

3 November 2010



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Company Announcements Office
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SYDNEY NSW 2000

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Dear Sir/Madam

**WESTFIELD GROUP TO RESTRUCTURE
ESTABLISHING NEW WESTFIELD RETAIL TRUST
DISTRIBUTING \$7.3 BILLION OF CAPITAL TO SECURITYHOLDERS**

It has been brought to our attention that there are some resolution issues with the Product Disclosure Statement - Westfield Retail Trust Public Offer lodged earlier today.

Accordingly, a higher resolution version of the Product Disclosure Statement will now be lodged in 2 parts. Attached is Part A of the Product Disclosure Statement (sections 1 to 2). Part B of the Product Disclosure Statement will follow this announcement.

Yours faithfully
WESTFIELD GROUP

A handwritten signature in blue ink, appearing to be "S. Tuxen", with a small dot at the end.

**Simon Tuxen
Company Secretary**

Encl.

This release does not constitute an offer to sell, or the solicitation of an offer to buy, securities in the United States. The Westfield Retail Trust securities referred to in this release have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States. Securities may not be offered or sold in the United States unless they have been registered under the United States Securities Act of 1933 ("Securities Act"), or they are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the Securities Act.

Westfield Holdings Limited ABN 66 001 671 496

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

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

PRODUCT DISCLOSURE STATEMENT

SHARE IN THE OWNERSHIP

UNDERWRITERS



CREDIT SUISSE



Morgan Stanley

JOINT LEAD MANAGERS

ANZ Commonwealth Bank Deutsche Bank J.P. Morgan Merrill Lynch
Moelis & Company National Australia Bank RBS UBS Westpac

PRODUCT DISCLOSURE STATEMENT DATED 3 NOVEMBER 2010

RE1 LIMITED (ABN 80 145 743 862) (AFS LICENCE 380202)
AS RESPONSIBLE ENTITY OF WESTFIELD RETAIL TRUST 1 (ARSN 146 934 536)
RE2 LIMITED (ABN 41 145 744 065) (AFS LICENCE 380203)
AS RESPONSIBLE ENTITY OF WESTFIELD RETAIL TRUST 2 (ARSN 146 934 652)

Westfield
RETAIL TRUST

PUBLIC OFFER

**AN OPPORTUNITY TO
INVEST IN AUSTRALIA
AND NEW ZEALAND'S
PRE-EMINENT SHOPPING
CENTRE PORTFOLIO
DELIVERING ATTRACTIVE
RETURNS TO INVESTORS**





Westfield
RETAIL TRUST

PUBLIC OFFER

IMPORTANT NOTICES

This document is important and requires your immediate attention. You should read the entire document carefully before deciding whether to invest in Stapled Units. In particular, you should consider the risk factors outlined in section 7 and the tax implications outlined in section 9. The potential tax effects of the Offer will vary between investors. All investors should satisfy themselves of any possible tax consequences by consulting their own professional tax adviser.

Product disclosure statement

This document (the **PDS**) is a product disclosure statement for the purposes of Part 7.9 of the Corporations Act issued by:

- RE1 as responsible entity of Westfield Retail Trust 1 and RE2 as responsible entity of Westfield Retail Trust 2, each in respect of the Offer of Stapled Units; and
- Westfield Management Limited (**WML**) as responsible entity of Westfield Trust (**WFT**) in respect of the transfer of units in Westfield Retail Trust 1 and Westfield Holdings Limited (**WHL**) in respect of the transfer of units in Westfield Retail Trust 2, each under the Capital Distribution.

Each Stapled Unit issued under the Offer or transferred under the Capital Distribution will comprise one unit in Westfield Retail Trust 1 and one unit in Westfield Retail Trust 2.

RE1, RE2, WML and WHL each takes full responsibility for the whole of this PDS.

This PDS was prepared in accordance with section 1013A of the Corporations Act. This PDS is dated Wednesday, 3 November 2010 and was lodged with ASIC on that date.

Westfield Retail Trust will apply within seven days of the date of this PDS for the quotation of the Stapled Units on ASX. Neither ASIC nor ASX takes any responsibility for the contents of this PDS nor for the merits of the investment to which this PDS relates.

Not investment advice

The information provided in this PDS is not financial product advice. It is general information only, and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. You should consider whether the information in this PDS is appropriate for you in light of your objectives, financial situation and needs. In particular, you should consider the risk factors (see section 7) that could affect the financial performance of Westfield Retail Trust before deciding what course you should follow. You should consider these factors in light of your personal circumstances (including financial and taxation issues – see section 9). To obtain advice or more information about the products offered in this PDS, you should speak to an Australian financial services licensee or an authorised representative.

Please carefully read the instructions on the accompanying Application Form in connection with the Offer.

No cooling-off rights

Cooling-off rights do not apply to an investment in Stapled Units pursuant to the Offer. This means that, in most circumstances, you cannot withdraw your Application once it has been accepted.

Electronic PDS

This PDS may be viewed online during the Offer Period on Westfield Retail Trust's website at www.westfieldretailoffer.com. It is not available to persons in the United States. If you access the electronic version of this PDS you should ensure that you download and read the entire PDS.

A paper copy of this PDS can be obtained during the Offer Period, free of charge by calling the Westfield Retail Trust Offer Information Line:

- Westfield Group Securityholders should call 1300 132 211 (within Australia) or +61 3 9415 4070 (outside Australia);
- New investors should call 1800 143 150 (within Australia) or +61 3 9415 4282 (outside Australia),

at any time from 8.30am to 5.00pm (Sydney time) Monday to Friday.

You will only be entitled to accept the Offer by completing an Application Form attached to or which accompanies this PDS (refer to the "How to apply" section for further information).

Updated information

Information about the Capital Distribution or the Offer may need to be updated by RE1, RE2, WML or WHL. Any updated information about the Capital Distribution or the Offer which is not materially adverse to investors will be made available on Westfield Retail Trust's website at www.westfieldretailoffer.com. RE1, RE2, WML and WHL will provide a copy of the updated information free of charge to any person who requests a copy by calling the Westfield Retail Trust Offer Information Line:

- Westfield Group Securityholders should call 1300 132 211 (within Australia) or +61 3 9415 4070 (outside Australia);
- New investors should call 1800 143 150 (within Australia) or +61 3 9415 4282 (outside Australia),

at any time from 8.30am to 5.00pm (Sydney time) Monday to Friday.

Where updated information about the Capital Distribution or the Offer is materially adverse to investors, RE1, RE2, WML and WHL will issue a supplementary product disclosure statement in accordance with their obligations under the Corporations Act.

Foreign jurisdictions

This PDS does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register the Stapled Units or otherwise permit an offering of Stapled Units in any jurisdiction outside of Australia or New Zealand.

The distribution of this PDS (whether electronically or otherwise) outside Australia and New Zealand may be restricted by law.

If you come into possession of this PDS (electronically or otherwise), you should observe any such restrictions and should seek your own advice on such restrictions. Any failure to comply with such restrictions may contravene applicable securities laws.

This PDS may not be distributed to, or relied upon by, persons in the United States unless accompanied by the Institutional Offering Memorandum as part of the institutional component of the Offer. This PDS does not constitute an offer to any person in the United States.

The Stapled Units have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States except in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act of 1933 (**U.S. Securities Act**) and applicable U.S. state securities laws.

See section 11.20 for further details.

Warning for New Zealand investors

The warning statement below is required under the Securities (Mutual Recognition of Securities Offerings – Australia) Regulations 2008 (New Zealand) and relates to the Retail Westfield Securityholder Offer and the Public Offer, which are made pursuant to those Regulations in New Zealand. Please see section 11.20(c) for details of the applicable legal restrictions in relation to the other offers to New Zealand investors contained in this PDS.

This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and Regulations. In New Zealand, this is Part 5 of the Securities Act 1978 and the Securities (Mutual Recognition of Securities Offerings – Australia) Regulations 2008.

This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 and Regulations (Australia) set out how the offer must be made.

There are differences in how securities are regulated under Australian law. For example, the disclosure of fees for collective investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies, and compensation arrangements for New Zealand securities.

Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Securities Commission, Wellington, New Zealand. The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian securities is not the same as for New Zealand securities.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The offer may involve a currency exchange risk. The currency for the securities is not New Zealand dollars. The value of the securities will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the securities to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the securities are able to be traded on a securities market and you wish to trade the securities through that market, you will have to make arrangements for a participant in that market to sell the securities on your behalf. If the securities market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the securities and trading may differ from securities markets that operate in New Zealand.

The dispute resolution process described in this offer document is only available in Australia and is not available in New Zealand.

Underwriting

The Offer is underwritten up to \$1.75 billion by Citigroup Global Markets Australia Pty Limited, Credit Suisse (Australia) Limited and Morgan Stanley Australia Securities Limited (**Underwriters**).

Disclaimer

No person is authorised to give any information or make any representation in connection with the Offer or Capital Distribution described in this PDS, which is not contained in this PDS. Any information or representation not contained in this PDS may not be relied on as having been authorised by Westfield Retail Trust or Westfield Group in connection with the Offer or Capital Distribution.

This PDS contains forecast financial information along with forward looking statements which are identified by words such as “may”, “could”, “believes”, “estimates”, “expects”, “intends”, and other similar words that involve risks and uncertainties. These forecasts and forward looking statements are subject to various risk factors that could cause Westfield Retail Trust’s actual results to differ materially from the results expressed or anticipated in these forecasts or statements. These risk factors are set out in section 7. These and other factors could cause actual results to differ materially from those expressed in any forecast or forward looking statement made by, or on behalf of, Westfield Retail Trust or Westfield Group.

Financial amounts

Money as expressed in this PDS is in Australian dollars unless otherwise indicated.

Definitions and abbreviations

Defined terms and abbreviations used in this PDS are explained in the Glossary at the end of this PDS.



WESTFIELD CHATSWOOD, SYDNEY





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CHAIRMAN'S LETTER



On behalf of the Board, it gives me great pleasure to offer you this opportunity to invest in Westfield Retail Trust.

On behalf of the Board, it gives me great pleasure to offer you this opportunity to invest in Westfield Retail Trust.

Westfield Retail Trust is a new group that will apply to be listed on ASX providing investors with a geographic specific entity focused on investing in high quality retail real estate in Australia and New Zealand.

Westfield Retail Trust will be Australia's largest domestic retail focused real estate investment trust, having assets with a current book value of approximately \$12 billion, relatively low gearing and income being derived primarily in Australian dollars.

Our principal investment will be the joint venture ownership, alongside Westfield Group, in a pre-eminent and unrivalled shopping centre portfolio comprising interests in 54 major shopping centres located predominantly in Australia with 10% of the assets located in New Zealand.

Our strategy will be to maximise the income and capital returns from our investment portfolio. We intend to grow, in partnership with Westfield Group, through redevelopment and shared acquisition opportunities. We will also examine other potential third party acquisition opportunities as they arise.

Shopping centres are an integral part of the retail landscape in Australia and New Zealand. Through the aggregation of retailers and services, shopping centres provide the opportunity for retailers to interact with the consumer in an efficient and exciting environment.

The Westfield brand is synonymous with retailing. Last year, over 550 million customers visited a Westfield Retail Trust shopping centre in Australia and New Zealand spending in excess of \$22 billion. Around 70% of the Australian population and more than 50% of the New Zealand population lives within 30 minutes drive time of

a Westfield shopping centre. As the joint owner of a pre-eminent shopping centre portfolio, we will be an important partner for most of the major household retail brands.

The Trust will be a major joint venture partner to the Westfield Group, one of the world's largest retail property groups with a global portfolio of 119 high quality shopping centres. Westfield Group will continue in its existing property management and development roles on behalf of the joint venture on terms and fees materially consistent with those Westfield Group has in place with its other joint venture partners in Australia. Westfield Group will not charge any responsible entity, asset management or acquisition fees.

Westfield Group will also permit Westfield Retail Trust to use the Westfield brand and give the Trust access to its significant operating platform. Westfield Group will be reimbursed for providing the corporate services which the Trust chooses to outsource to Westfield.

Through this joint venture partnership, the Trust will benefit from the Westfield Group's extensive experience and expertise in the management, leasing and development of major shopping centres globally. There are also arrangements in place whereby acquisition opportunities will be shared between Westfield Group and Westfield Retail Trust.

Investment in Australian retail property has shown, over many years, to be a sound proposition with strong and stable cash flows that are resilient throughout economic cycles. The Trust's portfolio of shopping centres has a track record of delivering stable income and earnings growth. Over the last 10 years, the portfolio of shopping centres has delivered compound annual investment returns of 14.6%, with compound annual income growth of 5.0%.



WESTFIELD DONCASTER, MELBOURNE

This consistent investment performance has been driven by the quality of the Trust's portfolio that consists of a diverse range of approximately 13,200 retail outlets covering over 3.9 million square metres with an occupancy rate in excess of 99.0% for the last 10 years.

The establishment of Westfield Retail Trust is part of a proposal that is being put to members of the Westfield Group at a meeting on Thursday, 9 December 2010. If approved, members of the Westfield Group will receive units in the Trust on a one for one basis, representing some \$7.3 billion of equity capital.

Westfield Retail Trust is undertaking an offering of new units to investors, comprising:

- The Public Offer, which is open to all members of the general public in Australia and New Zealand and seeks to raise gross proceeds of up to \$2.0 billion; and
- The Westfield Securityholder Offer, which is available to existing Westfield Group Securityholders and seeks to raise gross proceeds of up to \$1.5 billion.

The Offer Price is \$2.75 for each new unit. This represents an 11% discount to the diluted net tangible asset value of the Trust following the \$1.75 billion underwritten component of the Offer.

The proceeds from the Public Offer and the Westfield Securityholder Offer will be used to reduce the Trust's borrowings.

The Trust is expected to deliver attractive returns to unitholders. For the financial year ending 31 December 2011, the Trust is forecast to achieve earnings per Stapled Unit in the range of 18.1 cents to 18.5 cents, representing a forecast earnings yield of between 6.6% and 6.7% on the Offer Price.

Given its stable, income-generating asset base, Westfield Retail Trust intends to have a distribution payout level of approximately 90% of distributable earnings, which is forecast to be in the range of 16.3 cents and 16.6 cents per Stapled Unit for its first full year, representing a forecast distribution yield of between 5.9% and 6.0%.

