

29 March 2011



Westfield Group

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The Manager
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Level 4, Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

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

Attached is the Annual Report for the Westfield Group for the financial year ended 31 December 2010. The Annual Report will be despatched to members on or around 29 March 2011.

The Annual Report may also be accessed on the Westfield website – www.westfield.com/corporate.

Yours faithfully

WESTFIELD GROUP

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

**Simon Tuxen
Company Secretary**

Encl.

Westfield Holdings Limited ABN 66 001 671 496

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

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



Westfield

WESTFIELD GROUP
ANNUAL REPORT 2010

WESTFIELD SYDNEY:

Stage one of the \$3.26 billion flagship project in the heart of Sydney's central business district opened in October 2010 six months ahead of schedule, with 130 fashion and food retailers and a 30,000 square metre office building. Westfield Sydney, which will become home to the Group's corporate headquarters, is due for completion in early 2012 with the opening of a 25-storey office tower.



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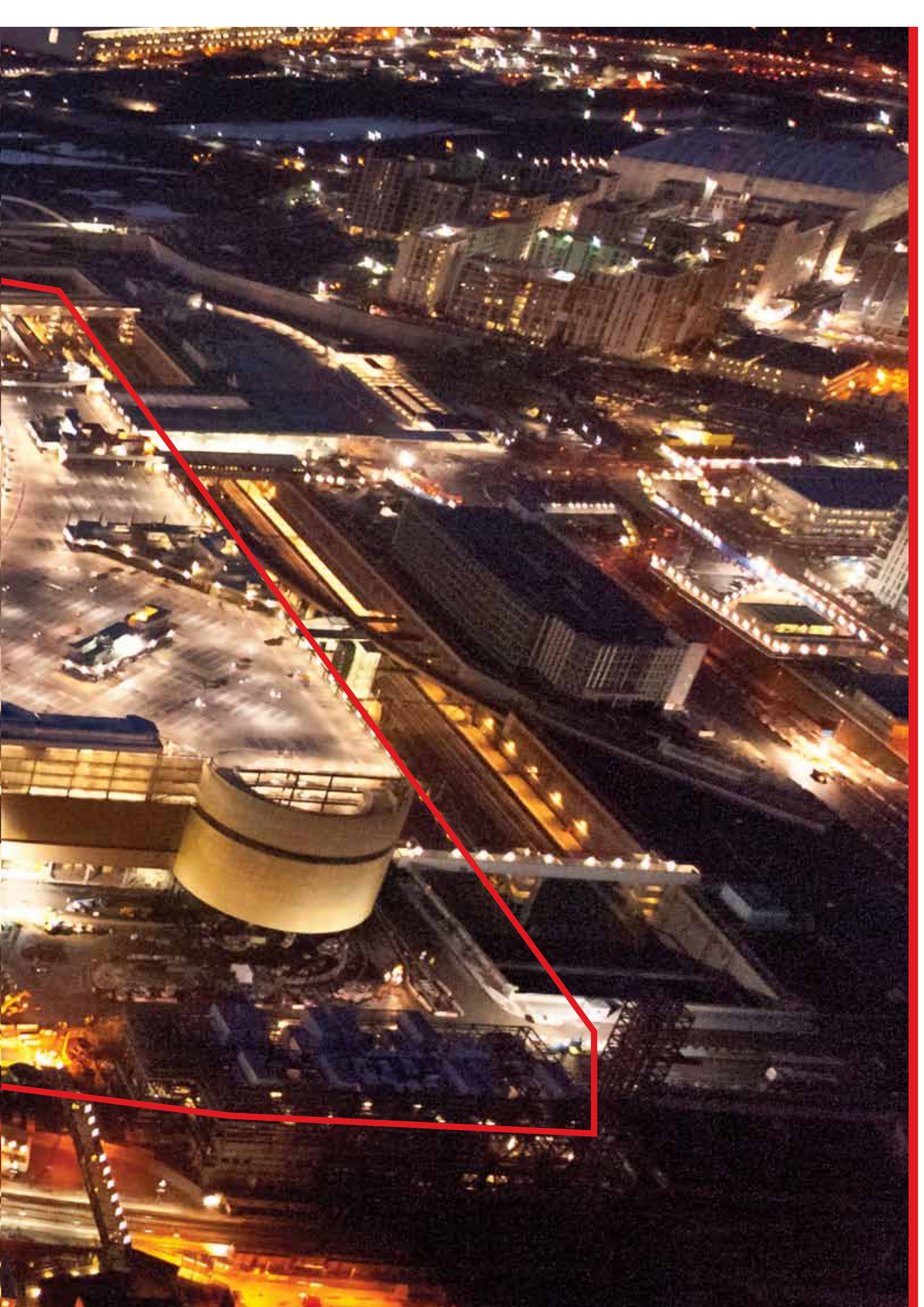


