Towers
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

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Financial Report

WESTFIELD TRUST
For the financial year ended 31 December 2009

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Income Statement

FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	Consolidated 31 Dec 09 $million	Consolidated 31 Dec 08 $million	Parent Entity 31 Dec 09 $million	Parent Entity 31 Dec 08 $million
Revenue					
Property revenue	3	**1,702.5**	1,662.1	**706.7**	668.4
		1,702.5	1,662.1	**706.7**	668.4
Share of after tax profits of equity accounted entities					
Property revenue		**130.5**	125.8	**–**	–
Property revaluations		**(32.7)**	(69.6)	**–**	–
Property expenses and outgoings		**(34.8)**	(36.1)	**–**	–
Net interest expense		**(0.1)**	(2.5)	**–**	–
	12(b)	**62.9**	17.6	**–**	–
Expenses					
Property expenses and outgoings		**(438.6)**	(471.1)	**(178.9)**	(194.0)
Property and funds management costs		**(16.5)**	(17.0)	**(13.8)**	(14.2)
Corporate costs		**(4.7)**	(5.3)	**(3.6)**	(4.8)
		(459.8)	(493.4)	**(196.3)**	(213.0)
Interest income		**18.3**	18.0	**16.8**	13.6
Net (loss)/gain from capital transactions	4	**(8.4)**	15.6	**1.2**	4.3
Currency derivatives and exchange differences		**75.5**	(12.1)	**74.3**	21.5
Financing costs	5	**(177.4)**	(742.7)	**(239.0)**	(571.9)
Distributions/dividends from subsidiaries and other investments		**1.3**	–	**651.6**	628.4
Property revaluations		**(1,037.2)**	(474.8)	**(627.0)**	(417.6)
Profit/(loss) before tax and minority interests		**177.7**	(9.7)	**388.3**	133.7
Tax benefit	6(a)	**8.8**	27.2	**–**	–
Profit after tax for the period		**186.5**	17.5	**388.3**	133.7
Less: net profit attributable to minority interests		**(7.7)**	(14.5)	**–**	–
Net profit attributable to members of Westfield Trust (WT)		**178.8**	3.0	**388.3**	133.7

	Note	cents	cents
Basic earnings per unit	7	**7.95**	0.15
Diluted earnings/(loss) per unit	7	**7.63**	(4.66)

	Note	$million	$million
Final Distribution proposed	23(a)	**646.2**	510.8
Interim Distribution paid	23(b)	**637.4**	549.9
Total Distribution		**1,283.6**	1,060.7
Weighted average number of units entitled to distribution at 31 December (millions)		**2,292.2**	1,955.7

	cents	cents
6 months ended 31 December		
Distribution proposed per ordinary unit	**28.00**	26.00
6 months ended 30 June		
Distribution paid per ordinary unit	**28.00**	28.25
Distribution paid per DRP unit	**28.00**	18.94

Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2009

	Consolidated		Parent Entity	
	31 Dec 09 $million	31 Dec 08 $million	**31 Dec 09 $million**	31 Dec 08 $million
Profit after tax for the period	**186.5**	17.5	**388.3**	133.7
Other comprehensive income				
Movements in foreign currency translation reserve				
– Net exchange difference on translation of foreign operations	**(10.5)**	(77.4)	**–**	–
Movements in asset revaluation reserve				
– Revaluation decrement	**–**	(59.2)	**(220.0)**	(267.3)
Total comprehensive income for the period	**176.0**	(119.1)	**168.3**	(133.6)
Total comprehensive income attributable to:				
– Members of WT	**168.3**	(133.6)	**168.3**	(133.6)
– Minority interests	**7.7**	14.5	**–**	–
Total comprehensive income for the period	**176.0**	(119.1)	**168.3**	(133.6)

Balance Sheet

AS AT 31 DECEMBER 2009

	Note	Consolidated 31 Dec 09 $million	Consolidated 31 Dec 08 $million	Parent Entity 31 Dec 09 $million	Parent Entity 31 Dec 08 $million
Current assets					
Cash and cash equivalents	22(a)	**66.0**	144.1	**26.3**	69.7
Trade debtors		**19.5**	17.4	**6.5**	6.0
Derivative assets	8	**121.3**	35.0	**129.9**	35.0
Receivables	9	**2,639.0**	1,839.6	**3,135.3**	2,034.1
Prepayments and deferred costs	10	**17.6**	11.2	**11.5**	8.1
Total current assets		**2,863.4**	2,047.3	**3,309.5**	2,152.9
Non current assets					
Investment properties	11	**22,133.3**	22,221.7	**8,639.4**	8,643.7
Equity accounted investments	12(a)	**1,587.7**	1,612.3	**–**	–
Other investments	13	**1,144.9**	1,342.3	**13,948.7**	14,107.7
Derivative assets	8	**166.1**	481.3	**186.2**	481.3
Prepayments and deferred costs	10	**92.5**	12.1	**92.5**	12.1
Total non current assets		**25,124.5**	25,669.7	**22,866.8**	23,244.8
Total assets		**27,987.9**	27,717.0	**26,176.3**	25,397.7
Current liabilities					
Trade creditors		**50.7**	51.7	**28.1**	22.0
Payables and other creditors	14	**1,272.2**	1,358.4	**1,015.4**	1,082.6
Tax payable		**4.1**	7.8	**–**	–
Interest bearing liabilities	15	**1,878.1**	1,617.0	**1,616.8**	1,572.2
Other financial liabilities	16	**–**	1.3	**–**	1.3
Derivative liabilities	17	**278.8**	21.1	**278.6**	21.1
Total current liabilities		**3,483.9**	3,057.3	**2,938.9**	2,699.2
Non current liabilities					
Interest bearing liabilities	15	**4,501.4**	5,970.3	**3,748.1**	4,605.4
Other financial liabilities	16	**1,253.6**	1,271.8	**1,253.6**	1,271.8
Deferred tax liabilities	6(b)	**320.2**	386.1	**–**	–
Derivative liabilities	17	**386.4**	361.0	**387.4**	346.6
Total non current liabilities		**6,461.6**	7,989.2	**5,389.1**	6,223.8
Total liabilities		**9,945.5**	11,046.5	**8,328.0**	8,923.0
Net assets		**18,042.4**	16,670.5	**17,848.3**	16,474.7
Equity attributable to members of WT					
Contributed equity	18(b)	**10,549.7**	8,196.2	**10,549.7**	8,196.2
Reserves	20	**46.3**	56.8	**5,072.0**	5,292.0
Retained profits	21	**7,252.3**	8,221.7	**2,226.6**	2,986.5
Total equity attributable to members of WT		**17,848.3**	16,474.7	**17,848.3**	16,474.7
Equity attributable to minority interests					
Contributed equity		**94.0**	94.0	**–**	–
Retained profits		**100.1**	101.8	**–**	–
Total equity attributable to minority interests		**194.1**	195.8	**–**	–
Total Equity		**18,042.4**	16,670.5	**17,848.3**	16,474.7

Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	Comprehensive income 31 Dec 09 $million	Movement in equity 31 Dec 09 $million	Consolidated 31 Dec 09 $million	Consolidated 31 Dec 08 $million
Changes in equity attributable to members of WT					
Opening balance of contributed equity		–	*8,196.2*	**8,196.2**	8,033.8
– Issuance of units					
Share placement/share purchase plan	18(b)	–	*1,932.6*	**1,932.6**	–
Distribution reinvestment plan	18(b)	–	*463.7*	**463.7**	70.4
– Conversion of options	18(b)	–	–	**–**	92.0
– Costs associated with the issuance of units	18(b)	–	*(42.8)*	**(42.8)**	–
Closing balance of contributed equity		–	*10,549.7*	**10,549.7**	8,196.2
Opening balance of reserves		–	*56.8*	**56.8**	193.4
– Movements in foreign currency translation reserve	20(a)	*(10.5)*	–	**(10.5)**	(77.4)
– Movements in asset revaluation reserve	20(b)	–	–	**–**	(59.2)
Closing balance of reserves		*(10.5)*	*56.8*	**46.3**	56.8
Opening balance of retained profits		–	*8,221.7*	**8,221.7**	9,215.3
– Profit after tax for the period		*178.8*	–	**178.8**	3.0
– Distributions paid	23(b)	–	*(1,148.2)*	**(1,148.2)**	(996.6)
Closing balance of retained profits		*178.8*	*7,073.5*	**7,252.3**	8,221.7
Closing balance of equity attributable to members of WT		*168.3*	*17,680.0*	**17,848.3**	16,474.7
Changes in equity attributable to minority interests					
Opening balance of equity		–	*195.8*	**195.8**	190.4
Total comprehensive income attributable to minority interest		*7.7*	–	**7.7**	14.5
Distributions paid or provided for		–	*(9.4)*	**(9.4)**	(9.1)
Closing balance of equity attributable to minority interests		*7.7*	*186.4*	**194.1**	195.8
Total Equity		*176.0*	*17,866.4*	**18,042.4**	16,670.5

	Note	Comprehensive income 31 Dec 09 $million	Movement in equity 31 Dec 09 $million	Parent Entity 31 Dec 09 $million	Parent Entity 31 Dec 08 $million
Changes in equity attributable to members of WT					
Opening balance of contributed equity		–	*8,196.2*	**8,196.2**	8,033.8
– Issuance of units					
Share placement/share purchase plan	18(b)	–	*1,932.6*	**1,932.6**	–
Distribution reinvestment plan	18(b)	–	*463.7*	**463.7**	70.4
– Conversion of options	18(b)	–	–	**–**	92.0
– Costs associated with the issuance of units	18(b)	–	*(42.8)*	**(42.8)**	–
Closing balance of contributed equity		–	*10,549.7*	**10,549.7**	8,196.2
Opening balance of reserves		–	*5,292.0*	**5,292.0**	5,559.3
– Movements in asset revaluation reserve	20(b)	*(220.0)*	–	**(220.0)**	(267.3)
Closing balance of reserves		*(220.0)*	*5,292.0*	**5,072.0**	5,292.0
Opening balance of retained profits		–	*2,986.5*	**2,986.5**	3,849.4
– Profit after tax for the period		*388.3*	–	**388.3**	133.7
– Distributions paid	23(b)	–	*(1,148.2)*	**(1,148.2)**	(996.6)
Closing balance of retained profits		*388.3*	*1,838.3*	**2,226.6**	2,986.5
Closing balance of equity attributable to members of WT		*168.3*	*17,680.0*	**17,848.3**	16,474.7

Cash Flow Statement

FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	Consolidated 31 Dec 09 $million	Consolidated 31 Dec 08 $million	Parent Entity 31 Dec 09 $million	Parent Entity 31 Dec 08 $million
Cash flows from operating activities					
Receipts in the course of operations (including GST)		**1,924.6**	1,881.3	**780.0**	760.8
Payments in the course of operations (including GST)		**(522.6)**	(517.6)	**(223.0)**	(210.0)
Distributions/dividends received from subsidiaries, equity accounted entities and other investments		**88.5**	85.9	**620.3**	527.2
Income and withholding taxes paid		**(25.3)**	–	**–**	–
Goods and services taxes paid		**(138.2)**	(125.6)	**(52.2)**	(48.0)
Net cash flows from operating activities	22(b)	**1,327.0**	1,324.0	**1,125.1**	1,030.0
Cash flows from investing activities					
Payments of capital expenditure for property investments and subsidiary investments		**(428.0)**	(513.9)	**(314.0)**	(482.6)
Payments for the acquisition of other investments		**(436.2)**	(787.8)	**(388.2)**	(753.1)
Proceeds from the sale of property investments and other investments		**62.1**	53.0	**9.4**	7.0
Net outflows for investments in equity accounted investments		**(1.3)**	(54.8)	**–**	–
Net cash flows used in investing activities		**(803.4)**	(1,303.5)	**(692.8)**	(1,228.7)
Cash flows from financing activities					
Proceeds from the issuance of units		**2,396.3**	70.4	**2,396.3**	70.4
Payment for costs associated with the issuance of units		**(42.8)**	(5.7)	**(42.8)**	(5.7)
Net proceeds from/(repayments of) interest bearing liabilities		**262.2**	144.7	**(1.3)**	1,870.3
Financing costs		**(495.0)**	(484.2)	**(441.1)**	(400.2)
Interest received		**15.3**	12.3	**11.1**	18.5
Distributions paid		**(1,148.2)**	(996.6)	**(1,148.2)**	(996.6)
Distributions paid by controlled entities to minority interests		**(9.2)**	(9.1)	**–**	–
Loans (advanced to)/received from related entities		**(1,560.4)**	1,302.1	**(1,249.7)**	(324.2)
Termination of surplus interest rate swaps upon repayments of interest bearing liabilities with the proceeds from the issuance of units		**(19.3)**	–	**–**	–
Net cash flows (used in)/from financing activities		**(601.1)**	33.9	**(475.7)**	232.5
Net (decrease)/increase in cash and cash equivalents held		**(77.5)**	54.4	**(43.4)**	33.8
Add opening cash and cash equivalents brought forward		**144.1**	90.5	**69.7**	35.9
Effects of exchange rate changes on cash and cash equivalents		**(0.6)**	(0.8)	**–**	–
Cash and cash equivalents at the end of the year	22(a)	**66.0**	144.1	**26.3**	69.7

Index of Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2009

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NOTE 1 BASIS OF PREPARATION OF THE FINANCIAL REPORT

(a) Corporate information

This financial report comprising Westfield Trust (WT) and its controlled entities (collectively the WT Group) for the year ended 31 December 2009 was approved in accordance with a resolution of The Board of Directors of Westfield Management Limited as responsible entity of WT (Responsible Entity) on 15 March 2010.

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

(b) Statement of Compliance

This financial report complies with Australian Accounting Standards and International Financial Reporting Standards as issued by the International Accounting Standards board. The accounting policies adopted are consistent with those of the previous financial year except that the WT 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 16 and Note 35;

– AASB 8 *Operating Segments*. This standard replaced AASB 114 *Segment Reporting*. The revised presentation of the reportable segments and disclosures are shown in the Note 27;

– 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 WT 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 WT 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 WT Group for the year ended 31 December 2009. The impact of these new or amended standards (to the extent relevant to the WT 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 WT 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 WT 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 WT 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 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 (the Act) and Australian Accounting Standards and other authoritative announcements 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, other investments 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 11: Investment properties and Note 35: Fair value of financial assets and liabilities. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position in future periods.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Listed Property Trust Units

The Westfield Group was established in July 2004 by the stapling of securities of each of Westfield Holdings Limited (WHL), Westfield America Trust (WAT) and WT. 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".

(b) Consolidation and classification

The consolidated financial report comprises the financial statements and notes to the financial statements of WT (the Parent Entity), and each of its controlled entities as from the date the Parent Entity obtained control until such time control ceased. The Parent Entity and Subsidiaries are collectively referred to as the economic entity known as the WT Group. Where entities adopt accounting policies which differ from those of the Parent Entity, adjustments have been made so as to achieve consistency within the WT 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 5 November 2001, made by the Australian Securities and Investment Commission (ASIC) pursuant to subsection 340(1) of the Act, the Directors of the Responsible Entity 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 Entity.

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 Entity being 31 December.

ii) Joint Ventures

Joint venture operations

The WT 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 WT 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 WT 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 WT 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 WT Group's share of net assets of the joint venture entities. The consolidated income statement reflects the WT Group's share of the results of operations of the joint venture entities.

iii) Associates

Where the WT Group exerts significant influence but not control, equity accounting is applied. The WT Group and its associates use consistent accounting policies. Investment in associates are carried in the consolidated balance sheet at cost plus post-acquisition changes in the WT Group's share of net assets of the associates. The consolidated income statement reflects the WT 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 WT 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.

(c) Investment properties

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

i) Shopping centre investments

The WT 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 WT 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 also includes components relating to lease incentives and leasing costs.

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 the annual independent valuation, with updates at year end from 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.

ii) Development projects

The WT 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 WT Group's continuous process of assessing the factors affecting each property.

(d) Other investments

i) Listed investments

Listed investments are designated as assets held at fair value through the income statement. Listed investments in entities are stated at fair values based on their quoted market values. Movements in fair value subsequent to initial recognition are reported as revaluation gains or losses in the income statement.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Other investments (continued)

ii) Unlisted investments

Unlisted investments are designated investments available for sale and are stated at fair value of the WT Group's interest in the underlying assets which approximate fair value. Fair values for unlisted investments 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. Gains or losses on available for sale investments are recognised as a separate component of equity until the investment is sold or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement as revaluation gains or losses.

iii) Investments in subsidiaries

Investments in subsidiaries are designated as investments available for sale and are stated at fair value. Fair value is determined based on WT Group's interest in the underlying assets which approximate fair value.

Gains or losses on available for sale investments are recognised as a separate component of equity until the investment is sold or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement as revaluation gains or losses.

(e) Foreign currencies

i) Translation of foreign currency transactions

The functional and presentation currencies of the Parent Entity and its Australian subsidiaries is Australian dollars. The functional currency of the 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 WT 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 sheet of foreign subsidiaries are translated at exchange rates ruling at balance date and the income statement of foreign subsidiaries are translated at average exchange rates for the period. Exchange differences arising on translation of the interests in foreign operations are taken directly to the foreign currency translation reserve.

On consolidation, exchange differences and the related tax effect on loans and cross currency swaps denominated in foreign currencies, which hedge net investments in foreign operations 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 WT 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 a receivable and carried at fair value. Recoveries from tenants are recognised as income in the year the applicable costs are accrued.

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

(i) 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 Westfield Group may be entitled to receive a foreign tax offset for New Zealand withholding tax deducted from dividends paid by WT's New Zealand controlled entities to WT.

(ii) 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.

(i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST (or equivalent tax in overseas locations) except where the GST incurred on purchase of goods and services is not recoverable from the tax authority, in which case the GST 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 GST included.

The net amount of GST 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 GST 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 GST recoverable from, or payable to, the taxation authority.

(j) 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 WT Group for the acquisition or construction of a qualifying asset, the financing costs are capitalised.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) 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 WT 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.

(l) Contributed equity

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

(m) Derivative and other financial instruments

The WT 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 WT 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 WT 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 derivatives instruments, other than cross currency swaps that hedge net investments in foreign operations, 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.

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 WT 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 WT Group prior to the end of the financial year that are unpaid and arise when the WT 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 and convertible notes. 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 are determined in accordance with generally accepted pricing models using current market prices in accordance with the terms of each instrument.

(n) Recoverable amount of assets

At each reporting date, the WT Group assesses whether there is any indication that an asset may be impaired. Where an indicator of the impairment exists, the WT 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.

(o) Earnings per unit

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

(p) Rounding

In accordance with ASIC Class Order 98/0100, the amounts shown in the financial report have, unless otherwise indicated, have 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 Entity	
	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	**1,727.9**	1,683.3	**712.4**	676.9
Amortisation of tenant allowances	**(25.4)**	(21.2)	**(5.7)**	(8.5)
	1,702.5	1,662.1	**706.7**	668.4
NOTE 4 NET (LOSS)/GAIN FROM CAPITAL TRANSACTIONS				
Net fair value (loss)/gain on the termination of surplus interest rate swaps upon repayment of interest bearing liabilities with the proceeds from the issuance of units	**(9.7)**	–	**–**	–
Proceeds from asset sales	**62.1**	53.0	**9.4**	7.0
Less: Carrying value of assets sold	**(60.8)**	(37.4)	**(8.2)**	(2.7)
	(8.4)	15.6	**1.2**	4.3
NOTE 5 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	**(334.8)**	(282.2)	**(59.7)**	(22.9)
– Other financial liabilities	**–**	(15.2)	**–**	(15.2)
Related party borrowing costs	**(89.3)**	(111.0)	**(314.0)**	(281.9)
Financing costs capitalised to construction projects	**97.8**	25.7	**–**	24.7
Financing costs	**(326.3)**	(382.7)	**(373.7)**	(295.3)
Finance leases interest expense	**(2.4)**	(2.1)	**(0.1)**	–
Net fair value gain/(loss) on interest rate hedges that do not qualify for hedge accounting	**205.8**	(439.9)	**189.2**	(358.6)
Net fair value loss on the termination of surplus interest rate swaps	**–**	(34.8)	**–**	(34.8)
Interest expense on other financial liabilities	**(72.7)**	(70.1)	**(72.7)**	(70.1)
Net fair value gain on other financial liabilities	**18.2**	186.9	**18.3**	186.9
	(177.4)	(742.7)	**(239.0)**	(571.9)
NOTE 6 TAXATION				
(a) Tax benefit				
Current – underlying tax	**(27.9)**	(3.5)	**–**	–
Deferred tax – net fair value movements of investment properties	**36.7**	30.7	**–**	–
	8.8	27.2	**–**	–
The prima facie tax on profit before tax is reconciled to the income tax benefit provided in the income statement as follows:				
Accounting profit/(loss) before income tax	**177.7**	(9.7)	**388.3**	133.7
Prima facie tax (expense)/benefit at 30% (31 December 2008: 30%)	**(53.3)**	2.9	**(116.5)**	(40.1)
Permanent differences	**1.8**	5.5	**–**	–
Australian trust income not assessable	**60.3**	18.8	**116.5**	40.1
Tax benefit	**8.8**	27.2	**–**	–
(b) Deferred tax liabilities				
Tax effect of book value in excess of the tax cost base of investment properties	**320.2**	386.1	**–**	–
	320.2	386.1	**–**	–

	Consolidated	
	31 Dec 09 cents	31 Dec 08 cents

NOTE 7 EARNINGS PER UNIT

(a) Attributable to members of WT

	31 Dec 09 cents	31 Dec 08 cents
Basic earnings per unit	**7.95**	0.15
Diluted earnings/(loss) per unit	**7.63**	(4.66)

The following reflects the income and unit data used in the calculations of basic and diluted earnings/(loss) per unit:

	No. of units	No. of units
Weighted average number of ordinary units used in calculating basic earnings per unit[i]	**2,249,026,955**	1,948,483,936
Dilutive options	**95,811,856**	99,112,882
Adjusted weighted average number of ordinary units used in calculating diluted earnings/(loss) per unit	**2,344,838,811**	2,047,596,818

	$million	$million
Earnings used in calculating basic earnings per unit	**178.8**	3.0
Adjustment to earnings on options which are considered dilutive	**–**	(98.4)
Earnings/(loss) used in calculating diluted earnings/(loss) per unit	**178.8**	(95.4)

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

(i) 2,249.0 million (31 December 2008: 1,948.5 million) weighted average number of units on issue for the period has been included in the calculation of basic and diluted earnings per unit as reported in the income statement.

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

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

	Consolidated		Parent Entity	
	31 Dec 09 $million	31 Dec 08 $million	**31 Dec 09 $million**	31 Dec 08 $million
NOTE 8 DERIVATIVE ASSETS				
Current				
Receivables on currency derivatives	**5.7**	10.7	**–**	–
Receivables on currency derivatives with related entities	**95.4**	–	**109.6**	10.7
Receivables on interest rate derivatives	**15.5**	24.3	**13.5**	21.4
Receivables on interest rate derivatives with related entities	**4.7**	–	**6.8**	2.9
	121.3	35.0	**129.9**	35.0
Non Current				
Receivables on currency derivatives	**94.1**	203.7	**–**	–
Receivables on currency derivatives with related entities	**–**	153.4	**114.3**	357.1
Receivables on interest rate derivatives	**16.9**	72.6	**0.6**	66.0
Receivables on interest rate derivatives with related entities	**55.1**	51.6	**71.3**	58.2
	166.1	481.3	**186.2**	481.3
NOTE 9 RECEIVABLES				
Current				
Sundry debtors	**85.3**	86.4	**57.4**	44.5
Amounts receivable from subsidiaries	**–**	–	**263.7**	232.3
Interest bearing loans receivable from controlled entities	**–**	–	**257.0**	–
Interest bearing loans receivable from related entities	**593.8**	–	**593.8**	–
Non interest bearing loans receivable from related entities	**1,959.9**	1,753.2	**1,963.4**	1,757.3
	2,639.0	1,839.6	**3,135.3**	2,034.1

	Consolidated 31 Dec 09 $million	Consolidated 31 Dec 08 $million	Parent Entity 31 Dec 09 $million	Parent Entity 31 Dec 08 $million
NOTE 10 PREPAYMENTS AND DEFERRED COSTS				
Current				
Prepayments and deposits	**13.5**	8.3	**7.4**	5.2
Deferred costs	**4.1**	2.9	**4.1**	2.9
	17.6	11.2	**11.5**	8.1
Non Current				
Deferred costs	**92.5**	12.1	**92.5**	12.1
	92.5	12.1	**92.5**	12.1
NOTE 11 INVESTMENT PROPERTIES				
Shopping centre investments	**21,416.2**	21,775.5	**8,535.0**	8,546.9
Development projects	**717.1**	446.2	**104.4**	96.8
	22,133.3	22,221.7	**8,639.4**	8,643.7
Movements in investment properties				
Balance at the beginning of the year	**22,221.7**	21,822.2	**8,643.7**	8,453.8
Disposal of properties	**(8.2)**	(2.7)	**(8.2)**	(2.7)
Redevelopment costs	**470.5**	545.8	**51.6**	126.7
Net revaluation (decrement)/increment	**(457.9)**	8.7	**(47.7)**	65.9
Retranslation of foreign operations	**(92.8)**	(152.3)	**–**	–
Balance at the end of the year[i]	**22,133.3**	22,221.7	**8,639.4**	8,643.7
[i]The fair value of investment properties at the end of the year is comprised of:				
Investment properties at market value	**22,099.6**	22,189.1	**8,637.6**	8,642.0
Add ground leases included as finance leases	**33.7**	32.6	**1.8**	1.7
Fair value of investment properties	**22,133.3**	22,221.7	**8,639.4**	8,643.7

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. The property capitalisation rates range from 5.25% to 8.63%. Refer to Note 14(a) and (b) of the Westfield Group Financial Report for details of property capitalisation rates by shopping centre.

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 takes into account annual independent valuations, with updates at year end from 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 and revaluation increments and decrements.

NOTE 12 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%	**63.7**	67.3
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%	**207.3**	211.9
SA Shopping Centre Trust	Trust units	31 Dec	**50.0%**	50.0%	**22.5**	23.1
Southland[ii]	Trust units	30 Jun	**50.0%**	50.0%	**581.6**	598.6
Tea Tree Plaza[ii]	Trust units	30 Jun	**50.0%**	50.0%	**304.6**	281.6
Cairns[ii]	Trust units	30 Jun	**50.0%**	50.0%	**228.0**	223.1
Total equity accounted investments					**1,587.7**	1,612.3

(i) All equity accounted property trusts 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 Entity being 31 December.

NOTE 12 DETAILS OF EQUITY ACCOUNTED INVESTMENTS (CONTINUED)

	Consolidated 31 Dec 09 $million	Consolidated 31 Dec 08 $million
(b) Details of WT's aggregate share of equity accounted entities net profit		
Property revenue	**130.5**	125.8
Interest income	**0.4**	1.4
Revenue	**130.9**	127.2
Property expenses and outgoings	**(34.8)**	(36.1)
Borrowing costs	**(0.5)**	(3.9)
Expenses	**(35.3)**	(40.0)
Share of after tax profits of equity accounted entities before property revaluations	**95.6**	87.2
Property revaluations	**(32.7)**	(69.6)
Share in after tax profits of equity accounted entities	**62.9**	17.6
(c) Details of WT's aggregate share of equity accounted entities assets and liabilities		
Cash	**9.3**	9.8
Receivables	**5.8**	5.7
Shopping centre investments	**1,603.5**	1,627.5
Development projects	**8.7**	5.8
Other assets	**1.9**	2.9
Total assets	**1,629.2**	1,651.7
Payables	**(22.0)**	(19.9)
Interest bearing liabilities	**(19.5)**	(19.5)
Total liabilities	**(41.5)**	(39.4)
Net assets	**1,587.7**	1,612.3
(d) Details of WT'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
Due between one and five years	**197.2**	192.5
Due after five years	**111.6**	109.3
	394.5	383.0
(e) Details of WT'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
	–	0.6

	Consolidated 31 Dec 09 $million	Consolidated 31 Dec 08 $million	Parent Entity 31 Dec 09 $million	Parent Entity 31 Dec 08 $million
NOTE 13 OTHER INVESTMENTS				
Unlisted investments	**1,048.1**	1,245.0	**1,048.1**	1,245.0
Listed investments	**96.8**	97.3	**–**	–
Investments in subsidiaries	**–**	–	**12,900.6**	12,862.7
	1,144.9	1,342.3	**13,948.7**	14,107.7
Movements in other investments				
Balance at the beginning of the year	**1,342.3**	1,168.8	**14,107.7**	13,833.3
Additions	**434.5**	750.9	**640.3**	1,025.2
Disposals	**(52.6)**	(34.7)	**–**	–
Net revaluation decrement	**(579.3)**	(542.7)	**(799.3)**	(750.8)
Balance at the end of the year	**1,144.9**	1,342.3	**13,948.7**	14,107.7
NOTE 14 PAYABLES AND OTHER CREDITORS				
Current				
Payables and other creditors	**503.2**	522.3	**269.8**	256.6
Non interest bearing loans payable to related entities	**769.0**	836.1	**745.6**	826.0
	1,272.2	1,358.4	**1,015.4**	1,082.6

	Consolidated		Parent Entity	
	31 Dec 09 $million	31 Dec 08 $million	**31 Dec 09 $million**	31 Dec 08 $million
NOTE 15 INTEREST BEARING LIABILITIES				
Current				
Unsecured				
Notes payable				
– A$ denominated[(v)]	**160.0**	–	**160.0**	–
– US$ denominated[(ii)]	**646.4**	–	**–**	–
Loans from associates of the Responsible Entity	**1,010.3**	1,572.2	**810.4**	1,572.2
Loans from controlled entities	**–**	–	**646.4**	–
Secured				
Bank loans[(vi)]				
– A$ denominated	**61.4**	44.8	**–**	–
	1,878.1	1,617.0	**1,616.8**	1,572.2
Non Current				
Unsecured				
Bank loans				
– US$ denominated[(i)]	**388.8**	507.5	**–**	–
– £ denominated[(i)]	**–**	159.2	**–**	–
– A$ denominated[(i)]	**407.0**	805.0	**–**	–
– NZ$ denominated[(i)]	**312.5**	1,278.8	**–**	–
Notes payable				
– US$ denominated[(ii)]	**2,221.9**	1,640.9	**–**	–
– £ denominated[(iii)]	**791.8**	921.5	**–**	–
– € denominated[(iv)]	**298.7**	409.6	**–**	–
– A$ denominated[(v)]	**–**	160.0	**–**	160.0
Finance leases	**33.7**	32.6	**1.8**	1.7
Loans from controlled entities	**–**	–	**3,746.3**	4,443.7
Secured				
Bank loans[(vi)]				
– A$ denominated	**47.0**	55.2	**–**	–
	4,501.4	5,970.3	**3,748.1**	4,605.4
The maturity profile in respect of current and non current interest bearing liabilities is set out below:				
Due within one year	**1,878.1**	1,617.0	**1,616.8**	1,572.2
Due between one and five years	**2,734.3**	4,223.7	**2,012.0**	2,886.5
Due after five years	**1,767.1**	1,746.6	**1,736.1**	1,718.9
	6,379.5	7,587.3	**5,364.9**	6,177.6

The WT 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.