The Trust's initial gearing ratio will be around 38% before the Offer, 24% with the underwritten component only and less than 10% if the Offer is fully subscribed.

I am pleased that Westfield Retail Trust will be overseen by a high quality board and management team with an appropriate mix of skills and experience. Details of the Westfield Retail Trust Board and executives are included in the PDS.

This PDS contains important information about Westfield Retail Trust, the details of the Offer and a description of the key risks associated with an investment in Westfield Retail Trust. I urge you to read it carefully and in its entirety. You should seek appropriate professional advice before making an investment decision.

To apply for Stapled Units, you will need to fill out the relevant Application Form(s) attached to this PDS. If you have any questions about how to apply for Stapled Units, please call the Westfield Retail Trust Offer Information Line:

- Westfield Group Securityholders should call 1300 132 211 (within Australia) or +61 3 9415 4070 (outside Australia);
- New investors should call 1800 143 150 (within Australia) or +61 3 9415 4282 (outside Australia),

from 8.30am until 5.00pm (Sydney time) Monday to Friday or visit the website at www.westfieldretailoffer.com. The Public Offer and the Retail Westfield Securityholder Offer are expected to close at 5.00pm (Sydney time) on Monday, 6 December 2010.

I can confirm that the Lowy family interests propose to subscribe for their full entitlement under the Westfield Securityholder Offer.

On behalf of the Board, I recommend you consider this investment opportunity.

Richard F E Warburton AO
Chairman Elect

KEY OFFER STATISTICS

	Capital Distribution	Public Offer	Westfield Securityholder Offer
Offer Price	N/A.	\$2.75 per Stapled Unit.	\$2.75 per Stapled Unit.
Who can participate?	Westfield Group Securityholders on the Westfield Register on the Capital Distribution Record Date.	All Australian and New Zealand resident Retail Investors can apply as General Applicants under the Public Offer. Institutional Investors can also apply under the Public Offer.	Eligible Westfield Group Securityholders will be entitled to subscribe for 1 Stapled Unit for every 4.23 Westfield Stapled Securities.
Approximate number of Stapled Units to be issued	2,308 billion.	Up to 727.3 million.	Up to 545.5 million.
Offer proceeds	N/A.	Up to \$2.0 billion.	Up to \$1.5 billion.

KEY DATES

Event	Date
Institutional Westfield Securityholder Offer opens	Wednesday, 3 November 2010
Institutional Westfield Securityholder Offer closes	Friday, 5 November 2010
Westfield Group trades ex-Westfield Securityholder Offer	Monday, 8 November 2010
Record Date for Westfield Securityholder Offer	Monday, 8 November 2010
Retail Westfield Securityholder Offer and Public Offer opens	Thursday, 11 November 2010
Retail Westfield Securityholder Offer and Public Offer closes	Monday, 6 December 2010
Meeting of Westfield Group Securityholders	Thursday, 9 December 2010
Westfield Retail Trust commences trading on ASX on a conditional and deferred settlement basis	Monday, 13 December 2010
Settlement of Public Offer and Westfield Securityholder Offer	Monday, 20 December 2010
Allotment of Stapled Units under the Public Offer and Westfield Securityholder Offer	Tuesday, 21 December 2010
Despatch of holding statements	Wednesday, 22 December 2010
Westfield Retail Trust commences trading on a normal settlement basis	Thursday, 23 December 2010
First distribution of Westfield Retail Trust	Monday, 28 February 2011
Second distribution of Westfield Retail Trust	Wednesday, 31 August 2011

The timetable above is indicative only. Westfield Group and Westfield Retail Trust, in conjunction with the Underwriters, reserve the right to amend any or all of these dates and times subject to the Corporations Act, the Listing Rules and other applicable laws. In particular, they reserve the right to extend the Closing Date for the Offer, to accept late Applications either generally or in particular cases, to withdraw the Offer (or elect not to proceed with the Capital Distribution) without prior notice. The commencement of quotation of Stapled Units is subject to confirmation from ASX.

WESTFIELD RETAIL TRUST

- Largest real estate investment trust focused exclusively on retail assets in Australia and New Zealand
- Joint venture with Westfield Group – one of the world's leading integrated shopping centre groups
- Strategy to invest in high quality retail assets in Australia and New Zealand and to maximise the long term income and capital return from its investments
- Ownership of a pre-eminent retail portfolio focused on Australia and New Zealand comprising interests in 54 major shopping centres currently valued at approximately \$12 billion
 - 42 centres (90% of the portfolio value)¹ located across Australia, including 15 of the top 20 Australian shopping centres by annual sales
 - 12 centres (10% of the portfolio value)¹ located across New Zealand, including 5 of the 8 largest New Zealand shopping centres

1 As at 30 June 2010.

An opportunity to invest in Australia and New Zealand's pre-eminent shopping centre portfolio delivering attractive returns to investors

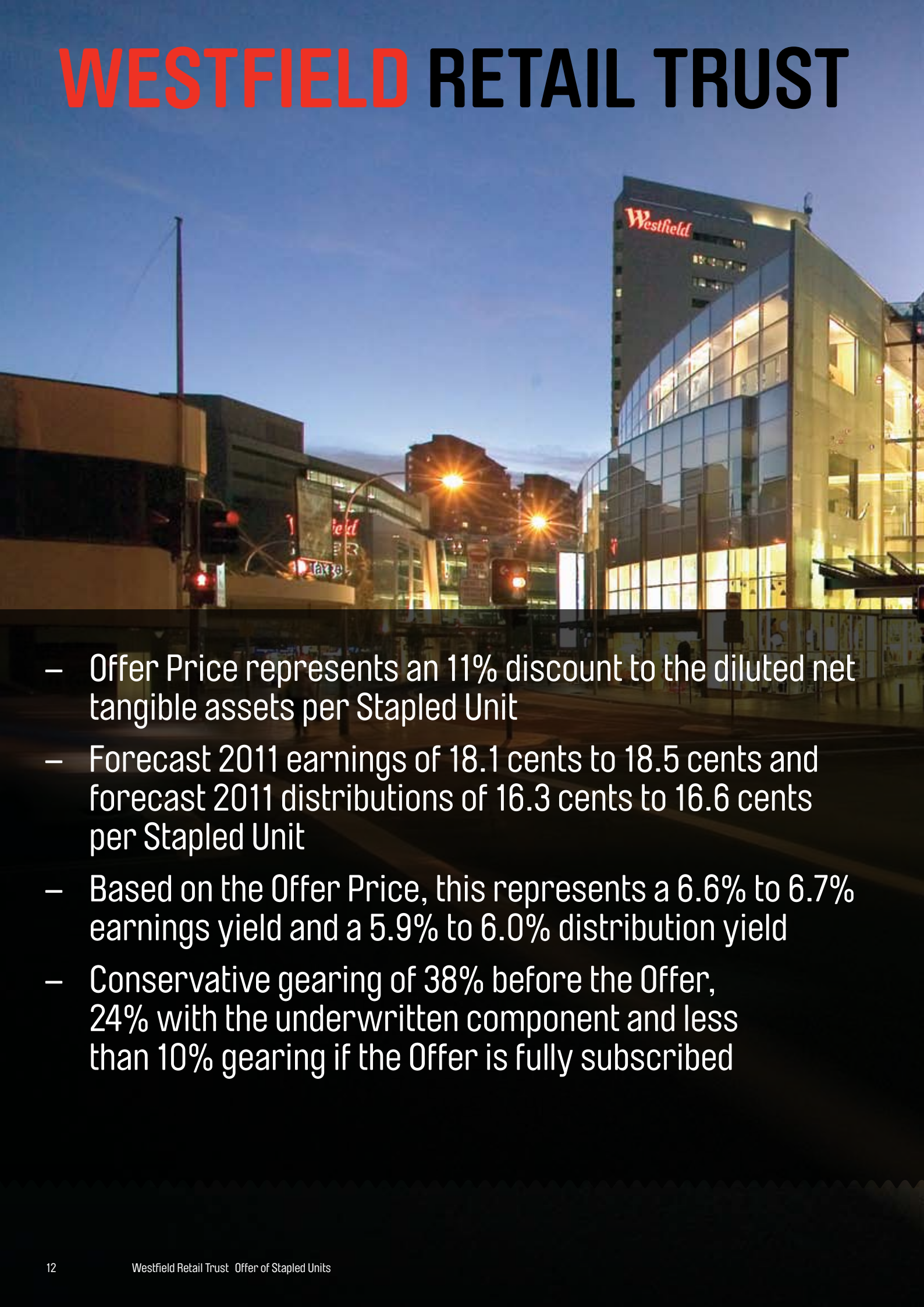
Portfolio summary as at 30 June 2010

	Australia	New Zealand	Total
Centres	42	12	54
Retail outlets	11,479	1,716	13,195
GLA (million square metres)	3.5	0.4	3.9
Portfolio leased %	99.5%	99.5%	99.5%
Total annual sales (billion)	\$20.4	NZ\$2.1	\$22.1
Specialty sales per square metre ⁽¹⁾	\$9,674	NZ\$7,703	N/A
Westfield Retail Trust book value (billion)	\$11.0	\$1.2	\$12.2
Weighted average estimated valuation yield	6.1%	7.4%	6.2%

(1) Year ended 30 September 2010.

WESTFIELD NEWMARKET, AUCKLAND

WESTFIELD RETAIL TRUST

- 
- Offer Price represents an 11% discount to the diluted net tangible assets per Stapled Unit
 - Forecast 2011 earnings of 18.1 cents to 18.5 cents and forecast 2011 distributions of 16.3 cents to 16.6 cents per Stapled Unit
 - Based on the Offer Price, this represents a 6.6% to 6.7% earnings yield and a 5.9% to 6.0% distribution yield
 - Conservative gearing of 38% before the Offer, 24% with the underwritten component and less than 10% gearing if the Offer is fully subscribed

A photograph of the Westfield Bondi Junction shopping centre at dusk. The building is a modern, multi-story structure with a prominent glass facade. The 'Westfield' logo is illuminated in red on the upper part of the building. The interior lights are on, showing a brightly lit shopping area. A large tree is in the foreground, and a street with a traffic light is visible. The sky is a deep blue.

**Attractive valuation metrics with a
portfolio that delivers stable,
consistent returns to investors**

WESTFIELD BONDI JUNCTION, SYDNEY

WESTFIELD RETAIL TRUST

Partnership with Westfield Group, a brand synonymous with retail

- Shopping centres are an integral part of the retailing landscape in Australia and New Zealand
- Westfield Retail Trust's portfolio will include interests in some of the largest and best shopping centres in the region
- Last year more than 550 million customers visited a Westfield Retail Trust centre spending over \$22 billion



- Approximately 70% of the Australian population and more than 50% of the New Zealand population lives within 30 minutes drive of a Westfield Retail Trust centre
- Last year 64% of Westfield Retail Trust's Australian centres, by value¹ (18 of the 42 centres) had annual sales in excess of \$500 million²
- Westfield Retail Trust centres include major household retail brands such as David Jones, Myer, Farmers (NZ), Target, Kmart, Big W, Coles and Woolworths

¹ As at 30 June 2010

² This represents 43% of the Australian Properties by number.



WESTFIELD LIVERPOOL, SYDNEY

WESTFIELD RETAIL TRUST

Stable, consistent operating results


Unmatched operational metrics:¹

- Above 99.5% leased²
- 13,195 retail outlets
- \$22 billion in annual retail sales
- Specialty sales of \$9,674³ per square metre for Australian Properties
- 99.1% of rental income is contracted minimum base rent not linked to sales turnover
- Approximately 3,000 new retail leases executed on average each year
- Long term lease maturity profile with over 45% of leases based on GLA expiring post 2015

¹ Metrics are for the 12 month period ended 30 June 2010 unless otherwise stated.

² Excludes Westfield Sydney which is under redevelopment.

³ Year ended 30 September 2010.



Westfield's Australia and New Zealand portfolio has a long track record of delivering consistent returns. Over the last 10 years:

- Compound investment returns¹ from its portfolio of 14.6% per annum
- Over 99.0% of the portfolio leased
- 5.0% compound annual income growth
- Specialty store compound annual growth in rent per square metre of 4.2%²
- Specialty store compound annual growth in total sales in Australia of 4.6%

Over the next 5 to 7 years, Westfield Retail Trust's share of identified future development projects is \$1.5 billion, representing 12.4% of the current book value of its assets

¹ Compound investment return is the internal rate of return that has been achieved through the ownership of the portfolio over the last 10 years, taking into account the value of the portfolio at the start of the time period, the income achieved and capital reinvested over that period and the value of the portfolio at the end of the 10 year time period.

² Includes stores less than 400m² only.

WESTFIELD RETAIL TRUST

- 
- Board comprising a majority of independent directors, appointed by Westfield Group, with broad range of skills, strong property and finance expertise and significant experience
 - Experienced management team employed and remunerated by Westfield Retail Trust – aligning executive management with Westfield Retail Trust investors' interests

Experienced Board and management team



WESTFIELD PARRAMATTA, SYDNEY

WESTFIELD RETAIL TRUST

Partnering with Westfield Group,
one of the world's leading owners,
managers and developers of
shopping centres



WESTFIELD HORNSBY, SYDNEY

- Westfield Retail Trust's initial portfolio will be owned in joint venture with Westfield Group¹, which will continue its existing property management and development roles²
- Westfield Group is one of the world's leading integrated shopping centre groups with proven property management expertise in Australia and New Zealand:
 - Over 50 years of experience in Australia and 14 years experience in New Zealand
 - Interests in 119 shopping centres throughout Australia, New Zealand, the United States and the United Kingdom, valued at over \$61 billion as at 30 June 2010³
 - Manages the largest retail portfolio focused on Australia and New Zealand with 56 centres valued at over \$32 billion as at 30 June 2010⁴
- Westfield Group is an experienced shopping centre developer with more than \$8.8 billion of projects in Australia and New Zealand since 1992
- Through the Responsible Entities, Westfield Retail Trust will have access to the Westfield brand and the operating platform of Westfield Group providing it with a low cost and efficient structure
- Westfield Retail Trust and Westfield Group will have the opportunity to share in future retail acquisition and development opportunities in Australia and New Zealand

¹ Some assets to which the Shopping Centre Interests relate will be owned in joint venture with both Westfield Group and other property investors including AMP Group, GPT, LaSalle Investment Management, GIC, Dexis, UniSuper, Queensland Investment Corporation, Perron Group and Australian Prime Property Fund.