WESTFIELD STRATFORD CITY:

The completed £1.743 billion landmark centre will be the gateway to the London 2012 Olympic Games, and is due to open in September 2011. As Europe's largest shopping centre with 1.9 million square feet of retail, a new town centre with residential, commercial and leisure space including two hotels, and international transport connectivity, Westfield Stratford City is set to transform the east side of London.

**London Olympic Games
Queen Elizabeth Park**





The Westfield Group has interests in and operates one of the world's largest shopping centre portfolios. This high quality portfolio of 119 regional shopping centres in Australia, New Zealand, the United States and the United Kingdom is valued in excess of \$58 billion, and has almost 24,000 retailers in more than 10.5 million square metres of retail space.



55

UNITED STATES

A GLOBAL PRESENCE

NUMBER OF CENTRES BY REGION

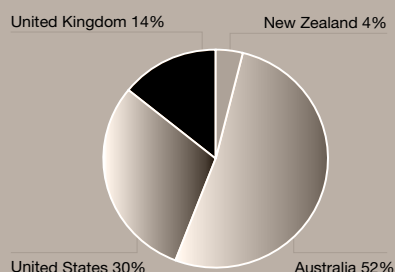
Westfield Holdings Limited ABN 66 001 671 496
All amounts in Australian dollars unless otherwise specified

This report contains forward-looking statements, including statements regarding future earnings and distributions. These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, and which may cause actual results to differ materially from those expressed in the statements contained in this release. You should not place undue reliance on these forward-looking statements. These forward-looking statements are based on information available to us as of the date of this report. Except as required by law or regulation (including the ASX Listing Rules) we undertake no obligation to update these forward-looking statements.

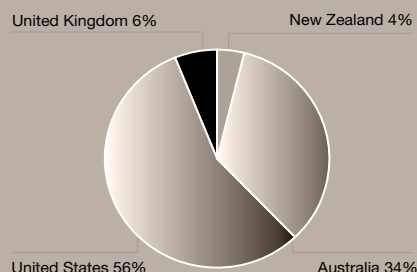
PORTFOLIO SUMMARY

	Australia	New Zealand	United States	United Kingdom	Total
Centres	44	12	55	8	119
Retail Outlets	11,920	1,724	8,989	1,281	23,914
Gross Lettable Area (million sqm)	3.6	0.4	5.9	0.6	10.5
WDC Asset Value (billion) ¹	\$12.0	NZ\$1.5	US\$15.6	£3.3	\$33.5
Asset Value – JV partner interests (billion)	\$18.6	NZ\$1.5	US\$2.1	£1.9	\$24.7
Assets Under Management (billion) ²	\$30.6	NZ\$3.0	US\$17.7	£5.2	\$58.2

Assets Under Management



Gross Lettable Area



1 WDC share of shopping centre assets including work in progress and assets held for redevelopment.

2 WDC and joint venture share of shopping centre assets including work in progress and assets held for development.

44

AUSTRALIA

8

UK

12

NEW ZEALAND

CHAIRMAN'S REPORT



Frank Lowy, AC



This is my final review for Westfield as an executive. After 50 years in the leading executive role with the company, from May 2011 I will assume the position of non-executive chairman. I will, however, remain an active and involved chairman, staying close to the business and contributing to strategy and all major decision-making for the Group.

I am proud to be taking this step now, at a time when the Group is strong, stable and with exciting opportunities ahead of it. Our latest financial results and a look at the period ahead reinforce this fact.

For 2010 the Group recorded a net profit of \$2.306 billion (before one-off accounting adjustments and charges relating to the establishment of the Westfield Retail Trust), growth is forecast in every market in which we operate, we have completed a major capital restructure which will improve the long-term growth profile of the Group, we are close to completion of two major projects at Westfield Sydney and at Westfield Stratford City in London and we are reviewing opportunities for further development and international expansion.