Refer Note 30 for details relating to fixed rate debt and derivatives which hedge the floating rate liabilities.

(i) These instruments are subject to negative pledge arrangements which require the Westfield 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 by the Westfield Group. The issues comprised US$678.7 million, US$600.0 million, US$2,100.0 million, US$750.0 million, US$900.0 million, US$1,100.0 million and US$1,250.0 million of fixed rate notes maturing 2010, 2012, 2014, 2015, 2016, 2018 and 2019 respectively. WT was assigned US$2,581.8 million comprising US$581.8 million, US$1,150.0 million, US$750.0 million and US$100.0 million of fixed rate notes maturing 2010, 2014, 2015 and 2019 respectively. These notes are subject to negative pledge arrangements which require the Westfield Group to comply with certain minimum financial requirements.

(iii) Notes payable – £

Guaranteed Notes of £600.0 million were issued in the European bond market by the Westfield Group. The issue comprised £600.0 million of fixed rate notes maturing 2017 of which WT was assigned £440.0 million. These notes are subject to negative pledge arrangements which require the Westfield Group to comply with certain minimum financial requirements.

(iv) Notes payable – €

Guaranteed Notes of €560.0 million were issued in the European bond market by the Westfield Group. The issue comprised €560.0 million of fixed rate notes maturing 2012 of which WT was assigned €186.7 million. These notes are subject to negative pledge arrangements which require the Westfield 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 by WT. The issue comprised A$160.0 million of fixed rate notes maturing 2010. These notes are subject to negative pledge arrangements which require WT to comply with certain minimum financial requirements.

(vi) Secured liabilities

Current and non current secured liabilities are $108.4 million (31 December 2008: $100.0 million). Secured liabilities are borrowings secured by mortgages over properties that have a fair value of $514.4 million (31 December 2008: $524.4 million).

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 15 INTEREST BEARING LIABILITIES (CONTINUED)

	Consolidated 31 Dec 09 $million	Consolidated 31 Dec 08 $million
Financing facilities		
Committed financing facilities available to the WT Group:		
Total financing facilities at the end of the year	**13,790.2**	13,176.0
Amounts utilised[(i)]	**(6,387.4)**	(7,601.7)
Available financing facilities	**7,402.8**	5,574.3
Cash	**66.0**	144.1
Financing resources available at the end of the year	**7,468.8**	5,718.4
Maturity profile of financing facilities		
Maturity profile in respect of the above financing facilities:		
Due within one year	**3,563.0**	1,627.2
Due between one year and five years	**8,460.1**	9,829.9
Due after five years	**1,767.1**	1,718.9
	13,790.2	13,176.0

(i) Amounts utilised include borrowings and bank guarantees.

These facilities comprise 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 Westfield Group to comply with specific minimum financial requirements. These facilities exclude convertible notes and property linked notes set out in Note 16. Amounts which are denominated in foreign currencies are translated at exchange rates ruling at balance date.

WT as a member of the Westfield Group, is able to draw on financing facilities unutilised by the Westfield Group totalling A$ equivalent $7,402.8 million at year end which are included in available financing facilities shown above. These are interest only unsecured multicurrency multioption facilities.

NOTE 16 OTHER FINANCIAL LIABILITIES

	Note	Consolidated 31 Dec 09 $million	Consolidated 31 Dec 08 $million	Parent Entity 31 Dec 09 $million	Parent Entity 31 Dec 08 $million
Current					
Convertible notes – unsecured		**–**	1.3	**–**	1.3
		–	1.3	**–**	1.3
Non Current					
Property linked notes	(a)	**1,253.6**	1,271.8	**1,253.6**	1,271.8
		1,253.6	1,271.8	**1,253.6**	1,271.8
The maturity profile in respect of current and non current other financial liabilities is set out below:					
Due within one year		**–**	1.3	**–**	1.3
Due between one year and five years		**–**	–	**–**	–
Due after five years		**1,253.6**	1,271.8	**1,253.6**	1,271.8
		1,253.6	1,273.1	**1,253.6**	1,273.1

(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 WT Group. The Notes are guaranteed (on a subordinated basis) by WHL 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.

	Consolidated 31 Dec 09 $million	Consolidated 31 Dec 08 $million	Parent Entity 31 Dec 09 $million	Parent Entity 31 Dec 08 $million
NOTE 17 DERIVATIVE LIABILITIES				
Current				
Payables on currency derivatives	**95.4**	0.6	**–**	–
Payables on currency derivatives with related entities	**178.6**	–	**274.0**	0.6
Payables on interest rate derivatives	**4.8**	20.5	**4.6**	18.4
Payables on interest rate derivatives with related entities	**–**	–	**–**	2.1
	278.8	21.1	**278.6**	21.1
Non Current				
Payables on currency derivatives	**66.6**	3.9	**–**	–
Payables on currency derivatives with related entities	**201.9**	–	**268.5**	3.9
Payables on interest rate derivatives	**117.9**	330.5	**36.1**	165.9
Payables on interest rate derivatives with related entities	**–**	26.6	**82.8**	176.8
	386.4	361.0	**387.4**	346.6

	Units	Units	Units	Units
NOTE 18 CONTRIBUTED EQUITY				
(a) Number of units on issue				
Balance at the beginning of the year	**1,964,771,035**	1,942,195,614	**1,964,771,035**	1,942,195,614
Share placement/share purchase plan	**282,161,944**	–	**282,161,944**	–
Distribution reinvestment plan	**60,837,808**	6,460,687	**60,837,808**	6,460,687
Conversion of options/rights	**2,876**	16,114,734	**2,876**	16,114,734
Balance at the end of the year	**2,307,773,663**	1,964,771,035	**2,307,773,663**	1,964,771,035

Stapled securities have the right to receive declared dividends from WHL and distributions from WAT and WT and, in the event of winding up WHL, WAT and WT, 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 WHL, WAT and WT (as the case may be). The stapled securities have no par value.

	Consolidated 31 Dec 09 $million	Consolidated 31 Dec 08 $million	Parent Entity 31 Dec 09 $million	Parent Entity 31 Dec 08 $million
(b) Movements in contributed equity attributable to Members of WT				
Balance at the beginning of the year	**8,196.2**	8,033.8	**8,196.2**	8,033.8
Share placement/share purchase plan	**1,932.6**	–	**1,932.6**	–
Distribution reinvestment plan	**463.7**	70.4	**463.7**	70.4
Conversion of options/rights	–	92.0	**–**	92.0
Costs associated with the issuance of units	**(42.8)**	–	**(42.8)**	–
Balance at the end of the year	**10,549.7**	8,196.2	**10,549.7**	8,196.2

	Note	31 Dec 09 No. of options/ rights	31 Dec 09 Weighted average exercise price $	31 Dec 08 No. of options/ rights	31 Dec 08 Weighted average exercise price $
NOTE 19 SHARE BASED PAYMENTS					
Options and rights on issue					
– Series F Special options	19(i)	**52,500**	3.46	52,500	2.71
– Series G1 Special options	19(ii)	**277,778**	1.79	277,778	1.28
– Series H Special options	19(iii)	**11,805,862**	2.03	11,805,862	1.45
– Series I Special options	19(iv)	**13,260,859**	1.96	13,260,859	1.40
– Employee Performance and Incentive Rights	19(v)	**4,526,207**	–	2,390,992	–
		29,923,206	2.10	27,787,991	1.52
Movements in options and rights on issue					
Balance at the beginning of the year		**27,787,991**	1.52	26,168,093	4.10
Movements in Executive options[ii]					
Options exercised during the year					
– extinguished by issuance of new units		**–**	–	(2,415)	–
– extinguished by payment of cash equal to the difference between market value and the exercise price		**–**	–	(90,000)	5.79
– extinguished by issuance of new units for $nil consideration equal to the difference between market value and the exercise price		**–**	–	(147,550)	5.74
Movements in WT 2009 options[iii]					
Options exercised during the year					
– extinguished by issuance of new units		**–**	–	(221,800)	4.99
– extinguished by payment of cash		**–**	–	(300)	4.99
Options lapsed during the year		**–**	–	(1,300)	4.99
Movement in Series G Special options[iv]					
Options lapsed during the year		**–**	–	(307,729)	6.60
Movement in Employee Performance & Incentive Rights issued to employees of Related Parties					
– rights granted during the year		**2,321,776**	–	2,396,883	–
– rights exercised during the year		**(2,876)**	–	–	–
– rights forfeited during the year		**(183,685)**	–	(5,891)	–
Balance at the end of the year[i]		**29,923,206**	2.10	27,787,991	1.52

(i) At 31 December 2009, the 29,923,206 (31 December 2008: 27,787,991) options on issue were convertible to 100,338,063 (31 December 2008: 98,202,847) Westfield Group stapled securities.

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

(iii) The WT 2009 options were fully extinguished in 2008.

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

(i) Series F Special Options

The WAT Series F Special Option entitles the holder the right to be issued for 157.35 fully paid stapled securities in exchange for either US$1,000 ($1,110.99) or 1 Series F preferred share in Westfield America, Inc. (WEA). The Series F Special Options are exercisable during the period commencing on 1 June 2007 and ending on 1 June 2020. As at 31 December 2009 and 31 December 2008 there were 52,500 Series F Special Options on issue which are exchangeable for 8,260,875 stapled securities.

The Parent Entity and WHL have each granted 52,500 options to the Responsible Entity of WAT to enable WAT to satisfy its obligations to deliver the Westfield Group securities to the holder of the Series F Options on exercise of those options. Where the exercise of a Series F Special Option is satisfied by delivery of US$1,000, WAT must pay the Parent Entity US$375.00 (37.5% of the exercise price). Where the exercise price of the Series F Option is satisfied by the delivery of a Series F Preferred Share, WAT must pay the Parent Entity US$375.00 being 37.5% of US$1,000 (being the value of the Series F Preferred Share under the Option).

(ii) Series G1 Special Options

The WAT Series G1 Special Options are exercisable any time after September 2003 and expire on the date being 10 days prior to the date of termination of WAT. Each Series G1 Special Option entitles the holder to deliver a Series D Cumulative Redeemable Preference Share (Series D CPS) in WEA (or the number of WEA common shares into which a Series D CPS has been converted). On exercise the holder of a Series G1 Special Option will receive 34.6632 stapled securities. The ratio will be appropriately adjusted where, instead of delivering a Series D CPS, the holder delivers the number of WEA common shares into which a Series D CPS has been converted. As at 31 December 2009 and 31 December 2008, there were 277,778 Series G1 Special Options on issue which are exchangeable for 9,628,674 stapled securities.

The Parent Entity and WHL have each granted 277,778 options to the Responsible Entity of WAT to enable WAT to satisfy its obligations to deliver the Westfield Group securities to the holder of the Series G1 Special Options on exercise of those options. Where the exercise of a Series G1 Special Option is satisfied by delivery of a Series D CPS (or common WEA shares into which the Series D CPS has converted) WAT must pay the Parent Entity 37.5% of the value of a Series D CPS (or WEA common shares into which the Preferred Share has converted) at the time of exercise.

NOTE 19 SHARE BASED PAYMENTS (CONTINUED)

(iii) Series H Special Options

The WAT Series H Special Options are exercisable any time after September 2003 and expire on the date being 10 days prior to the date of termination of WAT. The Series H Special Options are exercisable by the holder delivering a common share in WEA. On exercise the holder of a Series H Special Option will receive 3.049065 stapled securities. As at 31 December 2009 and 31 December 2008 there were 11,805,862 Series H Special Options on issue which are exchangeable for 35,996,841 stapled securities.

The Parent Entity and WHL have each granted 11,805,862 options to the Responsible Entity of WAT to enable WAT to satisfy its obligations to deliver stapled securities to the holder of the Series H Special Options on exercise of those options. Where the exercise of a Series H Special Option is satisfied by delivery of a WEA common share WAT must pay the Parent Entity 37.5% of the value of a WEA common share at the time of exercise.

(iv) Series I Special Options

The WAT Series I Special Options are exercisable any time after May 2004 and expire on the date being 10 days prior to the date of termination of WAT. The Series I Special Options are exercisable by the holder delivering a common share in WEA. On exercise the holder of a Series I Special Option will receive 3.161595 stapled securities. As at 31 December 2009 and 31 December 2008, there were 13,260,859 Series I Special Options on issue which are exchangeable for 41,925,466 stapled securities.

The Parent Entity and WHL have each granted 13,260,859 options to the Responsible Entity of WAT to enable WAT to satisfy its obligations to deliver stapled securities to the holder of the Series I Special Options on exercise of those options. Where the exercise of a Series I Special Option is satisfied by delivery of a WEA common share WAT must pay the Parent Entity 37.5% of the value of a WEA common share at the time of exercise.

(v) Employee Performance & Incentive Rights Issued to Employees of Related Parties

There are 4,526,207 (31 December 2008: 2,390,992) Employee Performance and Incentive Rights on issue as at 31 December 2009. Under the stapling arrangement each of WT, WHL and WAT are required to issue securities/units on the vesting of an Employee Performance or Incentive Right. At 31 December 2009, the 4,526,207 (31 December 2008: 2,390,992) Employee Performance and Incentive Rights on issue were convertible to 4,526,207 (31 December 2008: 2,390,992) Westfield Group stapled securities.

	31 Dec 09 No. of rights	31 Dec 08 No. of rights
Vesting profile – Employee Performance & Incentive Rights (Issued to employees of related parties)		
2009	**–**	2,876
2010	**1,042,274**	1,113,968
2011	**2,111,274**	690,640
2012	**1,014,608**	583,508
2013	**358,051**	–
	4,526,207	2,390,992

	Note	**Consolidated 31 Dec 09 $million**	Consolidated 31 Dec 08 $million	**Parent Entity 31 Dec 09 $million**	Parent Entity 31 Dec 08 $million
NOTE 20 RESERVES					
Foreign currency translation reserve		**46.3**	56.8	**–**	–
Asset revaluation reserve		**–**	–	**5,072.0**	5,292.0
		46.3	56.8	**5,072.0**	5,292.0
(a) 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		**56.8**	134.2	**–**	–
Foreign exchange movement					
– translation of foreign entities		**(10.5)**	(77.4)	**–**	–
Balance at the end of the year		**46.3**	56.8	**–**	–
(b) Movement in asset revaluation reserve					
The asset revaluation reserve is to record unrealised increments and decrements in the value of assets held as available for sale.					
Balance at the beginning of the year		**–**	59.2	**5,292.0**	5,559.3
Revaluation decrement		**–**	(59.2)	**(220.0)**	(267.3)
Balance at the end of the year		**–**	–	**5,072.0**	5,292.0
NOTE 21 RETAINED PROFITS					
Movement in retained profits					
Balance at the beginning of the year		**8,221.7**	9,215.3	**2,986.5**	3,849.4
Profit after tax attributable to members		**178.8**	3.0	**388.3**	133.7
Distributions paid	23	**(1,148.2)**	(996.6)	**(1,148.2)**	(996.6)
Balance at the end of the year		**7,252.3**	8,221.7	**2,226.6**	2,986.5

	Consolidated		Parent Entity	
	31 Dec 09 $million	31 Dec 08 $million	**31 Dec 09 $million**	31 Dec 08 $million

NOTE 22 CASH AND CASH EQUIVALENTS

(a) Components of cash and cash equivalents				
Cash	**66.0**	144.1	**26.3**	69.7
Total cash and cash equivalents	**66.0**	144.1	**26.3**	69.7
(b) Reconciliation of profit after income tax to net cash flows from operating activities				
Profit after tax	**178.8**	3.0	**388.3**	133.7
Property revaluations	**1,037.2**	474.8	**627.0**	417.6
Deferred tax benefit	**(36.7)**	(30.7)	**–**	–
Financing costs	**177.4**	742.7	**239.0**	571.9
Interest income	**(18.3)**	(18.0)	**(16.8)**	(13.6)
Share of associate's profit in excess of distribution	**24.3**	68.3	–	–
Net loss/(gain) from capital transactions	**8.4**	(15.6)	**(1.2)**	(4.3)
Increase/(decrease) in other assets attributable to operating activities	**23.7**	72.9	**(36.9)**	(53.8)
Net profit attributable to minority interests	**7.7**	14.5	**–**	–
Currency derivatives and exchange differences	**(75.5)**	12.1	**(74.3)**	(21.5)
Net cash flows from operating activities	**1,327.0**	1,324.0	**1,125.1**	1,030.0

NOTE 23 DISTRIBUTIONS

(a) Final distribution proposed				
65% estimated tax advantaged (31 December 2008: 67% tax advantaged)	**646.2**	510.8	**646.2**	510.8
	646.2	510.8	**646.2**	510.8

Interim distributions of 28.00 cents were paid on 31 August 2009. Final proposed distributions were paid on 26 February 2010. The record date for these 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 Entity	
	31 Dec 09 $million	31 Dec 08 $million	**31 Dec 09 $million**	31 Dec 08 $million
(b) Distributions paid during the year				
Distribution in respect of the 6 months to 30 June 2009	**637.4**	–	**637.4**	–
Distribution in respect of the 6 months to 31 December 2008	**510.8**	–	**510.8**	–
Distribution in respect of the 6 months to 30 June 2008	**–**	549.9	**–**	549.9
Distribution in respect of the 6 months to 31 December 2007	**–**	446.7	**–**	446.7
Total distribution paid	**1,148.2**	996.6	**1,148.2**	996.6

NOTE 24 LEASE COMMITMENTS

Operating lease receivables

Substantially all of the properties owned and leased by WT 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	**1,396.2**	1,383.7	**571.9**	554.7
Due between one and five years	**3,428.0**	3,472.3	**1,384.6**	1,457.6
Due after five years	**2,185.0**	2,382.3	**814.0**	895.7
	7,009.2	7,238.3	**2,770.5**	2,908.0

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.

	Consolidated		Parent Entity	
	31 Dec 09 $million	31 Dec 08 $million	**31 Dec 09 $million**	31 Dec 08 $million

NOTE 25 CAPITAL EXPENDITURE COMMITMENTS

Estimated capital expenditure committed at balance date but not provided for in relation to development projects:

Due within one year	**313.8**	160.7	**–**	–
Due between one and five years	**435.3**	657.1	**–**	–
Due after five years	**–**	–	**–**	–
	749.1	817.8	**–**	–

	Consolidated 31 Dec 09 $million	Consolidated 31 Dec 08 $million	Parent Entity 31 Dec 09 $million	Parent Entity 31 Dec 08 $million
NOTE 26 CONTINGENT LIABILITIES				
Performance guarantees	**16.5**	14.4	**1.4**	0.3
Guaranteed borrowings of controlled entities	**–**	–	**5,067.2**	5,722.4
Guaranteed borrowings of associates of the Responsible Entity	**7,341.6**	10,149.4	**7,341.6**	10,149.4
	7,358.1	10,163.8	**12,410.2**	15,872.1

WT's obligation in respect of performance guarantees may be called on at anytime dependent upon the performance or non performance of certain third parties. From time to time, in the normal course of business, WT 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 WT.

NOTE 27 SEGMENT INFORMATION

The principal activity of the WT Group is the ownership of shopping centre investments across Australia and New Zealand.

	Australia 31 Dec 09 $million	Australia 31 Dec 08 $million	New Zealand 31 Dec 09 $million	New Zealand 31 Dec 08 $million	Consolidated 31 Dec 09 $million	Consolidated 31 Dec 08 $million
Revenue						
Property revenue	**1,462.6**	1,419.2	**239.9**	242.9	**1,702.5**	1,662.1
Distributions from other investments	**1.3**	–	**–**	–	**1.3**	–
	1,463.9	1,419.2	**239.9**	242.9	**1,703.8**	1,662.1
Share of after tax profits of equity accounted entities						
Property revenue	**130.5**	125.8	**–**	–	**130.5**	125.8
Property expenses and outgoings	**(34.8)**	(36.1)	**–**	–	**(34.8)**	(36.1)
Net interest expense	**(0.1)**	(2.5)	**–**	–	**(0.1)**	(2.5)
	95.6	87.2	**–**	–	**95.6**	87.2
Expenses						
Property expenses and outgoings	**(377.3)**	(408.7)	**(61.3)**	(62.4)	**(438.6)**	(471.1)
Property and funds management costs	**(16.5)**	(17.0)	**–**	–	**(16.5)**	(17.0)
Corporate costs	**(3.8)**	(4.9)	**(0.9)**	(0.4)	**(4.7)**	(5.3)
	(397.6)	(430.6)	**(62.2)**	(62.8)	**(459.8)**	(493.4)
Segment Result	**1,161.9**	1,075.8	**177.7**	180.1	**1,339.6**	1,255.9
Segment revaluations and net (loss)/gain from capital transactions						
Revaluations of properties						
– Consolidated	**(841.3)**	(306.1)	**(195.9)**	(168.7)	**(1,037.2)**	(474.8)
– Equity accounted	**(32.7)**	(69.6)	**–**	–	**(32.7)**	(69.6)
Minority interest share of property revaluations	**1.8**	(5.3)	**–**	–	**1.8**	(5.3)
Net (loss)/gain from capital transactions	**(8.4)**	15.6	**–**	–	**(8.4)**	15.6
	(880.6)	(365.4)	**(195.9)**	(168.7)	**(1,076.5)**	(534.1)
Currency derivatives and exchange differences					**75.5**	(12.1)
Interest income					**18.3**	18.0
Financing costs					**(177.4)**	(742.7)
Tax benefit					**8.8**	27.2
Minority interest					**(9.5)**	(9.2)
Net profit attributable to members of WT					**178.8**	3.0
Segment assets						
Segment assets	**22,537.1**	22,683.9	**2,414.3**	2,653.9	**24,951.4**	25,337.8
Corporate assets					**3,036.5**	2,379.2
Total segment assets	**22,537.1**	22,683.9	**2,414.3**	2,653.9	**27,987.9**	27,717.0
Segment liabilities						
Segment liabilities	**1,037.9**	1,330.5	**285.0**	79.6	**1,322.9**	1,410.1
Corporate liabilities					**8,622.6**	9,636.4
Total segment liabilities	**1,037.9**	1,330.5	**285.0**	79.6	**9,945.5**	11,046.5
Other segment information						
Investment in equity accounted entities included in segment assets	**1,587.7**	1,612.3	**–**	–	**1,587.7**	1,612.3
Additions to segment non current assets	**857.5**	1,226.5	**47.5**	70.2	**905.0**	1,296.7

NOTE 28 CAPITAL RISK MANAGEMENT

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

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

The WT 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 distribution reinvestment underwritten, adjusting the amount of distributions paid to members, activating a security buyback program, divesting assets to repay borrowings or adjusting the timing of capital expenditure for its property redevelopment pipeline.

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

NOTE 29 FINANCIAL RISK MANAGEMENT

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

The WT Group manages its exposure to key financial risks in accordance with the WT 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 WT Group's treasury risk management policies are established to identify and analyse the risks faced by the WT 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 WT Group's activities. The WT 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 WT Group's treasury management objective.

The WT 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 the oversight role by the WT Group's Executive Risk Management Committee and internal audit function.

The WT 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 WT 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 WT Group's operations, cash flows, interest bearing liabilities and its net investments in foreign operations. The WT 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 30 INTEREST RATE RISK MANAGEMENT

The WT Group is exposed to interest rate risk on its borrowings and derivative financial instruments. This risk is managed by the WT 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 WT 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 WT 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 $million
Principal amounts of all interest bearing liabilities:			
Current interest bearing liabilities	15	**1,878.1**	1,617.0
Non current interest bearing liabilities	15	**4,501.4**	5,970.3
Unsecured convertible notes	16	**–**	1.3
Share of equity accounted entities interest bearing liabilities	12(c)	**19.5**	19.5
Cross currency swaps			
– A$	31(i)	**3,823.7**	3,081.9
– £121.1 million (31 December 2008: £133.0 million)	31(i)	**217.9**	278.5
Foreign currency swaps			
– A$	31(ii)	**969.9**	–
– US$600.0 million (31 December 2008: nil)	31(ii)	**666.6**	–
– £39.0 million (31 December 2008: nil)	31(ii)	**70.2**	–
Principal amounts subject to interest rate payable exposure		**12,147.3**	10,968.5

NOTE 30 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:			
Loans receivable from related entities			
– £330.0 million (31 December 2008: nil)	9	**593.8**	–
Cross currency swaps			
– US$2,710.0 million (31 December 2008: US$1,360.0 million)	31(i)	**3,010.8**	1,971.9
– €186.7 million (31 December 2008: €200.0 million)	31(i)	**298.8**	409.6
– NZ$429.3 million (31 December 2008: NZ$1,617.5 million)	31(i)	**346.7**	1,352.3
Foreign currency swaps			
– A$	31(ii)	**862.2**	–
– US$761.8 million (31 December 2008: nil)	31(ii)	**846.4**	–
Cash	22(a)	**66.0**	144.1
Share of equity accounted entities cash	12(c)	**9.3**	9.8
Principal amounts subject to interest rate receivable exposure		**6,034.0**	3,887.7
Principal amounts of net interest bearing liabilities subject to interest rate payable exposure		**6,113.3**	7,080.8
Principal amounts of fixed interest rate liabilities:			
Fixed rate loans			
– A$	30(ii)	**160.0**	160.0
– €186.7 million (31 December 2008: €200.0 million)	30(ii)	**298.8**	409.6
– £440.0 million (31 December 2008: £440.0 million)	30(ii)	**791.8**	921.5
– US$2,581.8 million (31 December 2008: US$1,131.8 million)	30(ii)	**2,868.3**	1,641.0
Fixed rate derivatives			
– A$	30(ii)	**3,304.1**	2,501.4
– £171.1 million (31 December 2008: £425.5 million)	30(ii)	**307.9**	891.1
Foreign currency swaps			
– A$	31(ii)	**969.9**	–
– US$600.0 million (31 December 2008: nil)	31(ii)	**666.6**	–
– £39.0 million (31 December 2008: nil)	31(ii)	**70.2**	–
Principal amounts on which interest rate payable exposure has been hedged		**9,437.6**	6,524.6
Principal amounts of fixed interest rate assets:			
Fixed rate derivatives			
– US$2,500.0 million (31 December 2008: US$1,150.0 million)	30(ii)	**2,777.5**	1,667.4
– €186.7 million (31 December 2008: €200.0 million)	30(ii)	**298.8**	409.6
Foreign currency swaps			
– A$	31(ii)	**862.2**	–
– US$761.8 million (31 December 2008: nil)	31(ii)	**846.4**	–
Principal amounts on which interest rate receivable exposure has been hedged		**4,784.9**	2,077.0
Principal amounts on which net interest rate payable exposure has been hedged		**4,652.7**	4,447.6

At 31 December 2009, the WT Group has fixed 76% of its net interest payable exposure by way of fixed rate borrowings and interest rate derivatives of varying durations. The remaining 24% is exposed to floating rates on a principal payable of $1,460.6 million, at an average interest rate of 5.6%, including margin (31 December 2008: 63% hedged with floating exposure of $2,633.2 million at an average rate of 4.7%). Changes to the fair value of the fixed rate borrowings and derivatives due to interest rate movements are set out in Note 30(ii).

		31 Dec 09 $million	31 Dec 08 $million
Interest rate sensitivity The sensitivity of interest expense to changes in floating interest rates is as follows:	Interest rate movement	(Increase)/decrease in interest expense	
	–1.0%	**14.6**	26.3
	–0.5%	**7.3**	13.2
	0.5%	**(7.3)**	(13.2)
	1.0%	**(14.6)**	(26.3)

NOTE 30 INTEREST RATE RISK MANAGEMENT (CONTINUED)

Summary of interest rate positions at balance date (continued)

(ii) Fixed rate debt and interest rate swaps

The WT Group is exposed to interest rate risk on its borrowings and derivative financial instruments. This risk is managed by the WT 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 WT 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 WT 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$ (payable)/receivable								
31 December 2008	**–**	**–**	**–**	**–**	A$(2,501.4)	5.57%	A$(160.0)	5.46%
31 December 2009	**A$(3,304.1)**	**6.91%**	**A$(160.0)**	**5.46%**	A$(2,541.4)	6.17%	A$(160.0)	5.46%
31 December 2010	**A$(2,939.9)**	**7.10%**	**–**	**–**	A$(2,174.7)	6.32%	–	–
31 December 2011	**A$(3,565.4)**	**6.62%**	**–**	**–**	A$(3,000.2)	5.86%	–	–
31 December 2012	**A$(3,437.9)**	**6.89%**	**–**	**–**	A$(2,875.2)	6.15%	–	–
31 December 2013	**A$(2,737.9)**	**7.28%**	**–**	**–**	A$(2,525.2)	6.45%	–	–
31 December 2014	**A$(1,213.0)**	**6.13%**	**–**	**–**	A$(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%	–	–
€ receivable/(payable)								
31 December 2008	**–**	**–**	**–**	**–**	€200.0	3.58%	€(200.0)	3.58%
31 December 2009	**€186.7**	**3.58%**	**€(186.7)**	**3.58%**	€200.0	3.58%	€(200.0)	3.58%
31 December 2010	**€186.7**	**3.58%**	**€(186.7)**	**3.58%**	€200.0	3.58%	€(200.0)	3.58%
31 December 2011	**€186.7**	**3.58%**	**€(186.7)**	**3.58%**	€200.0	3.58%	€(200.0)	3.58%
£ (payable)/receivable								
31 December 2008	**–**	**–**	**–**	**–**	£(425.5)	5.10%	£(440.0)	5.39%
31 December 2009	**£(171.1)**	**5.12%**	**£(440.0)**	**5.39%**	£(425.5)	5.10%	£(440.0)	5.39%
31 December 2010	**£(413.6)**	**5.13%**	**£(440.0)**	**5.39%**	£(425.5)	5.10%	£(440.0)	5.39%
31 December 2011	**£(413.6)**	**5.13%**	**£(440.0)**	**5.39%**	£(425.5)	5.10%	£(440.0)	5.39%
31 December 2012	**£(292.5)**	**4.99%**	**£(440.0)**	**5.39%**	£(292.5)	4.99%	£(440.0)	5.39%
31 December 2013	**£(292.5)**	**4.99%**	**£(440.0)**	**5.39%**	£(292.5)	4.99%	£(440.0)	5.39%
31 December 2014	**–**	**–**	**£(440.0)**	**5.39%**	–	–	£(440.0)	5.39%
31 December 2015	**–**	**–**	**£(440.0)**	**5.39%**	–	–	£(440.0)	5.39%
31 December 2016	**–**	**–**	**£(440.0)**	**5.39%**	–	–	£(440.0)	5.39%
US$ receivable/(payable)								
31 December 2008	**–**	**–**	**–**	**–**	US$1,150.0	4.71%	US$(1,131.8)	4.71%
31 December 2009	**US$2,500.0**	**4.72%**	**US$(2,581.8)**	**5.71%**	US$1,150.0	4.71%	US$(1,131.8)	4.71%
31 December 2010	**US$1,900.0**	**4.83%**	**US$(2,000.0)**	**6.11%**	US$550.0	5.09%	US$(550.0)	5.09%
31 December 2011	**US$1,900.0**	**4.83%**	**US$(2,000.0)**	**6.11%**	US$550.0	5.09%	US$(550.0)	5.09%
31 December 2012	**US$1,900.0**	**4.83%**	**US$(2,000.0)**	**6.11%**	US$550.0	5.09%	US$(550.0)	5.09%
31 December 2013	**US$1,900.0**	**4.83%**	**US$(2,000.0)**	**6.11%**	US$550.0	5.09%	US$(550.0)	5.09%
31 December 2014	**US$750.0**	**2.55%**	**US$(850.0)**	**5.83%**	–	–	–	–
31 December 2015	**–**	**–**	**US$(100.0)**	**6.69%**	–	–	–	–
31 December 2016	**–**	**–**	**US$(100.0)**	**6.69%**	–	–	–	–
31 December 2017	**–**	**–**	**US$(100.0)**	**6.69%**	–	–	–	–
31 December 2018	**–**	**–**	**US$(100.0)**	**6.69%**	–	–	–	–

NOTE 30 INTEREST RATE RISK MANAGEMENT (CONTINUED)

Summary of interest rate positions at balance date (continued)

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

The WT 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 $203.6 million (31 December 2008: loss of $469.6 million). At 31 December 2009, the aggregate fair value is a payable of $25.6 million (31 December 2008: $229.1 million).