² There are six Properties which are managed by AMP Group.

³ Includes the Shopping Centre Interests to be transferred to Westfield Retail Trust.

⁴ Two of the Group's Australian shopping centres, Cairns and Carindale (held through the Carindale Property Trust) are excluded from the Proposal and do not comprise part of the Shopping Centre Interests.

KEY INVESTMENT RISKS

There are risks associated with an investment in Westfield Retail Trust. Some of the key risks that may have an adverse impact on Westfield Retail Trust are:

- Westfield Retail Trust has not previously traded independently of Westfield Group, so there is no trading history for Stapled Units;
- Westfield Retail Trust is newly established and has not previously operated as a standalone entity. It has its own corporate governance, risk management and financial reporting processes and any disruption to the development of these processes may impact the business;
- The Shopping Centre Interests will be exposed to any downturn in the property market, or economy, or any regulatory changes in the retail property markets in Australia or New Zealand;
- Risks associated with co-ownership as owning an interest in an asset with co-owners imposes restrictions which do not apply where the asset is wholly owned;
- Risks associated with third parties (including Westfield Group) having the right to provide property management and property development services to the Properties and the initial outsourcing of corporate services to Westfield Group;

- Property specific risks including a possible inability to continue to lease space in shopping centres on economically favourable terms, bankruptcy or store closures of major tenants, and a possible inability to successfully expand and redevelop the Properties on time and on budget;
- Risks that funds will not be available to pay down the Acquisition Facility if, and to the extent, the Offer is under-subscribed resulting in higher gearing and the risk that refinancing of any outstanding debt is on less favourable terms than would otherwise be available; and
- General market risks including changes in general economic conditions such as fluctuations in interest rates, currency exchange rates and fluctuations in the value and rental income of the Properties.

Before applying for Stapled Units, investors should consider these risks carefully and read this PDS in its entirety. Before making a decision to apply for Stapled Units, investors should seek appropriate professional advice.

THE OFFER AT A GLANCE



Westfield Group is proposing to transfer 50% of its interests in 54 major Australian and New Zealand shopping centres to Westfield Retail Trust. Westfield Retail Trust will apply to be listed, and have the Stapled Units quoted, on ASX.

As part of the Proposal:

- Westfield Group will transfer approximately 2.308 billion Stapled Units to Westfield Group Securityholders under the Capital Distribution;
- Westfield Retail Trust will acquire the Shopping Centre Interests from Westfield Group; and
- there will be a public float of Westfield Retail Trust.

Following the public float, Westfield Retail Trust's interests in the Properties will constitute a pre-eminent retail portfolio focused on Australia and New Zealand covering 54 shopping centres with a current book value of over \$12 billion.

The Proposal requires Westfield Group Securityholder approval and a meeting of Westfield Group Securityholders is being held on Thursday, 9 December 2010 for this purpose. The Offer is conditional on the relevant resolutions in connection with the Proposal being approved at that meeting and on the Implementation Deed not having been terminated.

This PDS relates to the transfer of Stapled Units in Westfield Retail Trust under the Capital Distribution and to the offer of additional new Stapled Units under the Public Offer and the Westfield Securityholder Offer. Each Stapled Unit comprises one unit in Westfield Retail Trust 1 and one unit in Westfield Retail Trust 2, which will be stapled together and cannot be traded separately.

Offer structure

The Offer will comprise:

- the Public Offer to raise up to \$2.0 billion; and
- the Westfield Securityholder Offer to raise up to \$1.5 billion.

The Offer is underwritten up to \$1.75 billion.

Under the Public Offer, all Australian and New Zealand residents may apply. Under the Westfield Securityholder Offer, Eligible Westfield Securityholders may subscribe for 1 new Stapled Unit for every 4.23 Westfield Stapled Securities they hold as at the Westfield Securityholder Offer Record Date. Eligible Westfield Securityholders may choose to take up their entitlements in whole, in part or not at all. Those Westfield Group Securityholders who wish to apply for more Stapled Units than their entitlements may apply under the Public Offer.

Sources and uses

Initially, the acquisition by Westfield Retail Trust of the Shopping Centre Interests will be funded by way of the Acquisition Facility, equity distributed by Westfield Group and the Westfield Sydney Facility (which is a loan provided by Westfield Group relating to the purchase of a 50% interest in Westfield Sydney).

The initial sources and application of funds (including the Capital Distribution) are detailed below:

Sources	\$ million
Value of equity distributed through the Capital Distribution	7,301
Acquisition Facility	3,700
Westfield Sydney Facility	942
Payables and deferred tax liability	437
Total sources	12,380
Uses	
Acquisition of Shopping Centre Interests	12,108
Estimated transaction costs (excluding equity raising costs)	163
Cash and working capital	109
Total uses	12,380

Funds raised through the Offer will be used to pay down the Acquisition Facility. If the Offer is fully subscribed, the Acquisition Facility will reduce to approximately \$200 million.

Westfield Retail Trust and the Shopping Centre Interests

Portfolio Summary as at 30 June 2010

	Australia	New Zealand	Total
Centres	42	12	54
Retail outlets	11,479	1,716	13,195
GLA (million square metres)	3.5	0.4	3.9
Portfolio leased % ⁽¹⁾	99.5%	99.5%	99.5%
Total annual sales (billion) ⁽¹⁾	\$20.4	NZ\$2.1	\$22.1
Specialty sales per square metre ^{(1),(2)}	\$9,674	NZ\$7,703	N/A
Westfield Retail Trust gross asset value (billion)	\$11.0	\$1.2	\$12.2
Weighted average estimated valuation yield ^{(1),(3)}	6.1%	7.4%	6.2%

(1) Excludes Westfield Sydney.

(2) Year ended 30 September 2010.

(3) Estimated valuation yield is the forecast net operating income that is expected from the property interest for the proceeding 12 month period divided by the current book value of the property interest.

THE OFFER AT A GLANCE

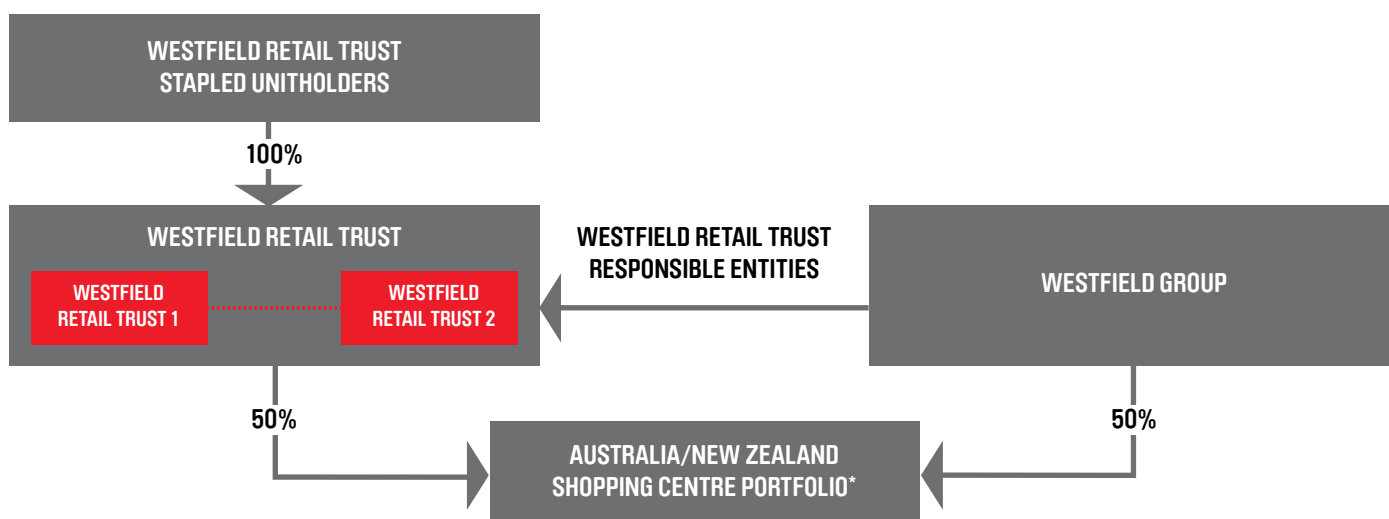
Westfield Retail Trust's initial investment will consist of the Shopping Centre Interests, being an interest in a pre-eminent portfolio of 54 major Australian and New Zealand shopping centres with approximately 13,200 retail outlets, which will comprise:

- a 50% interest in the Australian Properties (being 17 Australian shopping centres) with the other 50% continuing to be held by Westfield Group;
- interests ranging from 12.5% to 37.5% in the Existing JV Properties (being 25 Australian shopping centres) with the other interests continuing to be held by Westfield Group and third parties; and
- a 50% interest in the New Zealand Properties (being 12 New Zealand shopping centres) with the other 50% continuing to be held by Westfield Group.

Shopping centres are an integral part of the retail landscape in Australia and New Zealand. Through the aggregation of retailers and services, shopping centres provide the opportunity for retailers to interact with the consumer in an efficient and exciting environment. As the joint owner of a pre-eminent shopping centre portfolio, Westfield Retail Trust will become an important partner for most of the major household retail brands.

Structure of Westfield Retail Trust and Westfield Group

The simplified ownership structure and property interests of each of Westfield Retail Trust and Westfield Group following the implementation of the Proposal are shown below.



* The portfolio includes the Existing JV Properties, for which Westfield Retail Trust and Westfield Group will share 50% of Westfield Group's current interest in those Properties.

Summary financials

For further information on the basis of preparation of the financial information, see section 5.2.

Summary pro forma balance sheet as at 30 June 2010

30 June 2010 \$ million	Pro forma prior to the Offer	Pro forma after the Offer – subscribed to \$1.75 billion	Pro forma after the Offer – fully subscribed
Cash	59	59	59
Property investments			
– Shopping centres	10,998	10,998	10,998
– Development projects	1,110	1,110	1,110
Total Property investments	12,108	12,108	12,108
Other assets	50	50	50
Total assets	12,217	12,217	12,217
Borrowings	4,652	2,949	1,199 ⁽¹⁾
Deferred tax	243	243	243
Other liabilities	184	184	184
Total liabilities	5,079	3,376	1,626
Net Assets	7,138	8,841	10,591
Net asset value (NAV) per stapled unit excluding deferred tax (\$)	3.20	3.09	3.03

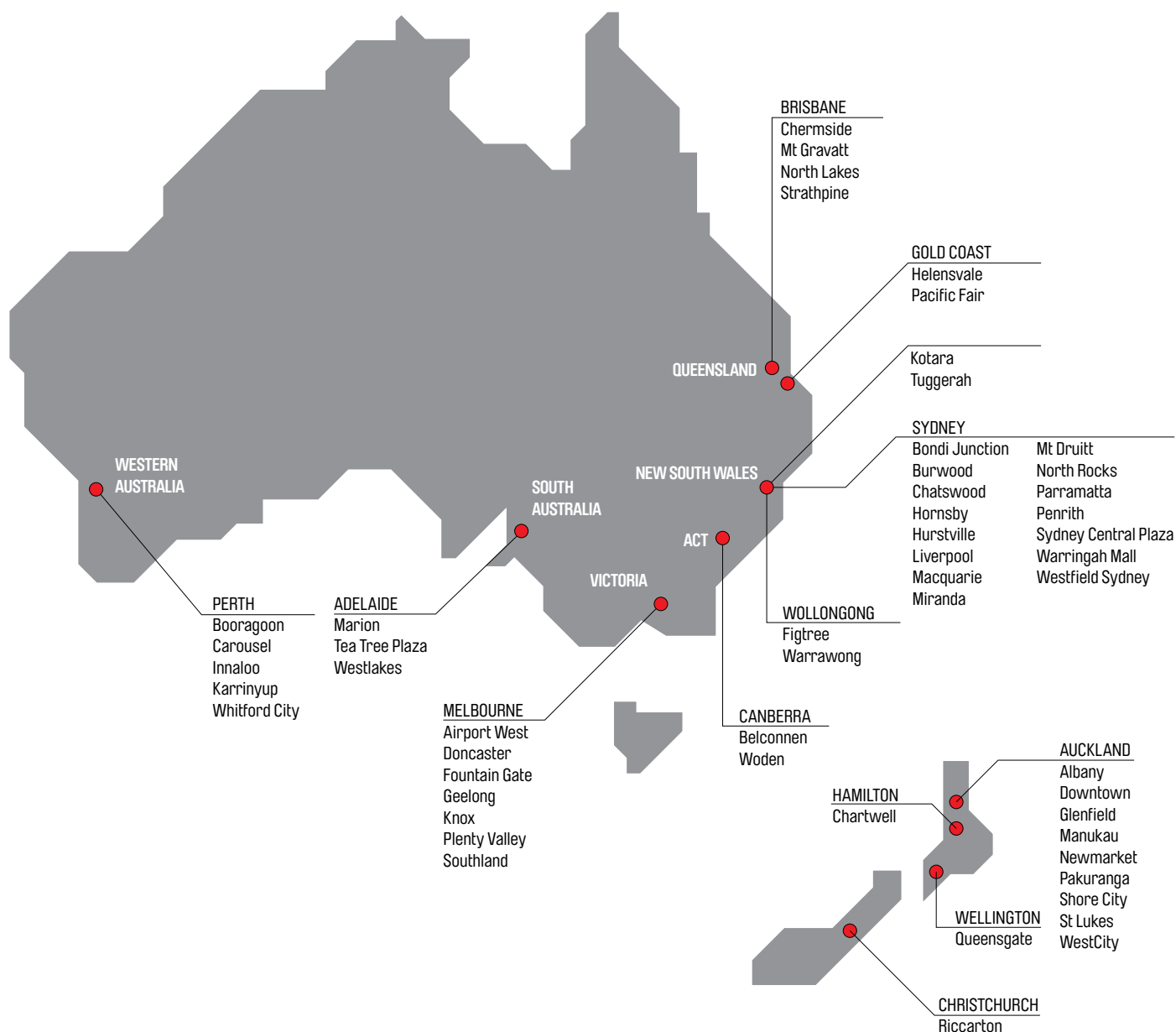
(1) Borrowings have been reduced by \$3,453 million (comprising \$3,500 million of equity raised less associated costs of \$47 million).