The change in my role is accompanied by a number of other important changes, including the appointment of current Group Managing Directors Peter and Steven Lowy as joint Chief Executive Officers for the Group and a further renewal of the board with the appointment of Mr Brian Schwartz as Deputy Chairman, Chief Financial Officer Peter Allen as Finance Director and the departure of current Deputy Chairman David Lowy and another long-serving director, Mr David Gonski.

The changes at board level continue the process of renewal that has been evident over the past three years with the appointment of Mr John McFarlane, Professor Judith Sloan, and Lord Peter Goldsmith in 2008, Mr Brian Schwartz in 2009 and Mr Mark Johnson in 2010.

I am proud that we can make these changes with confidence because, while they are significant, they have not come about suddenly. In fact, as I reflect on my role with the company since it was created in 1960, I can see that they are consistent with the two defining features of the company's history – the ability to change and move with the times while maintaining continuity and stability.

This is true at management level too with the most recent changes being the latest step in a carefully managed succession plan which has evolved over the past decade or more as greater responsibility for the leadership of the Group has been shared with an ever wider group of senior executives.

The aim of this long-term succession plan has been to ensure that the Group is always able to draw upon the very best board and executive talent, not just in the short-term but well into the future.

The changes in roles and responsibilities at board and senior management level cap a year of celebration and achievement for Westfield Group.

During the year we marked our 50th anniversary as a public company and this provided many opportunities to reflect on our achievements and to think about how we can maintain our position as a successful, forward-looking and innovative company.

It was also a time for me to reflect personally on my role in the company, back to the days when my founding partner, the late John Saunders, and I personally managed every aspect of the business. We scouted for land, we worked on building plans, we oversaw construction, leased shops and paid contractors and staff with cheques we signed at our shared desk.

All of that is a long way from where we are today, and while the principles of our business model haven't really changed over the years the Westfield Group today is a vastly larger and more complex company.

This was highlighted by one of the major events of 2010 – the restructuring of the Group to create the new Westfield Retail Trust which is now a joint venture partner in 54 Westfield centres in Australia and New Zealand. This was the latest in a series of capital restructures which the Group has undertaken over its history to better position the company for growth and to create greater value for securityholders.

The introduction of more joint venture partners is likely to become an emerging trend in the United States in the period ahead. We will also consider, over time, reducing our exposure to less productive assets in the United States and United Kingdom.

The theme of continuity and change was evident again during the year at an internal digital business conference organised by Westfield for its most senior executives. The conference was held to review how developments in digital technology were shaping retail formats and shopper behaviour, what Westfield was already doing in response and how best to adapt in future. The conference examined in detail Westfield's first foray into online retailing with the launch of westfield.com.au during the year, as well as a range of other initiatives to improve the shopper experience and create better and more targeted marketing for our retailers.

While digital business and the internet receives great attention there is, however, no better example of Westfield continuing to meet consumer expectations than with the development of icon centres like Westfield Bondi Junction in Sydney, Westfield Century City in Los Angeles and Westfield London.

In October 2010, we opened the first stage of the latest of these centres at Westfield Sydney, taking shopping to yet another level of quality and experience for retailers and shoppers alike. The new centre, located in the heart of Sydney's CBD, has already transformed the area with the introduction of some of the world's most popular luxury retail brands.

The completed centre will open during 2011, to be followed by the opening of yet another icon centre later in the year at Stratford City in London adjacent to the site of the 2012 London Olympics.

Of course, the reason we are able to successfully keep abreast of changes in the marketplace, redevelop existing centres and build new, iconic retail projects is because of the skill and experience of our executive team. I have often said that one of the company's greatest achievements has been its ability to maintain a stable, core team of senior executives and it is this fact above all others that gave me such confidence in making my decision to step back from an executive role with the company.

In fact, I take great pride in the fact that very few companies have demonstrated an ability to maintain the focus of the founding generation as they evolve into large, complex global firms with thousands of employees.

Since John Saunders left the business in the late 1980s the executive leadership of the company has been shared between me and my three sons, with David Lowy serving as Managing Director during the 1990s and Peter and Steven Lowy taking on increasing responsibility during this period.

For the past 10 years or so, following David Lowy's move to a non-executive role, Peter and Steven have been Joint Group Managing Directors. Over this period the senior executive team, including the Chief Financial Officer and country heads for each geographic region, have also assumed a more important role.