	Interest rate movement	**31 Dec 09 $million**	31 Dec 08 $million
Fair value sensitivity The sensitivity of fair value to changes in interest rates is as follows:		(Increase)/decrease in interest expense	
	–1.0%	**(76.3)**	(148.8)
	–0.5%	**(38.9)**	(73.3)
	0.5%	**38.2**	70.8
	1.0%	**75.7**	138.2

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 $962.3 million (31 December 2008: decrease of $642.9 million). The difference between the carrying value and fair value of fixed rate debt at 31 December 2009 is a payable of $148.7 million (31 December 2008: receivable of $813.6 million).

	Interest rate movement	**31 Dec 09 $million**	31 Dec 08 $million
Fair value sensitivity The sensitivity of fair value to changes in interest rates is as follows:		(Increase)/decrease in fair value of borrowings	
	–1.0%	**(171.6)**	(85.3)
	–0.5%	**(84.4)**	(42.0)
	0.5%	**82.3**	41.4
	1.0%	**162.1**	80.9

(iii) Interest rate caps

The WT Group is exposed to interest rate risk on its borrowings and derivative financial instruments. This risk is managed by the WT 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 WT 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 WT Group's consolidated and equity accounted interest rate caps:

	Interest rate caps		Interest rate caps	
Interest rate caps contracted as at the reporting date and outstanding at	**31-Dec-09 Notional principal amount million**	**31-Dec-09 Strike rate**	31-Dec-08 Notional principal amount million	31-Dec-08 Strike rate
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%**	–	–

The WT 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 $4.9 million (31 December 2008: nil). At 31 December 2009, the aggregate fair value is a payable of $4.9 million (31 December 2008: nil).

	Interest rate movement	**31 Dec 09 $million**	31 Dec 08 $million
Fair value sensitivity The sensitivity of fair value to changes in interest rates is as follows:		(Increase)/decrease in interest expense	
	–1.0%	**(8.3)**	–
	–0.5%	**(4.9)**	–
	0.5%	**6.9**	–
	1.0%	**15.8**	–

NOTE 31 EXCHANGE RATE RISK MANAGEMENT

The WT 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 WT Group manages these exposures by entering into foreign currency derivative instruments and by borrowing in foreign currencies.

NOTE 31 EXCHANGE RATE RISK MANAGEMENT (CONTINUED)

Summary of foreign exchange balance sheet positions at balance date

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

	Note	Consolidated 31 Dec 09 million	Consolidated 31 Dec 08 million
Foreign currency net investments			
The WT Group had floating currency exposure, after taking into account the effect of foreign exchange derivatives, at reporting date of:			
NZ$ net assets		**NZ$2,846.6**	NZ$3,114.6
NZ$ borrowings		**NZ$(402.8)**	NZ$(1,548.9)
NZ$ cross currency swaps	31(i)	**NZ$429.3**	NZ$1,617.5
NZ$ denominated net assets		**NZ$2,873.1**	NZ$3,183.2

The WT Group's foreign currency net investments are subject to exchange rate risk. Gains and losses arising from changes in fair value of the WT 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 WT Group has satisfied the accounting requirements to qualify for hedge accounting treatment.

Where the WT 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.

	A$/NZ$ Currency movement	Gain/(loss) to foreign currency translation reserve 31 Dec 09 $million	Gain/(loss) to foreign currency translation reserve 31 Dec 08 $million	Gain/(loss) to income statement 31 Dec 09 $million	Gain/(loss) to income statement 31 Dec 08 $million
Foreign currency sensitivity The sensitivity to changes in the A$/NZ$ rate is as follows:					
	–10 cents	**173.3**	119.4	**29.1**	108.4
	–5 cents	**83.0**	57.1	**14.0**	51.8
	+5 cents	**(76.6)**	(52.5)	**(12.6)**	(47.7)
	+10 cents	**(147.4)**	(101.0)	**(23.5)**	(92.3)

(i) Cross currency swaps in respect of the WT Group's foreign currency assets and liabilities

The following table details the cross currency swaps outstanding at reporting date. These contracts do not qualify as hedges of net investments of foreign operations.

Cross currency swaps contracted as at the reporting date and outstanding at	Weighted average exchange rate 31 Dec 09	Weighted average exchange rate 31 Dec 08	Amount receivable/(payable) 31 Dec 09 million	Amount receivable/(payable) 31 Dec 09 million	Amount receivable/(payable) 31 Dec 08 million	Amount receivable/(payable) 31 Dec 08 million
£						
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)
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$218.0
US$						
Contracts to receive US$ and pay A$						
31 December 2008	–	0.7479	–	–	A$(1,818.4)	US$1,360.0
31 December 2009	**0.7770**	0.7479	**A$(3,487.7)**	**US$2,710.0**	A$(1,818.4)	US$1,360.0
31 December 2010	**0.7895**	0.7461	**A$(2,406.5)**	**US$1,900.0**	A$(737.2)	US$550.0
31 December 2011	**0.7895**	0.7461	**A$(2,406.5)**	**US$1,900.0**	A$(737.2)	US$550.0
31 December 2012	**0.7895**	0.7461	**A$(2,406.5)**	**US$1,900.0**	A$(737.2)	US$550.0
31 December 2013	**0.7895**	0.7461	**A$(2,406.5)**	**US$1,900.0**	A$(737.2)	US$550.0
31 December 2014	**0.8273**	–	**A$(906.6)**	**US$750.0**	–	–

[i] The receive € exposure is matched with a pay € exposure in the income statement.

NOTE 31 EXCHANGE RATE RISK MANAGEMENT (CONTINUED)

(i) Cross currency swaps in respect of the WT Group's foreign currency assets and liabilities (continued)

At 31 December 2009, none of the above described cross currency swaps qualify for hedge accounting and gains or losses arising from changes in fair values have been reflected in the income statement. The loss for the year ended 31 December 2009 was $709.5 million (31 December 2008: gain of $609.1 million). The aggregate fair value of cross currency swaps at 31 December 2009 is a payable of $356.5 million (31 December 2008: receivable of $352.9 million).

		31 Dec 09 million	31 Dec 08 million
Foreign currency sensitivity 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**	108.4
	–5 cents	**14.0**	51.8
	+5 cents	**(12.6)**	(47.7)
	+10 cents	**(23.5)**	(92.3)
The sensitivity to changes in the A$/£ rate is as follows:	A$/£ Currency movement	Gain/(loss) to income statement	
	–10 pence	**(47.8)**	(73.8)
	–5 pence	**(21.5)**	(32.6)
	+5 pence	**18.0**	26.4
	+10 pence	**33.2**	48.2
The sensitivity to changes in the A$/US$ rate is as follows:	A$/US$ Currency movement	Gain/(loss) to income statement	
	–10 cents	**351.2**	334.4
	–5 cents	**164.3**	154.1
	+5 cents	**(146.9)**	(133.3)
	+10 cents	**(279.1)**	(249.7)

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

The following table details the other financial derivatives in respect of the WT 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 sell US$ and buy A$ 31 December 2010	**0.7583**	–	**A$791.2**	**US$(600.0)**	–	–
Contracts to buy US$ and sell A$ 31 December 2010	**0.7855**	–	**A$(969.9)**	**US$761.8**	–	–
£						
Contracts to sell £ and buy A$ 31 December 2010	**0.5493**	–	**A$71.0**	**£(39.0)**	–	–

NOTE 31 EXCHANGE RATE RISK MANAGEMENT (CONTINUED)

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

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 $0.4 million (31 December 2008: loss of $5.8 million). The aggregate fair value of other foreign currency derivatives at 31 December 2009 is a receivable of $0.4 million (31 December 2008: nil).

		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	**22.5**	–
	–5 cents	**10.6**	–
	+5 cents	**(9.4)**	–
	+10 cents	**(17.9)**	–
The sensitivity to changes in the A$/£ rate is as follows:	A$/£ Currency movement	Gain/(loss) to income statement	
	–10 pence	**(15.4)**	–
	–5 pence	**(6.9)**	–
	+5 pence	**5.8**	–
	+10 pence	**10.7**	–

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

These derivatives manage the impact of exchange rate movements on the WT Groups foreign currency denominated earnings and the WT 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 WT Group's distribution and are ineffective hedges for accounting purposes.

	Weighted average exchange rate		**Amount receivable/(payable)**			
Forward exchange contracts contracted as at the reporting date and maturing during the year ended	**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)

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 $1.6 million (31 December 2008: gain of $15.7 million). The aggregate fair value of forward exchange contracts at 31 December 2009 is a receivable of $8.8 million (31 December 2008: $10.4 million).

		31 Dec 09 million	31 Dec 08 million
Foreign currency sensitivity The sensitivity to changes in the A$/NZ$ rate is as follows:	A$/NZ$ Currency movement	Gain/(loss) to income statement	
	–10 cents	**(42.5)**	(57.5)
	–5 cents	**(20.3)**	(27.4)
	+5 cents	**19.0**	25.0
	+10 cents	**36.5**	47.3

NOTE 32 CREDIT AND LIQUIDITY RISK MANAGEMENT

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the WT Group. Credit limits have been established to ensure that the WT Group deals only with approved counterparties and that counterparty concentration risk is addressed and the risk of loss is mitigated. Counterparty exposure is measured as the aggregate of all obligations of any single legal entity or economic entity to the WT Group, after allowing for appropriate set offs which are legally enforceable. A maximum credit limit is allocated to each counterparty based on its credit rating. The counterparty credit risk associated with investment instruments is assessed based on its outstanding face value.

At 31 December 2009, the aggregate credit risk in respect of derivative financial instruments is $287.4 million (31 December 2008: $516.3million). In accordance with WT Group policy, credit risk is spread among a number of creditworthy counterparties within specified limits. The WT Group had 82% of its aggregate credit risk spread over two 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.

The WT Group undertakes active liquidity and funding risk management to enable it to have sufficient funds available to meet its financial obligations as and when they fall due, working capital and expected committed capital expenditure requirements. The WT Group prepares and monitors rolling forecasts of liquidity requirements on the basis of expected cash flow.

Interest bearing liabilities, and funding facilities and their maturity profiles are set out in Note 15.

NOTE 33 FINANCIAL RISK – PARENT ENTITY

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

As a member of the WT Group, the Parent Entity is covered under the same policies and procedures outlined above. Refer to Note 29 for the management of the WT Group's key financial risks.

The Parent Entity is exposed to interest and foreign exchange risk on intercompany loans, other investments and interest and foreign currency derivative financial instruments. These risks are managed on a group basis (refer to Notes 30 and 31).

(i) InterGroup loans payable and receivable

Where the Parent Entity undertakes a borrowing or investment in a foreign currency the exchange risk is mitigated by the Parent Entity 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.

(ii) Other investments

Other investments are designated investments available for sale. Other investments are stated at fair value of the WT Group's interest in the underlying assets which approximate fair value.

Gains or losses on available for sale investments are recognised as a separate component of equity until the investment is sold or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement.

The Parent Entity is exposed to foreign exchange translation risk on its other investments which are denominated in foreign currencies, when assessing recoverable amount. The Parent Entity hedges these items in its own financial statements, and these activities are carried out on a group basis.

NOTE 34 INTEREST BEARING LIABILITIES, INTEREST AND DERIVATIVE CASHFLOW MATURITY PROFILE

	Consolidated		Parent Entity	
	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 15) together with the aggregate future estimated interest thereon, and the estimated impact of contracted interest and currency derivative cashflows is set out below:				
Due within one year	**1,997.2**	1,770.7	**1,735.2**	1,724.1
Due between one and five years	**3,820.2**	4,856.6	**3,016.3**	3,230.2
Due after five years	**2,532.4**	2,453.4	**2,546.1**	2,453.3
	8,349.8	9,080.7	**7,297.6**	7,407.6

Contingent liabilities are set out in Note 26 and are not included in the amounts shown above.

NOTE 35 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

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

	Fair value		Carrying amount	
	31 Dec 09 $million	31 Dec 08 $million	**31 Dec 09 $million**	31 Dec 08 $million
Consolidated assets				
Cash and cash equivalents	**66.0**	144.1	**66.0**	144.1
Trade debtors[i]	**19.5**	17.4	**19.5**	17.4
Other investments[ii]	**1,144.9**	1,342.3	**1,144.9**	1,342.3
Receivables	**2,639.0**	1,839.6	**2,639.0**	1,839.6
Derivative assets[ii]	**287.4**	516.3	**287.4**	516.3
Consolidated liabilities				
Trade creditors[i]	**50.7**	51.7	**50.7**	51.7
Payables and other creditors[i]	**1,272.2**	1,358.4	**1,272.2**	1,358.4
Interest bearing liabilities[ii]				
– Fixed rate debt	**4,267.6**	2,318.5	**4,118.9**	3,132.1
– Floating rate debt	**2,257.7**	4,451.9	**2,260.6**	4,455.2
Other financial liabilities[ii]	**1,253.6**	1,273.1	**1,253.6**	1,273.1
Derivative liabilities[ii]	**665.2**	382.1	**665.2**	382.1
Parent Entity assets				
Cash and cash equivalents	**26.3**	69.7	**26.3**	69.7
Trade debtors	**6.5**	6.0	**6.5**	6.0
Receivables	**3,135.3**	2,034.1	**3,135.3**	2,034.1
Derivative assets	**316.1**	516.3	**316.1**	516.3
Parent Entity liabilities				
Trade creditors	**28.1**	22.0	**28.1**	22.0
Payables and other creditors	**1,015.4**	1,082.6	**1,015.4**	1,082.6
Interest bearing liabilities				
– Fixed rate debt	**4,267.6**	2,318.5	**4,118.9**	3,132.1
– Floating rate debt	**1,245.2**	3,044.2	**1,246.0**	3,045.5
Other financial liabilities	**1,253.6**	1,273.1	**1,253.6**	1,273.1
Derivative liabilities	**666.0**	367.7	**666.0**	367.7

(i) These financial assets and liabilities are not subject to interest rate risk.

(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 WT Group held the following financial instruments measured at fair value.

The WT Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;

Level 3: techniques which use inputs which have a significant effect on the recorded fair value 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				
Derivative assets				
– Currency derivatives	**195.2**	–	195.2	–
– Interest rate derivatives	**92.2**	–	92.2	–
Other investments				
– Listed investments	**96.8**	96.8	–	–
– Unlisted investments	**1,048.1**	–	–	1,048.1
Consolidated liabilities measured at fair value				
Interest bearing liabilities				
– Fixed rate debt	**4,267.6**	–	4,267.6	–
– Floating rate debt	**2,257.7**	–	2,257.7	–
Derivative liabilities				
– Currency derivatives	**542.5**	–	542.5	–
– Interest rate derivatives	**122.7**	–	122.7	–
Other financial liabilities				
– Property linked notes	**1,253.6**	–	–	1,253.6

NOTE 35 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

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

	Unlisted investments[(i)] 31 Dec 09 $million	Property linked notes[(ii)] 31 Dec 09 $million
Level 3 fair value movements		
Balance at the beginning of the year	**1,245.0**	**1,271.8**
Additions	**390.2**	**–**
Disposals	**–**	**–**
Net revaluation decrement	**(587.1)**	**(18.2)**
Balance at the end of the year	**1,048.1**	**1,253.6**

(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 16 (a)).

	Consolidated 31 Dec 09 $'000	Consolidated 31 Dec 08 $'000	Parent Entity 31 Dec 09 $'000	Parent Entity 31 Dec 08 $'000
NOTE 36 AUDITOR'S REMUNERATION				
Amounts received or due and receivable by the auditors of the Parent Entity and any other entity in the WT Group for:				
– Audit or review of the financial reports	**2,318**	2,185	**2,239**	1,956
– Assurance and compliance services	**40**	128	**40**	128
– Other services	**20**	–	**20**	–
	2,378	2,313	**2,299**	2,084
Amounts received or due and receivable by Affiliates of the auditors of the Parent Entity for:				
– Audit or review of the financial reports	**175**	174	**–**	–
	175	174	**–**	–
	2,553	2,487	**2,299**	2,084

NOTE 37 RELATED PARTY DISCLOSURES

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

The WT Group forms part of the Westfield Group and the related party disclosures for the Westfield Group have the same applicability to it. As such while the related party disclosures below make reference to the Westfield Group, they also relate to the Trust.

(a) Nature of relationship with related parties

(i) Consolidated

Key Management Personnel of the entity

Details of Key Management Personnel are disclosed in Note 38.

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 Westfield Group. This is due to LFG being under the control or significant influence of certain Directors of the Westfield Group, being Mr Frank Lowy, Mr David Lowy, Mr Steven Lowy and Mr Peter Lowy.

(ii) Parent

Subsidiaries

Details of Parent Entity interests in subsidiaries are disclosed in Note 39.

Key Management Personnel of the entity

Details of Key Management Personnel are disclosed in Note 38.

Other Related Parties

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

NOTE 37 RELATED PARTY DISCLOSURES (CONTINUED)

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

(i) Consolidated

Transactions with Key Management Personnel of the entity

Details of Key Management Personnel is disclosed in Note 38.

The Westfield Group owns two aircrafts 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 Westfield 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 Westfield Group and LFG have entered into arrangements regarding the Westfield 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 Westfield 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 Westfield 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 Westfield 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 Westfield 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 Westfield 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 Westfield 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 Westfield Group paid amounts totalling $14,634 (31 December 2008: $18,134) for rental accommodation owned by LFG.

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

At year end the following amounts were recorded in the Westfield Group 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.

(ii) Parent

Subsidiaries

Investments held in subsidiaries are disclosed in Note 39.

The Responsible Entity, a subsidiary of WHL, is considered to be a related party of the Westfield Group.

During the year, WT, WAT and WHL, transacted on normal commercial terms as stapled entities with respect to the following:

(a) Property management fee

(b) Manager's service charge

(c) Reimbursement of expenses

(d) Construction contracts

(e) Rebates

(f) Loans and financial derivatives

Property management fee

The Property management fee for the year ended 31 December 2009 was $83.8 million (31 December 2008: $81.2 million) of which $7.3 million (31 December 2008: $1.4 million) was payable to associates of the Responsible Entity at 31 December 2009.

Manager's service charge

The Manager's service charge expensed and payable for the year ended 31 December 2009 was $16.5 million (31 December 2008: $17.0 million) of which $1.5 million (31 December 2008: $8.1 million) was payable to associates of the Responsible Entity at 31 December 2009.

Reimbursement of expenses

Reimbursement of expenses to associates of the Responsible Entity were $80.6 million (31 December 2008: $74.7 million) for the year ended 31 December 2009.

Construction contracts

During the year, amounts paid (excluding GST) to associates of the Responsible Entity for construction contracts amounted to $350.9 million (31 December 2008: $451.5 million).

Loans and financial derivatives

Cross currency swaps with WAT

WT and WAT entered into the following cross currency swaps with terms, interest and principal amounts as follows:

i) WT receives from WAT, on a semi-annual basis, a commercial fixed rate on a principal of US$600.0 million in exchange for WT paying to WAT, on a semi-annual basis, a commercial fixed rate on a principal of A$804.2 million. The cross currency swap has a start date of November 2004 and continues until November 2010;

ii) WT receives from WAT, on a semi-annual basis, a commercial fixed rate on a principal of US$550.0 million in exchange for WT paying to WAT, on a semi-annual basis, a commercial fixed rate on a principal of A$737.2 million. The cross currency swap has a start date of November 2004 and continues until November 2014;

iii) WT receives from WAT, on a quarterly basis, floating rate on a principal of US$210.0 million in exchange for WT paying to WAT, on a quarterly basis, floating rate on a principal of A$277.0 million. The cross currency swap has a start date of January 2005 and continues until February 2010; and

iv) WT receives from WAT, on a semi-annual basis, a commercial fixed rate on a principal of US$600 million in exchange for WT paying to WAT, on a semi-annual basis, a commercial fixed rate on a principal of A$762.7 million. The cross currency swap has a start date of June 2009 and continues until June 2014.

The interest expense for the year in respect of cross currency swaps with WAT was $49.3 million (31 December 2008: $48.1 million).

Foreign currency swap with WAT

WT and WAT entered into a foreign currency swap on 27 May 2009. WT receives A$791.2 million from WAT in exchange for WT paying US$600.0 million to WAT. The foreign currency swap matures on 15 November 2010.

NOTE 37 RELATED PARTY DISCLOSURES (CONTINUED)

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

Interest rate swaps with WAT

WT and WAT entered into an A$ interest rate swap on 13 December 2004 for the value of $200.0 million. WT received, on a quarterly basis, a commercial floating rate from WAT and paid to WAT on a quarterly basis, a commercial fixed rate. The interest rate swap had a start date of July 2006 and was terminated in June 2009.

WT and WAT entered into an A$ interest rate swap on 13 July 2007 for the value of $500.0 million. WT received, on a quarterly basis, a commercial floating rate from WAT and paid to WAT on a quarterly basis, a commercial fixed rate. The interest rate swap had a start date of August 2016 and was terminated in June 2009.

WT and WAT entered into an A$ interest rate swap on 13 July 2007 for the value of $350.0 million. WT received, on a quarterly basis, a commercial floating rate from WAT and paid to WAT on a quarterly basis, a commercial fixed rate. The interest rate swap had a start date of November 2013 and was terminated in June 2009.

WT and WAT entered into an A$ interest rate swap on 26 November 2008 for the value of $200.0 million. WT paid, on a quarterly basis, a commercial floating rate to WAT and received from WAT, on a quarterly basis, a commercial fixed rate. The interest rate swap had a start date of April 2009 and was terminated in June 2009.

The net interest expense for the year in respect of the interest rate swaps with WAT was $1.6 million (31 December 2008: income of $2.5 million) and the loss from the termination of interest rate swaps was $1.1 million (31 December 2008: nil).

Loans to/from WHL

During the year WT had advances to/from WHL. The net balance of the loan at year end is $516.3 million receivable (31 December 2008: $244.5 million), with accrued interest payable of $2.3 million (31 December 2008: $2.4 million). The net interest expense for the year in respect of the loan to WHL was $21.6 million (31 December 2008: $27.3 million).

Loans from WAT

During the year, WAT advanced a loan to WT. The balance of the loan at year end is $112.4 million payable (31 December 2008: $893.3 million) with accrued interest of $0.7 million payable (31 December 2008: $4.2 million). Interest accrues on this loan on a quarterly basis based on a floating rate. The interest expense for the year in respect of the loan from WAT was $15.7 million (31 December 2008: $37.4 million).

Loans from a controlled entity of WAT

During the year, a controlled entity of WAT advanced a loan to WT. The balance of the loan at year end is $200.0 million payable (31 December 2008: nil) with accrued interest of $40,995 payable (31 December 2008: nil). Interest accrues on this loan on a quarterly basis based on a floating rate. The interest expense for the year in respect of the loan from the controlled entity of WAT was $40,995 (31 December 2008: nil).

Loans to Westfield UK Finance Limited (WUKFIN)

During the year, WT advanced loans to WUKFIN. The balance of these loans at year end is $593.8 million receivable (31 December 2008: nil) with accrued interest of $1.5 million receivable (31 December 2008: nil). Interest accrues on this loan on a quarterly basis based on a floating rate. The interest income for the year in respect of the loan to WUKFIN was $12.4 million (31 December 2008: nil).

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 38 DETAILS OF KEY MANAGEMENT PERSONNEL

The WT Group forms part of the Westfield Group. The disclosures under the Westfield Group's remuneration policies and practices apply to the WT Group.

The Responsible Entity does not have any employees. Key Management Personnel of the WT Group are paid by related entities within the Westfield Group.

(i) Directors

The Directors of Westfield Management Limited, the Responsible Entity of the WT Group are considered to be Key Management Personnel.

F P Lowy	Executive Chairman
D H Lowy	Deputy Chairman
R L Furman	Non-executive Director
P H Goldsmith	Non-executive Director
D M Gonski	Non-executive Director
F G Hilmer	Non-executive Director
S P Johns	Non-executive Director
P S Lowy	Group Managing Director
S M Lowy	Group Managing Director
J McFarlane	Non-executive Director
B M Schwartz	Non-executive Director (appointed 6 May 2009)
J Sloan	Non-executive Director
G H Weiss	Non-executive Director
C M Zampatti	Non-executive Director (retired 5 May 2009)

The appointments of Mr Brian Schwartz and the retirement of Ms Carla Zampatti occurred during the financial year.

(ii) Other Key Management Personnel

In addition to the Directors noted above, the following Key Management Personnel are responsible for the strategic direction and management of the WT Group.

P K Allen	Group Chief Financial Officer
R R Jordan	Managing Director, Australia and New Zealand

There were no changes to Key Management Personnel between the end of the reporting period and the date the financial report was authorised for issue.

Compensation of Key Management Personnel

The Directors of the Responsible Entity receive remuneration in their capacity as Directors of the Responsible Entity. These amounts are paid directly by WHL, the parent entity of the Westfield Group, of which the Responsible Entity is part of. Other Key Management Personnel are paid by Westfield Limited, a wholly owned subsidiary of WHL.

The Manager's service charge payable by the WT Group to the Responsible Entity covers all costs in relation to the management of the WT Group. The remuneration of the Key Management Personnel is not set by the WT Group nor is it able to be influenced by the WT Group. The remuneration of the Key Management Personel is set by the Remuneration Committee of WHL.

NOTE 39 DETAILS OF CONTROLLED ENTITIES AND EQUITY ACCOUNTED ENTITIES

	31 Dec 09 – Interest		31 Dec 08 – Interest	
Name of entity	**Beneficial Parent Entity %**	**Consolidated or Equity accounted %**	Beneficial Parent Entity %	Consolidated or Equity accounted %
ENTITIES INCORPORATED IN AUSTRALIA				
Parent Entity				
Westfield Trust	**100.0**	**100.0**	100.0	100.0
Consolidated Controlled Entities				
Bondi Junction Trust	**100.0**	**100.0**	100.0	100.0
Cairns Investment Trust – Units	**100.0**	**100.0**	100.0	100.0
Carindale Property Trust	**50.0**	**100.0**	50.0	100.0
Fidele Trust	**100.0**	**100.0**	100.0	100.0
Fountain Gate Trust	**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
VIC Shopping Centre Trust	**100.0**	**100.0**	100.0	100.0
WD Trust	**100.0**	**100.0**	100.0	100.0
WestArt Trust	**100.0**	**100.0**	100.0	100.0
Westfield Chatswood Trust	**100.0**	**100.0**	100.0	100.0
Westfield Morley Trust	**100.0**	**100.0**	100.0	100.0
Westfield Northgate Trust	**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 Tuggerah Trust	**100.0**	**100.0**	100.0	100.0
WT Finance (Aust) Pty Limited	**100.0**	**100.0**	100.0	100.0
Equity Accounted Entities				
AMP Capital Pacific Fair and Macquarie Shopping Centre Fund	**10.0**	**10.0**	10.0	10.0
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
Westmyer Nominees Pty Limited	**50.0**	**50.0**	50.0	50.0

NOTE 39 DETAILS OF CONTROLLED ENTITIES AND EQUITY ACCOUNTED ENTITIES (CONTINUED)

	31 Dec 09 – Interest		31 Dec 08 – Interest	
Name of entity	**Beneficial Parent Entity %**	**Consolidated or Equity accounted %**	Beneficial Parent Entity %	Consolidated or Equity accounted %
ENTITIES INCORPORATED IN NEW ZEALAND				
Consolidated Controlled Entities				
Abyssinian Holdings Limited	**99.0**	**99.0**	99.0	99.0
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 Trust (NZ) Limited	**100.0**	**100.0**	100.0	100.0
WT Finance (NZ) Limited	**100.0**	**100.0**	100.0	100.0

NOTE 40 SUBSEQUENT EVENTS

There are no significant events since the end of the financial year.

Directors' Declaration

The Directors of Westfield Management Limited, the Responsible Entity of Westfield Trust ("Trust") declare that:

(a) in the Directors' opinion, there are reasonable grounds to believe that the Trust 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

ERNST & YOUNG

Ernst & Young Centre
680 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
www.ey.com/au

Independent Audit Report

Independent auditor's report to the members of Westfield Trust

We have audited the accompanying financial report of Westfield Trust (the Trust) 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 Trust 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 Westfield Management Limited, the Responsible Entity of the Trust, 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 Westfield Management Limited 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 Trust is in accordance with the *Corporations Act 2001*, including:
   i giving a true and fair view of the financial position of Westfield Trust 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.

Ernst & Young

Ernst & Young

S J Ferguson
Partner

Sydney, 15 March 2010

Liability limited by a scheme approved under Professional Standards Legislation.

Directors' Report

The Directors of Westfield Management Limited (Responsible Entity), the responsible entity of Westfield Trust (Trust) submit the following report for the year ended 31 December 2009 (Financial Year).

In this report, the Trust and its controlled entities are referred to as the WT Group.

1. Operations And Activities

1.1 Review of Operations and Results of Operations

The Trust reported a net profit of $178.8 million and a distribution of $1,283.6 million for the Financial Year. Basic earnings per unit are 7.95 cents and the distribution per unit is 56.00 cents.

As at 31 December 2009, the Trust had a $23.7 billion (consolidated properties of $22.1 billion and share of equity accounted properties of $1.6 billion) interest in 56 shopping centres, comprising 13,470 retail outlets and approximately 4.0 million square metres of retail space.