Summary forecast income statement FY 2011

Forecast FY 2011 \$ million	Pro forma prior to the Offer	Pro forma after the Offer – subscribed to \$1.75 billion	Pro forma after the Offer – fully subscribed
Property revenue	1,019	1,019	1,019
Property expenses and outgoings	(269)	(269)	(269)
Net operating income	750	750	750
Corporate expenses	(35)	(35)	(35)
EBIT	715	715	715
Net interest expense	(285)	(164)	(40)
Income tax	(12)	(12)	(13)
Earnings available for distribution	418	539	662
Earnings available for distribution per Stapled Unit (cents)	18.1	18.3	18.5
Distribution per Stapled Unit (cents)	16.3	16.5	16.6

INVESTMENT HIGHLIGHTS

Exposure to pre-eminent retail portfolio focused on Australia and New Zealand



Westfield Retail Trust is expected to be the largest Australian listed real estate investment trust focused exclusively on Australian and New Zealand retail property and one of the 25 largest entities listed on the ASX based on anticipated market capitalisation.

Westfield Retail Trust will operate as a separately listed entity with a core strategy of long term investment in retail real estate in Australia and New Zealand, utilising the expertise and operating platforms of Westfield Group and other appropriately resourced and qualified third party asset managers. Westfield Retail Trust will seek to provide Stapled Unitholders with attractive returns consistent with the rental income and capital growth from these assets, as a long term holder.

Westfield Retail Trust is offering new Stapled Units at \$2.75 to raise up to \$2.0 billion under the Public Offer and up to \$1.5 billion under the Westfield Securityholder Offer.

The Offer Price represents an 11% discount to Westfield Retail Trust's diluted net tangible asset value following the \$1.75 billion underwritten component of the Offer.

For the financial year ending 31 December 2011, being Westfield Retail Trust's first full financial year, forecast earnings per Stapled Unit is between 18.1 cents and 18.5 cents, representing an earnings yield of between 6.6% – 6.7% on the Offer Price.

Given its stable, income-generating asset base, Westfield Retail Trust intends to have a distribution payout level of approximately 90% of Distributable Earnings, which is forecast to be in the range of 16.3 cents and 16.6 cents per Stapled Unit for its first full financial year, representing a distribution yield of between 5.9% and 6.0% based on the Offer Price.

Prior to the Offer, Westfield Retail Trust's gearing will be 37.8%. Following completion of the Offer, as it is underwritten up to \$1.75 billion, Westfield Retail Trust gearing will be 23.8% and will be less than 10% if the Offer is fully subscribed.

The Shopping Centre Interests to be acquired by Westfield Retail Trust have a current book value of approximately \$12.1 billion.

Portfolio summary as at 30 June 2010

	Australia	New Zealand	Total
Centres	42	12	54
Retail outlets	11,479	1,716	13,195
GLA (million square metres)	3.5	0.4	3.9
Portfolio leased % ⁽¹⁾	99.5%	99.5%	99.5%
Total annual sales (billion) ⁽¹⁾	\$20.4	NZ\$2.1	\$22.1
Specialty sales per square metre ⁽¹⁾⁽²⁾	\$9,674	NZ\$7,703	N/A
Westfield Retail Trust gross asset value (billion) ⁽³⁾	\$11.0	\$1.2	\$12.2
Weighted average estimated valuation yield ⁽¹⁾⁽⁴⁾	6.1%	7.4%	6.2%

(1) Excludes Westfield Sydney.

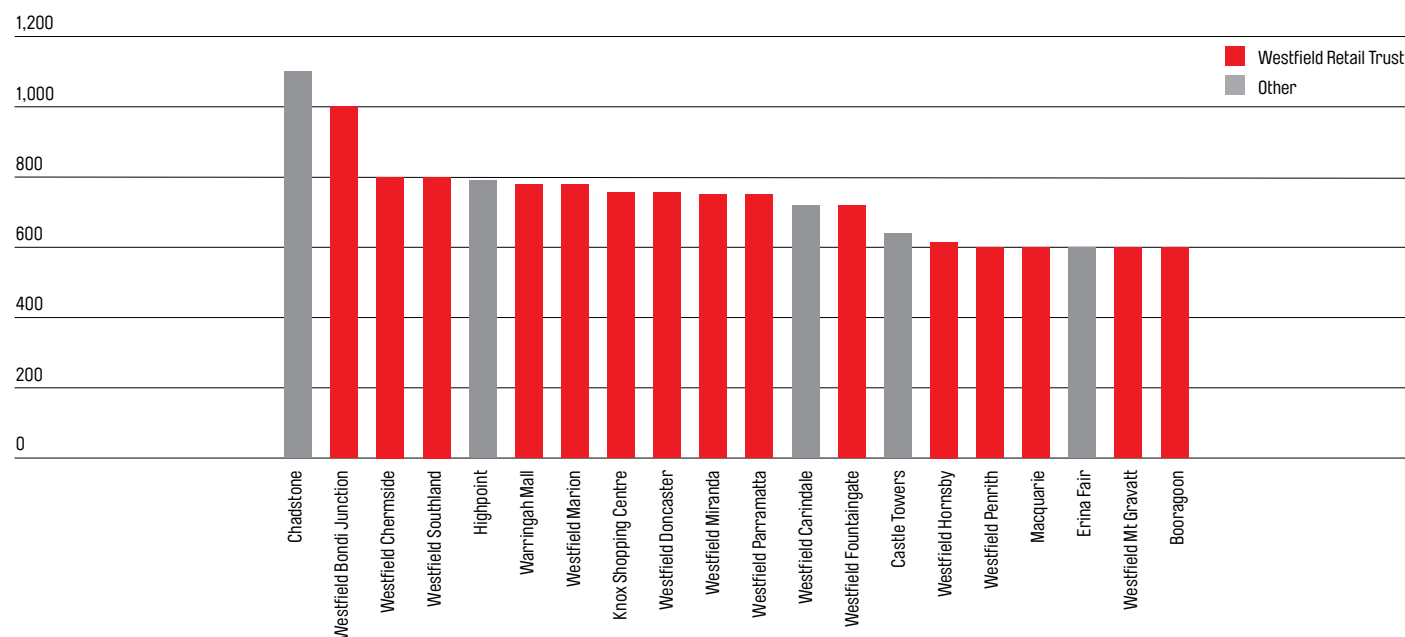
(2) Year ended 30 September 2010.

(3) Westfield Retail Trust's share of shopping centre assets and includes work in progress and assets held for development.

(4) Estimated valuation yield is the forecast net operating income that is expected from the property interest for the proceeding 12 month period divided by the current book value of the property interest.

The Shopping Centre Interests are located largely in Australia, with 42 centres representing 90% of the Shopping Centre Interests current book value (\$10.9 billion), including 15 of Australia's top 20 performing shopping centres by annual sales.

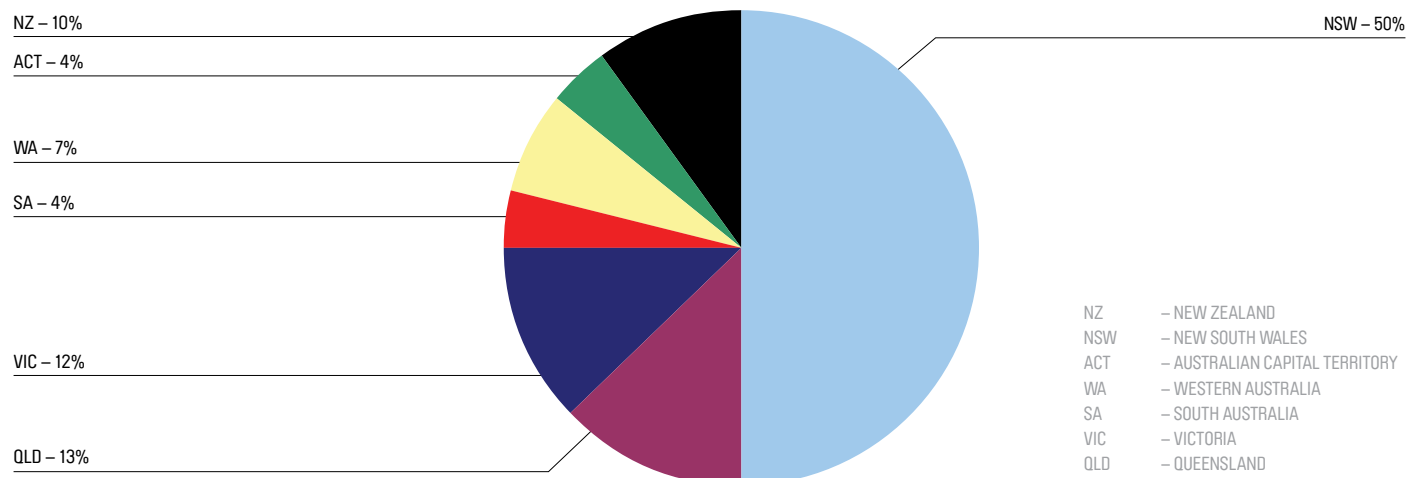
Annual sales \$ (million)



Source: Shopping Centre Council of Australia

INVESTMENT HIGHLIGHTS

Geographic Distribution by Value



In addition to its portfolio of operating centres, Westfield Retail Trust will own a 50% interest in the Westfield Sydney development, which is expected to be completed in early 2012. The development is located at Sydney's best retail site at Pitt Street Mall, Castlereagh and Market Streets, and connects to two of the highest grossing department stores in Australia – David Jones Sydney and Myer Sydney. On completion, and combined with Westfield Sydney Central Plaza, the new development will comprise approximately 350 fashion, food and lifestyle stores across 90,000 square metres. The development also includes 76,000 square metres of prime office space. The development will be progressed and completed by Westfield Group with Westfield Retail Trust as a co-owner.

On completion of its development, Westfield Retail Trust is expected to have invested \$1.340 billion for its interest in Westfield Sydney and achieve a yield on cost of 5.6%, which is supported by a guarantee from Westfield Group for three years.

Westfield Retail Trust will also own interests in 12 centres located in New Zealand, which represent 10% of the Shopping Centre Interests by current asset value (\$1.2 billion), including five of New Zealand's eight largest shopping centres.

Partnership with Westfield Group

Westfield Retail Trust's initial portfolio will be owned in joint venture with Westfield Group (together with other third parties in the case of Existing JV Properties). Other than for six Existing JV Properties managed by the AMP Group, Westfield Group will continue its existing property management and development roles. Westfield Group is one of the world's leading integrated shopping centre groups with proven property management expertise. Globally, Westfield Group has interests in and operates 119 shopping centres throughout Australia, New Zealand, the United States and the United Kingdom, valued at over \$61 billion as at 30 June 2010.¹

Westfield Group is vertically integrated and manages all aspects of shopping centre development, from design and construction through to leasing, management and marketing. Westfield Group creates value through intensive management at an operational level and a strategic development program that continually improves the quality of the portfolio to generate income and capital growth.

With over 50 years experience, Westfield Group has interests in and operates the largest retail portfolio in Australia and New Zealand with 56 centres with a current value of over \$32 billion.² Each year, Westfield executes, on average, approximately 3,000 lease deals in Australia and New Zealand covering in excess of 350,000 square metres of retail space.

Westfield Group is also an experienced shopping centre developer with more than \$8.8 billion of Australian and New Zealand projects since 1992.

Westfield Retail Trust and Westfield Group have the opportunity to share future retail acquisition and development opportunities in Australia and New Zealand.

Westfield Retail Trust will have access to the operating platform of Westfield Group providing it with a low cost and efficient structure.

Westfield Retail Trust will have access to the Westfield brand, which is synonymous with retailing in Australia and New Zealand.

¹ Includes the Shopping Centre Interests to be transferred to Westfield Retail Trust.

² Two of the Group's Australian shopping centres, Cairns and Carindale (held through the Carindale Property Trust) are excluded from the Proposal and do not comprise part of the Shopping Centre Interests.

Westfield Retail Trust's portfolio

Westfield Retail Trust's portfolio will include interests in some of the largest and best shopping centres in the region. Last year over 550 million customers visited a Westfield Retail Trust centre, spending in excess of \$22 billion.

Approximately 70% of the Australian population and more than 50% of the New Zealand population lives within 30 minutes drive of a Westfield Retail Trust centre.

Westfield is the major landlord and integral partner to major household retail brands such as David Jones, Myer, Farmers, Target, Kmart, Big W, Coles and Woolworths.

The portfolio's size and quality is unrivalled in the Australian market, with over 60% of the portfolio's Australian centres (by current book value) achieving annual sales in excess of \$500 million for the year ended 30 June 2010.¹ The portfolio also achieves high sales productivity for retailers with average annual specialty store sales per square metre of \$9,674 for the Australian Properties (for the year ended 30 September 2010).