All of this demonstrates a remarkable level of stability and my move to a non-executive role and the elevation of Peter and Steven Lowy to joint Chief Executive Officers continues that stability. The Group will continue to benefit from the ongoing commitment of the Lowy family and ongoing renewal of the board.

I would like to express my thanks to my fellow directors all of whom make an enormous contribution to the sound management and decision-making of the Group. In particular, I would like to formally record here the Group's gratitude for the outstanding service provided by our two outgoing directors, David Lowy and David Gonski.

David Lowy has played a central role in the success of Westfield for more than three decades and was instrumental in establishing our business in the US, starting with his management of Trumbull shopping centre in Connecticut in 1977 through to the major expansion of Westfield during the 1990s when he was Managing Director.

Since he became a non-executive director about 10 years ago he has continued to make a major contribution to the strategy of the Group, as well as through service on a number of board committees, most recently as Chairman of the board's Risk Management Committee.

David Gonski has also played a pivotal role in the growth of the Group over the past 25 years.

His deep experience in corporate matters and his wise counsel over such a long period have been invaluable to the company. David has also made an important contribution to the work of the Audit, Remuneration and Nomination Committees.

Both deserve enormous thanks and recognition for their contribution to Westfield Group.

After more than 50 years of executive responsibility for the Group my decision to take a step back to a non-executive role was not an easy one to make. In some ways it is tinged with sadness on a personal level. After all, this company has been and will continue to be my life's work.

But I am confident the decision is the right one, made at the right time. I was determined that when the time came I would make this change in typical Westfield fashion – from a position of strength and with confidence and in a manner that would leave no doubt that the Group will continue to be led by me, supported by an outstanding board and experienced senior executive team.

The Group has recently reconfirmed its operational segment earnings forecast of 74.6 cents per security and distribution of 48.4 cents per security for 2011. This continues the sound financial performance that has been a hallmark of the Westfield Group over its history.

The period ahead holds great promise for our company. We have emerged from the global financial instability of the past few years in excellent shape, with a strong balance sheet, high quality assets, solid growth forecasts and opportunities to expand in new markets. We have the right capital structure and the right board and executive team to lead us into this new era.

I am proud to continue to lead this company as Chairman, and to oversee further change while always maintaining the continuity that has characterised Westfield from its earliest days. I look forward to another productive year in which Westfield creates value for securityholders and maintains its position as one of the world's leading retail property companies.



Frank Lowy, AC
Chairman

GROUP MANAGING DIRECTORS' REPORT



Steven Lowy, Peter Lowy



The Year in Review

The year was significant in Westfield's history, not only because it marked 50 years as a public company, but also because a major restructure was completed, creating a more capital efficient business.

Westfield Retail Trust (WRT) was established during the year, resulting in the joint venturing of the Australian and New Zealand business and the distribution of \$7.3 billion of capital to security holders. This, together with the additional income the Group will earn from property management and development, is expected to improve return on equity and the Group's long-term growth profile.

The Group reported a net profit of \$2.306 billion (before one-off accounting adjustments and charges in relation to the establishment of the WRT) compared to \$(458) million in December 2009.

Including the WRT accounting adjustments and charges (due to the distribution of assets to WRT), reported statutory net profit was \$1.114 billion for 2010.

The Group's result included property revaluations of \$1.135 billion of which \$399 million were development gains, and \$736 million related to the existing portfolio.

The year saw improving performances from both the US and UK portfolios. The Australian/New Zealand portfolio has remained strong with solid demand for space, excellent sales productivity and continued rental growth.



Image:
This page: Westfield London, UK

Operational segment earnings for the year were \$2.063 billion, representing 89.6 cents per security. These earnings were at the upper end of the guidance range based on the distribution forecast provided at the start of the year. Distribution for the year was \$1.464 billion representing 63.56 cents per security in line with forecast.

Development segment earnings for the year were \$227 million or 9.9 cents per security.