The Australian and New Zealand operations contributed net property income of $1,359.6 million for the Financial Year which includes comparable mall income growth of approximately 5.9%. This performance reflects the steady retail conditions which prevailed in the year as well as the quality of the portfolios in both regions, with occupancy rates continuing to be in excess of 99% and specialty store retail growth for the year of 3.5%.

Retail sales on the WT Group's 44 Australian centres totalled $21.5 billion for the Financial Year. On a comparable basis, sales increased 2.1% with specialty store sales up 3.3%. Retail sales at the WT Group's 12 centres in New Zealand increased 1.6% to NZ$2.1 billion for the Financial Year. On a comparable basis, specialty store sales were up 0.4% for the Financial Year.

Development projects

In Australia, the Sydney City project is progressing well and is scheduled for completion in 2010/2012. The expected project cost of $1.2 billion includes the $350 million 32,800 sqm office tower that will be anchored by J.P. Morgan. The expected yield remains unchanged at 8.0% – 8.5%.

In New Zealand, the Trust completed the NZ$75 million development at Riccarton in Christchurch.

The current target weighted average yield range for the projects under construction is 8.0% to 8.5%. This reflects the Trust's incremental income yield on the Trust's project cost.

There were no significant changes in the Trust's state of affairs during the Financial Year.

1.2 Principal Activities

The principal activities of the Trust during the Financial Year were the ownership and improvement of shopping centres. 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 Period that has significantly affected, or may significantly affect:

(i) the Trust's operations in future financial years;

(ii) the results of those operations in future financial years; or

(iii) the Trust's state of affairs in future financial years.

1.4 Future Developments

The likely developments in the Trust's operations in future financial years and the expected results of those operations are described in the Review of Operations and Results of Operations above. Details of the Westfield Group's future developments, business strategy and prospects are outlined in the Chairmans's Review and Managing Directors' Review at pages 4 to 14 of the Westfield Group's Annual Report.

1.5 Environmental Performance

Environmental laws and regulations in force in the various jurisdictions in which the Westfield Group operates are applicable to areas of the Westfield Group's operations and, in particular, to its development, construction and shopping centre management activities. The Westfield 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.

2. Distributions

The following distributions were paid to Members during the Financial Year:

The distribution for the six months ended 31 December 2008[(1)], paid 27 February 2009:	
– 26.00 cents per unit final distribution for ordinary units	$510,840,469
The distribution for the six months ended 30 June 2009[(2)], paid 31 August 2009:	
– 28.00 cents per unit interim distribution for ordinary units;	
– 28.00 cents per unit interim distribution for ordinary units issued on 27 February 2009 pursuant to the Westfield Group's Distribution Reinvestment Plan	$637,405,678
The following final distribution[(3)] was declared for payment to Members with respect to the Financial Year, and paid on 26 February 2010:	
– 28.00 cents per unit final distribution for ordinary units	$646,176,626

(1) The Trust distribution of 26.00 cents per ordinary unit formed part of the distribution of 53.25 cents per ordinary WDC stapled security paid on 27 February 2009. This distribution is an aggregate of a distribution from the Trust, a dividend from Westfield Holdings Limited and a distribution from Westfield America Trust. The figure reported here only represents that component of the aggregate Westfield Group distribution being the distribution of the Trust.

(2) The Trust distribution of 28.00 cents per ordinary unit and 28.00 cents per February 2009 DRP unit formed part of the distribution of 47.00 cents per ordinary WDC stapled security and 47.00 cents per February 2009 DRP stapled security paid on 31 August 2009. This distribution was an aggregate of a distribution from the Trust and a distribution from Westfield America Trust. No dividend was paid by Westfield Holdings Limited. The figure reported here only represents that component of the aggregate Westfield Group distribution being the distribution of the Trust.

(3) The Trust distribution of 28.00 cents per ordinary unit formed part of the distribution of 47.00 cents per ordinary WDC stapled security paid on 26 February 2010. This distribution is an aggregate of a distribution from the Trust and a distribution from Westfield America Trust. No dividend was paid by Westfield Holdings Limited. The figure reported here only represents that component of the aggregate Westfield Group distribution being the distribution of the Trust.

3. The Directors

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.

Biographies of the Directors can be found in the 2009 Westfield Group Annual Report.

3.1 Directors' Relevant Interests

The names of the Directors in office and the relevant interests of each Director in ordinary stapled securities in the Westfield Group as at the date of this report are shown below. Ordinary units in the Trust are stapled to shares in Westfield Holdings Limited and units in Westfield America Trust. The stapled securities trade on the ASX under the code WDC.

Director	Number of Stapled Securities
F P Lowy D H Lowy P S Lowy S M Lowy	179,598,386
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 units in the Trust or 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/units in the Trust or the Westfield Group.

None of the Directors hold debentures of the Westfield Group.

4. Options

Details of the unissued ordinary units in the Trust under options as at the date of this report are provided in Note 19 in the Notes to the Financial Statements (page 19).

Details of fully paid ordinary units in the Trust which were issued during or since the end of the Financial Year as a result of the exercise of options over unissued units are provided in Note 19 in the Notes to the Financial Statements (page 19).

5. Indemnities And Insurance Premiums

No insurance premiums were paid during or since the end of the Financial Year out of the assets of the Trust in regards to insurance cover provided to the Responsible Entity or the auditor of the Trust. So long as the officers of the Responsible Entity act in accordance with the Constitution and the Corporations Act, they remain fully indemnified out of the assets of the Trust against any losses incurred while acting on behalf of the Trust. The auditors of the Trust are in no way indemnified out of the assets of the Trust.

6. Special Rules For Registered Schemes

- $100.3 million in fees were paid and payable to the Responsible Entity and its associates out of the assets of the Trust during the Financial Year.
- No units in the Trust were held by the Responsible Entity at the end of the Financial Year. Associates of the Responsible Entity held 21,356,057 units as at the end of the Financial Year. Associates of the Responsible Entity also hold 27,661,209 options in the Trust.
- Details of units issued in the Trust during the Financial Year are set out on Note 18 on page 18.
- No withdrawals were made from the Trust during the Financial Year.
- Details of the value of the Trust's assets as at the end of the Financial Year and the basis for the valuation are set out in Notes 2(c), 2(d), 11, 12 and 13 on pages 9, 14 and 15.
- Details of the number of units in the Trust as at the end of the Financial Year are set out in Note 18 on page 18.

7. Audit

7.1 Audit and Compliance Committee

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

7.2 Audit Independence

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

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

7.2 Audit Independence

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

Auditor's Independence Declaration to the Directors of Westfield Management Limited

In relation to our audit of the financial report of Westfield Trust and the consolidated entity 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

S J Ferguson
Partner

Sydney, 15 March 2010

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8. Synchronisation Of Financial Year

By an order dated 5 November 2001 made by the Australian Securities and Investments Commission, the Directors have been relieved from compliance with the requirement to ensure that the financial year of Carindale Property Trust coincides with the financial year of Westfield Trust. Although the financial year of Carindale Property Trust end on 30 June, the financial statements of the Trust have been prepared to include accounts for Carindale Property Trust for a period coinciding with the Financial Year of Westfield 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

F G Hilmer AO
Director

15 March 2010

Corporate Governance Statement

The Corporate Governance Statement for Westfield Trust for the financial year ended 31 December 2009 has been incorporated into the Corporate Governance Statement prepared for the Westfield Group. This Statement can be found in the 2009 Westfield Group Annual Report, after the Directors' Report. The Westfield Group's Annual Report is available on the westfield.com/corporate website.

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 Westfield Holdings Limited 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 Westfield Holdings Limited. 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 Westfield Holdings Limited, Westfield Trust and Westfield America Trust is required to issue securities/units on the vesting of a performance right.

** Subsidiaries of Westfield Holdings Limited 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 Westfield 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 Westfield 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 America Trust Financial Report 31 December 2009

Westfield America Management Limited ABN 66 072 780 619
AFSL No 230324 as responsible entity of **Westfield America Trust** ARSN 092 058 449

Directory

Westfield Group
Westfield Holdings Limited
ABN 66 001 671 496

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

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

Registered Office
Level 24, Westfield Towers
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

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.

Financial Report

WESTFIELD AMERICA TRUST
For the financial year ended 31 December 2009

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Income Statement

FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	Consolidated 31 Dec 09 $million	Consolidated 31 Dec 08 $million	Parent Entity 31 Dec 09 $million	Parent Entity 31 Dec 08 $million
Revenue					
Property revenue	3	**1,584.7**	1,468.3	**–**	–
Property development and project management revenue		**26.1**	24.7	**–**	–
Property and funds management income		**35.4**	39.3	**–**	–
		1,646.2	1,532.3	**–**	–
Share of after tax losses of equity accounted entities					
Property revenue		**237.6**	215.4	**–**	–
Property revaluations		**(328.0)**	(165.1)	**–**	–
Property expenses and outgoings		**(85.4)**	(73.9)	**–**	–
Net interest expense		**(56.7)**	(53.4)	**–**	–
	13	**(232.5)**	(77.0)	**–**	–
Expenses					
Property expenses and outgoings		**(584.5)**	(556.9)	**(2.7)**	(1.9)
Property development and project management costs		**(51.6)**	(47.6)	**–**	–
Property and funds management costs		**(27.2)**	(24.3)	**–**	–
Corporate costs		**(8.8)**	(5.3)	**(1.4)**	(1.7)
		(672.1)	(634.1)	**(4.1)**	(3.6)
Interest income	6	**17.7**	65.8	**182.8**	58.2
Net gain/(loss) from capital transactions	5	**54.4**	(9.3)	**65.9**	–
Currency derivatives	4	**54.9**	(188.2)	**583.1**	(584.0)
Financing costs	6	**(504.7)**	373.0	**–**	(0.2)
Property revaluations		**(2,057.3)**	(1,846.9)	**–**	–
Dividends from subsidiaries		**–**	–	**233.4**	340.4
Profit/(loss) before tax expense and minority interests		**(1,693.4)**	(784.4)	**1,061.1**	(189.2)
Tax benefit/(expense)	7	**176.3**	287.5	**(42.8)**	(50.4)
Profit/(loss) after tax expense		**(1,517.1)**	(496.9)	**1,018.3**	(239.6)
Less: net loss attributable to minority interests	39	**135.1**	–	**–**	–
Net profit/(loss) attributable to members of Westfield America Trust (WAT)		**(1,382.0)**	(496.9)	**1,018.3**	(239.6)

	Note	cents	cents
Basic loss per unit	8	**(59.26)**	(24.46)
Diluted loss per unit	8	**(59.26)**	(73.38)

	Note	$million	$million
Final distribution proposed		**454.3**	353.3
Interim distribution paid		**448.3**	507.4
Total distribution proposed/paid	25	**902.6**	860.7
Weighted average number of units entitled to distribution at 31 December (millions)		**2,369.4**	2,032.9

	cents	cents
6 months ended 31 December		
Distribution proposed per ordinary unit	**19.00**	17.25
6 months ended 30 June		
Distribution paid per ordinary unit	**19.00**	25.00
Distribution paid per Distribution Reinvestment Plan (DRP) unit	**19.00**	16.76

Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2009

	Consolidated		Parent Entity	
	31 Dec 09 $million	31 Dec 08 $million	**31 Dec 09 $million**	31 Dec 08 $million
Profit/(loss) after tax for the period	**(1,517.1)**	(496.9)	**1,018.3**	(239.6)
Other comprehensive income/(loss)				
Movements in foreign currency translation reserve				
– Net exchange difference on translation of foreign operations	**(1,623.9)**	1,482.2	–	–
– Realised and unrealised gains/(losses) on asset hedging derivatives which qualify for hedge accounting	**533.9**	(419.5)	–	–
Movements in asset revaluation reserve				
– Revaluation decrement	–	–	**(1,679.9)**	(981.8)
– Deferred tax	–	–	**461.0**	(50.8)
– Retranslation of assets held as available for sale	–	–	**(2,154.2)**	1,802.0
Total comprehensive income/(loss) for the period	**(2,607.1)**	565.8	**(2,354.8)**	529.8
Total comprehensive income/(loss) attributable to:				
– Members of WAT	**(2,307.0)**	565.8	**(2,354.8)**	529.8
– Minority interests	**(300.1)**	–	–	–
Total comprehensive income/(loss) for the period	**(2,607.1)**	565.8	**(2,354.8)**	529.8

Balance Sheet

AS AT 31 DECEMBER 2009

	Note	Consolidated 31 Dec 09 $million	Consolidated 31 Dec 08 $million	Parent Entity 31 Dec 09 $million	Parent Entity 31 Dec 08 $million
Current assets					
Cash and cash equivalents	24(a)	**53.8**	1.8	**1.5**	1.8
Trade debtors		**21.0**	25.6	**–**	–
Derivative assets	9	**261.0**	60.2	**259.1**	52.5
Receivables	10	**431.9**	1,005.9	**252.0**	1,082.9
Inventories		**4.8**	22.6	**–**	–
Tax receivable		**15.7**	43.9	**15.7**	40.8
Prepayments and deferred costs	11	**56.9**	59.3	**–**	–
Total current assets		**845.1**	1,219.3	**528.3**	1,178.0
Non current assets					
Investment properties	12	**14,496.2**	20,493.5	**–**	–
Equity accounted investments	13	**1,368.8**	2,160.0	**–**	–
Other investments	14	**462.3**	731.1	**5,134.7**	7,773.8
Derivative assets	9	**924.7**	1,066.3	**702.2**	764.7
Plant and equipment	15	**98.3**	127.3	**–**	–
Deferred tax assets	7	**29.2**	131.6	**–**	–
Prepayments and deferred costs	11	**78.9**	70.5	**–**	–
Total non current assets		**17,458.4**	24,780.3	**5,836.9**	8,538.5
Total assets		**18,303.5**	25,999.6	**6,365.2**	9,716.5
Current liabilities					
Trade creditors		**59.8**	44.2	**–**	–
Payables and other creditors	16	**481.6**	643.8	**29.1**	50.1
Interest bearing liabilities	17	**437.4**	1,259.2	**–**	–
Other financial liabilities	18	**100.0**	153.1	**–**	–
Tax payable		**1.3**	–	**–**	–
Derivative liabilities	19	**206.3**	39.3	**188.3**	22.7
Total current liabilities		**1,286.4**	2,139.6	**217.4**	72.8
Non current liabilities					
Payables and other creditors	16	**123.0**	86.0	**–**	–
Interest bearing liabilities	17	**8,849.4**	11,261.0	**–**	–
Other financial liabilities	18	**1,559.4**	1,674.8	**–**	–
Deferred tax liabilities	7	**1,027.1**	1,634.6	**419.4**	845.4
Derivative liabilities	19	**498.3**	2,148.4	**190.0**	1,085.2
Total non current liabilities		**12,057.2**	16,804.8	**609.4**	1,930.6
Total liabilities		**13,343.6**	18,944.4	**826.8**	2,003.4
Net assets		**4,959.9**	7,055.2	**5,538.4**	7,713.1
Equity attributable to members of WAT					
Contributed equity	20	**8,406.9**	7,425.2	**7,926.9**	6,945.2
Reserves	22	**(291.5)**	633.2	**(2,605.2)**	767.9
Retained profits/(accumulated losses)	23	**(3,502.2)**	(1,003.2)	**216.7**	–
Total equity attributable to members of WAT		**4,613.2**	7,055.2	**5,538.4**	7,713.1
Equity attributable to minority interests					
Reserves		**(165.0)**	–	**–**	–
Retained profits/(accumulated losses)		**511.7**	–	**–**	–
Total equity attributable to minority interests		**346.7**	–	**–**	–
Total equity		**4,959.9**	7,055.2	**5,538.4**	7,713.1

Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	*Comprehensive Income 31 Dec 09 $million*	*Movement in Equity 31 Dec 09 $million*	**Consolidated Total 31 Dec 09 $million**	Consolidated Total 31 Dec 08 $million
Changes in equity attributable to members of WAT					
Opening balance of contributed equity		–	*7,425.2*	**7,425.2**	7,328.3
– Issuance of units					
Share placement/share purchase plan		–	*825.2*	**825.2**	–
Distribution reinvestment plan		–	*175.4*	**175.4**	33.2
– Conversion of options		–	–	**–**	63.7
– Costs associated with the issuance of units		–	*(18.9)*	**(18.9)**	–
Closing balance of contributed equity		–	*8,406.9*	**8,406.9**	7,425.2
Opening balance of reserves		–	*633.2*	**633.2**	(429.8)
– Movement in foreign currency translation reserve[(1)(2)]		*(925.0)*	–	**(925.0)**	1,062.7
– Movement in employee share plan benefits reserve[(1)]		–	*0.3*	**0.3**	0.3
Closing balance of reserves		*(925.0)*	*633.5*	**(291.5)**	633.2
Opening balance of retained profits/(accumulated losses)		–	*(1,003.2)*	**(1,003.2)**	411.2
– Profit/(loss) after tax for the period[(2)]		*(1,382.0)*	–	**(1,382.0)**	(496.9)
– Distribution paid		–	*(801.6)*	**(801.6)**	(917.5)
– Reallocation of Group net assets to other entities of the Westfield Group on issuance of shares by controlled entities	39	–	*(315.4)*	**(315.4)**	–
Closing balance of retained profits/(accumulated losses)		*(1,382.0)*	*(2,120.2)*	**(3,502.2)**	(1,003.2)
Closing balance of equity attributable to members of WAT		*(2,307.0)*	*6,920.2*	**4,613.2**	7,055.2
Changes in equity attributable to minority interests					
Opening balance of equity		–	–	**–**	–
Shares issued by controlled entities	39	–	*352.6*	**352.6**	–
Reallocation of Group net assets to other entities of the Westfield Group on issuance of shares by controlled entities	39	–	*315.4*	**315.4**	–
Total comprehensive income attributable to external minority interests[(2)]		*(300.1)*	–	**(300.1)**	–
Dividends paid or provided for		–	*(21.2)*	**(21.2)**	–
Closing balance of equity attributable to minority interests		*(300.1)*	*646.8*	**346.7**	–
Total equity		*(2,607.1)*	*7,567.0*	**4,959.9**	7,055.2

(1) Movement in reserves attributable to members of WAT consists of the net exchange loss on translation of foreign operations of $925.0 million (31 December 2008: gain of $1,062.7 million) and net credit to the employee share plan benefits reserve of $0.3 million (31 December 2008: $0.3 million).

(2) Total comprehensive income for the period amounts to a loss of $2,607.1 million (31 December 2008: gain of $565.8 million).

	Comprehensive Income 31 Dec 09 $million	*Movement in Equity 31 Dec 09 $million*	**Parent Entity Total 31 Dec 09 $million**	Parent Entity Total 31 Dec 08 $million
Changes in equity attributable to members of WAT				
Opening balance of contributed equity	–	*6,945.2*	**6,945.2**	6,848.3
– Issuance of units				
Share placement/share purchase plan	–	*825.2*	**825.2**	–
Distribution reinvestment plan	–	*175.4*	**175.4**	33.2
– Conversion of options	–	–	**–**	63.7
– Costs associated with the issuance of units	–	*(18.9)*	**(18.9)**	–
Closing balance of contributed equity	–	*7,926.9*	**7,926.9**	6,945.2
Opening balance of reserves	–	*767.9*	**767.9**	1,155.6
– Revaluation decrement	*(1,679.9)*	–	**(1,679.9)**	(981.8)
– Deferred tax effect	*461.0*	–	**461.0**	(50.8)
– Retranslation of assets held as available for sale	*(2,154.2)*	–	**(2,154.2)**	1,802.0
– Amounts transferred to retained profits/(accumulated losses)	–	–	**–**	(1,157.1)
Closing balance of reserves	*(3,373.1)*	*767.9*	**(2,605.2)**	767.9
Opening balance of retained profits/(accumulated losses)	–	–	**–**	–
– Profit/(loss) after tax for the period	*1,018.3*	–	**1,018.3**	(239.6)
– Amounts transferred from asset revaluation reserve	–	–	**–**	1,157.1
– Distribution paid	–	*(801.6)*	**(801.6)**	(917.5)
Closing balance of retained profits/(accumulated losses)	*1,018.3*	*(801.6)*	**216.7**	–
Closing balance of equity attributable to members of WAT	*(2,354.8)*	*7,893.2*	**5,538.4**	7,713.1

Cash Flow Statement

FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	Consolidated 31 Dec 09 $million	Consolidated 31 Dec 08 $million	Parent Entity 31 Dec 09 $million	Parent Entity 31 Dec 08 $million
Cash flows from operating activities					
Receipts in the course of operations		**1,696.2**	1,484.0	**–**	–
Payments in the course of operations		**(704.0)**	(615.3)	**(3.5)**	(4.5)
Settlement of income hedging currency derivatives		**27.6**	59.2	**27.6**	59.2
Dividends/distributions received from subsidiaries and equity accounted entities		**83.8**	71.6	**321.4**	356.0
Withholding taxes received/(paid)		**10.0**	(19.9)	**10.0**	(19.9)
Net cash flows from operating activities	24(b)	**1,113.6**	979.6	**355.5**	390.8
Cash flows from investing activities					
Payments of capital expenditure for property investments		**(458.5)**	(727.5)	**–**	–
Proceeds from the sale of property investments		**–**	123.0	**–**	–
Proceeds from the sale of other investments		**115.4**	–	**–**	–
Net outflows for investments in equity accounted entities		**(4.9)**	(48.4)	**–**	–
Net outflows for investments in controlled entities		**–**	–	**(1,195.0)**	–
Payments for the purchases of plant and equipment		**(17.7)**	(34.3)	**–**	–
Settlement of asset hedging currency derivatives		**(3.6)**	29.6	**(6.2)**	29.6
Net cash flows from/(used in) investing activities		**(369.3)**	(657.6)	**(1,201.2)**	29.6
Cash flows from financing activities					
Proceeds from the issuance of units		**1,000.6**	96.9	**1,000.6**	96.9
Payments for costs associated with the issuance of units		**(18.9)**	–	**(18.9)**	–
Termination of surplus interest rate swaps upon repayment of interest bearing liabilities with the proceeds from the issuance of units		**(155.4)**	–	**(62.3)**	–
Termination of surplus interest rate swaps upon the restructure of the Group's interest rate hedge portfolio		**(267.6)**	–	**(142.0)**	–
Termination of surplus interest rate swaps		**–**	(54.9)	**–**	–
Net proceeds from/(repayments of) interest bearing liabilities		**(646.5)**	2,177.8	**–**	(90.0)
Loans received from/(advanced to) related entities		**516.1**	(1,181.1)	**741.5**	295.5
Financing costs		**(670.4)**	(592.3)	**–**	(0.3)
Interest received		**23.1**	65.8	**128.1**	192.4
Net cash received by controlled entities from minority interests		**331.9**	–	**–**	–
Distributions paid		**(801.6)**	(917.5)	**(801.6)**	(917.5)
Net cash flows from/(used in) financing activities		**(688.7)**	(405.3)	**845.4**	(423.0)
Net increase/(decrease) in cash and cash equivalents held		**55.6**	(83.3)	**(0.3)**	(2.6)
Add opening cash and cash equivalents brought forward		**(1.2)**	79.5	**1.8**	4.4
Net foreign exchange differences		**(0.6)**	2.6	**–**	–
Cash and cash equivalents at the end of the year	24(a)	**53.8**	(1.2)	**1.5**	1.8

Index of Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2009

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NOTE 1 BASIS OF PREPARATION OF THE FINANCIAL REPORT

(a) Corporate information

This financial report comprising Westfield America Trust (WAT) and its controlled entities (the Group) for the year ended 31 December 2009 was approved in accordance with a resolution of the Board of Directors of Westfield America Management Limited, as responsible entity of WAT (Responsible Entity) on 15 March 2010.

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

(b) Statement of Compliance

This financial report complies with Australian Accounting Standards and International Financial Reporting Standards as 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 18 and Note 37;
- AASB 8 *Operating Segments*. This standard replaced AASB 114 *Segment Reporting*. The revised presentation of the reportable segments and disclosures are shown in the Note 29;
- 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 follow:

- 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 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 Shared-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) and Australian Accounting Standards. 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 or asset revaluation reserve 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 on 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 12: Details of shopping centre investments and Note 37: Fair value of financial assets and liabilities. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Consolidation and classification

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

(b) Listed Property Trust Units

The consolidated financial report comprises the financial statements and notes to the financial statements of WAT (the Parent Entity), and each of its controlled entities as from the date the Parent Entity obtained control until such time control ceased. Where entities adopt accounting policies which differ from those of the Parent Entity, 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. Minority interests represent the portion of profit or loss and net assets of Westfield America, Inc (WEA) that are not wholly-owned by the Group and held by WHL entities. The minority interests are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from parent shareholders' equity. Acquisitions of minority interests are accounted for using the entity concept method, whereby, the transaction is treated as a transaction with other equity shareholders.

i) 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.

ii) 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.

iii) 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 properties 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 also 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.

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.

(d) Other investments

(i) Unlisted investments

Unlisted investments are designated as assets held at fair value through the income statement. 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.

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 designated as available for sale financial assets and are recorded at fair value. The investment in subsidiaries is revalued at each balance date to reflect the Parent Entity's proportionate interest in the underlying net asset value of the controlled entities excluding deferred tax balances. This is considered to approximate fair value. The revaluation increments and decrements are recorded through the asset revaluation reserve.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Foreign currencies

i) Translation of foreign currency transactions

The functional and presentation currency of WAT and its Australian subsidiary is Australian dollars. The functional currency of the United States entities is United States dollars. The presentation currency of the United States 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 statements 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 taxation as set out below.

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.

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, members of WAT may be entitled to receive a foreign tax credit for United States withholding tax deducted from dividends paid to WAT by WEA.

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.

(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) 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(p) for other items included in financing costs.

(k) 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 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.

(l) 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) 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.

(n) 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.

(o) 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 units are recognised directly in equity as a reduction of the proceeds received.

(p) 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 and 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, 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.

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 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 at fair value through the income statement.

The fair value of 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 18.

(q) 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.

(r) Earnings/(loss) per unit

Basic earnings/(loss) per unit is calculated as net profit or loss attributable to members divided by the weighted average number of ordinary units. Diluted earnings/(loss) per unit is calculated as net profit or loss attributable to members adjusted for any profit recognised in the period in relation to dilutive potential ordinary units divided by the weighted average number of ordinary units and dilutive potential ordinary units.

(s) 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 31 Dec 09 $million	Consolidated 31 Dec 08 $million	Parent Entity 31 Dec 09 $million	Parent Entity 31 Dec 08 $million
NOTE 3 PROPERTY REVENUE				
Shopping centre base rent and other property income	**1,634.0**	1,513.0	**–**	–
Amortisation of tenant allowances	**(49.3)**	(44.7)	**–**	–
	1,584.7	1,468.3	**–**	–
NOTE 4 CURRENCY DERIVATIVES				
Realised gains on income hedging currency derivatives	**35.5**	35.8	**35.5**	65.4
Net fair value gain/(loss) on currency derivatives that do not qualify for hedge accounting	**19.4**	(224.0)	**547.6**	(649.4)
	54.9	(188.2)	**583.1**	(584.0)
NOTE 5 NET GAIN/(LOSS) 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 units	**64.2**	–	**65.9**	–
Proceeds from asset sales	**115.4**	4.0	**–**	–
Less: Carrying value of assets sold	**(125.2)**	(13.3)	**–**	–
	54.4	(9.3)	**65.9**	–
NOTE 6 INTEREST INCOME AND FINANCING COSTS				
(a) Interest income				
Interest income on financial instruments	**17.7**	65.8	**129.0**	191.0
Net fair value gain on termination of surplus interest rate swaps upon the restructure of the Group's interest rate hedge portfolio	**–**	–	**18.1**	–
Net fair value gain/(loss) on interest rate hedges that do not qualify for hedge accounting	**–**	–	**35.7**	(132.8)
	17.7	65.8	**182.8**	58.2
(b) 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	**(555.1)**	(478.4)	**–**	(0.2)
– Other financial liabilities	**(0.5)**	(7.1)	**–**	–
Related party borrowing costs	**(41.0)**	(61.8)	**–**	–
Financing costs capitalised to construction projects	**15.8**	30.2	**–**	–
Financing costs	**(580.8)**	(517.1)	**–**	(0.2)
Net fair value gain/(loss) on interest rate hedges that do not qualify for hedge accounting	**372.5**	(541.9)	**–**	–
Finance leases interest expense	**(4.2)**	(3.2)	**–**	–
Interest expense on other financial liabilities	**(49.6)**	(49.2)	**–**	–
Net fair value gain/(loss) on other financial liabilities	**(272.6)**	1,539.3	**–**	–
Net fair value gain on termination of surplus interest rate swaps upon the restructure of the Group's interest rate hedge portfolio	**30.0**	–	**–**	–
Net fair value loss on the termination of surplus interest rate swaps	**–**	(54.9)	**–**	–
	(504.7)	373.0	**–**	(0.2)

	Consolidated		Parent Entity	
	31 Dec 09 $million	31 Dec 08 $million	**31 Dec 09 $million**	31 Dec 08 $million

NOTE 7 TAXATION

(a) Tax benefit/(expense)

Current	**(13.7)**	(0.8)	**(7.8)**	–
Deferred	**190.0**	288.3	**(35.0)**	(50.4)
	176.3	287.5	**(42.8)**	(50.4)

The prima facie tax on profit/(loss) before tax is reconciled to the tax benefit/(expense) provided in the financial statements as follows:

Accounting profit/(loss) before tax	**(1,693.4)**	(784.4)	**1,061.1**	(189.2)
Prima facie withholding tax benefit/(expense) on profit/(loss) at 15% (31 December 2008: 15%)	**254.0**	117.7	**(159.2)**	28.4
Profit/(loss) not deductible/assessable	**(77.7)**	169.8	**116.4**	(78.8)
Tax benefit/(expense)	**176.3**	287.5	**(42.8)**	(50.4)

(b) Deferred tax assets

Unrealised net fair value loss on financial derivatives	**29.2**	131.6	**–**	–
	29.2	131.6	**–**	–

(c) Deferred tax liabilities

Tax effect of book value in excess of the tax cost base of investment properties	**981.9**	1,597.2	**–**	–
Tax effect of book value in excess of the tax cost base of investment in subsidiaries	**–**	–	**419.4**	845.4
Other timing differences	**45.2**	37.4	**–**	–
	1,027.1	1,634.6	**419.4**	845.4

For the Parent Entity a deferred tax benefit of $461.0 million (31 December 2008: deferred tax expense of $50.8 million) was charged directly to the asset revaluation reserve.