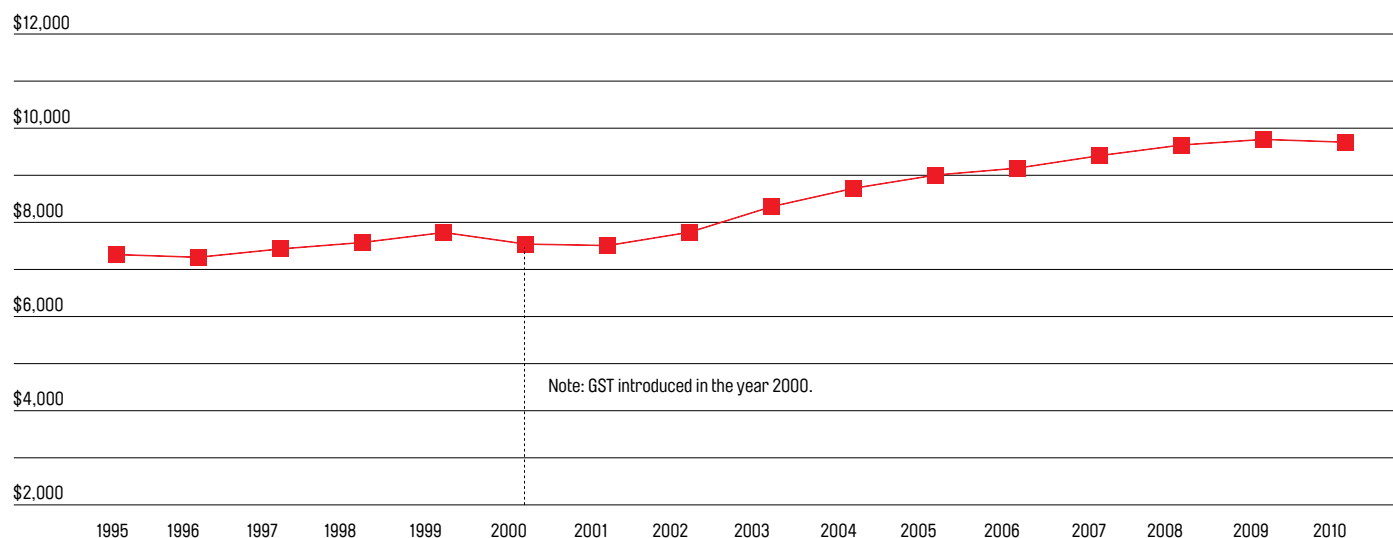
Annual Sales to 30 June 2010					Proportion of Australian Portfolio ²
> \$600 m	Bondi Junction	\$1,015.3 m	Knox	\$739.9 m	44%
	Chermside	\$830.0 m	Miranda	\$727.3 m	
	Southland	\$790.6 m	Parramatta	\$725.6 m	
	Marion	\$764.5 m	Fountain Gate	\$703.3 m	
	Doncaster	\$763.6 m	Hornsby	\$614.3 m	
	Warringah Mall	\$757.9 m			
\$500 m – \$600 m	Penrith	\$586.8 m	Pacific Fair	\$537.7 m	20%
	Booragoon	\$579.6 m	Chatswood	\$530.2 m	
	Mt Gravatt	\$573.7 m	Carousel	\$525.9 m	
	Macquarie	\$570.5 m			
\$400 m – \$500 m	Kotara	\$494.8 m	Whitford City	\$444.8 m	17%
	Tuggerah	\$480.6 m	Woden	\$431.0 m	
	Tea Tree Plaza	\$479.5 m	Karrinyup	\$425.6 m	
	Liverpool	\$459.4 m	Burwood	\$403.7 m	
\$300 m – \$400 m	Belconnen	\$399.9 m	Mt Druitt	\$362.8 m	11%
	Hurstville	\$398.2 m	North Lakes	\$352.1 m	
	Sydney Central Plaza	\$388.0 m	Helensvale	\$317.6 m	
	Westlakes	\$377.4 m			
< \$300 m	Innaloo	\$276.0 m	Airport West	\$260.7 m	8%
	Geelong	\$267.3 m	Warrawong	\$216.6 m	
	Plenty Valley	\$267.3 m	Figtree	\$164.2 m	
	Strathpine	\$263.2 m	North Rocks	\$140.8 m	

¹ This represents 43% of the Australian centres by number and excludes Westfield Sydney which is under redevelopment.

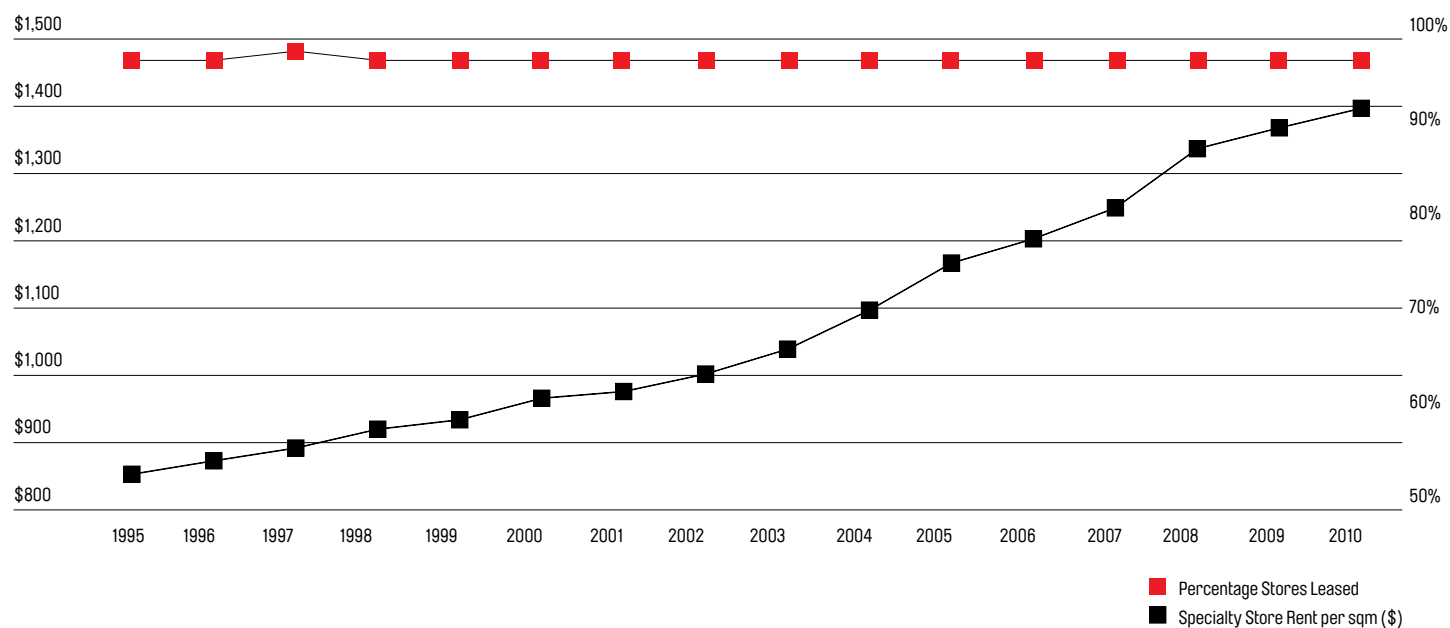
² Based on 30 June 2010 book values (Westfield Group's share), and excludes Westfield Sydney currently under redevelopment.

INVESTMENT HIGHLIGHTS

Westfield Group Australian specialty store sales per square metre



Westfield Group Australian specialty store rent per square metre (LHS) and percentage stores leased (RHS)

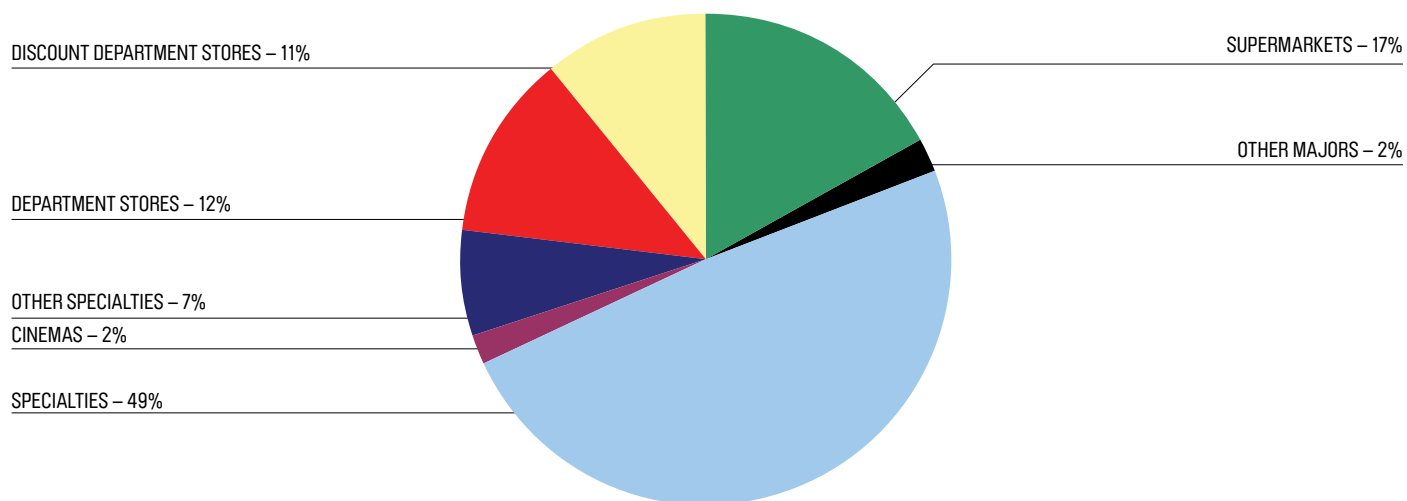


The portfolio has a long track record of being almost fully leased, being over 99% leased for over 10 years.

Less than 1% of the portfolio's income is directly tied to retail sales, with over 99% of the total rental income being derived from minimum contracted base rent. The majority of specialty leases contain annual contracted increases of either CPI plus a fixed percentage or fixed percentage increases.

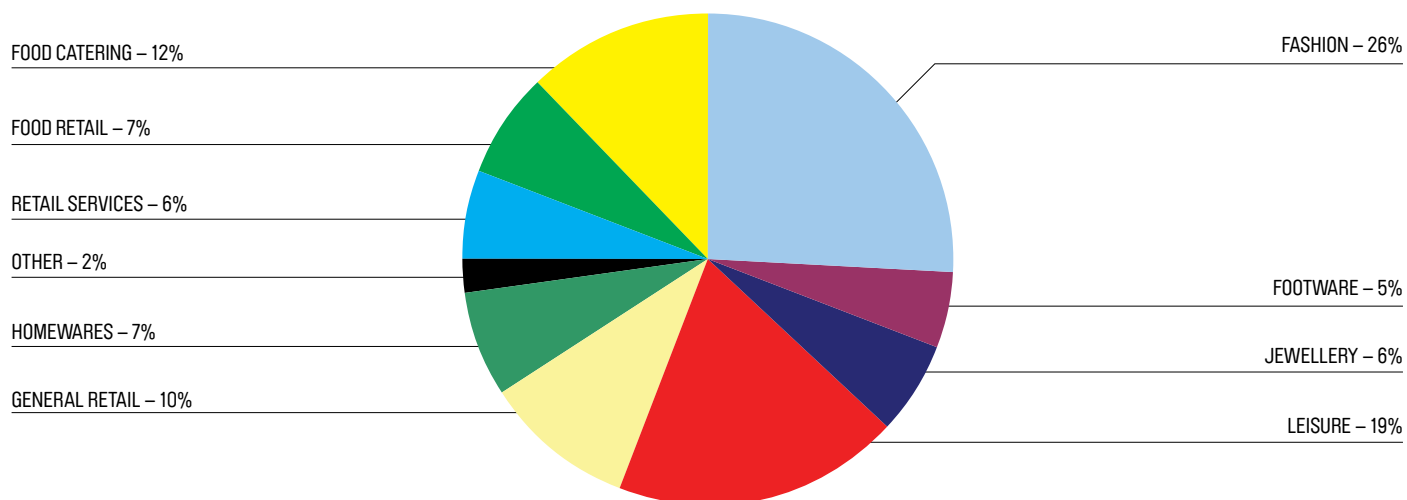
The portfolio includes a diverse range of approximately 13,200 retail stores covering the whole spectrum of retail, leisure and lifestyle consumption.

Australian Sales by Trading Category



For year ended 30 June 2010

Australian Speciality Sales by Trading Category

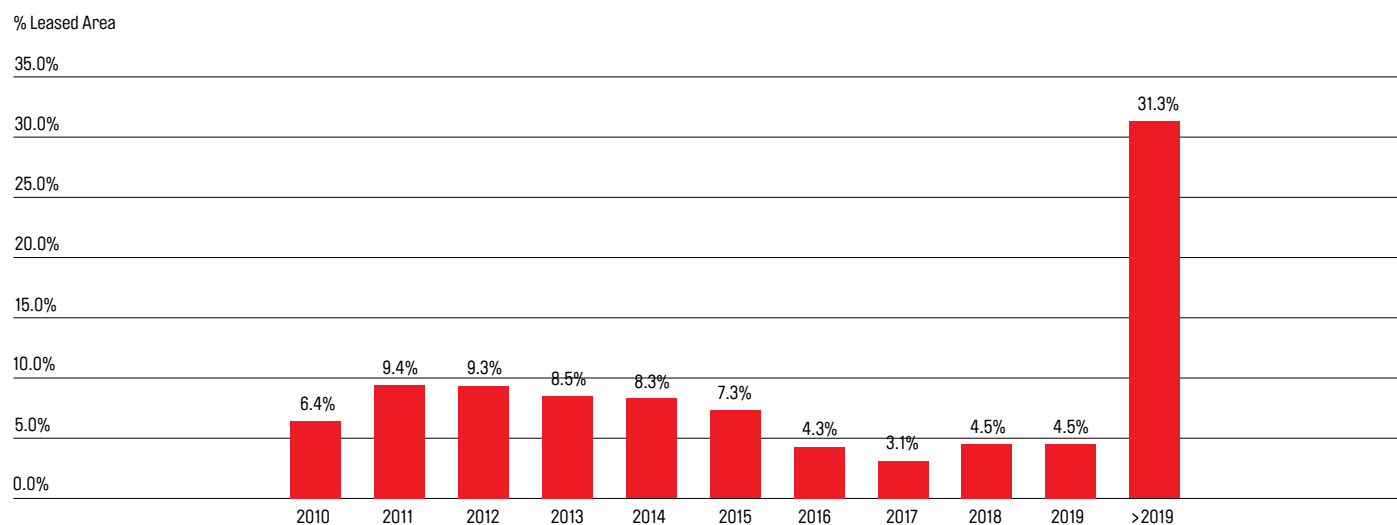


For year ended 30 June 2010

As at 30 June 2010, the Shopping Centre Interests had a weighted average estimated valuation yield of 6.1% for Australia and 7.4% for New Zealand and over 45% of leases are expiring after 2015.

INVESTMENT HIGHLIGHTS

Lease Expiry by Year



Over the last 10 years, the portfolio has delivered strong stable cash flow and achieved compound annual investment returns of 14.6%¹ driven by annual income growth of 5.0%.

The continual redevelopment of shopping centres is necessary to ensure the centres remain at the forefront of changing retail trends and relevant to their specific market. Development opportunities have been identified across Westfield Retail Trust's assets representing a potential investment of approximately \$1.5 billion over the next 5–7 years. Westfield Retail Trust's investment in development will be aimed at creating long term value for unitholders.

