

9 December 2010



Westfield Group

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

Dear Sir/Madam

**WESTFIELD GROUP (ASX: WDC)
EXTRAORDINARY GENERAL MEETING TO BE HELD ON 9 DECEMBER 2010
CHAIRMAN'S ADDRESS TO MEMBERS**

Attached is a copy of the address by the Chairman which will be delivered at today's Extraordinary General Meeting of the Westfield Group.

Yours faithfully
WESTFIELD GROUP

A handwritten signature in blue ink, consisting of a series of loops and a long horizontal stroke.

**Simon Tuxen
Company Secretary**

Encl.

Westfield Holdings Limited ABN 66 001 671 496

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

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



**ADDRESS TO MEMBERS
WESTFIELD GROUP
EXTRAORDINARY GENERAL MEETING
TO BE HELD ON THURSDAY, 9 DECEMBER 2010 AT 10:00AM
GRAND BALLROOM, FOUR SEASONS HOTEL
199 GEORGE STREET, SYDNEY**

CHECK AGAINST DELIVERY

Today's meeting is being held to consider and vote on the proposal to make the capital structure of the Westfield Group more efficient.

The proposal involves the creation of a new investment vehicle – to be known as the Westfield Retail Trust - which will become a partner with the Westfield Group.

I know that you have received the extensive documentation regarding this proposal. Today I will give you a brief summary of the transaction and its benefits before putting the resolutions to the vote.

The new Westfield Retail Trust – will become a 50% joint venture owner in 54 of the Westfield Group's centres in Australia and New Zealand. It will have gross assets of \$12.2 billion and will become one of the top three REITs in Australia.

The establishment of the new Trust will be effected through a distribution of \$7.3 billion of capital to Westfield Group securityholders. The new Trust has also raised over \$2 billion of new equity.

We believe that this new structure will, over time, create value for shareholders. It will increase the Group's earnings potential and is expected to significantly improve our return on equity. It will create a new joint venture partner reducing Westfield Group's future capital needs.

Our capital position allows us to distribute \$7.3 billion of capital back to shareholders, maintain a gearing ratio of approximately 36% and still remain in a very strong position to pursue future growth opportunities. I am pleased to note that S&P credit rating agency has reaffirmed our A minus rating this week, the same rating we had before the restructure was announced.

Westfield Group's capital needs coincide with strong investor demand for a Trust like the Westfield Retail Trust – which is focussed on investing in Australia and New Zealand retail property, with conservative gearing and earnings primarily sourced in Australian dollars.

Shareholders will now have the flexibility to determine their own level of ongoing investment in the Westfield Group - the global operator, developer and investor in high quality retail property and in the Westfield Retail Trust - the investor in high quality retail property in Australia and New Zealand.

Westfield Retail Trust will operate as a separate entity with its own Board and dedicated Management team. Westfield Group will remain as the Responsible Entity for which it will charge no responsible entity fees.

The Trust's board will be led by Dick Warburton and includes directors with extensive corporate, business, financial, retail and real estate experience, including:

- Michael Ihlein;
- Andrew Harmos;
- Sandra McPhee;
- Laurie Brindle;
- Steven Lowy;
- Peter Allen; and
- Domenic Panaccio, who will become the Trust's managing director.

Most of these new directors are with us today - seated at the front. Unfortunately Andrew Harmos, who resides in New Zealand, could not join us. We welcome the new directors to the meeting.

The Trust will have an initial low gearing ratio of 21.5% giving it a strong capacity to grow.

Westfield Group will continue to act as property manager and developer for the assets in the joint venture. The result of which is increased property management and development profits for Westfield Group going forward.

We will also look to share future retail property acquisition opportunities in Australia and New Zealand with the Trust.

Importantly, the size and scale of the Westfield Group will remain intact. We will continue to have interests in 119 centres globally and assets under management of \$61 billion. We will now have a long term partner to share in our investments, meaning that we will require less capital in future to pursue our strategy.

Our strategy will be to maximise the income from the portfolio. We expect to be able to significantly improve our return on equity and earnings growth profile going forward.

We will continue to grow our funds under management by creating further joint venture partnerships globally. Just a couple of weeks ago we announced the creation of a new joint venture for the retail component of the Stratford project in London. This will result in Westfield Group achieving a development profit of approximately £300 million - equivalent to A\$500 million.

We will continue to grow through our development activity with over \$10 billion of future projects identified today. These future projects are expected to generate significant development profits for Westfield Group in the years ahead, both through the creation of additional value on our own investment and the additional development, design and construction income we will earn on our joint venture assets.

We will assess acquisition opportunities and new markets and will continue with our strategy of reducing, over time, our exposure to assets in the United States that do not meet our growth targets.

Importantly, the proposal is expected to have a positive impact on our earnings and growth. We have previously forecast that we will achieve operational segment earnings per security of 90 cents and a distribution per security of 64 cents for 2010 – and I can reconfirm this today.

Next year for 2011, the combined operational segment earnings are expected to be 93 cents per security, comprising 74.6 cents for Westfield Group and 18.5 cents for Westfield Retail Trust. The distribution per security for 2011 is expected to be 48.4 cents for Westfield Group and 16.5 cents for Westfield Retail Trust.

Our focus is to continue to improve return on equity, which we will achieve through this restructure, introducing further joint ventures in the US and reducing our exposure to assets that do not meet our return targets. Our aim is to position the Group to achieve medium to long term earnings growth in excess of 6% per annum.

This proposal is consistent with the philosophy that has made Westfield successful over its first 50 years.

I have always been passionate about growth. Not growth for growth's sake, but growth where it has the potential to create value for shareholders. I believe fundamentally that the continual evolution of Westfield's capital structure is one of the essential ingredients to achieve growth.

The past few years have been productive ones for Westfield Group. We have weathered the global financial crisis and emerged in a strong position.

I'm proud to commend this Proposal to you. I'm confident it will serve the best interests of shareholders in the years ahead.

Thank you.

-ENDS-