	Consolidated	
	31 Dec 09 cents	31 Dec 08 cents

NOTE 8 LOSS PER UNIT

(a) Attributable to members of WAT

Basic loss per unit	**(59.26)**	(24.46)
Diluted loss per unit	**(59.26)**	(73.38)

The following reflects the loss and unit data used in the calculations of basic and diluted loss per unit:

	No. of units	No. of units
Weighted average number of ordinary units used in calculating basic loss per unit[(1)]	**2,332,111,318**	2,031,568,299
Bonus element of unit options which are dilutive[(2)]	**–**	72,680,462
Adjusted weighted average number of ordinary units used in calculating diluted loss per unit	**2,332,111,318**	2,104,248,761

	$million	$million
Loss used in calculating basic loss per unit	**(1,382.0)**	(496.9)
Adjustment to loss on options which are considered dilutive[(2)]	**–**	(1,047.2)
Loss used in calculating diluted loss per unit	**(1,382.0)**	(1,544.1)

The calculation of the weighted average number of converted, lapsed or cancelled potential ordinary units used in diluted loss per unit was nil (31 December 2008: nil).

(1) 2,332.1 million (31 December 2008: 2,031.6 million) weighted average number of units on issue for the period has been included in the calculation of basic and diluted loss per unit.

(2) Bonus element of unit options relating to other financial liabilities and executive options that are anti-dilutive for the current period were 54,125,342 (31 December 2008: 5,630,489), losses in respect of these were $308.2 million (31 December 2008: nil).

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

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

	Consolidated		Parent Entity	
	31 Dec 09 $million	31 Dec 08 $million	**31 Dec 09 $million**	31 Dec 08 $million

NOTE 9 DERIVATIVE ASSETS

Current				
Receivables on interest rate derivatives	**30.9**	16.4	**–**	–
Receivables on interest rate derivatives with related entities	**–**	–	**29.0**	8.7
Receivables on currency derivatives	**51.5**	43.8	**2.9**	2.5
Receivables on currency derivatives with related entities	**178.6**	–	**227.2**	41.3
	261.0	60.2	**259.1**	52.5
Non Current				
Receivables on interest rate derivatives	**589.7**	885.0	**–**	–
Receivables on interest rate derivatives with related entities	**–**	26.6	**459.9**	717.1
Receivables on currency derivatives	**133.1**	154.7	**–**	–
Receivables on currency derivatives with related entities	**201.9**	–	**242.3**	47.6
	924.7	1,066.3	**702.2**	764.7

NOTE 10 RECEIVABLES

Current				
Sundry debtors	**61.8**	86.6	**25.0**	39.5
Dividends receivable from subsidiaries	**–**	–	**54.2**	131.0
Interest bearing loans and other receivables from related entities	**370.1**	919.3	**172.8**	912.4
	431.9	1,005.9	**252.0**	1,082.9

NOTE 11 PREPAYMENTS AND DEFERRED COSTS

Current				
Prepayments and deposits	**38.8**	43.9	**–**	–
Deferred costs	**18.1**	15.4	**–**	–
	56.9	59.3	**–**	–
Non Current				
Deferred costs	**78.9**	70.5	**–**	–
	78.9	70.5	**–**	–

NOTE 12 INVESTMENT PROPERTIES

Shopping centre investments	**13,991.3**	19,352.8	**–**	–
Development projects	**504.9**	1,140.7	**–**	–
	14,496.2	20,493.5	**–**	–

Movement in total investment properties		
Balance at the beginning of the year	**20,493.5**	17,055.0
Transfer to equity accounted investment properties	**–**	(23.3)
Redevelopment costs	**474.2**	769.7
Net revaluation decrement	**(2,057.3)**	(1,837.9)
Retranslation of foreign operations	**(4,414.2)**	4,530.0
Balance at the end of the year[1]	**14,496.2**	20,493.5

[1] The fair value of investment properties at the end of the year of $14,496.2 million (31 December 2008: $20,493.5 million) comprises investment properties at market value of $14,441.7 million (31 December 2008: $20,431.3 million) and ground leases included as finance leases of $54.5 million (31 December 2008: $62.2 million).

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 Uniform Standards of Professional Appraisal Practice in the United States. The independent valuation uses capitalisation of net income method and the discounting of future net cash flows to their present value method. The property capitalisation rates range between 6.00% and 10.00%. Refer to Note 14(d) of the Westfield Group's Financial Report for details of property capitalisation rates by shopping centre.

Investment properties are carried at the Directors' determination of fair value which takes 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.

NOTE 13 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						
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%	**408.3**	677.8
Montgomery	Partnership units	31 Dec	**50.0%**	50.0%	**174.1**	259.0
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 Centre	Partnership units	31 Dec	**50.0%**	50.0%	**56.1**	80.0
Valley Fair	Partnership units	31 Dec	**50.0%**	50.0%	**382.2**	547.6
Total equity accounted investments					**1,368.8**	2,160.0

All equity accounted property partnerships, trusts and companies operate solely as retail property investors in the United States.

	Consolidated 31 Dec 09 $million	Consolidated 31 Dec 08 $million
(b) Details of the Group's aggregate share of equity accounted entities' net loss		
Property revenue	**237.6**	215.4
Property expenses and outgoings	**(85.4)**	(73.9)
Net interest expense	**(56.7)**	(53.4)
Share of after tax profits of equity accounted entities before property revaluations	**95.5**	88.1
Property revaluations	**(328.0)**	(165.1)
Share of after tax losses of equity accounted entities	**(232.5)**	(77.0)
(c) Details of the Group's aggregate share of equity accounted entities' assets and liabilities		
Cash	**29.1**	51.3
Receivables	**4.5**	3.7
Shopping centre investments	**2,204.4**	3,191.0
Development projects	**118.3**	153.6
Other assets	**14.3**	27.4
Total assets	**2,370.6**	3,427.0
Payables	**(52.4)**	(50.9)
Interest bearing liabilities	**(949.4)**	(1,216.1)
Total liabilities	**(1,001.8)**	(1,267.0)
Net assets	**1,368.8**	2,160.0
(d) Details of the 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	**129.3**	164.3
Due between one year and five years	**409.0**	533.3
Due after five years	**271.9**	399.3
	810.2	1,096.9
(e) Details of the Group's aggregate share of equity accounted entities' capital expenditure commitments		
Estimated capital expenditure commitments in relation to development projects		
Due within one year	**16.9**	55.1
	16.9	55.1
(f) Details of the Group's aggregate share of equity accounted entities' contingent liabilities		
Performance guarantees	**1.9**	2.5
	1.9	2.5

	Consolidated		Parent Entity	
	31 Dec 09 $million	31 Dec 08 $million	**31 Dec 09 $million**	31 Dec 08 $million

NOTE 14 OTHER INVESTMENTS

	31 Dec 09 $million	31 Dec 08 $million	**31 Dec 09 $million**	31 Dec 08 $million
Unlisted investments	**462.3**	731.1	**–**	–
Investment in subsidiaries	**–**	–	**5,134.7**	7,773.8
	462.3	731.1	**5,134.7**	7,773.8
Movement in other investments				
Balance at the beginning of the year	**731.1**	581.6	**7,773.8**	6,953.6
Additions	**–**	–	**1,195.0**	–
Disposals	**(115.4)**	–	**–**	–
Net revaluation increment/(decrement)	**–**	(9.0)	**(3,834.1)**	820.2
Retranslation of foreign operations	**(153.4)**	158.5	**–**	–
Balance at the end of the year	**462.3**	731.1	**5,134.7**	7,773.8

NOTE 15 PLANT AND EQUIPMENT

	31 Dec 09 $million	31 Dec 08 $million	**31 Dec 09 $million**	31 Dec 08 $million
At cost	**143.5**	166.7	**–**	–
Accumulated depreciation	**(45.2)**	(39.4)	**–**	–
	98.3	127.3	**–**	–
Movement in plant and equipment				
Balance at the beginning of the year	**127.3**	81.5	**–**	–
Additions	**17.7**	34.3	**–**	–
Depreciation expense	**(16.9)**	(15.5)	**–**	–
Retranslation of foreign operations	**(29.8)**	27.0	**–**	–
Balance at the end of the year	**98.3**	127.3	**–**	–

NOTE 16 PAYABLES AND OTHER CREDITORS

	31 Dec 09 $million	31 Dec 08 $million	**31 Dec 09 $million**	31 Dec 08 $million
Current				
Sundry creditors and accruals	**444.6**	609.2	**17.1**	38.4
Other payables to related entities	**37.0**	34.6	**12.0**	11.7
	481.6	643.8	**29.1**	50.1
Non Current				
Sundry creditors and accruals	**123.0**	86.0	**–**	–
	123.0	86.0	**–**	–

NOTE 17 INTEREST BEARING LIABILITIES

	31 Dec 09 $million	31 Dec 08 $million	**31 Dec 09 $million**	31 Dec 08 $million
Current				
Unsecured				
Bank overdrafts	**–**	3.0	**–**	–
Bank loans – US$ denominated[(1)]	**24.6**	–	**–**	–
Notes payable – US$ denominated[(2)]	**107.8**	–	**–**	–
Finance leases	**0.5**	–	**–**	–
Secured				
Bank loans – US$ denominated[(4)]	**304.5**	1,256.2	**–**	–
	437.4	1,259.2	**–**	–
Non Current				
Unsecured				
Bank loans – US$ denominated[(1)]	**–**	1,879.0	**–**	–
Notes payable				
– US$ denominated[(2)]	**5,221.6**	5,142.8	**–**	–
– € denominated[(3)]	**597.4**	819.2	**–**	–
Finance leases	**53.4**	61.6	**–**	–
Secured				
Bank loans – US$ denominated[(4)]	**2,977.0**	3,358.4	**–**	–
	8,849.4	11,261.0	**–**	–
The maturity profile in respect of current and non current interest bearing liabilities is set out below:				
Due within one year	**437.4**	1,259.2	**–**	–
Due between one and five years	**4,299.3**	6,128.0	**–**	–
Due after five years	**4,550.1**	5,133.0	**–**	–
	9,286.8	12,520.2	**–**	–

NOTE 17 INTEREST BEARING LIABILITIES (CONTINUED)

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.

Refer Note 32 for details relating to fixed rate debt and derivatives which hedge the floating rate liabilities.

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

(2) Notes payable – US$

Guaranteed Senior Notes of US$7,378.7 million were issued in the US 144A bond market by the Westfield Group. The issues comprised US$2,100 million, US$1,100 million, US$900.0 million, US$678.7 million, US$600.0 million, US$750 million, and US$1,250 million of fixed rate notes maturing 2014, 2018, 2016, 2010, 2012, 2015 and 2019 respectively. The Group was assigned US$4,797.0 million, comprising US$950.0 million, US$1,100.0 million, US$900.0 million, US$97.0 million, US$600.0 million and US$1,150.0 million fixed rate notes maturing 2014, 2018, 2016, 2010, 2012 and 2019 respectively. These notes are subject to negative pledge arrangements which require the Westfield Group to comply with certain minimum financial requirements.

(3) Notes payable – €

Guaranteed Notes of €560.0 million were issued in the European bond market by the Westfield Group. The issue comprised €560.0 million of fixed rate notes maturing 2012, of which the Group was assigned €373.3 million. These notes are subject to negative pledge arrangements which require the Westfield Group to comply with certain minimum financial requirements.

(4) Secured liabilities – US$

Current and non current secured liabilities are $3,281.5 million (31 December 2008: $4,614.6 million). Secured liabilities are borrowings secured by mortgages over properties that have a fair value of $8.8 billion (31 December 2008: $14.3 billion). These properties are as follows: Belden Village, Broward, Century City, Citrus Park, Countryside, Culver City, Fox Valley, Franklin Park, Galleria at Roseville, Gateway, Great Northern, Horton Plaza, Main Place, 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.

	Consolidated	
	31 Dec 09 $million	31 Dec 08 $million
Financing facilities		
Committed financing facilities available to the Group:		
Total financing facilities at the end of the year	**16,973.3**	18,148.8
Amounts utilised[1]	**(9,340.3)**	(12,584.6)
Available financing facilities	**7,633.0**	5,564.2
Cash	**53.8**	1.8
Financing resources available at the end of the year	**7,686.8**	5,566.0
Maturity profile of financing facilities		
Maturity profile in respect of the above financing facilities:		
Due within one year	**2,392.0**	1,244.6
Due between one year and five years	**10,031.0**	11,829.8
Due after five years	**4,550.3**	5,074.4
	16,973.3	18,148.8

(1) 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 Westfield Group to comply with specific minimum financial requirements. These facilities exclude other financial liabilities set out in Note 18. Amounts which are denominated in foreign currencies are translated at exchange rates ruling at balance date.

The Group as a member of the Westfield Group, is able to draw on financing facilities unutilised by the Westfield Group totalling A$ equivalent $7,633.0 million at year end which are included in available financing facilities shown above. These are interest only unsecured multicurrency multioption facilities.

		Consolidated	
	Note	**31 Dec 09 $million**	31 Dec 08 $million
NOTE 18 OTHER FINANCIAL LIABILITIES			
Current			
Convertible redeemable preference shares/units	18(a)	**14.0**	15.8
Other redeemable preference shares/units	18(b)	**86.0**	137.3
		100.0	153.1
Non Current			
Convertible redeemable preference shares/units	18(a)	**1,401.6**	1,470.4
Other redeemable preference shares/units	18(b)	**157.8**	204.4
		1,559.4	1,674.8

NOTE 18 OTHER FINANCIAL LIABILITIES (CONTINUED)

	Consolidated 31 Dec 09 $million	Consolidated 31 Dec 08 $million
The maturity profile in respect of current and non current other financial liabilities is set out below		
Within one year	**100.0**	153.1
Between one year and five years	**–**	–
After five years	**1,559.4**	1,674.8
	1,659.4	1,827.9

(a) Convertible redeemable preference shares/units

The convertible redeemable preference shares/units comprise (i) Series D convertible preference shares (Series D CPS); (ii) Series G partnership preferred units (Series G units) issued to the Jacobs Group; (iii) Series I partnership preferred units (Series I units); (iv) Series J partnership preferred units (Series J units); (v) Investor unit rights in the Operating Partnership; (vi) Series F preferred shares; and (vii) Foreign currency denominated common shares convertible into stapled securities.

(i) The holders of Series D CPS are entitled to receive an annual dividend equal to the greater of (i) 9.3% of the liquidation value of the preferred shares, increasing at 1.5% per annum in 2002 and at 3% per annum thereafter; or (ii) the US$ equivalent of the distribution on the number of Westfield Group stapled securities into which the preference shares are then exchangeable.

– Each Series D CPS is convertible into 10 common shares in WEA, which will not form a separate series of shares. The original holder of the Series D CPS and/or the common shares into which the Series D CPS have been converted can require WEA, subject to certain conditions, to redeem a number of the Series D CPS or common shares into which such preferred shares convert, or a combination thereof, on the last business date of May 2005 and each year thereafter in an amount up to US$10 million at any one time. The maximum aggregate amount which may be redeemed pursuant to those rights is US$50,000,040. During the period no Series D CPS were redeemed by WEA pursuant to the arrangement.

– The Series D CPS are redeemable by WEA at any time after 12 August 2008 at 100% of the liquidation preference.

(ii) 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.

(iii) As at 31 December 2009, the previous owners of the Sunrise Mall hold 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; or (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 the Group's discretion either for (i) cash; (ii) shares in WEA (with the holder having the right to exchange such WEA shares for Westfield Group stapled securities); or (iii) a combination of both.

(iv) 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 the Group's discretion, either for (i) cash; (ii) shares in WEA (with the holder having the right to exchange such WEA shares for Westfield Group stapled securities); or (iii) a combination of both.

(v) The investor unit rights in the Operating Partnership have a fixed life and are able to be redeemed at the Group's discretion, either for (i) cash, (ii) shares in WEA; or (iii) a combination of both.

(vi) The Series F preferred shares are able to be redeemed at the Group's discretion in cash at any time after 20 June 2020 and are able to be converted into Westfield Group stapled securities with the exercise of Series F – Special Options (refer Note 21).

(vii) The foreign currency denominated common shares are able to be converted into Westfield Group stapled securities with the exercise of either Series H – Special Options or Series I – Special Options (refer Note 21).

(b) Other redeemable preference shares/units

The other redeemable preference shares/units comprise (i) partnership interest in the Urban Shopping Centres, LP (the Urban OP); (ii) Series H-1 Partnership Preferred Units (Series H-1 units); (iii) a Preferred Partnership in Head Acquisition LP (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 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 acquirer has a preferred limited partner interest in Head LP. 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 Entity	
	31 Dec 09 $million	31 Dec 08 $million	**31 Dec 09 $million**	31 Dec 08 $million

NOTE 19 DERIVATIVE LIABILITIES

	31 Dec 09 $million	31 Dec 08 $million	**31 Dec 09 $million**	31 Dec 08 $million
Current				
Payables on interest rate derivatives	**80.3**	28.3	**–**	–
Payables on interest rate derivatives with related entities	**4.7**	–	**66.9**	11.7
Payables on currency derivatives	**25.9**	11.0	**–**	0.9
Payables on currency derivatives with related entities	**95.4**	–	**121.4**	10.1
	206.3	39.3	**188.3**	22.7
Non Current				
Payables on interest rate derivatives	**410.7**	1,786.1	**–**	–
Payables on interest rate derivatives with related entities	**55.1**	51.7	**157.6**	774.6
Payables on currency derivatives	**32.5**	157.2	**–**	–
Payables on currency derivatives with related entities	**–**	153.4	**32.4**	310.6
	498.3	2,148.4	**190.0**	1,085.2

NOTE 20 CONTRIBUTED EQUITY

	Units	Units	**Units**	Units
(a) Number of units on issue				
Balance at the beginning of the year	**2,047,855,398**	2,025,279,977	**2,047,855,398**	2,025,279,977
Share placement	**276,190,500**	–	**276,190,500**	–
Share purchase plan	**5,971,444**	–	**5,971,444**	–
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	**2,390,858,026**	**2,047,855,398**	**2,390,858,026**	**2,047,855,398**

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

Holders of Westfield Group stapled securities can vote their shares and units in accordance with the Act, either in person or by proxy, at a meeting of either WHL, WAT or WT (as the case may be). The Westfield Group stapled securities have no par value.

	$million	$million	**$million**	$million
(b) Movement in contributed equity attributable to members of WAT				
Balance at the beginning of the year	**7,425.2**	7,328.3	**6,945.2**	6,848.3
Share placement/share purchase plan	**825.2**	–	**825.2**	–
Distribution reinvestment plan	**175.4**	33.2	**175.4**	33.2
Conversion of options	**–**	63.7	**–**	63.7
Costs associated with the issuance of units	**(18.9)**	–	**(18.9)**	–
Balance at the end of the year	**8,406.9**	7,425.2	**7,926.9**	6,945.2

NOTE 21 SHARE BASED PAYMENTS

	Note	**31 Dec 09 No. of options**	**31 Dec 09 Weighted average exercise price $**	31 Dec 08 No. of options	31 Dec 08 Weighted average exercise price $
(a) Options and rights on issue					
– Series F Special options	21(a)(i)	**52,500**	**2.64**	52,500	2.07
– Series G1 Special options	21(a)(ii)	**277,778**	**1.37**	277,778	0.98
– Series H Special options	21(a)(iii)	**11,805,862**	**1.55**	11,805,862	1.11
– Series I Special options	21(a)(iv)	**13,260,859**	**1.50**	13,260,859	1.07
– Executive performance rights	21(c)(i)	**409,325**	**–**	275,394	–
– Partnership incentive rights	21(c)(ii)	**43,872**	**–**	17,232	–
– Executive performance and partnership incentive rights issued to employees of related parties	21(a)(vii)	**4,073,010**	**–**	2,098,366	–
		29,923,206	**1.61**	27,787,991	1.16

NOTE 21 SHARE BASED PAYMENTS (CONTINUED)

(a) Options and rights on issue (continued)

	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 $
Movement in options and rights on issue				
Balance at the beginning of the year	**27,787,991**	**1.16**	26,168,093	3.14
Movements in Executive options[2]				
Options exercised during the year				
– extinguished by issuance of new units	**–**	**–**	(2,415)	–
– extinguished by payment of cash equal to the difference between market value and the exercise price	**–**	**–**	(90,000)	4.43
– extinguished by issuance of new units for $nil consideration equal to the difference between market value and the exercise price	**–**	**–**	(147,550)	4.39
Movements in WT 2009 Options[3]				
Options exercised during the year				
– extinguished by issuance of new units	**–**	**–**	(221,800)	3.82
– extinguished by payment of cash	**–**	**–**	(300)	3.82
Options cancelled during the year	**–**	**–**	(1,300)	3.82
Movement in Series G Special options[4]				
Options cancelled during the year	**–**	**–**	(307,729)	5.05
Movement in Series H Special options				
Movement in Executive performance rights				
– rights granted during the year	**133,931**	**–**	275,394	–
Movement in Partnership incentive rights				
– rights granted during the year	**26,640**	**–**	17,232	–
Movements in Executive performance and Partnership incentive rights issued to employees of related parties				
– rights granted during the year	**2,161,205**	**–**	2,104,257	–
– rights exercised during the year	**(2,876)**	**–**	–	–
– rights forfeited during the year	**(183,685)**	**–**	(5,891)	–
Balance at the end of the year[1]	**29,923,206**	**1.61**	27,787,991	1.16

(1) At 31 December 2009 the 29,923,206 options (31 December 2008: 27,787,991 options) on issue were convertible to 100,338,063 (31 December 2008: 98,202,848) Westfield Group stapled securities.

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

(3) WT 2009 options were fully extinguished in 2008.

(4) The Series G Special options were fully cancelled in 2008.

(i) Series F – Special Options

The Series F Special Options are exercisable during the period commencing on 1 June 2007 and ending on 1 June 2020. Each Series F Special Option entitles the holder the right to be issued 157.35 fully paid Westfield Group stapled securities in exchange for either US$1,000 ($1,110.99) or 1 Series F preferred share in WEA. As at 31 December 2009 and 31 December 2008, there were 52,500 Series F Special Options on issue which are exchangeable for 8,260,875 Westfield Group stapled securities.

As the Series F Special Options are A$ options and are associated with foreign currency debt, they have been classified as a derivative financial liability and have been fair valued through the income statement.

(ii) Series G1 – Special Options

The Series G1 Special Options are exercisable any time after September 2003 and expire on the date being 10 days prior to the date of termination of the Group. Each Series G1 Special Option entitles the holder to deliver a Series D CPS (or the number of common shares into which a Series D CPS has been converted). On exercise the holder of a Series G1 Special Option will receive 34.6632 Westfield Group stapled securities. The ratio will be appropriately adjusted where, instead of delivering a Series D CPS, the holder delivers the number of WEA common shares into which a Series D CPS has been converted. As at 31 December 2009 and 31 December 2008, there were 277,778 Series G1 Special Options on issue which are exchangeable for 9,628,674 Westfield Group stapled securities.

As the Series G1 Special Options are A$ options and are associated with foreign currency debt, they have been classified as a derivative financial liability and have been fair valued through the income statement.

(iii) Series H – Special Options

The Series H Special Options are exercisable any time after September 2003 and expire on the date being 10 days prior to the date of termination of the Group. The Series H Special Options are exercisable by the holder delivering a common share in WEA. On exercise the holder of a Series H Special Option will receive 3.049065 Westfield Group stapled securities. As at 31 December 2009 and 31 December 2008 there were 11,805,862 Series H Special Options on issue which are exchangeable for 35,996,841 Westfield Group stapled securities.

As the Series H Special Options are A$ options and are associated with foreign currency debt, they have been classified as a derivative financial liability and have been fair valued through the income statement.

NOTE 21 SHARE BASED PAYMENTS (CONTINUED)

(a) Options and rights on issue (continued)

(iv) Series I – Special Options

The Series I Special Options are exercisable any time after May 2004 and expire on the date being 10 days prior to the date of termination of the Group. The Series I Special Options are exercisable by the holder delivering a common share in WEA. On exercise the holder of a Series I Special Option will receive 3.161595 Westfield Group stapled securities. As at 31 December 2009 and 31 December 2008, there were 13,260,859 Series I Special Options on issue which are exchangeable for 41,925,466 Westfield Group stapled securities.

As the Series I Special Options are A$ options and are associated with foreign currency debt, they have been classified as a derivative financial liability and have been fair valued through the income statement.

(v) Stapling Options

At the time of the Merger, each of WAT, WHL and WT had options on issue. Pursuant to the Merger Implementation Deed, each of WAT, WHL and WT have issued options to each other to enable each entity to satisfy the delivery of a Westfield Group stapled security on exercise of options currently on issue in each of those entities.

(vi) Other

Of the stapling options issued to WAT, 25,396,999 options remain from WT and the same from WHL to enable WAT to satisfy the delivery of a Westfield Group stapled security on exercise of the special options issued by WAT that are on issue.

The voting entitlements of the special options are determined in accordance with Section 253F of the Corporations Act 2001.

(vii) Executive Performance and Partnership Incentive Rights Issued to Employees of Related Parties

There are 4,073,010 (31 December 2008: 2,098,366) Executive performance and Partnership incentive rights on issue to employees of related parties of the Westfield Group. Under the stapling arrangement each of WT, WHL and WAT are required to issue securities/units on the vesting of an Executive performance and Partnership incentive right. At 31 December 2009, the 4,073,010 (31 December 2008: 2,098,366) Executive performance and Partnership incentive rights issued to employees of related parties were convertible to 4,073,010 (31 December 2008: 2,098,366) Westfield Group stapled securities.

	Number of rights 31 Dec 09	Number of rights 31 Dec 08
Vesting profile		
2009	**–**	2,876
2010	**959,889**	1,058,524
2011	**1,756,639**	462,295
2012	**998,431**	574,671
2013	**358,051**	–
	4,073,010	2,098,366

(b) 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 conversion price($) 31 Dec 09**	Number of award securities 31 Dec 08	Weighted average conversion price($) 31 Dec 08
Movement in Executive Deferred Awards				
Balance at the beginning of the year	**1,906,046**	**18.49**	1,941,939	18.46
Awards issued during the year	**1,342,102**	**10.34**	597,401	18.04
Distribution reinvested as awards during the year	**269,011**	**10.98**	111,484	17.43
Awards exercised during the year	**(278,177)**	**17.56**	(188,940)	16.23
Awards lapsed during the year	**(262,119)**	**15.93**	(555,838)	18.46
Balance at the end of the year	**2,976,863**	**14.45**	1,906,046	18.49

	Awards granted $million 31 Dec 09	**Number of award securities 31 Dec 09**	**Weighted average grant price ($) 31 Dec 09**	Awards granted $million 31 Dec 08	Number of award securities 31 Dec 08	Weighted average grant price ($) 31 Dec 08
Vesting profile						
2009	**–**	**–**	**–**	4.9	278,177	17.69
2010	**11.3**	**600,686**	**18.74**	20.5	1,110,012	18.46
2011	**8.3**	**503,096**	**16.53**	9.8	517,857	18.99
2012	**23.4**	**1,873,081**	**12.51**	–	–	–
	43.0	**2,976,863**	**14.45**	35.2	1,906,046	18.49

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 Westfield Group stapled security prices and the distribution policy during the vesting period.

Refer to Note 40 for further details concerning other Key Management Personnel remuneration disclosures in relation to EDA Plan.

NOTE 21 SHARE BASED PAYMENTS (CONTINUED)

(b) 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 conversion price($) 31 Dec 09	Number of award securities 31 Dec 08	Weighted average conversion price($) 31 Dec 08
Movement in Partnership Incentives				
Balance at the beginning of the year	**852,334**	**17.49**	746,851	17.60
Awards issued during the year	**420,907**	**10.04**	254,894	17.27
Distribution reinvested as awards during the year	**67,075**	**10.98**	36,419	17.43
Awards exercised during the year	**(107,848)**	**15.85**	–	–
Awards lapsed during the year	**–**	**–**	(185,830)	17.62
Balance at the end of the year	**1,232,468**	**14.73**	852,334	17.49

	Awards granted $million 31 Dec 09	Number of award securities 31 Dec 09	Weighted average grant price ($) 31 Dec 09	Awards granted $million 31 Dec 08	Number of award securities 31 Dec 08	Weighted average grant price ($) 31 Dec 08
Vesting profile						
2009	**–**	**–**	**–**	1.7	107,848	16.17
2010	**3.6**	**221,028**	**16.33**	5.5	311,683	17.66
2011	**3.8**	**215,271**	**17.78**	5.7	318,317	17.94
2012	**4.0**	**229,662**	**17.61**	2.0	114,486	17.03
2013	**4.4**	**341,992**	**12.85**	–	–	–
2014	**2.3**	**224,515**	**10.04**	–	–	–
	18.1	**1,232,468**	**14.73**	14.9	852,334	17.49

The senior leadership team of the Westfield Group, including the Westfield Group Managing Directors, participate in the PIP Plan. The Westfield Group 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 Westfield Group achieving the performance hurdles, number of employees remaining in service, the volume weighted average of the Westfield Group stapled security prices and the distribution policy during the vesting period.

Refer to Note 40 for further details concerning other Key Management Personnel remuneration disclosures in relation to the PIP Plan.

Accounting for Cash Settled Share Based Payments

The accounts of the Group and the remuneration disclosures in this note and Note 40 disclose the full liability to unitholders 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 Westfield Group 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 fair valued. This process may result in a variation of the estimate of the future liability of the Group with respect to that award and an increase or decrease in the amortisation. For example, in any year, where the Westfield Group security price increases at a rate which is greater than the estimate made in the original model, the implied increase in value of the awards at the date of maturity will result in an increase in the amount of amortisation. The full amount of that amortisation is included in the financial statements.

During the year, $4.1 million (31 December 2008: $4.8 million) was charged to the income statement as gross amortisation in respect of cash settled based share based payments.

NOTE 21 SHARE BASED PAYMENTS (CONTINUED)

(c) 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	**275,394**	–
Rights issued during the year	**133,931**	275,394
Balance at the end of the year	**409,325**	275,394

	Fair value of the rights at grant date ($)	**Number of rights at[(1)] 31 Dec 09**	**Fair value granted $million 31 Dec 09**	Fair value of the rights at grant date ($)	Number of rights at[(1)] 31 Dec 08	Fair value granted $million 31 Dec 08
Vesting profile						
2010	**13.47**	**76,364**	**1.0**	13.47	55,444	0.7
2011	**10.93**	**332,961**	**3.7**	12.61	219,950	2.8
	11.40	**409,325**	**4.7**	12.78	275,394	3.5

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

The EPR Plan is a plan in which senior and high performing executives participate. The Westfield Group Executive Chairman and Westfield Group Managing Directors do not participate in the EPR Plan. However the Westfield 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 Westfield 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 Westfield Group 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.

Refer to Note 40 for further details concerning other Key Management Personnel remuneration disclosures in relation to the EPR Plan.