Board of Directors and management

On implementation of the Proposal, the initial Westfield Retail Trust Board will have eight members including Mr Richard F E Warburton AO (Chairman), Mr Peter Allen, Mr Laurence Brindle, Mr Andrew Harmos, Mr Michael Ihlein, Mr Steven Lowy AM, Ms Sandra McPhee and Mr Domenic Panaccio (Managing Director). A majority of the directors consider themselves to be independent of Westfield Group.² These directors have a broad range of skills, strong property and finance expertise and significant business experience.

Westfield Retail Trust's senior management team will include Domenic Panaccio (Managing Director), Brian Mackrill (CFO) and Roy Gruenpeter (General Manager – Asset Management). The senior management team will report directly to the Westfield Retail Trust Board.

This senior team has extensive experience in Australia's finance, real estate and shopping centre industries.

The senior management team will be directly employed and remunerated by Westfield Retail Trust, aligning executive management with Westfield Retail Trust investors' interests.

The Westfield Retail Trust Responsible Entities have entered into a governance deed poll that provides a number of undertakings to Stapled Unitholders regarding the governance arrangements for Westfield Retail Trust. In particular, it requires Westfield Retail Trust to hold an annual meeting each calendar year.

Westfield Group will own the responsible entities of Westfield Retail Trust. The Westfield Retail Trust Responsible Entities will not charge fees for this role.

Through the Westfield Retail Trust Responsible Entities, Westfield Retail Trust will have access to the Westfield brand and the operating platform of Westfield Group.

Given Westfield Group's significant operating scale and efficiencies, Westfield Group will provide staff, systems and administrative, accounting, treasury, information technology, human resources and other ancillary services to Westfield Retail Trust under a Corporate Services Agreement. The services provided will be under the direction of the Board and management of Westfield Retail Trust and will be subject to an annual review as to the continuance, scope and cost of the services provided. For the first 12 month period, Westfield Group will charge Westfield Retail Trust \$23 million for the provision of these services.

Other than arrangements with existing joint venture partners at three centres, any future change in responsible entity from Westfield Group will not result in any pre-emption right arising for the Shopping Centre Interests. See section 7.9.

¹ Compound investment return is the internal rate of return that has been achieved through the ownership of the portfolio over the last 10 years, taking into account the value of the portfolio at the start of the time period, the income achieved and capital reinvested over that period and the value of the portfolio at the end of the 10 year time period.

² All directors are appointed by and can be removed by Westfield Group. For details of director independence see section 3.7.



Investment strategy and growth opportunities

Westfield Retail Trust's strategy will be to invest in high quality retail assets in Australia and New Zealand and to maximise the long term income and capital return from its investments. Whilst Westfield Retail Trust does not intend to replicate the extensive capabilities of its operating partners, the Westfield Retail Trust Board and management will focus on overseeing their activities in order to achieve its investment objectives.

A key part of Westfield Retail Trust's strategy will be to grow by investing in a broad range of shopping centre assets in Australia and New Zealand. This will include, amongst others:

- redevelopment and expansion of its existing portfolio centres; and
- acquisition of additional shopping centres interests or other retail assets.

Westfield Retail Trust will enter into a Co-operation Deed with Westfield Group under which both groups will share future investment opportunities in Australia and New Zealand. Both groups will also be free to pursue future acquisition opportunities on their own if the other group does not wish to participate.

HOW TO APPLY

Read this PDS carefully

This PDS contains important information in relation to the Offer. You should read it carefully and in its entirety, including section 7 which contains a summary of the major risks associated with an investment in Westfield Retail Trust and section 9 which contains a summary of the tax implications associated with the Offer.

Seek advice

Before you decide to apply for the Stapled Units under the Offer, you should consider whether an investment in Stapled Units is appropriate for you in light of your particular investment objectives and circumstances. If you are in doubt as to the course you should follow, you should seek appropriate professional advice before making an investment decision.

Westfield Group Securityholders will have the ability to apply under both the Public Offer and the Westfield Securityholder Offer

General Applicants under the Public Offer

General Applicants must complete the blue Application Form accompanying this PDS according to the instructions set out on the Application Form. You can obtain a copy of this PDS and a blue Application Form by contacting the Westfield Retail Trust Offer Information Line:

- Westfield Group Securityholders should call 1300 132 211 (within Australia) or +61 3 9415 4070 (outside Australia);
- New investors should call 1800 143 150 (within Australia) or +61 3 9415 4282 (outside Australia),

at any time from 8.30am to 5.00pm (Sydney time) Monday to Friday during the Offer Period or from Westfield Retail Trust's website at www.westfieldretailoffer.com.

Your completed blue Application Form and Application Monies should be returned to the address set out on the Application Form no later than 5.00pm on the Closing Date; expected to be Monday, 6 December 2010.

Institutional Investors under the Public Offer

Applications by Institutional Investors under the Public Offer will be managed by the Underwriters and Institutional Investors wishing to participate in the Public Offer must do so in accordance with the instructions received from the Underwriters. For details of foreign offering restrictions see the Important notices section on the inside cover of this PDS and section 11.20.

Westfield Securityholder Offer

Eligible Retail Westfield Securityholders (being those on the Westfield Register on the Westfield Securityholder Offer Record Date), must complete the green personalised Application Form accompanying this PDS according to the instructions set out on the Application Form. If you are an Eligible Retail Westfield Securityholder, you can obtain a copy of this PDS and a green personalised Application Form by contacting the Westfield Retail Trust Offer Information Line on 1300 132 211 (within Australia) or on +61 3 9415 4070 (from outside Australia) at any time from 8.30am to 5.00pm (Sydney time) Monday to Friday during the Offer Period or from Westfield Retail Trust's website at www.westfieldretailoffer.com.

Your completed green Application Form and Application Monies should be returned to the address set out on the Application Form no later than 5.00pm on the Closing Date, expected to be Monday, 6 December 2010.

Eligible Institutional Westfield Securityholders wishing to participate in the Westfield Securityholder Offer must do so in accordance with the instructions received from the Underwriters. In addition, Institutional Investors will be able to bid for any shortfall in the Institutional Westfield Securityholder Offer through an institutional bookbuild process, in accordance with the instructions received from the Underwriters. For details of foreign offering restrictions see the Important notices section on the inside cover of this PDS and section 11.20.

Application and payment

If applying using a paper Application Form:

If you are an Australian or New Zealand resident Retail Investor and you wish to apply for Stapled Units under the Public Offer, or you are an Eligible Retail Westfield Securityholder who wishes to apply under the Retail Westfield Securityholder Offer, you must:

- complete the relevant Application Form attached to this PDS in accordance with the instructions set out on that form;
- attach your Application Monies for the full amount (either by way of cheque, bank draft or money order), being the Offer Price multiplied by the number of Stapled Units that you have indicated that you wish to acquire; and
- return your completed Application Form and Application Monies to the Registry by no later than 5.00pm (Sydney time) on the Closing Date (expected to be Monday, 6 December 2010).

Cheques, money orders or bank drafts must be drawn on an Australian financial institution in Australian currency only, made payable to "Westfield Retail Trust" and crossed "Not Negotiable". Cash will not be accepted. Receipts for payment will not be issued.

You should ensure that sufficient funds are held in relevant account(s) to cover the cheque(s). If the amount of your cheque(s) for Application Monies (or the amount for which those cheque(s) clear in time for allocation) is insufficient to pay for the number of Stapled Units you have applied for in your Application Form, you may be taken to have applied for such lower number of Stapled Units as your cleared Application Monies will pay for (and to have specified that number of Stapled Units on your Application Form).

If applying on-line:

- If you are an Australian or New Zealand resident Retail Investor and you wish to apply for Stapled Units under the Public Offer, you must:
 - complete the relevant on-line Application Form accompanying this PDS available from www.westfieldretailoffer.com in accordance with the instructions set out on that form;
 - pay your Application Monies by BPAY^{®1} for the full amount payable, being the Offer Price multiplied by the number of Stapled Units that you have indicated that you wish to acquire; and
 - submit your completed Application Form, obtain your Biller Code and Reference Number and BPAY payment for your Application Monies by no later than 5.00pm (Sydney time) on the Closing Date (expected to be Monday, 6 December 2010).

Payment can only be made by BPAY if you have an Australian bank account.

- If you are an Eligible Retail Westfield Securityholder who wishes to apply under the Retail Westfield Securityholder Offer, you must:
 - obtain your Biller Code and Reference Number from your green personalised Application Form; and
 - pay your Application Monies by BPAY for the full amount payable, being the Offer Price multiplied by the number of Stapled Units you wish to apply for, by no later than 5.00pm (Sydney time) on the Closing Date (expected to be Monday, 6 December 2010). You do not need to complete your green personalised Application Form.

You must check the processing cut off time for BPAY transactions with your bank, credit union or building society as it may be earlier than the scheduled Closing Date. Applicants submitting their payments through BPAY must do so in sufficient time to ensure funds are received by the Closing Date.

If you are an Institutional Investor participating in the Public Offer, an Eligible Institutional Westfield Securityholder under the Institutional Westfield Securityholder Offer or an Institutional Investor participating in the Institutional Westfield Securityholder Offer Shortfall Bookbuild, payment for Stapled Units taken up is required by Monday, 20 December 2010. Settlement by such investors will be by delivery versus payment via CHESS and in accordance with the instructions provided by the Underwriters.

No Interest on Application Monies

Until Stapled Units are issued, the Westfield Retail Trust Responsible Entities will hold the Application Monies on trust in a bank account. The account will be established and kept solely for the purpose of depositing Application Monies and retaining those funds for as long as required under the Corporations Act. Any interest accrued on Application Monies will be retained by Westfield Retail Trust and will not be paid to Applicants, including if the Offer is cancelled or withdrawn. Note that ASIC has granted relief to permit Westfield Retail Trust to hold Application Monies on trust until Allotment of Stapled Units (which may be more than one month since receipt of Application Monies).

All Applications

The Westfield Retail Trust Responsible Entities reserve the right to reject any Application in whole or in part, without giving any reason. However, all valid Applications up to \$2.0 billion received from General Applicants during the Offer Period under the Public Offer will be accepted in full. Application Monies received in respect of Applications that are declined in whole or in part will be refunded. Refunds for unsuccessful Applications will be posted as soon as possible upon completion of the Allotment. Interest will not be paid on any Application Monies refunded to Applicants.

In the event that an amount of Application Monies equates to a fractional number of Stapled Units, the number of Stapled Units issued will be rounded to the nearest whole number of Stapled Units and any excess Application Monies will become an asset of Westfield Retail Trust, in accordance with the constitutions of Westfield Retail Trust 1 and Westfield Retail Trust 2.

1 BPAY[®] Registered to BPAY Pty Ltd ABN 69 079 137 518.

A photograph of the Westfield Riccarton shopping centre at night. The building is illuminated with warm interior lights and cool blue exterior lighting. A large glass facade reflects the sky, and a balcony with a glass railing is visible. A 'Westfield' sign is visible in the top left corner.

SECTION

1

QUESTIONS AND ANSWERS

WESTFIELD RICCARTON, CHRISTCHURCH



SECTION 1: QUESTIONS AND ANSWERS

Question	Answer	Where to find more information
Overview of Westfield Retail Trust		
What is Westfield Retail Trust?	Westfield Retail Trust will be a real estate investment trust with total assets currently valued at over \$12 billion, comprising the Shopping Centre Interests.	Section 3.4
What will be the business strategy of Westfield Retail Trust?	<ul style="list-style-type: none"> – To invest in high quality retail real estate in Australia and New Zealand and to maximise the long term income and capital return from its investments. – To operate as a separately listed entity investing, for the long term, in retail real estate primarily in Australia and New Zealand, utilising the expertise and operating platforms of Westfield Group and other appropriately resourced and qualified third party managers. 	Section 3.5
What are Stapled Units?	One unit in Westfield Retail Trust 1 and one unit in Westfield Retail Trust 2, trading as one stapled security.	Sections 2.3 and 3.3
Overview of the Offer		
What is the Offer?	<ul style="list-style-type: none"> – The Public Offer to Australian and New Zealand resident Retail Investors and Institutional Investors. – The Westfield Securityholder Offer to Eligible Westfield Securityholders. 	Section 2.1
What is the Offer Price?	\$2.75 per Stapled Unit.	Section 2.4
How much will be raised through the Offer?	Up to \$3.5 billion in total, comprising up to \$2.0 billion from the Public Offer and up to \$1.5 billion from the Westfield Securityholder Offer.	Section 2.1
What is the purpose of the Offer?	To reduce the amount outstanding on the Acquisition Facility that will have been used to finance the acquisition of the Shopping Centre Interests.	Section 2.6
Is the Offer open to the general public?	Yes, all members of the general public in Australia and New Zealand may apply. All valid Applications up to \$2.0 billion received from General Applicants under the Public Offer will be accepted in full.	Section 2.7
What are the rights and liabilities attaching to the Stapled Units issued under the Offer?	The rights and liabilities are set out in the Constitutions of Westfield Retail Trust 1 and Westfield Retail Trust 2.	Sections 11.1 and 11.2
Will Westfield Group participate in the Offer?	No. Westfield Group will not acquire Stapled Units under the Offer.	
Does the Lowy family intend to participate in the Offer?	Yes, the Lowy family proposes to take up its full entitlement under the Westfield Securityholder Offer.	
Can the Offer be withdrawn?	Yes, at any time.	Section 2.14
What happens if the Offer is not fully subscribed?	<ul style="list-style-type: none"> – \$1.75 billion of the Offer is underwritten by the Underwriters, providing Westfield Retail Trust with low gearing and a strong asset base.⁽¹⁾ – Westfield Retail Trust's gearing would be higher than if the Offer was fully subscribed. – Westfield Retail Trust will continue to pursue its strategy and manage its capital structure in line with its stated policy. 	Section 3.10
What happens if one part of the Offer is undersubscribed and another part is oversubscribed?	The oversubscriptions may be applied to the other part of the Offer.	Section 2.8

(1) Assuming the Underwriting Agreement has not been terminated by the Underwriters.