(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	**17,232**	–
Rights issued during the year	**26,640**	17,232
Balance at the end of the year	**43,872**	17,232

NOTE 21 SHARE BASED PAYMENTS (CONTINUED)

(c) Executive Performance Rights and Partnership Incentive Rights Plans (continued)
(ii) The Partnership Incentive Rights Plan (PIR Plan) – Equity Settled (continued)

	Fair value of the rights at grant date ($)	**Number of rights at[1] 31 Dec 09**	**Fair value granted $million 31 Dec 09**	Fair value of the rights at grant date ($)	Number of rights at[1] 31 Dec 08	Fair value granted $million 31 Dec 08
Vesting profile						
2010	**18.13**	**6,021**	**0.1**	–	–	–
2011	**13.96**	**21,674**	**0.3**	12.61	8,395	0.1
2012	**11.82**	**16,177**	**0.2**	11.82	8,837	0.1
	13.74	**43,872**	**0.6**	12.20	17,232	0.2

[1] The exercise price for the PIR Plan is nil and there were no rights exercisable at 31 December 2009.

The senior leadership team of the Westfield Group participate in the PIR Plan. The Westfield Group Executive Chairman and Westfield Group Managing Directors do not participate in the PIR Plan. The fair value of the PIR Plan is measured at each grant date using a Black Scholes option pricing model. The inputs include the Westfield 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 Westfield Group security price volatility over the past 3 years. Other vesting conditions include growth in the Westfield Group's 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.

Refer to Note 40 for further details concerning other Key Management Personnel remuneration disclosures in relation to the PIR Plan.

Accounting for equity settled Share Based Payments
During the year, $1.4 million (31 December 2008: $0.9 million) was charged to the income statement as gross amortisation in respect of equity settled share based payments.

	Consolidated		**Parent Entity**	
	31 Dec 09 $million	31 Dec 08 $million	**31 Dec 09 $million**	31 Dec 08 $million
NOTE 22 RESERVES				
Foreign currency translation reserve	**(292.1)**	632.9	**–**	–
Asset revaluation reserve	**–**	–	**(2,605.2)**	767.9
Employee share plan benefits reserve	**0.6**	0.3	**–**	–
Balance at the end of the year	**(291.5)**	633.2	**(2,605.2)**	767.9
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	**632.9**	(429.8)	**–**	–
Foreign exchange movement				
– translation of foreign entities, currency loans and asset hedging derivatives which qualify for hedge accounting	**(925.0)**	1,062.7	**–**	–
Balance at the end of the year	**(292.1)**	632.9	**–**	–
Movement in asset revaluation reserve				
The asset revaluation reserve is to record unrealised increments and decrements in value of assets held as available for sale.				
Balance at the beginning of the year	**–**	–	**767.9**	1,155.6
Revaluation decrement	**–**	–	**(1,679.9)**	(981.8)
Deferred tax	**–**	–	**461.0**	(50.8)
Retranslation of assets held as available for sale	**–**	–	**(2,154.2)**	1,802.0
Amounts transferred to retained profits/(accumulated losses)	**–**	–	**–**	(1,157.1)
Balance at the end of the year	**–**	–	**(2,605.2)**	767.9
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	**0.3**	–	**–**	–
Equity settled share based payment	**0.3**	0.3	**–**	–
Balance at the end of the year	**0.6**	0.3	**–**	–

	Note	Consolidated 31 Dec 09 $million	Consolidated 31 Dec 08 $million	Parent Entity 31 Dec 09 $million	Parent Entity 31 Dec 08 $million
NOTE 23 RETAINED PROFITS/(ACCUMULATED LOSSES)					
Balance at the beginning of the year		**(1,003.2)**	411.2	**–**	–
Profit/(loss) attributable to members of WAT		**(1,382.0)**	(496.9)	**1,018.3**	(239.6)
Distributions paid		**(801.6)**	(917.5)	**(801.6)**	(917.5)
Reallocation of Group net assets to other entities of the Westfield Group on issuance of shares by controlled entities		**(315.4)**	–	**–**	–
Amounts transferred from asset revaluation reserve		**–**	–	**–**	1,157.1
Balance at the end of the year		**(3,502.2)**	(1,003.2)	**216.7**	–
NOTE 24 CASH AND CASH EQUIVALENTS					
(a) Components of cash and cash equivalents					
Cash		**53.8**	1.8	**1.5**	1.8
Bank overdrafts	17	**–**	(3.0)	**–**	–
Total cash and cash equivalents		**53.8**	(1.2)	**1.5**	1.8
(b) Reconciliation of profit/(loss) after tax to net cash flows from operating activities					
Profit/(loss) after tax		**(1,517.1)**	(496.9)	**1,018.3**	(239.6)
Property revaluations		**2,057.3**	1,846.9	**–**	–
Share of associates' losses/(profits) in excess of dividends/distributions		**316.3**	148.6	**–**	–
Deferred tax expense/(benefit)		**(190.0)**	(288.3)	**35.0**	50.4
Net fair value loss/(gain) on forward exchange contracts		**(27.3)**	247.4	**(555.5)**	643.2
Borrowing costs		**504.7**	(373.0)	**–**	0.2
Interest income		**(17.7)**	(65.8)	**(182.8)**	(58.2)
Net (gain)/loss from capital transactions		**(54.4)**	9.3	**(65.9)**	–
Decrease/(increase) in working capital attributable to operating activities		**41.8**	(48.6)	**106.4**	(5.2)
Net cash flows from operating activities		**1,113.6**	979.6	**355.5**	390.8
NOTE 25 DISTRIBUTIONS					
(a) Final distribution proposed					
100% estimated tax deferred (31 December 2008: 54% tax deferred)[1]		**454.3**	353.3	**454.3**	353.3
		454.3	353.3	**454.3**	353.3

Interim distributions of 19.00 cents were paid on 31 August 2009. The final distributions proposed were paid on 26 February 2010. The record date for the final distributions was 5pm, 11 February 2010. The DRP was suspended from operation on 2 February 2010. Accordingly, the DRP will not be in operation for the distribution payable on 26 February 2010.

	Consolidated 31 Dec 09 $million	Consolidated 31 Dec 08 $million	Parent Entity 31 Dec 09 $million	Parent Entity 31 Dec 08 $million
(b) Distributions paid during the year				
Distribution in respect of the six months to 30 June 2009[1]	**448.3**	–	**448.3**	–
Distribution in respect of the six months to 31 December 2008	**353.3**	–	**353.3**	–
Distribution in respect of the six months to 30 June 2008[1]	**–**	507.4	**–**	507.4
Distribution in respect of the six months to 31 December 2007	**–**	410.1	**–**	410.1
Total distribution paid	**801.6**	917.5	**801.6**	917.5

[1] Total distribution proposed/paid for the year was $902.6 million (31 December 2008: $860.7 million).

NOTE 26 LEASE COMMITMENTS

Operating lease receivables

Substantially all of the property owned 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.

	Consolidated	
	31 Dec 09 $million	31 Dec 08 $million
Future minimum rental revenues under non-cancellable operating retail property leases:		
Due within one year	**826.0**	1,056.0
Due between one and five years	**2,664.7**	3,402.3
Due after five years	**2,129.8**	2,836.0
	5,620.5	7,294.3

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		
Due within one year	**9.0**	11.2
Due between one and five years	**22.0**	39.4
Due after five years	**4.5**	6.1
	35.5	56.7

NOTE 27 CAPITAL EXPENDITURE COMMITMENTS

Estimated capital expenditure committed at balance date but not provided for in relation to development projects:

Due within one year	**–**	343.0
Due between one and five years	**–**	8.1
	–	351.1

	Consolidated		Parent Entity	
	31 Dec 09 $million	31 Dec 08 $million	**31 Dec 09 $million**	31 Dec 08 $million
NOTE 28 CONTINGENT LIABILITIES				
Performance guarantees	**560.5**	727.6	**–**	–
Special tax assessment municipal bonds	**41.5**	56.1	**–**	–
Guaranteed borrowings of controlled entities	**–**	–	**5,951.3**	7,840.9
Guaranteed borrowings of associates of the Responsible Entity	**7,711.0**	9,302.7	**7,711.0**	9,302.7
	8,313.0	10,086.4	**13,662.3**	17,143.6

The Group's obligation with respect to performance guarantees may be called on at any time dependent 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 of the Responsible Entity 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 29 SEGMENT REPORTING

Operating segments

The Group's operating segments are as follows:

Property Investments

Property investments segment includes net property income from existing shopping centres and completed developments, revaluation of existing centres and other operational expenses.

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.

Development

The Westfield 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/(loss) 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 loss attributable to 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.

NOTE 29 SEGMENT REPORTING (CONTINUED)

A_Income and expenses

31 December 2009	**Operational** Property investments $million	**Operational** Property and project management $million	**Development** $million	**Corporate** $million	**Consolidated** $million
Revenue					
Property revenue	1,563.6	–	21.1	–	1,584.7
Property development and project management revenue	–	26.1	–	–	26.1
Property and funds management income	–	35.4	–	–	35.4
	1,563.6	**61.5**	**21.1**	–	**1,646.2**
Share of after tax profit of equity accounted entities					
Property revenue	231.0	–	6.6	–	237.6
Property expenses and outgoings	(80.1)	–	(5.3)	–	(85.4)
Net interest expense	(51.4)	–	(5.3)	–	(56.7)
	99.5	**–**	**(4.0)**	–	**95.5**
Expenses					
Property expenses and outgoings	(572.2)	–	(12.3)	–	(584.5)
Property development and project management costs	–	(20.0)	(31.6)	–	(51.6)
Property and funds management costs	–	(27.2)	–	–	(27.2)
Corporate overheads	–	–	–	(8.8)	(8.8)
	(572.2)	**(47.2)**	**(43.9)**	**(8.8)**	**(672.1)**
Segment result	**1,090.9**	**14.3**	**(26.8)**	**(8.8)**	**1,069.6**
Segment revaluations and net gain from capital transactions					
Revaluation of properties and development projects	(1,733.3)	–	(324.0)	–	(2,057.3)
Equity accounted – revaluation of properties and development projects	(328.0)	–	–	–	(328.0)
	(2,061.3)	**–**	**(324.0)**	**–**	**(2,385.3)**
Net gain from capital transactions					54.4
Inter-segmental transactions					
Transfer of completed developments			627.4		627.4
Carrying value of developments transferred			(627.4)		(627.4)
	–	–	–	–	–
Currency derivatives					54.9
Interest income					17.7
Financing costs					(504.7)
Tax benefit					176.3
Net profit/(loss)					**(1,517.1)**

B_Assets and liabilities

	Property investments $million	Property and project management $million	Development $million	Corporate $million	Consolidated $million
Segment assets	16,052.4	4.8	504.9	–	16,562.1
Group assets					1,741.4
Total segment assets	**16,052.4**	**4.8**	**504.9**	**–**	**18,303.5**
Segment liabilities	629.2	–	35.2	–	664.4
Group liabilities					12,679.2
Total segment liabilities	**629.2**	**–**	**35.2**	**–**	**13,343.6**
Equity accounted associates included in segment assets	**1,368.8**	**–**	**–**	**–**	**1,368.8**
Additions to segment non current assets during the year	**16.0**	**–**	**529.6**	**–**	**545.6**

NOTE 29 SEGMENT REPORTING (CONTINUED)

A_Income and expenses (continued)

31 December 2008	Operational Property investments $million	Operational Property and project management $million	Development $million	Corporate $million	Consolidated $million
Revenue					
Property revenue	1,440.2	–	28.1	–	1,468.3
Property development and project management revenue	–	24.7	–	–	24.7
Property and funds management income	–	39.3	–	–	39.3
	1,440.2	**64.0**	**28.1**	–	**1,532.3**
Share of after tax profit of equity accounted entities					
Property revenue	208.8	–	6.6	–	215.4
Property expenses and outgoings	(68.7)	–	(5.2)	–	(73.9)
Net interest expense	(47.5)	–	(5.9)	–	(53.4)
	92.6	**–**	**(4.5)**	–	**88.1**
Expenses					
Property expenses and outgoings	(543.7)	–	(13.2)	–	(556.9)
Property development and project management costs	–	(24.2)	(23.4)	–	(47.6)
Property and funds management costs	–	(24.3)	–	–	(24.3)
Corporate overheads	–	–	–	(5.3)	(5.3)
	(543.7)	**(48.5)**	**(36.6)**	**(5.3)**	**(634.1)**
Segment result	**989.1**	**15.5**	**(13.0)**	**(5.3)**	**986.3**
Segment revaluations and net gain from capital transactions					
Revaluation of properties and development projects	(1,565.7)	–	(281.2)	–	(1,846.9)
Equity accounted – revaluation of properties and development projects	(147.2)	–	(17.9)	–	(165.1)
	(1,712.9)	**–**	**(299.1)**	**–**	**(2,012.0)**
Net loss from capital transactions					(9.3)
Inter-segmental transactions					
Transfer of completed developments			799.9		799.9
Carrying value of developments transferred			(799.9)		(799.9)
	–	–	–	–	–
Currency derivatives					(188.2)
Interest income					65.8
Financing costs					373.0
Tax benefit					287.5
Net profit/(loss)					**(496.9)**

B_Assets and liabilities

	Property investments $million	Property and project management $million	Development $million	Corporate $million	Consolidated $million
Segment assets	22,348.6	16.4	1,322.0	–	23,687.0
Group assets					2,312.6
Total segment assets	**22,348.6**	**16.4**	**1,322.0**	**–**	**25,999.6**
Segment liabilities	756.6	–	17.4	–	774.0
Group liabilities					18,170.4
Total segment liabilities	**756.6**	**–**	**17.4**	**–**	**18,944.4**
Equity accounted associates included in segment assets	**2,160.0**	**–**	**–**	**–**	**2,160.0**
Additions to segment non current assets during the year	**41.4**	**–**	**903.8**	**–**	**945.2**

NOTE 30 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 made within the stated distribution policy.

The Group is able to alter its capital mix by issuing new units and hybrid units, activating its distribution reinvestment plan, electing to have the distribution reinvestment underwritten, adjusting the amount of distributions paid to members, activating a Westfield Group 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 31 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 the oversight role by the Westfield 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 32 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 $million
Principal amounts of all interest bearing liabilities:			
Current interest bearing liabilities	17	**437.4**	1,259.2
Non current interest bearing liabilities	17	**8,849.4**	11,261.0
Share of equity accounted entities' interest bearing liabilities	13(c)	**949.4**	1,216.1
Cross currency swaps			
– A$	33(ii)	**551.4**	–
– US$2,412.8 million (31 December 2008: US$1,845.1 million)	33(i)	**2,680.6**	2,675.2
– US$2,890.0 million (31 December 2008: US$3,490.0 million)	33(iv)	**3,210.8**	5,060.2
Foreign currency swaps			
– A$	33(ii)	**791.2**	–
Principal amounts subject to interest rate payable exposure		**17,470.2**	21,471.7

NOTE 32 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 $million
Principal amounts of all interest bearing assets:			
Cross currency swaps			
– A$	33(i), 33(iv)	**6,611.4**	6,691.2
– €373.3 million (31 December 2008: €400.0 million)	33(i)	**597.4**	819.2
– US$500.0 million (31 December 2008: nil)	33(ii)	**555.5**	–
Loans receivable from related entities	10	**351.7**	893.3
Foreign currency swaps			
– US$600.0 million (31 December 2008: nil)	33(ii)	**666.6**	–
Cash	24(a)	**53.8**	1.8
Share of equity accounted entities cash	13(c)	**29.1**	51.3
Principal amounts subject to interest rate receivable exposure		**8,865.5**	8,456.8
Principal amounts of net interest bearing liabilities subject to interest rate payable exposure		**8,604.7**	13,014.9
Principal amounts of fixed interest rate liabilities:			
Fixed rate loans			
– US$8,183.2 million (31 December 2008: US$7,283.8 million)	32(ii)	**9,091.4**	10,560.8
– €373.3 million (31 December 2008: €400.0 million)	32(ii)	**597.4**	819.2
Fixed rate derivatives			
– US$7,329.0 million (31 December 2008: US$6,775.0 million)	32(ii)	**8,142.4**	9,823.1
Foreign currency swaps			
– A$	33(ii)	**791.2**	–
Principal amounts on which interest rate payable exposure has been hedged		**18,622.4**	21,203.1
Principal amounts of fixed interest rate assets:			
Fixed rate derivatives			
– A$	32(ii)	**7,477.1**	6,841.4
– US$1,150.0 million (31 December 2008: nil)	32(ii)	**1,277.6**	–
– €373.3 million (31 December 2008: €400.0 million)	32(ii)	**597.4**	819.2
Foreign currency swaps			
– US$600.0 million (31 December 2008: nil)	33(ii)	**666.6**	–
Principal amounts on which interest rate receivable exposure has been hedged		**10,018.7**	7,660.6
Principal amounts on which net interest rate payable exposure has been hedged		**8,603.7**	13,542.5

At 31 December 2009, the Group has fixed 100% of its net interest payable exposure by way of fixed rate borrowings and interest rate derivatives of varying durations. There is no floating exposure (31 December 2008: 104% hedged with no floating exposure). Changes to the fair value of the fixed rate borrowings and derivatives due to interest rate movements are set out in Note 32(ii).

NOTE 32 INTEREST RATE RISK MANAGEMENT (CONTINUED)

Summary of interest rate positions at balance date (continued)

(ii) Fixed rate debt and interest rate derivatives

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 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$6,841.4	6.31%	–	–
31 December 2009	**A$7,477.1**	**6.65%**	–	–	A$6,714.4	6.38%	–	–
31 December 2010	**A$6,649.9**	**6.78%**	–	–	A$5,887.2	6.50%	–	–
31 December 2011	**A$6,099.9**	**6.78%**	–	–	A$5,537.2	6.39%	–	–
31 December 2012	**A$5,235.9**	**6.87%**	–	–	A$4,673.2	6.42%	–	–
31 December 2013	**A$2,949.9**	**7.22%**	–	–	A$2,737.2	6.45%	–	–
31 December 2014	**A$700.0**	**6.63%**	–	–	A$1,250.0	6.51%	–	–
€ receivable/(payable)								
31 December 2008	–	–	–	–	€400.0	3.58%	€(400.0)	3.58%
31 December 2009	**€373.3**	**3.58%**	**€(373.3)**	**3.58%**	€400.0	3.58%	€(400.0)	3.58%
31 December 2010	**€373.3**	**3.58%**	**€(373.3)**	**3.58%**	€400.0	3.58%	€(400.0)	3.58%
31 December 2011	**€373.3**	**3.58%**	**€(373.3)**	**3.58%**	€400.0	3.58%	€(400.0)	3.58%
US$ payable								
31 December 2008	–	–	–	–	US$(6,775.0)	5.67%	US$(7,283.8)	6.15%
31 December 2009	**US$(7,329.0)**	**5.60%**	**US$(8,183.2)**	**6.18%**	US$(7,899.0)	5.43%	US$(6,473.6)	6.01%
31 December 2010	**US$(3,372.0)**	**5.93%**	**US$(7,751.6)**	**6.15%**	US$(6,199.0)	5.51%	US$(6,253.9)	6.00%
31 December 2011	**US$(3,412.0)**	**5.87%**	**US$(6,925.4)**	**6.02%**	US$(6,629.0)	5.50%	US$(5,430.3)	5.82%
31 December 2012	**US$(5,649.0)**	**5.70%**	**US$(5,987.7)**	**6.07%**	US$(5,749.0)	5.49%	US$(4,495.4)	5.85%
31 December 2013	**US$(4,835.0)**	**5.71%**	**US$(5,453.0)**	**6.14%**	US$(4,935.0)	5.47%	US$(3,963.8)	5.91%
31 December 2014	**US$(3,225.0)**	**5.41%**	**US$(4,238.6)**	**6.38%**	US$(3,825.0)	5.41%	US$(2,852.6)	6.22%
31 December 2015	**US$(1,900.0)**	**5.42%**	**US$(4,118.9)**	**6.42%**	US$(2,400.0)	5.43%	US$(2,736.4)	6.28%
31 December 2016	**US$(1,100.0)**	**5.32%**	**US$(2,989.0)**	**6.71%**	US$(1,400.0)	5.33%	US$(1,610.1)	6.71%
31 December 2017	**US$(1,000.0)**	**3.94%**	**US$(2,615.9)**	**6.83%**	–	–	US$(1,241.0)	6.96%
31 December 2018	**US$(1,000.0)**	**3.94%**	**US$(1,370.7)**	**6.70%**	–	–	–	–
31 December 2019	–	–	**US$(261.1)**	**6.75%**	–	–	–	–
US$ receivable								
31 December 2009	**US$1,150.0**	**1.22%**	–	–	–	–	–	–
31 December 2010	**US$850.0**	**1.56%**	–	–	–	–	–	–
31 December 2011	**US$1,150.0**	**2.76%**	–	–	–	–	–	–
31 December 2012	**US$200.0**	**3.33%**	–	–	–	–	–	–

NOTE 32 INTEREST RATE RISK MANAGEMENT (CONTINUED)

Summary of interest rate positions at balance date (continued)

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

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 $804.0 million (31 December 2008: loss of $173.7 million). At 31 December 2009, the aggregate fair value is a payable of $282.8 million (31 December 2008: $1,199.5 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%	**(46.3)**	(332.6)
	–0.5%	**(21.8)**	(163.5)
	0.5%	**20.0**	157.7
	1.0%	**39.7**	303.4

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 $1,783.0 million (31 December 2008: decrease of $1,417.4 million). The difference between the carrying value and fair value of fixed rate debt at 31 December 2009 is a payable of $373.2 million (31 December 2008: receivable of $1,409.8 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%	**(384.7)**	(374.1)
	–0.5%	**(193.1)**	(184.2)
	0.5%	**187.0**	178.7
	1.0%	**375.5**	352.1

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	
Interest rate caps contracted as at the reporting date and outstanding at	**31 Dec 09 Notional principal amount million**	**31 Dec 09 Strike rate**	31 Dec 08 Notional principal amount million	31 Dec 08 Strike rate
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 gain for the year ended 31 December 2009 was $0.2 million (31 December 2008: nil). At 31 December 2009, the aggregate fair value is a receivable of $0.2 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%	**(6.9)**	–
	–0.5%	**(3.7)**	–
	0.5%	**4.2**	–
	1.0%	**8.8**	–

NOTE 33 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 those exposures are as follows:

	Note	Consolidated 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$14,189.2**	US$13,554.0
US$ borrowings		**US$(7,847.3)**	US$(8,070.2)
US$ cross currency swaps	33(i)	**US$(2,412.8)**	US$(1,845.1)
US$ currency swaps	33(ii)	**US$1,100.0**	–
US$ denominated net assets		**US$5,029.1**	US$3,638.7

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	**545.6**	894.7	**153.0**	–
	–5 cents	**256.7**	412.4	**71.9**	–
	+5 cents	**(229.7)**	(356.6)	**(63.2)**	–
	+10 cents	**(436.5)**	(668.1)	**(119.8)**	–

(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 **31 Dec 09**	Weighted average exchange rate 31 Dec 08	**31 Dec 09 million**	Amount receivable/(payable) **31 Dec 09 million**	Amount receivable/(payable) 31 Dec 08 million	31 Dec 08 million
US$						
Contracts to receive A$ and pay US$						
31 December 2008	**–**	0.7479	**–**	**–**	A$1,818.4	US$(1,360.0)
31 December 2009	**0.7594**	0.7479	**A$2,581.1**	**US$(1,960.0)**	A$1,818.4	US$(1,360.0)
31 December 2010	**0.7667**	0.7461	**A$1,499.9**	**US$(1,150.0)**	A$737.2	US$(550.0)
31 December 2011	**0.7667**	0.7461	**A$1,499.9**	**US$(1,150.0)**	A$737.2	US$(550.0)
31 December 2012	**0.7667**	0.7461	**A$1,499.9**	**US$(1,150.0)**	A$737.2	US$(550.0)
31 December 2013	**0.7667**	0.7461	**A$1,499.9**	**US$(1,150.0)**	A$737.2	US$(550.0)
Contracts to receive €[1] 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)

[1] The receive € exposure is matched with a pay € exposure in the income statement.

NOTE 33 EXCHANGE RATE RISK MANAGEMENT (CONTINUED)

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

These cross currency swaps are effective net investment hedges and recorded directly in the foreign currency translation reserve. The gain for the year ended 31 December 2009 was $535.6 million (31 December 2008: loss of $476.9 million). At 31 December 2009, the aggregate fair value is a receivable of $498.0 million (31 December 2008: payable of $37.6 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	**(335.0)**	(453.7)
	–5 cents	**(157.0)**	(209.1)
	+5 cents	**141.1**	180.8
	+10 cents	**268.0**	338.8

(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** **31 Dec 09**	31 Dec 08	**Amount receivable/(payable)** **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	**0.7583**	–	**US$600.0**	**A$(791.2)**	–	–
Cross currency swaps contracted as at the reporting date and outstanding at						
US$						
Contracts to receive US$ and pay A$						
31 December 2009	**0.9068**	–	**US$500.0**	**A$(551.4)**	–	–
31 December 2010	**0.9068**	–	**US$500.0**	**A$(551.4)**	–	–
31 December 2011	**0.9068**	–	**US$500.0**	**A$(551.4)**	–	–

At 31 December 2009, none of the above described foreign currency 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 $91.4 million (31 December 2008: gain of $7.8 million). The aggregate fair value of other foreign currency derivatives at 31 December 2009 is a payable of $91.4 million (31 December 2008: nil).

		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	**153.0**	–
	–5 cents	**71.9**	–
	+5 cents	**(63.2)**	–
	+10 cents	**(119.8)**	–

NOTE 33 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 **31 Dec 09**	31 Dec 08	Amount receivable/(payable) **31 Dec 09 million**	**31 Dec 09 million**	31 Dec 08 million	31 Dec 08 million
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 forward 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 $106.3 million (31 December 2008: loss of $277.7 million). The aggregate fair value of foreign exchange contracts at 31 December 2009 is a receivable of $29.5 million (31 December 2008: payable of $76.8 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 **31 Dec 09 $million**	31 Dec 08 $million
	–10 cents	**(54.9)**	(176.0)
	–5 cents	**(25.8)**	(79.7)
	+5 cents	**23.7**	68.3
	+10 cents	**45.4**	128.1

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

The Group has entered into the following foreign currency derivative financial instruments to sell US$ and purchase A$ at floating interest rates on notional principals at fixed exchange rates.

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.

	Weighted average exchange rate **31 Dec 09**	31 Dec 08	Amount receivable/(payable) **31 Dec 09 million**	**31 Dec 09 million**	31 Dec 08 million	31 Dec 08 million
US$						
Contracts to receive A$ and pay US$						
31 December 2008	**–**	0.7162	**–**	**–**	A$4,872.8	US$(3,490.0)
31 December 2009	**0.7171**	0.7171	**A$4,030.3**	**US$(2,890.0)**	A$4,030.3	US$(2,890.0)
31 December 2010	**0.7171**	0.7171	**A$3,437.2**	**US$(2,465.0)**	A$3,437.2	US$(2,465.0)
31 December 2011	**0.7171**	0.7171	**A$2,949.4**	**US$(2,115.0)**	A$2,949.4	US$(2,115.0)
31 December 2012	**0.7158**	0.7158	**A$1,983.9**	**US$(1,420.0)**	A$1,983.9	US$(1,420.0)
31 December 2013	**0.7138**	0.7138	**A$1,064.7**	**US$(760.0)**	A$1,064.7	US$(760.0)

At 31 December 2009, none of the above described cross currency swaps 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 $91.0 million (31 December 2008: loss of $362.9 million). At 31 December 2009, the aggregate fair value is a receivable of $352.4 million (31 December 2008: $261.4 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 **31 Dec 09 $million**	31 Dec 08 $million
	–10 cents	**(22.9)**	(48.6)
	–5 cents	**(10.8)**	(22.4)
	+5 cents	**9.6**	19.4
	+10 cents	**18.3**	36.3

NOTE 34 CREDIT AND LIQUIDITY RISK MANAGEMENT

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. Credit limits have been established to ensure that the Group deals only with approved counterparties and that counterparty concentration risk is addressed and the risk of loss is mitigated. Counterparty exposure is measured as the aggregate of all obligations of any single legal entity or economic entity to the Group, after allowing for appropriate set offs which are legally enforceable. A maximum credit limit is allocated to each counterparty based on its credit rating. The counterparty credit risk associated with investment instruments is assessed based on its outstanding face value.

At 31 December 2009, the aggregate credit risk in respect of derivative financial instruments is $1,185.7 million (31 December 2008: $1,126.5 million). In accordance with Group policy, credit risk is spread among a number of creditworthy counterparties within specified limits. The Group had 59% of its aggregate credit risk spread over four 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.

The Group undertakes active liquidity and funding risk management to enable it to have sufficient funds available to meet its financial obligations as and when they fall due, working capital and expected committed capital expenditure requirements. The Group prepares and monitors rolling forecasts of liquidity requirements on the basis of expected cash flow.

Interest bearing liabilities, and funding facilities and their maturity profiles are set out in Note 17.

NOTE 35 FINANCIAL RISK – PARENT ENTITY

The Parent Entity's principal financial instruments comprise cash, receivables, payables, other investments and derivative financial instruments.

As a member of the Group, the Parent Entity is covered under the same policies and procedures outlined above. Refer to Note 31 for the management of the Group's key financial risks.

The Parent Entity is exposed to interest and foreign exchange risk on loans, investments in subsidiaries, interest and foreign currency derivative financial instruments. These risks are managed on a Group basis (refer to Notes 32 and 33).

(i) Related Party Loans payable and receivable

Where the Parent Entity undertakes a borrowing or investment in a foreign currency the exchange risk is mitigated by the Parent Entity 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.

(ii) Investments in Subsidiaries

Investments in subsidiaries are designated as available for sale financial assets and are recorded at fair value. The investment in subsidiaries is revalued at each balance date to reflect the Parent Entity's proportionate interest in the underlying net asset value of the controlled entities. This is considered to approximate fair value. The revaluation increments and decrements are recorded through asset revaluation reserve.

The Parent Entity is exposed to foreign exchange translation risk on its investments in subsidiaries which are denominated in foreign currencies, when assessing recoverable amount. The Parent Entity hedges these items in its own financial statements, and these activities are carried out on a Group basis.

NOTE 36 INTEREST BEARING LIABILITIES, INTEREST AND DERIVATIVE CASH FLOW MATURITY PROFILE

	Consolidated		Parent Entity	
	Cash Outflows/(Cash Inflows)			
	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 17) 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	**482.3**	1,367.3	**(10.8)**	72.2
Due between one and five years	**4,489.0**	7,396.8	**498.0**	237.1
Due after five years	**6,778.6**	7,361.5	**–**	–
	11,749.9	16,125.6	**487.2**	309.3

The guarantees have not been included in this table but are disclosed in Note 28.

NOTE 37 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.

	Fair value		Carrying amount	
	31 Dec 09 $million	31 Dec 08 $million	**31 Dec 09 $million**	31 Dec 08 $million
Consolidated assets				
Cash and cash equivalents	**53.8**	1.8	**53.8**	1.8
Trade debtors[1]	**21.0**	25.6	**21.0**	25.6
Receivables[1]	**431.9**	1,005.9	**431.9**	1,005.9
Other investments[2]	**462.3**	731.1	**462.3**	731.1
Derivative assets[2]	**1,185.7**	1,126.5	**1,185.7**	1,126.5
Consolidated liabilities				
Trade creditors[1]	**59.8**	44.2	**59.8**	44.2
Payables and other creditors[1]	**604.6**	729.8	**604.6**	729.8
Interest bearing liabilities[2]				
– Fixed rate debt	**9,352.0**	9,095.8	**8,978.8**	10,505.6
– Floating rate debt	**304.2**	2,009.4	**308.0**	2,014.6
Other financial liabilities[2]	**1,659.4**	1,827.9	**1,659.4**	1,827.9
Derivative liabilities[2]	**704.6**	2,187.7	**704.6**	2,187.7
Parent Entity assets				
Cash and cash equivalents	**1.5**	1.8	**1.5**	1.8
Receivables[1]	**252.0**	1,082.9	**252.0**	1,082.9
Other investments[2]	**5,134.7**	7,773.8	**5,134.7**	7,773.8
Derivative assets[2]	**961.3**	817.2	**961.3**	817.2
Parent Entity liabilities				
Payables[1]	**29.1**	50.1	**29.1**	50.1
Derivative liabilities[2]	**378.3**	1,107.9	**378.3**	1,107.9

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

(2) The 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				
– Unlisted investment	462.3	–	–	462.3
Derivative assets				
– Interest rate derivatives	620.6	–	620.6	–
– Currency derivatives	565.1	–	565.1	–
Consolidated liabilities measured at fair value				
Interest bearing liabilities				
– Fixed rate debt	9,352.0	–	9,352.0	–
– Floating rate debt	304.2	–	304.2	–
Other financial liabilities				
– Redeemable preference shares/units	1,659.4	–	1,204.0	455.4
Derivative liabilities				
– Interest rate derivatives	550.8	–	550.8	–
– Currency derivatives	153.8	–	153.8	–

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

NOTE 37 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

	Unlisted investments[1] 31 Dec 09 $million	Redeemable preference shares/units[2] 31 Dec 09 $million
Level 3 fair value movements		
Balance at the beginning of the year	731.1	**584.7**
Disposals	(115.4)	**–**
Net revaluation increment to income statement	–	**5.4**
Retranslation of foreign operations	(153.4)	**(134.7)**
Balance at the end of the year	462.3	**455.4**

(1) 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.

(2) 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% to 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

	31 Dec 09 $million	Level 1 $million	Level 2 $million	Level 3 $million
Parent Entity assets measured at fair value				
Other investments				
– Investment in subsidiaries[1]	5,134.7	–	–	5,134.7
Derivative assets				
– Interest rate derivatives	488.9	–	488.9	–
– Currency derivatives	472.4	–	472.4	–
Parent Entity liabilities measured at fair value				
Derivative liabilities				
– Interest rate derivatives	224.5	–	224.5	–
– Currency derivatives	153.8	–	153.8	–

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

(1) The fair value of investment in subsidiaries has been determined by the Parent Entity's proportionate interest in the underlying net asset value of the controlled entities, excluding deferred tax balances. Refer Note 14 for the fair value movements in investment in subsidiaries.

NOTE 38 AUDITOR'S REMUNERATION

	Consolidated 31 Dec 09 $000	31 Dec 08 $000
Amounts received or due and receivable by the auditors of the Parent Entity for:		
– Audit or review of the financial reports	**348**	341
	348	341
Amounts received or due and receivable by Affiliates of the auditors of the Parent Entity for:		
– Audit or review of the financial reports	**2,458**	2,342
– Taxation advice and compliance	**352**	307
– Technical accounting advice and services	**55**	–
	2,865	2,649
	3,213	2,990

NOTE 39 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.

The Group forms part of the Westfield Group and the related party disclosures for the Westfield Group have the same applicability to the Group. As such, where the related party disclosures below make reference to the Westfield Group, they also relate to the Group.

(a) Nature of relationship with related parties

(i) Consolidated

Key Management Personnel of the entity

Details of Key Management Personnel are disclosed in Note 40.

NOTE 39 RELATED PARTY DISCLOSURES (CONTINUED)

(a) Nature of relationship with related parties (continued)

(i) Consolidated (continued)

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 Westfield Group. This is due to LFG being under the control or significant influence of certain Directors of the Westfield Group, being Mr Frank Lowy, Mr David Lowy, Mr Steven Lowy and Mr Peter Lowy.

(ii) Parent Entity

Subsidiaries

Details of Parent Entity interests in subsidiaries are disclosed in Note 41.

Key Management Personnel of the entity

Details of Key Management Personnel are disclosed in Note 40.

Other Related Parties

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

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

(i) Consolidated

Transactions with Key Management Personnel of the entity

Remuneration of Key Management Personnel is disclosed in Note 40.

The Westfield Group owns two aircrafts 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 Westfield 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 Westfield Group and LFG have entered into arrangements regarding the Westfield 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 Westfield 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 Westfield 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 Westfield 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 Westfield Group charged LFG $741,530 (31 December 2008: $395,226) in relation to the provision of aircrew, maintenance, and hangar facility to LFG, which are payable on seven day terms. Also during the period, the Westfield 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 Westfield 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 Westfield Group paid amounts totalling $14,634 (31 December 2008: $18,134) for rental accommodation owned by LFG.

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

At year end the following amounts were recorded in the Westfield 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.

The Responsible Entity, a subsidiary of WHL, is considered to be a related party of the Group.

WAT, WT and WHL transacted on normal commercial terms as stapled entities with respect to the following:

a) Manager's service charges;

b) Reimbursement of expenses;

c) Construction contracts; and

d) Loans and financial derivatives.

The Responsible Entity management fee for the year ended 31 December 2009 was $2.7 million (31 December 2008: $1.9 million) of which no amount was payable at 31 December 2009 (31 December 2008: nil).

During the year WAT paid to a subsidiary of WHL $2.5 million in respect of corporate service fees and licence fees of which no amount was payable at 31 December 2009. During 2008 a subsidiary of WHL paid to WAT $1.1 million in respect of an adjustment to the 2007 corporate service fees and licence fees of which $6.9 million was receivable at 31 December 2008.

Cross currency swaps with WT

WAT and WT entered into cross currency swaps with terms, interest and principal amounts as follows:

a) WAT pays to WT, on a semi-annual basis, a commercial fixed rate on a principal of US$600.0 million in exchange for WT paying to WAT, on a semi-annual basis, a commercial fixed rate on a principal of A$804.2 million. This cross currency swap had a start date of November 2004 and continues until November 2010;

b) WAT pays to WT, on a semi-annual basis, a commercial fixed rate on a principal of US$550.0 million in exchange for WT paying to WAT, on a semi-annual basis, a commercial fixed rate on a principal of A$737.2 million. This cross currency swap had a start date of November 2004 and continues until November 2014;

c) WAT pays to WT, on a quarterly basis, floating rate on a principal of US$210.0 million in exchange for WT paying to WAT, on a quarterly basis, floating rate on a principal of A$277.0 million. This cross currency swap had a start date of January 2005 and continues until February 2010; and

d) WAT pays to WT, on a semi-annual basis, a commercial fixed rate on a principal of US$600.0 million in exchange for WT paying to WAT, on a semi-annual basis, a commercial fixed rate on a principal of A$762.7 million. This cross currency swap had a start date of June 2009 and continues until June 2014.

The interest income for the year in respect of cross currency swaps with WT was $49.3 million (31 December 2008: $48.1 million).

Foreign currency swap with WT

WAT and WT entered into a foreign currency swap on 27 May 2009. WAT pays A$791.2 million to WT in exchange for WT paying to WAT US$600.0 million. The foreign currency swap matures on 15 November 2010.

NOTE 39 RELATED PARTY DISCLOSURES (CONTINUED)

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

(i) Consolidated (continued)

Foreign currency contracts with WHL entities

WAT and a WHL entity entered into a foreign currency contract on 11 February 2009. WAT pays A$107.9 million to the WHL entity in exchange for the WHL entity paying US$69.7 million to WAT. The foreign currency contract matured on 11 February 2009 and the gain from the contract was $1.3 million.

WAT and a WHL entity entered into a foreign currency contract on 11 February 2009. WAT pays A$245.2 million to the WHL entity in exchange for the WHL entity paying US$158.4 million to WAT. The foreign currency contract matured on 11 February 2009 and the gain from the contract was $2.9 million.

WAT and a WHL entity entered into a foreign currency contract on 28 July 2009. WAT pays A$24.1 million to the WHL entity in exchange for the WHL entity paying US$20.0 million to WAT. The foreign currency contract matured on 28 July 2009 and the loss from the contract was $0.1 million.

Interest rate swaps with WT

WAT and WT entered into an A$ interest rate swap on 13 December 2004 for the value of $200.0 million. WAT paid, on a quarterly basis, a commercial floating rate to WT and received from WT, on a quarterly basis, a commercial fixed rate. The interest rate swap had a start date of July 2006 and was terminated in June 2009.

WAT and WT entered into an A$ interest rate swap on 13 July 2007 for the value of $500.0 million. WAT paid, on a quarterly basis, a commercial floating rate to WT and received from WT, on a quarterly basis, a commercial fixed rate. The interest rate swap had a start date of August 2016 and was terminated in June 2009.

WAT and WT entered into an A$ interest rate swap on 13 July 2007 for the value of $350.0 million. WAT paid, on a quarterly basis, a commercial floating rate to WT and received from WT, on a quarterly basis, a commercial fixed rate. The interest rate swap had a start date of November 2013 and was terminated in June 2009.

WAT and WT entered into an A$ interest rate swap on 26 November 2008 for the value of $200 million. WAT received, on a quarterly basis, a commercial floating rate from WT and paid to WT, on a quarterly basis, a commercial fixed rate. The interest rate swap had a start date of April 2009 and was terminated in June 2009.

The interest income for the year in respect of interest rate swaps with WT was $1.6 million (31 December 2008: expense of $2.5 million) and the gain from the termination of the interest rate swaps was $1.1 million (31 December 2008: nil).

Loans to WT

During the year, WAT advanced a loan to WT. The balance of the loan at year end is $112.4 million receivable (31 December 2008: $893.3 million) with accrued interest of $0.7 million receivable (31 December 2008: $4.2 million). Interest accrues on this loan on a quarterly basis based on a floating rate. The interest income for the year in respect of the loan to WT was $15.7 million (31 December 2008: $37.4 million).

During the year, a controlled entity of WAT advanced a loan to WT. The balance of the loan at year end is $200.0 million receivable (31 December 2008: nil) with accrued interest of $40,995 receivable (31 December 2008: nil). Interest accrues on this loan on a quarterly basis based on a floating rate. The interest income for the year in respect of the loan to WT was $40,995 (31 December 2008: nil).

Loans to WHL

During the year, WAT advanced a loan to WHL. The balance of the loan at year end is $39.3 million receivable (31 December 2008: nil) with accrued interest of $0.1 million receivable (31 December 2008: nil). Interest accrues on this loan on a quarterly basis based on a floating rate. The interest income for the year in respect of the loan to WHL was $0.6 million (31 December 2008: nil).

Minority interests in WEA to WHL

In February 2009 WEA issued common shares to WHL entities for $352.6 million of consideration. The discount on the issue of common shares resulted in a reallocation of $315.4 million of Westfield Group net assets to the WHL entities. The WHL entities' investment in WEA is being accounted for as minority interests. The WHL entities' share of the after tax loss for the year was $135.1 million

(ii) Parent Entity

Investments held in subsidiaries are disclosed in Note 41. During the year, the Parent Entity invested an additional US$771.9 million in its wholly owned subsidiary, WEA

Included in the operating result of the Parent Entity is dividend income of $233.4 million (31 December 2008: $340.4 million) received from subsidiaries.

Included in the operating result of the Parent Entity is management fee expenses of $2.7 million (31 December 2008: $1.9 million) paid to a subsidiary of WHL.

Included in the operating results of the Parent Entity is a net interest income of $68.3 million (31 December 2008: $92.0 million) relating to loans to WEA, WHL and WT, interest on cross currency swaps with WT and interest on interest rate swaps with WT.

NOTE 40 REMUNERATION, OPTION AND SHAREHOLDINGS OF KEY MANAGEMENT PERSONNEL

The Group forms part of the Westfield Group. The Responsible Entity does not have any employees. Key Management Personnel of the Group are paid by the Group and related entities within the Westfield Group.

As the Group forms part of the Westfield Group the discussion under this note relates to the Westfield Group and the Westfield Group's remuneration policies and practices.

1 Remuneration Committee

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 Westfield 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.

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.

NOTE 40 REMUNERATION, OPTION AND SHAREHOLDINGS OF KEY MANAGEMENT PERSONNEL (CONTINUED)

2 Remuneration of Non-Executive Directors

2.1 Policy

The Westfield 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 note 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 Westfield 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 Westfield Group held on 23 May 2008.

The fees paid to the Non-Executive Directors in the Financial Year are set out in section 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 Non-Executive Directors.

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.

NOTE 40 REMUNERATION, OPTION AND SHAREHOLDINGS OF KEY MANAGEMENT PERSONNEL (CONTINUED)

2 Remuneration of Non-Executive Directors (continued)

2.3 Other entitlements

Short term employee benefits
The fees paid to the Non-Executive Directors are disclosed in the table in section 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.

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 Westfield Group held on 6 May 2009.

3 Remuneration of the Senior Executive Team

3.1 Policy and environment

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

– properly motivate and reward executives having regard to the overall performance of the Westfield Group, the performance of the executive measured against pre-determined objectives and the external compensation environment;

– enable the Westfield 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 Westfield Group seeks to comply with applicable legal requirements and appropriate standards of governance.

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

In this note, reference to the Westfield Group's equity linked incentive plans are to the EDA Plan, the PIP Plan, the EPR Plan and the 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 Westfield Group's remuneration practices are regularly benchmarked against its competitors in all markets. This extends beyond salary and short term performance bonuses to the Westfield Group's equity linked incentive schemes which are an important part of the package used by the Westfield 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 Westfield 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 Westfield 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 Westfield Group was able to achieve Operational segment earnings within the forecast range. In doing so, the Westfield Group demonstrated the benefit of creating and maintaining a portfolio of high quality assets which produce predictable earnings.

The high regard in which the Westfield Group's management is held is a product of the perceived capabilities of the Westfield Group in a variety of areas including the Westfield 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 Westfield Group and is frequently acknowledged by the Westfield Group's members as well as market analysts and commentators around the world.

The specific achievements of the Westfield Group in the Financial Year are discussed in more detail in the Chairman's Review and the Westfield Group Managing Directors' Review at pages 4 to 14 of the Westfield Group Annual Report. As noted in those reviews, the Westfield 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 Westfield Group's business and the philosophy of intensive management of the Westfield 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 Westfield Group's business in various locations around the world. In recent years, the continued expansion of the Westfield Group's business has placed additional pressure on the Westfield 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 Westfield Group operates. This process continued during the Financial Year.

[1] As the terms of the PIP Plan and 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.

NOTE 40 REMUNERATION, OPTION AND SHAREHOLDINGS OF KEY MANAGEMENT PERSONNEL (CONTINUED)

3 Remuneration of the Senior Executive Team (continued)

3.1 Policy and environment (continued)

Retention

The Committee regards the ability of the Westfield Group to achieve continuity within the executive team as a significant continuing objective. Given the size, geographic spread and complexity of the Westfield 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 Westfield 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 Westfield 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 3.2. However, in the second half of the Financial Year, in certain of the markets where the Westfield 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 Westfield 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 Westfield 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 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 Westfield 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 Westfield Group's equity linked incentive plans.

Broadly, as executives gain seniority in the Westfield 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 Westfield Group over the life of the award.

As explained in detail in section 4.2, the Westfield 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 Westfield Group and its members.

As regards the Westfield 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 Westfield Group participate, alignment is created through the performance hurdles which are established for each Qualifying Year (see section 3.3). These hurdles focus on the fundamentals of the Westfield 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 Westfield 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 4.3). By requiring executives to serve lengthy periods with the Westfield Group in order to achieve vesting, the Westfield 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 Westfield Group's equity linked plans mirrors, in all respects, the performance of the Westfield 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 Key Management Personnel as set out in sections 7.3 and 7.4.

3.2 Specific remuneration policies for 2009/2010

Before outlining the Westfield 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 Westfield 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 Westfield Group's earnings were expected to be negatively impacted by currency movements. This was reflected in the Westfield 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.

NOTE 40 REMUNERATION, OPTION AND SHAREHOLDINGS OF KEY MANAGEMENT PERSONNEL (CONTINUED)

3 Remuneration of the Senior Executive Team (continued)

3.2 Specific remuneration policies for 2009/2010 (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 Westfield Group 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 Westfield 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 Westfield 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 Westfield 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 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 Westfield 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.

3.3 Review of equity linked incentive plans for 2009

In 2004, the Westfield Group introduced two new equity linked incentive plans: the EDA Plan and the PIP Plan. Following changes to Australian tax laws in 2007, the Westfield Group introduced two new performance rights plans which function in the same manner as the EDA and 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 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 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 Westfield Group over the subsequent vesting period of four years.

2009 Qualifying Year

In respect of the hurdle(s) to apply to the PIP and 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 Westfield Group 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 Westfield Group did not expect to commence any large projects in 2009. Rather, the Westfield 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 Westfield Group's targets for Operational segment earnings per security. As in previous years, the Board set a graduated scale of vesting having regard to performance against targets for Operational segment earnings per security. That scale was referable to the Westfield 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 Westfield 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 Westfield 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 Westfield 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.

NOTE 40 REMUNERATION, OPTION AND SHAREHOLDINGS OF KEY MANAGEMENT PERSONNEL (CONTINUED)

3 Remuneration of the Senior Executive Team (continued)

3.3 Review of equity linked incentive plans for 2009 (continued)

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 segment earnings which contemplated participants earning between 0% and 100% of the targeted number of awards, depending on the level of Operational segment 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 segment 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 segment earnings. For the reasons discussed above in relation to the 2009 Qualifying Year, the Board considers that achieving stable Operational segment earnings which are in line with the Westfield 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 Westfield 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 segment 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 segment 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 segment 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 Westfield Group's position on this issue has been elaborated in previous Remuneration Reports.

The philosophy of the Westfield Group has been, and remains, that the Westfield 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 Westfield 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.

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 Westfield 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 Westfield 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 Westfield 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 Westfield Group Managing Directors. Those reports are commissioned and reviewed by the Chair of the Remuneration Committee.

4 Components of Westfield Executive Remuneration

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 Westfield 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.

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 Westfield 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 Westfield Group Managing Directors and the Westfield 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 Westfield Group. The Remuneration Committee will also consider any special contribution made by the executive in any major acquisition or capital transaction during the year.

NOTE 40 REMUNERATION, OPTION AND SHAREHOLDINGS OF KEY MANAGEMENT PERSONNEL (CONTINUED)

4 Components of Westfield Executive Remuneration (continued)

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 Westfield Group. In 2008, the Westfield 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 Westfield 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 7.1 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 Westfield 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 Westfield Group Managing Directors receive these retention awards (although the Westfield 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 Westfield 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 Westfield 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 Westfield 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 Westfield 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 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 Westfield 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 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 Westfield Group for a period of five years in order to get the full benefit of each award.

NOTE 40 REMUNERATION, OPTION AND SHAREHOLDINGS OF KEY MANAGEMENT PERSONNEL (CONTINUED)

4 Components of Westfield Executive Remuneration (continued)

4.3 Equity linked incentive plans (continued)

The EPR Plan and PIR Plan

In 2004, the Westfield 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 Westfield Group to issue options over Westfield Group securities. Rather, the Westfield 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 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 Westfield 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 the Westfield Group 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.

4.4 Hedging policy

In addition to the restrictions placed on entering into hedging arrangements by operation of the Westfield 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 Westfield 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.

5 Performance of the Westfield Group

The Group is part of the Westfield Group. Full details of the Westfield Group's various financial and operating achievements are contained in the Chairman's review and the Westfield Group Managing Directors' Review at pages 4 to 14 of the Westfield Group Annual Report.

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 Westfield 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 Westfield 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.

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 7.1) during the Financial Year.

Mr Lowy's remuneration for the Financial Year is as follows:

(a) a base salary of $8 million;

(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 Westfield 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 Westfield Group's equity linked incentive plans.

Mr Lowy's service agreement does not contain provision for any payment on termination by the Westfield 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 3.3). As a consequence, Mr Lowy's performance bonus was paid at 85% of target.

NOTE 40 REMUNERATION, OPTION AND SHAREHOLDINGS OF KEY MANAGEMENT PERSONNEL (CONTINUED)

6 Remuneration of the Executive Directors (continued)

6.1 Executive Chairman (continued)

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 Westfield 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 Westfield 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 Westfield 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
Short term employee benefits			
– Base salary(1) Fixed	8,000,000	8,000,000	
– Cash bonus (accrued)(2) At risk	5,950,000	7,000,000	
– Other short term employee benefits(3) Fixed	11,693	24,657	
– Non monetary benefits(4) Fixed	902,584	1,054,041	
Post employment employee benefits			
– Pension and superannuation benefits Fixed	–	–	
– Retirement benefits(5)	67,679	126,062	
Other long term benefits	–	–	
Termination benefits	–	–	
Share based payments(6)	–	–	
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 Westfield Group's aircraft which is classified as private usage ($899,674). The entitlement to private usage of the Westfield 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 Westfield Group's equity linked incentive plans. He was not paid or entitled to any share based compensation in the Financial Year.

NOTE 40 REMUNERATION, OPTION AND SHAREHOLDINGS OF KEY MANAGEMENT PERSONNEL (CONTINUED)

6 Remuneration of the Executive Directors (continued)

6.2 Westfield Group Managing Directors

The employment arrangements of the Westfield Group Managing Directors are detailed as follows.

Mr Peter Lowy

- Has been with the Westfield 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 3.3 and 4.3).
- During the Financial Year, Mr Lowy entered into a Service Agreement with the Westfield Group (see section 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**
Short term employee benefits			
– Base salary Fixed	2,500,000	2,500,000	
– Cash bonus (accrued)[(2)] At risk	2,850,000	3,360,000	
Total base salary and cash bonus	5,350,000	5,860,000	**–8.7%**
– Other short term employee benefits[(3)] Fixed	–	89,346	
– Non monetary benefits Fixed	–	–	
Total short term employee benefits	5,350,000	5,949,346	
Post employment employee benefits			
– Pension and superannuation benefits	–	–	
Share based payments[(4)]			
– Cash settled EDA/PIP Plan (at risk)[(5)]	1,507,787	1,100,308	
Other long term benefits	–	–	
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 6.3 and 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 21 to the Financial Statements (at page 22) 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.

NOTE 40 REMUNERATION, OPTION AND SHAREHOLDINGS OF KEY MANAGEMENT PERSONNEL (CONTINUED)

6 Remuneration of the Executive Directors (continued)

6.2 Westfield Group Managing Directors (continued)

Mr Steven Lowy

- Has been with the Westfield 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 3.3 and 4.3).
- During the Financial Year, Mr Lowy entered into a Service Agreement with the Westfield Group (see section 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
Short term employee benefits			
– Base salary[2] Fixed	2,500,000	2,500,000	
– Cash bonus (accrued)[3] At risk	3,400,000	4,000,000	
Total base salary and cash bonus	5,900,000	6,500,000	–9.2%
– Other short term employee benefits[4] Fixed	(141,025)	89,743	
– Non monetary benefits Fixed	–	–	
Total short term employee benefits	5,758,975	6,589,743	
Post employment employee benefits			
– Pension and superannuation benefits	–	–	
Share based payments[5]			
– Cash settled EDA/PIP Plan (at risk)[6]	1,888,038	1,279,726	
Other long term benefits	–	–	
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 6.3 and 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 21 to the Financial Statements (at page 22) 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.

NOTE 40 REMUNERATION, OPTION AND SHAREHOLDINGS OF KEY MANAGEMENT PERSONNEL (CONTINUED)

6 Remuneration of the Executive Directors (continued)

6.3 Westfield Group Managing Directors: participation in the EDA Plan[1]

The following chart details awards under the EDA Plan held by the Westfield Group Managing Directors. There has been no alteration to the terms of the grants to either of the Westfield 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	1 January 2007	43,928	1 January 2010[5]	9,652	53,580	984,562	N/A	N/A
Westfield Group Managing Director	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	1 January 2007	43,928	1 January 2010[5]	9,652	53,580	984,562	N/A	N/A
Westfield Group Managing Director	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 Westfield 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 $646,175 for each Westfield Group Managing Director.

6.4 Westfield Group Managing Directors: participation in the PIP Plan[1]

The following chart details awards under the PIP Plan held by the Westfield 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	1 January 2006	55,732[5]	55,732: 01/01/10[6]	16,479	72,211	1,117,684	N/A	Satisfied
Westfield Group Managing Director	1 January 2007	100,925	50,463: 01/01/10[7] 50,462: 01/01/11	11,088 11,088	61,551 61,550	1,107,759 1,200,073	N/A 741,678	Satisfied 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
	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
Steven Lowy	1 January 2006	55,732[5]	55,732: 01/01/10[6]	16,479	72,211	1,117,684	N/A	Satisfied
Westfield Group Managing Director	1 January 2007	100,925	50,463: 01/01/10[7] 50,462: 01/01/11	11,088 11,088	61,551 61,550	1,107,759 1,200,073	N/A 741,678	Satisfied 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
	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 Westfield 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 Westfield Group Managing Director.

(7) These tranche 1 awards vested (and were paid) in January 2010. The payout amount was A$742,305 for each Westfield 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).

NOTE 40 REMUNERATION, OPTION AND SHAREHOLDINGS OF KEY MANAGEMENT PERSONNEL (CONTINUED)

7 Executive Remuneration and Termination Arrangements

7.1 Service agreements and termination arrangements

This note incorporates details of the other Key Management Personnel as defined under AASB 124. In addition to the Directors in section 2 above and the Executive Directors in section 6 above, the following Key Management Personnel are responsible for the strategic direction and management of the Group:

– Mr John Widdup (Chief Operating Officer, United States).

During the Financial Year, the Group entered into Service Agreements with each of the Key Management Personnel. 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 Westfield 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 Westfield 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 Westfield 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 Westfield 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 Westfield 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 Westfield 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.

NOTE 40 REMUNERATION, OPTION AND SHAREHOLDINGS OF KEY MANAGEMENT PERSONNEL (CONTINUED)

7 Executive Remuneration and Termination Arrangements (continued)

7.1 Service agreements and termination arrangements (continued)

The table below outlines the terms of the Service Agreements with Key Management Personnel.

Name and Title	Employing Company	Commencement Date	Term	Termination Provisions/Benefits
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: – 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 7.1

7.2 Remuneration: Key Management Personnel

The remuneration of the Key Management Personnel is summarised in the tables below.

Mr John Widdup: Fixed and at risk remuneration for the Financial Year

Component of remuneration[(1)]	US$ 2009	US$ 2008	% change from 2008
Short term employee benefits			
– Base salary Fixed	800,000	800,000	
– Cash bonus (accrued)[(2)] At risk	700,000	800,000	
Total base salary and cash bonus	1,500,000	1,600,000	**-6.3%**
– Other short term employee benefits[(3)] Fixed	25,897	71,701	
– Non monetary benefits[(4)] Fixed	625,390	609,912	
Total short term employee benefits	2,151,287	2,281,613	
Post employment employee benefits			
– Pension and superannuation benefits	–	–	
Share based payments[(5)]			
– Cash settled EDA/PIP Plan (at risk)	526,877	432,205	
– Equity settled EPR/PIR Plan (at risk)	553,743	596,178	
Other Long Term Benefits	–	–	
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 7.3 to 7.6.

NOTE 40 REMUNERATION, OPTION AND SHAREHOLDINGS OF KEY MANAGEMENT PERSONNEL (CONTINUED)

7 Executive Remuneration and Termination Arrangements (continued)

7.3 Key Management Personnel: participation in the EDA Plan[1]

The following chart details awards under the EDA Plan held by Key Management Personnel. There has been no alteration to the terms of the grants to any of the Key Management Personnel 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
John Widdup[5]	1 January 2007	14,729	1 January 2010[6]	3,238	17,967	330,155	N/A	N/A
Chief Operating	1 January 2007	31,008	1 May 2010	6,814	37,822	677,036	455,755	N/A
Officer,	1 January 2008	18,851	15 December 2010	3,044	21,895	346,039	263,835	N/A
United States	1 January 2009	46,276	15 December 2011	4,332	50,608	531,141	609,826	N/A

(1) In the United States the issuer of awards under the EDA Plan is Westfield, LLC.

(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 Westfield 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) Certain United States 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 7.5. Mr Widdup elected to participate in the EDA Plan with respect to awards granted to him in the Financial Year.

(6) These awards vested and have been paid. The payout amount was A$216,682.

7.4 Key Management Personnel: participation in the PIP Plan[1]

The following chart details awards under the PIP Plan held by Key Management Personnel. 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 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] $	Market value at 3 Mar 10[4] $	Performance Hurdles
John Widdup[5] 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[6]	19,842: 14/12/12 20,740: 16/12/13	N/A	40,582	403,963	489,013	85% Satisfied

(1) In the United States the issuer of awards under the PIP Plan is Westfield, LLC.

(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 Westfield 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) United States 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.

(6) 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 1 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).

NOTE 40 REMUNERATION, OPTION AND SHAREHOLDINGS OF KEY MANAGEMENT PERSONNEL (CONTINUED)

7 Executive Remuneration and Termination Arrangements (continued)

7.5 Key Management Personnel: 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
John Widdup[4]							
Chief Operating Officer,	1 January 2008	219,950	15 December 2011	219,950	2,773,570	2,650,398	N/A
United States	1 January 2009	N/A	N/A	N/A	N/A	N/A	N/A

(1) In the United States the issuer of rights under the EPR Plan is Westfield, LLC.

(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 Westfield 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) From 1 January 2008, certain United States 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 7.3.

7.6 Key Management Personnel: participation in the PIR Plan

There were no outstanding awards issued under the PIR Plan to Key Management Personnel at 31 December 2009.