Question	Answer	Where to find more information
Applications		
Where do I find an Application Form, and what should I do with it?	An Application Form accompanies this PDS, or alternatively can be obtained by contacting the Westfield Retail Trust Offer Information Line or from www.westfieldretailoffer.com . If you wish to participate in the Offer, you should complete and return the appropriate Application Form in accordance with the instructions on that form, accompanied by the Application Monies or apply and make payment online.	How to apply and section 11.17
Is there a cooling-off period?	No. Cooling-off rights do not apply to an investment in Stapled Units pursuant to the Offer.	Section 11.18
The Public Offer		
What is the Public Offer?	The Public Offer is open to General Applicants and Institutional Investors and will seek to raise up to \$2.0 billion. If there is a shortfall in the Westfield Securityholder Offer, the Public Offer can be increased by the shortfall.	Section 2.7
Who can participate in the Public Offer?	All members of the general public in Australia and New Zealand. All valid Applications by General Applicants under the Public Offer will be accepted in full. Retail Investors from jurisdictions outside Australia and New Zealand are not entitled to participate in the Public Offer. Certain eligible Institutional Investors in Australia, New Zealand and certain overseas jurisdictions will be invited to bid for Stapled Units under the Public Offer by the Underwriters.	Sections 2.7, 2.8 and 11.20
Can Eligible Westfield Securityholders participate in the Public Offer in addition to the Westfield Securityholder Offer?	Yes.	Section 2.9
How do I participate in the Public Offer?	<i>General Applicants</i> Complete and return the blue Application Form and Application Monies or apply and make payment online. <i>Institutional Investors</i> Details will be provided to participants by the Underwriters.	How to apply and section 2.7
What is the minimum and maximum Application amount under the Public Offer?	For General Applicants, the minimum application is at least \$2,000 (being at least 728 Stapled Units) and in at least \$500 (being at least 182 Stapled Units) multiples thereafter. There is no maximum Application amount.	Section 2.7
What is the allocation policy under the Public Offer?	<i>General Applicants</i> All valid Applications from General Applicants under the Public Offer will be accepted in full. <i>Institutional Investors</i> Allocations will be determined by the Underwriters in consultation with Westfield Retail Trust.	Section 2.8
Is there any scale back process for the Public Offer?	<i>General Applicants</i> All valid Applications received from General Applicants under the Public Offer will be accepted in full, unless General Applicants exceed the \$2.0 billion maximum offer size. <i>Institutional Investors</i> Valid Applications may be scaled back in a manner determined by Westfield Retail Trust and the Underwriters.	Section 2.8

SECTION 1: QUESTIONS AND ANSWERS

Question	Answer	Where to find more information
The Westfield Securityholder Offer		
Who can participate in the Westfield Securityholder Offer?	Westfield Group Securityholders who are on the Westfield Register as at Monday, 8 November 2010 with a registered address in the Eligible Jurisdictions and who are otherwise Eligible Westfield Securityholders.	Sections 2.9 and 11.20
How much is being raised under the Westfield Securityholder Offer?	Up to \$1.5 billion.	Section 2.9
What is my entitlement?	1 Stapled Unit for every 4.23 Westfield Stapled Securities you held as at Monday, 8 November 2010. The number of Stapled Units you are entitled to is set out in the green personalised Application Form accompanying this PDS.	Section 2.9
Are my entitlements tradable?	No, entitlements are personal and cannot be traded on ASX or any other exchange or privately transferred.	Section 2.9
How do I participate in the Westfield Securityholder Offer?	Retail Westfield Stapled Securityholders Complete and return the green Application Form and Application Monies or apply and make payment via BPAY using the Biller Code and Reference Number displayed on your green personalised Application Form. Institutional Westfield Stapled Securityholders Details will be provided to participants by the Underwriters.	How to apply and section 2.9
What are my options if I am entitled to participate in the Westfield Securityholder Offer?	<ul style="list-style-type: none"> – Apply for your full entitlement; – Apply for less than your full entitlement; – Apply for more than your full entitlement; or – Take no action and not participate in the Westfield Securityholder Offer; and – In addition to all of the above, you may also apply under the Public Offer. 	Section 2.9
Can I apply for more than my entitlement in the Westfield Securityholder Offer?	Yes. There is a space on the personalised green Application Form to insert the number of Stapled Units you wish to apply for (which can be more than your entitlement), or you can pay the Application Monies for that number of Stapled Units using BPAY, as described in the personalised green Application Form. You can also apply separately under the Public Offer.	Section 2.9
What happens if I do not take up my entitlements?	If you do not take up your entitlements, you will not receive any value for them and they will lapse.	Section 2.9
What happens if I am an Eligible Westfield Securityholder and a nominee, trustee or custodian?	Eligible Westfield Securityholders who are nominees, trustees or custodians are advised to seek independent advice as to how to proceed.	Section 2.10
What is the allocation policy under the Westfield Securityholder Offer?	Eligible Westfield Securityholders who apply for all or part of their entitlement under the Westfield Securityholder Offer will be guaranteed their entitlement.	Section 2.9

Question	Answer	Where to find more information
Benefits and risks		
What are the main benefits associated with an investment in Westfield Retail Trust?	<ul style="list-style-type: none"> – Exposure to Australia and New Zealand's pre-eminent shopping centre portfolio. – The Shopping Centre Interests have proven to be resilient to economic cycles. – Partnering with Westfield Group in relation to the assets within the Shopping Centre Interests, including having management and development agreements in place with Westfield Group in respect of the majority of those assets. – Westfield Retail Trust is expected to have a strong balance sheet on initial listing with approximately \$12.2 billion in gross assets at current book values and a gearing ratio of less than 38%. – Separately listed entity with majority independent board and appropriate governance structure while benefiting from a strong ongoing relationship with Westfield Group. – Attractive development pipeline utilising the proven expertise of Westfield Group as the developer. – Stable and consistent expected returns. 	Investment highlights and section 3
What are the key risks associated with an investment in Stapled Units?	<ul style="list-style-type: none"> – Westfield Retail Trust has not previously traded so there is no trading history for Stapled Units. – Westfield Retail Trust is newly established and has not previously operated as a standalone entity. – Shopping Centre Interests will be exposed to any downturn in the property market, or economy, or any regulatory changes. – Risks associated with co-ownership as owning an interest in an asset with co-owners imposes restrictions which do not apply where the asset is wholly owned. – Risks associated with third parties (including Westfield Group) having the right to provide property management and property development services to the Properties and the initial outsourcing of corporate services to Westfield Group. – Property specific risks including a possible inability to continue to lease space in shopping centres on economically favourable terms, bankruptcy or store closures of major tenants, and a possible inability to successfully expand and redevelop the Properties on time and on budget. – Risks that funds will not be available to pay down the Acquisition Facility if, and to the extent, the Offer is under-subscribed resulting in higher gearing and refinancing risk. – General market risks including changes in general economic conditions. 	Section 7
Fees, cost and underwriting		
Is the Offer underwritten?	Yes. The Offer is underwritten up to \$1.75 billion by the Underwriters in accordance with the Underwriting Agreement. Under certain circumstances, the Underwriters may terminate the Underwriting Agreement.	Sections 2.1, 2.13 and 10.13
What are the fees and costs of the Offer?	The fees and costs associated with the Offer total approximately \$47.0 million.	Section 8 and 11.11
Is there any broker commission or stamp duty payable by Applicants?	No.	

SECTION 1: QUESTIONS AND ANSWERS

Question	Answer	Where to find more information
Financial information		
What is the expected net tangible assets per Stapled Unit prior to the Offer?	\$3.20	Section 5.6
What is Westfield Retail Trust's expected earnings per Stapled Unit?	18.1 cents to 18.5 cents for the 12 months to 31 December 2011, representing a forecast yield of between 6.6% and 6.7% at the Offer Price.	Section 5.3
What will Westfield Retail Trust's gearing be after the Offer?	If the Offer is fully subscribed, Westfield Retail Trust will have \$1.1 billion in net debt on completion of the Offer and a forecast gearing level of less than 10% of Westfield Retail Trust's total assets.	Sections 3.10 and 7.10
Distributions		
Will Westfield Retail Trust make distributions?	The distribution policy of Westfield Retail Trust is to pay out 90% of Distributable Earnings in each year. Westfield Retail Trust forecasts a distribution of between 16.3 cents and 16.6 cents for the financial year ending 31 December 2011.	Section 3.9
How often and when will the distributions be paid?	Subject to having sufficient Distributable Earnings, every six months at the end of August and the end of February.	Section 3.9
What portion of the distributions will be tax deferred for Australian tax purposes?	Approximately 10% to 20% of the proposed 2011 distribution is expected to be tax deferred.	Section 3.9
Governance and board		
What will be the composition of the Westfield Retail Trust Board?	On implementation of the Proposal, the Westfield Retail Trust Board will comprise a majority of non-executive directors who consider themselves to be independent of Westfield Group.	Section 3.7
Who appoints the directors of the Westfield Retail Trust Responsible Entities?	Westfield Group will appoint the directors in accordance with its rights as the owner of the Westfield Retail Trust Responsible Entities.	Section 3.7
Who are the proposed directors for the board of Westfield Retail Trust?	The proposed directors for the board of Westfield Retail Trust are: <ul style="list-style-type: none"> – Richard F E Warburton, independent chairman; – Laurence Brindle, independent director; – Andrew Harnos, independent director; – Michael Ihlein, independent director; – Sandra McPhee, independent director; – Steven Lowy, director; – Peter Allen, director; and – Domenic Panaccio, managing director. 	Section 3.7
What will be the governance arrangements for Westfield Retail Trust and who will be responsible for them?	The Westfield Retail Trust Board will establish governance arrangements to ensure that Westfield Retail Trust is effectively managed in a manner that is properly focused on its business objectives and the interests of Stapled Unitholders as well as conforming to regulatory and ethical requirements.	Section 3.8
Will Westfield Retail Trust hold annual meetings?	Yes.	Section 3.8

Question	Answer	Where to find more information
Will annual and half-yearly financial reports be provided to Westfield Retail Trust Stapled Unitholders?	Yes.	Sections 3.8 and 11.19
Can the Westfield Retail Trust Responsible Entities be changed?	Yes, by a majority vote of the Stapled Unitholders.	Section 3.7
What would the consequence be of removing the Westfield Retail Trust Responsible Entities?	Westfield Retail Trust would lose the right to use the “Westfield” name, lose its access to Westfield corporate services and pre-emptive rights would be triggered for three properties. However, the balance of the portfolio would not be affected and the property management and development arrangements with Westfield Group would remain in place. Westfield Group would be entitled to terminate the Co-operation Deed.	Section 7.9
Related party information		
Who will be the co-owner of the Properties to which the Shopping Centre Interests relate?	Westfield Group, and other third parties in the case of the Existing JV Properties.	Section 4.4
Who will be the manager of the Properties to which the Shopping Centre Interests relate?	Westfield Group will act as manager for the Properties and will perform a range of operating business functions. ⁽¹⁾	Section 4.5
How will Westfield Retail Trust manage potential conflicts?	Westfield Retail Trust has established a Conflicts Committee responsible for making recommendations to the Westfield Retail Trust Board in connection with protocols for related party transactions and other circumstances where actual or perceived conflicts of interest may arise.	Section 3.8
What will the relationship be between Westfield Retail Trust and Westfield Group after implementation of the Proposal?	<ul style="list-style-type: none"> – Westfield Group and Westfield Retail Trust will directly and indirectly co-own the Properties to which the Shopping Centre Interests relate.⁽²⁾ – Westfield Group will act as the property manager.⁽¹⁾ – Westfield Group will act as the property developer.^{(1),(3)} – Westfield Group and Westfield Retail Trust will co-operate to source new investment opportunities. – Westfield Group will own the Westfield Retail Trust Responsible Entities. – Westfield Group will initially provide corporate services to Westfield Retail Trust. 	Section 3.6

(1) There are six Properties managed by AMP Group for which it is also entitled to be the development manager for those assets.

(2) In the case of Existing JV Properties, with third parties.

(3) Special arrangements apply to the Westfield Sydney redevelopment – see section 4.9(a).

SECTION 1: QUESTIONS AND ANSWERS

Question	Answer	Where to find more information
What fees and expenses will Westfield Group charge Westfield Retail Trust?	<ul style="list-style-type: none"> – Westfield Group will not charge a Responsible Entity fee. – Property management – 5% of Westfield Retail Trust's share of annual gross income of the property.⁽¹⁾ – Property development – where a development is undertaken,⁽²⁾ development fee of 3% and design fee of 10% of Westfield Retail Trust's share of the project price and project leasing fee of up to 15% of Westfield Retail Trust's share of first year rent for leases that become available.⁽³⁾ – Both the property management and development arrangements are materially consistent with those that Westfield Group currently has in place with existing joint venture partners except as noted in this PDS. – Westfield Group will provide loans totalling \$942 million to Westfield Retail Trust under the Westfield Sydney Facility. – Corporate services – Westfield Group will provide staff, systems and administrative, accounting, treasury, information technology, human resources and other ancillary services to Westfield Retail Trust under a Corporate Services Agreement for which it will charge \$23 million in 2011. The continuance, scope and cost of these arrangements are subject to annual review. 	Sections 4.7 and 8
Taxation implications		
What are the tax implications of the Offer?	Participation in the Offer will have taxation implications for investors. These implications will differ depending on the individual circumstances of each investor.	Section 9
Further information		
What is the dispute resolution procedure to deal with complaints?	The Westfield Retail Trust Responsible Entities will provide a complaints handling and dispute resolution procedure in accordance with the Corporations Act and the constitutions of each of the Westfield Retail Stapled Trusts.	Section 11.7
How can further information be obtained?	<p>Call the Westfield Retail Trust Offer Information Line:</p> <ul style="list-style-type: none"> – Westfield Group Securityholders should call 1300 132 211 (within Australia) or +61 3 9415 4070 (outside Australia); – New investors should call 1800 143 150 (within Australia) or +61 3 9415 4282 (outside Australia), <p>at any time from 8.30 am to 5.00pm (Sydney time) Monday to Friday during the Offer Period.</p>	

(1) Under the new property management arrangements a fee for tenancy, design and co-ordination services provided to any specialty stores is payable to the manager equal to the costs incurred by the manager of not more than Westfield Retail Trust's share of \$7,000 per specialty store (increasing by CPI).

(2) Special arrangements apply to the Westfield Sydney redevelopment – see section 4.9(a).