NOTE 41 DETAILS OF CONTROLLED ENTITIES AND EQUITY ACCOUNTED ENTITIES

Name of entity	31 Dec 09 – Interest Beneficial* Parent Entity %	31 Dec 09 – Interest Consolidated or Equity accounted %	31 Dec 08 – Interest Beneficial* Parent Entity %	31 Dec 08 – Interest Consolidated or Equity accounted %
ENTITIES INCORPORATED IN AUSTRALIA				
Parent Entity				
Westfield America Trust				
Consolidated Controlled Entities				
WFA Finance (Aust) Pty Limited	**100.0**	**100.0**	100.0	100.0
ENTITIES INCORPORATED IN UNITED STATES				
Consolidated Controlled Entities				
1801 Avenue of the Stars, LP	**100.0**	**100.0**	100.0	100.0
21919 Erwin Street, LLC	**100.0**	**100.0**	100.0	100.0
21945 Erwin Street, LLC	**100.0**	**100.0**	100.0	100.0
Agoura Hills Acquisition, LLC(1)	–	–	100.0	100.0
Anita Associates	**100.0**	**100.0**	100.0	100.0
Annapolis Holdings, LLC	**100.0**	**100.0**	100.0	100.0
Annapolis Land, LLC	**100.0**	**100.0**	100.0	100.0
Annapolis Land II, LLC	**100.0**	**100.0**	100.0	100.0
Annapolis Mall, LLC	**100.0**	**100.0**	100.0	100.0
Annapolis Mall, LP	**100.0**	**100.0**	100.0	100.0
Annapolis Manager, LLC	**100.0**	**100.0**	100.0	100.0
Annapolis Parcel, LLC	**100.0**	**100.0**	100.0	100.0
Annapolis Shoppingtown, LLC	**100.0**	**100.0**	100.0	100.0
Arch Real Estate, LLC(1)	–	–	100.0	100.0
Avenue of the Stars, LLC	**100.0**	**100.0**	100.0	100.0
Bellweather Properties of Florida, Ltd	**100.0**	**100.0**	100.0	100.0
Brandon Land Partners, Ltd	**100.0**	**100.0**	100.0	100.0
Brandon Shopping Center Partners, Ltd	**100.0**	**100.0**	100.0	100.0
Broward Mall, LLC	**100.0**	**100.0**	100.0	100.0
Broward Mall II, LLC(1)	–	–	100.0	100.0
Broward Mall MM, LLC	**100.0**	**100.0**	100.0	100.0
Bunworth Enterprises, LLC	**100.0**	**100.0**	100.0	100.0
Bunworth Holdings, LLC	**100.0**	**100.0**	100.0	100.0
Capital Mall Company	**100.0**	**100.0**	100.0	100.0
Capital Mall GP, LLC	**100.0**	**100.0**	100.0	100.0
Capital Mall Holdings, LLC	**100.0**	**100.0**	100.0	100.0
Capital Mall I, LLC	**100.0**	**100.0**	100.0	100.0
Capital Mall Land, LLC	**100.0**	**100.0**	100.0	100.0
Capital Shopping Center, LLC	**100.0**	**100.0**	100.0	100.0
CC Building GP, LLC	**100.0**	**100.0**	100.0	100.0
CC Building, LP	**100.0**	**100.0**	100.0	100.0
Century City Mall, LLC	**100.0**	**100.0**	100.0	100.0
Citrus Park Venture, LP	**100.0**	**100.0**	100.0	100.0
CMF Culver City, LLC (formerly CMF Fox Hills, LLC)	**100.0**	**100.0**	100.0	100.0
CMF MP North, LLC	**100.0**	**100.0**	100.0	100.0
CMF MP South, LLC	**100.0**	**100.0**	100.0	100.0
CMF NCF North, LLC	**100.0**	**100.0**	100.0	100.0
CMF NCF South, LLC	**100.0**	**100.0**	100.0	100.0
CMF PCR, LLC	**100.0**	**100.0**	100.0	100.0
CMF PWC, LLC	**100.0**	**100.0**	100.0	100.0
CMF Richland, LLC	**100.0**	**100.0**	100.0	100.0
CMF Santa Anita, LLC	**100.0**	**100.0**	100.0	100.0
CMF UTC North, LLC	**100.0**	**100.0**	100.0	100.0
CMF UTC South, LLC	**100.0**	**100.0**	100.0	100.0
CMF Wheaton Borrower, LLC(1)	–	–	100.0	100.0
CMF, Inc	**100.0**	**100.0**	100.0	100.0
Connecticut Post Mall, LLC	**100.0**	**100.0**	100.0	100.0

NOTE 41 DETAILS OF CONTROLLED ENTITIES AND EQUITY ACCOUNTED ENTITIES (CONTINUED)

Name of entity	**31 Dec 09 – Interest** Beneficial* Parent Entity %	**31 Dec 09 – Interest** Consolidated or Equity accounted %	31 Dec 08 – Interest Beneficial* Parent Entity %	31 Dec 08 – Interest Consolidated or Equity accounted %
ENTITIES INCORPORATED IN UNITED STATES (CONTINUED)				
Consolidated Controlled Entities (continued)				
Plaza Bonita II, LP	**100.0**	**100.0**	100.0	100.0
Plaza Bonita IV, LLC	**100.0**	**100.0**	100.0	100.0
Plaza Bonita, LP	**100.0**	**100.0**	100.0	100.0
Plaza Bonita GP, LLC	**100.0**	**100.0**	100.0	100.0
Crestwood Holdings, LLC(1)	–	–	100.0	100.0
Crestwood Plaza MM, LLC(1)	–	–	100.0	100.0
Culver City GP, LLC (formerly Fox Hills GP, LLC)	**100.0**	**100.0**	100.0	100.0
Culver City Mall, LP (formerly Fox Hills Mall, LP)	**100.0**	**100.0**	100.0	100.0
Downtown Plaza, LLC	**100.0**	**100.0**	100.0	100.0
Eastland Holdings, LLC(1)	–	–	100.0	100.0
Eastland Manager, LLC	**100.0**	**100.0**	100.0	100.0
Eastland Shopping Center, LLC	**100.0**	**100.0**	100.0	100.0
EWH Escondido Associates, LP	**100.0**	**100.0**	100.0	100.0
Fashion Square, LLC	**100.0**	**100.0**	100.0	100.0
FH Financing, LLC(1)	–	–	100.0	100.0
Fox Valley Mall, LLC	**100.0**	**100.0**	100.0	100.0
Franklin Park Parcel, LLC	**100.0**	**100.0**	100.0	100.0
Franklin Residential Parcel, LLC	**100.0**	**100.0**	100.0	100.0
Great Northern Partnership	**100.0**	**100.0**	100.0	100.0
Growth Head GP, LLC	**100.0**	**100.0**	100.0	100.0
GSP Investor, LLC	**100.0**	**100.0**	–	–
Hahn UPI	**100.0**	**100.0**	100.0	100.0
Hawthorn, LP	**100.0**	**100.0**	100.0	100.0
Hawthorn Furniture, LLC	**100.0**	**100.0**	100.0	100.0
Hawthorn Theatre, LLC	**100.0**	**100.0**	100.0	100.0
Head Acquisition, LP	**100.0**	**100.0**	100.0	100.0
Horton Land, LLC	**100.0**	**100.0**	100.0	100.0
Horton Plaza, LP	**100.0**	**100.0**	100.0	100.0
Horton Plaza GP, LLC	**100.0**	**100.0**	100.0	100.0
Horton Plaza Venture, LLC	**100.0**	**100.0**	100.0	100.0
Louis Joliet Holdings, LLC	**100.0**	**100.0**	100.0	100.0
Louis Joliet Shoppingtown, LP	**100.0**	**100.0**	100.0	100.0
MainPlace Shoppingtown, LLC	**100.0**	**100.0**	100.0	100.0
Meriden Square #2, LLC	**100.0**	**100.0**	100.0	100.0
Meriden Square #3, LLC	**100.0**	**100.0**	100.0	100.0
Meriden Square Partnership	**100.0**	**100.0**	100.0	100.0
Metreon, LLC	**100.0**	**100.0**	100.0	100.0
Mid Rivers Holdings, LLC(1)	–	–	100.0	100.0
Mid Rivers Land Holdings, LLC(1)	–	–	100.0	100.0
Mid Rivers Land MM, LLC(1)	–	–	100.0	100.0
Mission Valley Center, LLC	**100.0**	**100.0**	100.0	100.0
Mission Valley Partnership	**100.0**	**100.0**	100.0	100.0
Mission Valley Service, LLC(1)	–	–	100.0	100.0
Mission Valley Shoppingtown, LLC	**100.0**	**100.0**	100.0	100.0
Missouri Residential I, LLC	**100.0**	**100.0**	100.0	100.0
North County Fair, LP	**100.0**	**100.0**	100.0	100.0
Oakridge Mall, LP	**100.0**	**100.0**	100.0	100.0
Oakridge Mall GP, LLC	**100.0**	**100.0**	100.0	100.0
Old Orchard License Holdings, LLC	**100.0**	**100.0**	100.0	100.0
Old Orchard Urban, LP	**100.0**	**100.0**	100.0	100.0
Parkway Plaza, LP	**100.0**	**100.0**	100.0	100.0
Parkway Plaza GP, LLC	**100.0**	**100.0**	100.0	100.0
PCRGP, LP	**100.0**	**100.0**	100.0	100.0

NOTE 41 DETAILS OF CONTROLLED ENTITIES AND EQUITY ACCOUNTED ENTITIES (CONTINUED)

	31 Dec 09 – Interest		31 Dec 08 – Interest	
Name of entity	Beneficial* Parent Entity %	Consolidated or Equity accounted %	Beneficial* Parent Entity %	Consolidated or Equity accounted %
ENTITIES INCORPORATED IN UNITED STATES (CONTINUED)				
Consolidated Controlled Entities (continued)				
Plaza Bonita Parking GP, LLC	**100.0**	**100.0**	100.0	100.0
Plaza Camino Real, LLC	**100.0**	**100.0**	100.0	100.0
Plaza Camino Real, LP	**100.0**	**100.0**	100.0	100.0
Plaza Camino Service, LLC(1)	**–**	**–**	100.0	100.0
Plaza West Covina, LP	**100.0**	**100.0**	100.0	100.0
Plaza West Covina GP, LLC	**100.0**	**100.0**	100.0	100.0
Promenade, LP	**100.0**	**100.0**	100.0	100.0
Residential Real Estate I, LLC	**100.0**	**100.0**	100.0	100.0
Residential Rental and Investments, Inc	**100.0**	**100.0**	100.0	100.0
Roseville Parcel, LLC	**100.0**	**100.0**	100.0	100.0
Roseville Shoppingtown, LLC	**100.0**	**100.0**	100.0	100.0
S.F. Centre, LLC	**100.0**	**100.0**	100.0	100.0
S.F. Centre Limited Partnership	**100.0**	**100.0**	100.0	100.0
S.F. Shopping Centre Associates, LP	**100.0**	**100.0**	100.0	100.0
Santa Ana Venture	**100.0**	**100.0**	100.0	100.0
Santa Anita Fashion Park, LP	**100.0**	**100.0**	100.0	100.0
Santa Anita GP, LLC	**100.0**	**100.0**	100.0	100.0
Santa Anita Service, LLC(1)	**–**	**–**	100.0	100.0
Santa Anita Shoppingtown, LP	**100.0**	**100.0**	100.0	100.0
Sarasota Property, LLC(1)	**–**	**–**	100.0	100.0
Sarasota Shoppingtown, LLC	**100.0**	**100.0**	100.0	100.0
Sargent Drive Holding, LLC(1)	**–**	**–**	100.0	100.0
Solano Mall, LP	**100.0**	**100.0**	100.0	100.0
South County Center, LLC	**100.0**	**100.0**	100.0	100.0
South County Holdings, LLC	**100.0**	**100.0**	100.0	100.0
South County Post Office, LLC	**100.0**	**100.0**	100.0	100.0
South Shore Mall, LLC	**100.0**	**100.0**	100.0	100.0
South Shore Mall Holdings, LLC	**100.0**	**100.0**	100.0	100.0
South Shore Manager, LLC	**100.0**	**100.0**	100.0	100.0
Southgate Plaza, LLC	**100.0**	**100.0**	100.0	100.0
Southlake Indiana, LLC	**100.0**	**100.0**	100.0	100.0
Southpark Mall, LLC	**100.0**	**100.0**	100.0	100.0
SSM Land, LLC	**100.0**	**100.0**	100.0	100.0
St. Louis Assets, LLC	**100.0**	**100.0**	100.0	100.0
Sunrise Mall, LLC	**100.0**	**100.0**	100.0	100.0
The Connecticut Post, LP	**100.0**	**100.0**	100.0	100.0
Topanga Plaza, LP(1)	**100.0**	**100.0**	100.0	100.0
Topanga Plaza Owner, LLC	**100.0**	**100.0**	100.0	100.0
Trumbull Shopping Center # 1, LLC	**100.0**	**100.0**	100.0	100.0
Trumbull Shopping Center # 2, LLC	**100.0**	**100.0**	100.0	100.0
UC Century Genpar, LLC	**100.0**	**100.0**	100.0	100.0
UPI Associates	**100.0**	**100.0**	100.0	100.0
Urban Roseville, LLC	**100.0**	**100.0**	100.0	100.0
Urban Shopping Centers, LP	**100.0**	**100.0**	100.0	100.0
Vancouver Holdings, LLC	**100.0**	**100.0**	100.0	100.0
Vancouver Mall, LLC	**100.0**	**100.0**	100.0	100.0
Vancouver Mall II, LP	**100.0**	**100.0**	100.0	100.0
Vancouver Mall II, LLC	**100.0**	**100.0**	100.0	100.0
Vancouver Mall III, LLC	**100.0**	**100.0**	100.0	100.0
WALP Service, LLC	**100.0**	**100.0**	100.0	100.0
WAP HC, Inc	**100.0**	**100.0**	100.0	100.0
WCI Finance, LLC	**100.0**	**100.0**	100.0	100.0

NOTE 41 DETAILS OF CONTROLLED ENTITIES AND EQUITY ACCOUNTED ENTITIES (CONTINUED)

Name of entity	31 Dec 09 – Interest Beneficial* Parent Entity %	31 Dec 09 – Interest Consolidated or Equity accounted %	31 Dec 08 – Interest Beneficial* Parent Entity %	31 Dec 08 – Interest Consolidated or Equity accounted %
ENTITIES INCORPORATED IN UNITED STATES (CONTINUED)				
Consolidated Controlled Entities (continued)				
WCM (BOS), LLC	**100.0**	**100.0**	100.0	100.0
WCMI (Texas), LLC	**100.0**	**100.0**	100.0	100.0
WDI Operations LLC (formerly Westfield BTW Sponsor, LLC)	**100.0**	**100.0**	100.0	100.0
WEA Belden, LLC	**100.0**	**100.0**	100.0	100.0
WEA Brandon I GP, LLC	**100.0**	**100.0**	100.0	100.0
WEA Brandon II GP, LLC	**100.0**	**100.0**	100.0	100.0
WEA Chesterfield, LLC(1)	**–**	**–**	100.0	100.0
WEA Chicago Ridge, LLC	**100.0**	**100.0**	100.0	100.0
WEA Citrus GP, LLC	**100.0**	**100.0**	100.0	100.0
WEA Countryside GP, LLC	**100.0**	**100.0**	100.0	100.0
WEA Crestwood Plaza, LLC(1)	**–**	**–**	100.0	100.0
WEA CT Houses, LLC	**100.0**	**100.0**	100.0	100.0
WEA Eastridge, LP	**100.0**	**100.0**	100.0	100.0
WEA Eastridge GP, LLC	**100.0**	**100.0**	100.0	100.0
WEA Finance, LLC	**100.0**	**100.0**	100.0	100.0
WEA Fox Valley GP, LLC	**100.0**	**100.0**	100.0	100.0
WEA Garden State Plaza GP, LLC(1)	**–**	**–**	100.0	100.0
WEA Gateway, LLC	**100.0**	**100.0**	100.0	100.0
WEA Great Northern GP, LLC	**100.0**	**100.0**	100.0	100.0
WEA Great Northern GP II, LLC	**100.0**	**100.0**	100.0	100.0
WEA Great Northern Mall, LLC	**100.0**	**100.0**	100.0	100.0
WEA GSP, Inc(1)	**–**	**–**	100.0	100.0
WEA Hawthorn Shopping Center GP, LLC	**100.0**	**100.0**	100.0	100.0
WEA Hawthorn Theatre MM, LLC	**100.0**	**100.0**	100.0	100.0
WEA Meriden Square, LLC	**100.0**	**100.0**	100.0	100.0
WEA Meriden Square No.2, LLC	**100.0**	**100.0**	100.0	100.0
WEA North Bridge, LLC	**100.0**	**100.0**	100.0	100.0
WEA Northwest Indiana Holdings, LLC 1	**100.0**	**100.0**	100.0	100.0
WEA NY, Inc.	**100.0**	**100.0**	100.0	100.0
WEA NY Houses, LLC	**100.0**	**100.0**	100.0	100.0
WEA Old Orchard GP, LLC	**100.0**	**100.0**	100.0	100.0
WEA Palm Desert, LP	**100.0**	**100.0**	100.0	100.0
WEA San Francisco GP, LLC	**100.0**	**100.0**	100.0	100.0
WEA Solano BB, LLC	**100.0**	**100.0**	100.0	100.0
WEA Southcenter, LLC	**100.0**	**100.0**	100.0	100.0
WEA Southgate Plaza, LLC	**100.0**	**100.0**	100.0	100.0
WEA Southlake, LLC	**100.0**	**100.0**	100.0	100.0
WEA Southpark, LLC	**100.0**	**100.0**	100.0	100.0
WEA Valley Fair, LP	**100.0**	**100.0**	100.0	100.0
WEA Valley Fair UTC, LP	**100.0**	**100.0**	100.0	100.0
WEA VTC GP, LLC	**100.0**	**100.0**	100.0	100.0
WEA VTC LP, LLC	**100.0**	**100.0**	100.0	100.0
West County Center, LLC	**100.0**	**100.0**	100.0	100.0
West Valley, LP	**100.0**	**100.0**	100.0	100.0
West Valley Development, LLC	**100.0**	**100.0**	100.0	100.0
Westfield Concession Management, LLC	**100.0**	**100.0**	100.0	100.0
Westfield Concession Management II, LLC	**100.0**	**100.0**	100.0	100.0
Westfield Development, Inc.	**100.0**	**100.0**	100.0	100.0
Westfield Digital Services, Inc.	**100.0**	**100.0**	–	–
Westfield Emporium, LLC	**100.0**	**100.0**	100.0	100.0
Westfield Franklin Park Mall, LLC	**100.0**	**100.0**	100.0	100.0
Westfield Franklin Park Mall II, LLC	**100.0**	**100.0**	100.0	100.0
Westfield Franklin Park Mezz II, LLC(1)	**–**	**–**	100.0	100.0

NOTE 41 DETAILS OF CONTROLLED ENTITIES AND EQUITY ACCOUNTED ENTITIES (CONTINUED)

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

NOTE 41 DETAILS OF CONTROLLED ENTITIES AND EQUITY ACCOUNTED ENTITIES (CONTINUED)

	31 Dec 09 – Interest		31 Dec 08 – Interest	
Name of entity	Beneficial* Parent Entity %	Consolidated or Equity accounted %	Beneficial* Parent Entity %	Consolidated or Equity accounted %
ENTITIES INCORPORATED IN UNITED STATES (CONTINUED)				
Equity Accounted Entities				
Abbey Acquisition, LLC	**43.3**	**43.3**	43.3	43.3
Bulletin Building, LLC	**50.0**	**50.0**	50.0	50.0
Bulletin Building Owner, LLC	**50.0**	**50.0**	50.0	50.0
Emporium Development, LLC	**50.0**	**50.0**	50.0	50.0
Emporium Mall, LLC	**50.0**	**50.0**	50.0	50.0
Fashion Square Service TRS, Inc	**50.0**	**50.0**	50.0	50.0
GSP Holdings, LLC	**50.0**	**50.0**	50.0	50.0
GSP Service TRS, Inc	**50.0**	**50.0**	50.0	50.0
MBM Associates	**1.0**	**1.0**	1.0	1.0
MerchantWired, LLC	**9.7**	**9.7**	9.7	9.7
Montgomery Mall Borrower, LLC	**50.0**	**50.0**	50.0	50.0
Montgomery Mall Condo, LLC	**50.0**	**50.0**	50.0	50.0
Montgomery Mall, LLC	**50.0**	**50.0**	50.0	50.0
Montgomery Mall of Maryland, LLC	**50.0**	**50.0**	50.0	50.0
Montgomery Service, Inc	**50.0**	**50.0**	50.0	50.0
North Bridge Service TRS, Inc.(1)	**–**	**–**	33.3	33.3
Northbridge Retail Company, LLC	**33.3**	**33.3**	33.3	33.3
R A Hotel, Inc.	**43.3**	**43.3**	43.3	43.3
R A Hotel Partners, LP	**43.3**	**43.3**	43.3	43.3
R A West, Inc.	**43.3**	**43.3**	43.3	43.3
RNA-NY, LLC	**43.3**	**43.3**	43.3	43.3
Rolim Real Estate Investments, Inc	**43.3**	**43.3**	43.3	43.3
Rolim West, LLC	**43.3**	**43.3**	43.3	43.3
RoPro TRS, Inc	**43.3**	**43.3**	43.3	43.3
Sherman Oaks Fashion Associates, LP	**50.0**	**50.0**	50.0	50.0
Tri-Party Miscellaneous, LLC	**43.3**	**43.3**	43.3	43.3
Tri-Party Non-856 Assets, LLC	**43.3**	**43.3**	43.3	43.3
University Towne Center, LLC	**50.0**	**50.0**	50.0	50.0
UTC Venture, LLC	**50.0**	**50.0**	50.0	50.0
V F Mall, LLC	**50.0**	**50.0**	50.0	50.0
Valencia Town Center Associates, LP	**50.0**	**50.0**	50.0	50.0
Valencia Town Center Venture, G.P., LLC	**50.0**	**50.0**	50.0	50.0
Valencia Town Center Venture, LP	**50.0**	**50.0**	50.0	50.0
Valley Fair UTC, LLC	**50.0**	**50.0**	50.0	50.0
VF/UTC Service, Inc	**50.0**	**50.0**	50.0	50.0
Westfield Paramus 1, Inc.	**50.0**	**50.0**	50.0	50.0
Westfield Paramus 2, Inc.(1)	**–**	**–**	50.0	50.0
Westfield Paramus Holdings 1, LLC	**50.0**	**50.0**	50.0	50.0
Westfield Paramus Holdings 2, LLC	**50.0**	**50.0**	50.0	50.0
Westfield Paramus Holdings 3, LLC	**50.0**	**50.0**	50.0	50.0
Westfield Valencia, LLC	**50.0**	**50.0**	50.0	50.0
Westland Garden State Plaza, LP	**50.0**	**50.0**	50.0	50.0

* Beneficial interest in underlying controlled and equity accounted entities reflects the Parent Entity's ownership interest as determined under Australian Accounting Standards excluding certain convertible redeemable preference shares and other redeemable preference shares/units which have been accounted for as other financial liabilities in these financial statements.

(1) Entity dissolved during the financial year.

Directors' Declaration

The Directors of Westfield America Management Limited, the Responsible Entity of Westfield America Trust (Trust), declare that:

(a) in the Directors' opinion, there are reasonable grounds to believe that the Trust 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 THE MEMBERS OF WESTFIELD AMERICA TRUST

ERNST & YOUNG

Ernst & Young Centre
680 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
www.ey.com/au

Independent auditor's report to the members of Westfield America Trust

We have audited the accompanying financial report of Westfield America Trust (the Trust), 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 Trust 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 Westfield America Management Limited, the Responsible Entity of the Trust, 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 Westfield America Management Limited 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 America Trust is in accordance with the *Corporations Act 2001*, including:
   - i giving a true and fair view of the financial position of Westfield America Trust 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.

Ernst & Young

Ernst & Young

S J Ferguson
Partner

Sydney, 15 March 2010

Liability limited by a scheme approved under Professional Standards Legislation.

Directors' Report

The Directors of Westfield America Management Limited (Responsible Entity), the responsible entity of Westfield America Trust (Trust) submit the following Report for the year ended 31 December 2009 (Financial Year).

In this Report, the Trust and its controlled entities are referred to as the Group.

1. Operations and Activities

1.1 Review of Operations and Results of Operations

The Group reported a net loss of $1,382.0 million and a distribution of $902.6 million for the Financial Year. Basic loss per unit is 59.26 cents and the distribution per unit is 38.00 cents.

As at 31 December 2009, the Group had a $16.8 billion (consolidated properties of $14.5 billion and share of equity accounted properties of $2.3 billion) interest in 55 shopping centres, comprising 9,004 retail outlets and approximately 5.9 million square metres of retail space.

The Group contributed net property income of $1,152.4 million for the Financial Year with a contraction in comparable mall income of 3.9%.

Retail sales on the Group's 55 shopping centres totalled US$6.2 billion for the Financial Year.

At 31 December 2009, the portfolio of 55 shopping centres was 92.8% leased. New leases totalling 3.1 million square feet were completed during the Financial Year. The average specialty store rent across the portfolio at 31 December 2009 was US$43.12 per square foot, down 5.4% for the Financial Year (on a comparable basis).

Development projects

During the Financial Year the Group successfully completed the US$180 million redevelopment of Westfield Culver City, the US$120 million expansion of Westfield Santa Anita, and the US$80 million redevelopment of Westfield Galleria at Roseville (Stage 2).

Construction continues on the US$130 million redevelopment of Westfield Valencia which is scheduled for completion in the third quarter of 2010.

There were no significant changes in the Trust's state of affairs during the Financial Year.

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 US portfolio of retail properties. There were no significant changes in the nature of those activities during the Financial Year.

1.3 Future Developments

The likely developments in the Trust's operations in future financial years and the expected results of those operations are described in the Review of Operations and Results of Operations above. Details of the Westfield Group's future developments, business strategy and prospects are outlined in the Chairmans's Review and Managing Directors' Review at pages 4 to 14 of the Westfield Group's Annual Report.

1.4 Environmental Performance

Environmental laws and regulations in force in the various jurisdictions in which the Westfield Group operates are applicable to areas of the Westfield Group's operations and in particular to its development, construction and shopping centre management activities. The Westfield 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.

2. Distributions

The following distributions were paid to members during the Financial Year:

The distribution for the six months ended 31 December 2008[(1)], paid 27 February 2009:

– 17.25 cents per unit final distribution for all ordinary units	$353,254,690

The distribution for the six months ended 30 June 2009[(2)], paid 31 August 2009:

– 19.00 cents per unit interim distribution for all ordinary units; and	
– 19.00 cents per unit interim distribution for ordinary units issued on 27 February 2009 pursuant to the Group's Distribution Reinvestment Plan	$448,311,310

The following final distribution[(3)] was declared for payment to members with respect to the Financial Year, and paid on 26 February 2010:

– 19.00 cents per unit final distribution for all ordinary units	$454,263,025

(1) The Trust distribution of 17.25 cents per ordinary unit formed part of the distribution of 53.25 cents per ordinary WDC stapled security paid on 27 February 2009. This distribution is an aggregate of a distribution from the Trust, a dividend from Westfield Holdings Limited and a distribution from Westfield Trust. The figure reported here only represents that component of the aggregate Westfield Group distribution being the distribution of the Trust.

(2) The Trust distribution of 19.00 cents per ordinary unit and 19.00 cents (per February 2009 DRP unit) formed part of the distribution of 47.00 cents per ordinary WDC stapled security and 47.00 cents (per February 2009 DRP stapled security) paid on 31 August 2009. This distribution was an aggregate of a distribution from the Trust and a distribution from Westfield Trust. No dividend was paid by Westfield Holdings Limited. The figure reported here only represents that component of the aggregate Westfield Group distribution being the distribution of the Trust.

(3) The Trust distribution of 19.00 cents per ordinary unit formed part of the distribution of 47.00 cents per ordinary WDC stapled security paid on 26 February 2010. This distribution was an aggregate of a distribution from the Trust and a distribution from Westfield Trust. No dividend was paid by Westfield Holdings Limited. The figure reported here only represents that component of the aggregate Westfield Group distribution being the distribution of the Trust.

3. The Directors

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.

Biographies of the Directors can be found in the 2009 Westfield Group Annual Report.

The names of the Directors in office and the relevant interests of each Director in ordinary stapled securities in the Westfield Group as at the date of this Report are shown below. Ordinary units in the Trust are stapled to shares in Westfield Holdings Limited and units in Westfield Trust. The stapled securities trade on the Australian Securities Exchange under the code WDC.

Director	Number of Stapled Securities
F P Lowy D H Lowy P S Lowy S M Lowy	179,598,386
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
BM 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 her retirement, Ms Zampatti held 346,337 ordinary stapled securities in the Westfield Group.

None of the Directors hold options over any issued or unissued units in the Trust or 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/units in the Trust or the Westfield Group.

None of the Directors hold debentures of the Westfield Group.

4. Options and Unissued Interests

Details of the unissued ordinary units in the Trust under options as at the date of this Report are provided in Note 21 in the Notes to the Financial Statements (page 19).

Details of fully paid ordinary units in the Trust which were issued during or since the end of the Financial Year as a result of the exercise of options over unissued units are provided in Note 20 in the Notes to the Financial Statements (page 19).

5. Indemnities and Insurance Premiums

No insurance premiums were paid during or since the end of the Financial Year out of the assets of the Trust in regards to insurance cover provided to the Responsible Entity or the auditor of the Trust. So long as the officers of the Responsible Entity act in accordance with the Constitution and the Corporations Act, they remain fully indemnified out of the assets of the Trust against any losses incurred while acting on behalf of the Trust. The auditors of the Trust are in no way indemnified out of the assets of the Trust.

6. Special Rules for Registered Schemes

– $2.7 million in fees were paid and payable to the Responsible Entity and its associates out of the assets of the Trust during the Financial Year.

– Associates of the Responsible Entity held 104,440,420 units as at the end of the Financial Year.

– Details of units issued in the Trust during the Financial Year are set out on Note 20 on page 19.

– No withdrawals were made from the Trust during the Financial Year.

– Details of the value of the Trust's assets as at the end of the Financial Year and the basis for the valuation are set out in Notes 2(b), 12 and 13 on pages 9, 14 and 15 respectively.

– Details of the number of units in the Trust as at the end of the Financial Year are set out in Note 20 on page 19.

7. Audit

7.1 Audit and Compliance Committee

As at the date of this Report, the Responsible Entity had an Audit and Compliance Committee of the Board of Directors.

7.2 Auditor's Independence Declaration

ERNST & YOUNG

Auditor's Independence Declaration to the Directors of Westfield America Management Limited

In relation to our audit of the financial report of Westfield America Trust 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

Ernst & Young

S J Ferguson
Partner

Sydney, 15 March 2010

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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

F G Hilmer AO
Director

15 March 2010

Corporate Governance Statement

The Corporate Governance Statement for Westfield America Trust for the financial year ended 31 December 2009 has been incorporated into the Corporate Governance Statement prepared for the Westfield Group. This Statement can be found in the 2009 Westfield Group Annual Report, after the Directors' Report. The Westfield Group's Annual Report is available on the westfield.com/corporate website.

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 Westfield Holdings Limited 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 Westfield Holdings Limited. 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 Westfield Holdings Limited, Westfield Trust and Westfield America Trust is required to issue securities/units on the vesting of a performance right.

** Subsidiaries of Westfield Holdings Limited 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 Westfield 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 Westfield 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