(3) Under new development agreements a fee for tenancy, design and co-ordination services provided to specialty stores is payable to the leasing manager of Westfield Retail Trust's share of up to \$7,000 per specialty store (increasing by CPI). Further, under the new development agreements, where a major lease is entered into or renewed a negotiated fee (for existing joint ventures) or a market based fee (for new joint ventures) being acknowledged initially as equal to 7% of the first year rent and where there is a market review of such a lease a negotiated fee (for existing joint ventures) or a market based fee (for new joint ventures) being acknowledged initially as equal to 7% of the increase in annual rent is payable to the developer.



WESTFIELD GEELONG

SECTION

2

DETAILS OF THE OFFER



WESTFIELD WHITFORD CITY, PERTH



SECTION CONTENTS: DETAILS OF THE OFFER

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SECTION 2: DETAILS OF THE OFFER

2 Details of the Offer

2.1 Overview of the Offer

The Offer will comprise the:

- Public Offer to raise up to \$2.0 billion; and
- Westfield Securityholder Offer to Eligible Westfield Securityholders to raise up to \$1.5 billion.

The Offer is underwritten up to \$1.75 billion. Further details of the Public Offer and Westfield Securityholder Offer are described below.

2.2 The Capital Distribution

Under the Capital Distribution, on the Implementation Date:

- WML as responsible entity of WFT will distribute units in Westfield Retail Trust 1 to Westfield Group Securityholders by an in specie distribution; and
- WHL will pay a fully franked dividend to Westfield Group Securityholders to be satisfied by a distribution in specie of units in Westfield Retail Trust 2.

As a result of the Capital Distribution, a total of approximately 2.308 billion Stapled Units will be transferred to Westfield Group Securityholders on the basis of one Stapled Unit for each Westfield Stapled Security on issue.

2.3 Stapled Units

Each Stapled Unit is a stapled security comprising one unit in Westfield Retail Trust 1 and one unit in Westfield Retail Trust 2. The Stapled Units will trade on ASX as a stapled security (if quotation is accepted).

2.4 Offer Price

The Offer Price under the Westfield Securityholder Offer and the Public Offer is \$2.75 per Stapled Unit.

2.5 Issuers

The Offer under this PDS is made by the Westfield Retail Trust Responsible Entities as responsible entity of Westfield Retail Trust 1 and Westfield Retail Trust 2 respectively. In addition, pursuant to this PDS, WML and WHL are transferring units in Westfield Retail Trust 1 and Westfield Retail Trust 2, respectively, pursuant to the Capital Distribution.

2.6 Sources and uses

Initially, the acquisition by Westfield Retail Trust of the Shopping Centre Interests will be funded by way of the Acquisition Facility, equity distributed by Westfield Group and the Westfield Sydney Facility (which is a loan provided by Westfield Group relating to the purchase of a 50% interest in Westfield Sydney).

The initial sources and application of funds (including the Capital Distribution) are detailed below:

Sources	\$ million
Value of equity distributed through the Capital Distribution	7,301
Acquisition Facility	3,700
Westfield Sydney Facility	942
Payables and deferred tax liability	437
Total sources	12,380
Uses	
Acquisition of Shopping Centre Interests	12,108
Estimated transaction costs (excluding equity raising costs)	163
Cash and working capital	109
Total uses	12,380

Funds raised through the Offer will be used to pay down the Acquisition Facility. If the Offer is fully subscribed, the Acquisition Facility will reduce to approximately \$200 million, representing 1.6% of Westfield Retail Trust's current total assets.

2.7 Public Offer

The Public Offer will seek to raise gross proceeds of up to \$2.0 billion through General Applicants and Institutional Investors.

(a) General Applicants under the Public Offer

The Public Offer is open to all Australian and New Zealand resident Retail Investors who are members of the general public. The Public Offer will be open between 9.00am (Sydney time), Thursday, 11 November 2010 and 5.00pm (Sydney time), Monday, 6 December 2010.

General Applicants in the Public Offer must apply for a minimum value of at least \$2,000 (being at least 728 Stapled Units) and in multiples of at least \$500 (being at least 182 Stapled Units) thereafter. Subject to section 2.8, there is no maximum value of Stapled Units which may be applied for under the Public Offer (however, an Application for more than \$150,000 will be deemed to be made by an Institutional Investor for the purposes of the Public Offer along with Applications that are made by persons who the Underwriters believe are Institutional Investors). All valid Applications received under the Public Offer from General Applicants will be accepted in full.

Refer to the How to apply section of this PDS for further details on the Application process.

(b) Institutional Investors under the Public Offer

Institutional Investors wishing to apply under the Public Offer should do so through the Underwriters during the Offer Period.

The Underwriters will invite certain Institutional Investors to bid for Stapled Units at the Offer Price.

The minimum Application amount for Institutional Investors under the Public Offer is at least \$2,000 (being at least 728 Stapled Units).

Full details of how to participate in the Public Offer as an Institutional Investor, including bidding instructions, will be provided to participants by the Underwriters.

2.8 Allocations under the Public Offer

(a) General Principles

Subject to sections 2.8(b) and 2.8(c), the Underwriters, in consultation with Westfield Group and Westfield Retail Trust, have discretion regarding the allocation of Stapled Units to Applicants in the Public Offer and may reject any Application, or allocate a lesser amount of Stapled Units than those applied for, in their absolute discretion. This discretion includes:

- the allocation of Stapled Units to Institutional Investors;
- the right to treat any Application in the Public Offer (including Applications by General Applicants) which are for more than \$150,000, or which are from persons whom they believe may be Institutional Investors, as an Application by Institutional Investors under the Public Offer or to reject the Application; and
- the right to disregard or aggregate multiple Applications whom the Underwriters reasonably believe have come from the same person, groups of companies under common control or close family members.

In addition, the Underwriters, in consultation with Westfield Group and Westfield Retail Trust, have discretion to reallocate the size of the Public Offer above \$2 billion if there is a shortfall in the Westfield Securityholder Offer. The total size of the Offer will not exceed \$3.5 billion.

(b) Allocations to General Applicants under the Public Offer

All valid Applications received under the Public Offer by General Applicants will be accepted in full, unless General Applicants exceed the maximum offer size in which case Applications may be scaled back on a pro rata basis.

(c) Allocations to Institutional Investors under the Public Offer

The allocation of Stapled Units among Institutional Investors under the Public Offer will be determined by the Underwriters in consultation with Westfield Group and Westfield Retail Trust. That determination will be at the sole discretion of the Underwriters and there is no assurance that any Institutional Investors will be allocated any Stapled Units, or the number of Stapled Units for which they bid.

At the conclusion of the Public Offer, demand from General Applicants and Institutional Investors will be aggregated. Valid Applications from Institutional Investors will be scaled back in a manner determined by Westfield Group, Westfield Retail Trust and the Underwriters once the aggregate level of demand for Stapled Units under the Public Offer is known.

Therefore, any allocation to a participating Institutional Investor remains subject to possible scale back.

SECTION 2: DETAILS OF THE OFFER

2.9 Westfield Securityholder Offer

The Westfield Securityholder Offer is seeking to raise gross proceeds of up to \$1.5 billion. The Westfield Securityholder Offer will consist of an Institutional Westfield Securityholder Offer and a Retail Westfield Securityholder Offer.

Under the Westfield Securityholder Offer, Eligible Westfield Securityholders will be able to subscribe for 1 new Stapled Unit for every 4.23 Westfield Stapled Securities they hold as at the Westfield Securityholder Offer Record Date. Eligible Westfield Securityholders may choose to take up their entitlements in whole, in part or not at all. Westfield Group Securityholders may also apply for Stapled Units under the Public Offer. Eligible Retail Westfield Securityholders may apply under the Public Offer by simply inserting the number of Stapled Units they wish to subscribe for on their green personalised Application Form (which can be more than their entitlement), or by paying the Application Monies for that number of Stapled Units using BPAY, as described in their green personalised Application Form. Any application by an Eligible Retail Westfield Securityholder in excess of their entitlement will be taken as an application under the Public Offer. Eligible Institutional Westfield Securityholders may participate in the Public Offer by applying separately.

Refer to the How to apply section of this PDS for further details on the Application process.

Entitlements under the Westfield Securityholder Offer are non-renounceable, meaning they are personal and cannot be traded on ASX or any other exchange nor can they be privately transferred. Eligible Westfield Group Securityholders will not receive any value if they are not eligible to participate in the Westfield Securityholder Offer or if they elect not to take up their Entitlement to the Stapled Units.

Where fractions arise in the calculation of entitlements, they will be rounded down to the nearest whole number of Stapled Units.

(a) Institutional Westfield Securityholder Offer

The Institutional Westfield Securityholder Offer will be conducted between Wednesday, 3 November and Friday, 5 November 2010 and will be open to Eligible Institutional Westfield Securityholders.

(b) Institutional Westfield Securityholder Offer Shortfall Bookbuild

Stapled Units equivalent to those not taken up and those which would otherwise have been offered to Ineligible Westfield Securityholders under the Institutional Westfield Securityholder Offer will be offered by the Underwriters to Eligible Institutional Westfield Securityholders who apply for Stapled Units in excess of their entitlement (subject to section 2.9(d) below) and to certain other Institutional Investors through an institutional bookbuild process.

(c) Retail Westfield Securityholder Offer

The Retail Westfield Securityholder Offer will be open to Eligible Retail Westfield Securityholders between 9.00am (Sydney time), Thursday, 11 November 2010 and 5.00pm (Sydney time), Monday, 6 December 2010.

If you are an Eligible Retail Westfield Securityholder, the number of Stapled Units for which you are entitled to apply is shown on the green personalised Application Form that accompanies this PDS.

Refer to the How to apply section of this PDS for further details on the Application process.

(d) Allocations under the Westfield Securityholder Offer

Eligible Westfield Securityholders who apply for all or part of their entitlement under the Westfield Securityholder Offer will be guaranteed their entitlement.

Eligible Retail Westfield Securityholders may also apply for more than their entitlement of Stapled Units. Any Application by an Eligible Retail Westfield Securityholder in excess of their entitlement will be taken as an Application under the Public Offer.

Eligible Institutional Westfield Securityholders that accept their entitlement in full and apply for additional Stapled Units in excess of entitlement may be scaled-back depending on the number of Applications received under the Westfield Securityholder Offer. Any scale-back of Applications which are in excess of entitlements will be at the sole discretion of the Underwriters in consultation with Westfield Group and Westfield Retail Trust.

2.10 Eligible Westfield Securityholders that are nominees, trustees or custodians

Westfield Group Securityholders that are nominees, trustees or custodians are advised to seek independent advice as to how to proceed. To the extent you are a nominee, trustee or custodian for a beneficial owner that is in the United States, please note that the Stapled Units have not been, and will not be, registered under the United States Securities Act of 1933 (**U.S. Securities Act**) and may not be offered, sold or resold in the United States, except in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable United States securities laws. Accordingly, you must not:

- send this PDS or any other document relating to the Offer to any of your clients in the United States; or
- submit an application or otherwise accept the Offer on behalf of a person in the United States.

Where you are acting as the nominee, trustee or custodian for any beneficiary in a jurisdiction outside Australia and New Zealand, other than the United States, you will need to satisfy yourself that the application or acceptance does not breach any law of any relevant overseas jurisdiction. Failure to comply with these restrictions may result in violations of applicable securities laws.

2.11 Ranking of Stapled Units

Each Stapled Unit will be issued fully paid. From the date of issue, the Stapled Units will rank equally with all other Stapled Units (including those transferred to Westfield Group Securityholders under the Capital Distribution).

2.12 ASX quotation, trading of Stapled Units and holding statements

Westfield Retail Trust will apply to ASX within seven days of the date of this PDS for quotation of the Stapled Units.

Subject to approval being granted, it is expected that trading of Stapled Units issued under the Offer will commence on a conditional and deferred settlement basis on Monday, 13 December 2010. All contracts formed on acceptance of Applications under the Offer will be conditional on each of:

- ASX agreeing to quote the Stapled Units on ASX;
- implementation of the Proposal on the Implementation Date; and
- allotment of the Stapled Units on the Allotment Date.

Trades occurring on ASX before satisfaction or completion of all of these criteria will be conditional on such satisfaction or completion occurring.

Conditional trading will continue until Westfield Retail Trust has advised ASX that allotment of the Stapled Units on the Allotment Date has occurred – this is expected to occur on or about Tuesday, 21 December 2010. Trading from Wednesday, 22 December 2010 will then be on an unconditional but deferred settlement basis until Westfield Retail Trust has advised ASX that initial holding statements have been dispatched to Stapled Unitholders setting out the number of Stapled Units allocated to them under the Offer.

It is expected that holding statements will be dispatched by standard post on Wednesday, 22 December 2010 and that trading of Stapled Units on a normal settlement basis will commence on Thursday, 23 December 2010. It is the responsibility of Applicants to determine their allocation prior to trading in Stapled Units. Applicants trading in Stapled Units prior to receiving a holding statement do so at their own risk.

Westfield Retail Trust disclaims all liability (to the maximum extent permitted by law) to persons who trade Stapled Units before receiving their holding statements, whether on the basis of confirmation of the allocation provided by Westfield Retail Trust, the Registry or the Underwriters.

2.13 Underwriting

The Offer is underwritten by the Underwriters up to \$1.75 billion. Section 10.13 contains a summary of the Underwriting Agreement, which includes a number of termination events.

The Underwriting Agreement ensures that, unless the Underwriters terminate the Underwriting Agreement, Westfield Retail Trust will receive up to \$1.75 billion pursuant to the Underwriters' underwriting commitment.

2.14 Withdrawal of the Offer

The Offer will be withdrawn if:

- any of the Resolutions to facilitate the Proposal are not approved by the Westfield Group Securityholders; or
- the Implementation Deed is terminated.

In these circumstances, Westfield Retail Trust will refund Application Monies in accordance with the Corporations Act and will do so without interest.

2.15 Further information and enquiries

If you would like further information you can call the Westfield Retail Trust Offer Information Line:

- Westfield Group Securityholders should call 1300 132 211 (within Australia) or +61 3 9415 4070 (outside Australia);
- New investors should call 1800 143 150 (within Australia) or +61 3 9415 4282 (outside Australia),

at any time from 8.30am to 5.00pm (Sydney time) Monday to Friday during the Offer Period.