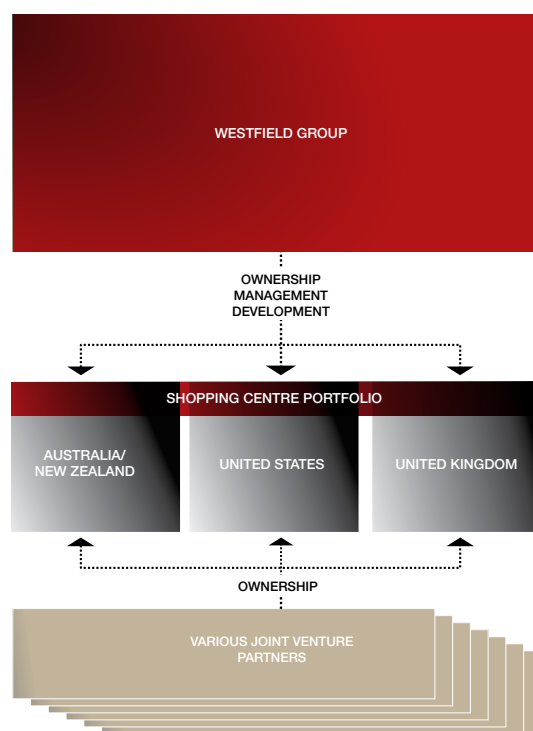
Over the 12 months the average Australian dollar exchange rate appreciated by some 15% and 17% compared to the US dollar and British pound, respectively. Due to the impact of these exchange movements, operational segment earnings were 1.5% lower than the 2009 result but were up 1.4%, on a currency adjusted basis.

At 31 December, the Group had assets under management of \$58.2 billion, total balance sheet assets of \$37.2 billion, a gearing ratio of 38.4% and available liquidity of \$4.2 billion.

Operating Environment

At 31 December, the global portfolio was 97.7% leased, up 50 basis points since the same time in 2009. During the year approximately 4,900 lease deals were executed. It is worth noting that in 2010 there was a considerable reduction in the level of store closures from bankruptcies and abandonments when compared with 2009.

Corporate Structure





Australia and New Zealand

The Australia/New Zealand portfolio has remained strong through the year with solid demand for space, excellent sales productivity and continued rental growth.

Total retail sales in the Australian portfolio for the 12 months to December remained steady at \$21.5 billion with comparable specialty stores sales down 0.4%. In New Zealand total sales for the 12 months were NZ\$2.1 billion, up 0.9% with comparable specialty stores sales up 0.4%. On average, specialty store sales in Australia were \$9,724 per square metre (psm) and in New Zealand, NZ\$7,757 psm.

Average specialty rent per square metre at 31 December grew by 3.8% for the 12 months and included solid increases in Australia in both renewals and new retailer leases.

The Australia/New Zealand portfolio was 99.5% leased with 3,391 lease deals – representing 430,760 sqm of retail space – completed during the year.

Comparable net operating income for 2010 from the Australian portfolio grew by 4.5% and the New Zealand portfolio grew by 0.4%, representing a blended growth for Australia and New Zealand of 4%.

For 2011, comparable net operating income for the Australia/New Zealand portfolio is forecast to grow in the range of 3% to 4%.

United States

For the first time in more than four years, the United States portfolio has shown 12 consecutive months of sales increases in the specialty stores. This growth was across all categories, in particular fashion, jewellery, food and leisure.

Westfield and the Digital Future

Throughout the history of the Group it has consistently embraced technology to improve the design, operation, marketing and overall performance of its shopping centres. It is core to the Westfield business to adapt to the ever-changing retail marketplace by anticipating new retail trends and customer expectations.

The use by shoppers of digital technology to both assist their in-store shopping experience, as well as to transact online, is expanding and enhancing the ways shoppers interact with retailers. This use of technology presents both challenges as well as opportunities for Westfield in the ways it can bring shoppers and retailers together.

For example, as new technology and consumer formats have emerged over the years Westfield has incorporated new retailers and retail formats into its shopping centres. This has included mobile phone stores, electronics stores and more recently expanded formats have showcased new categories. At the same time Westfield has implemented systems to improve the overall shopping experience, such as automated car park guidance systems and shopper wi-fi coverage in centres.

Images:
Top Left: Westfield Sydney, AUS
Centre Left: Westfield Topanga, US
Bottom Left: artist's impression of Westfield Fountain Gate, AUS

From a regional perspective there was a strengthening in sales from centres in California and Florida and in particular our high quality centres such as Century City, Topanga, San Francisco and Valley Fair, which have all posted strong increases for the year.

At 31 December average specialty store sales for the rolling 12 months were US\$418 per square foot, up 6.1% on 2009.

Average store rents were US\$58.43 per square foot (psf) – basically flat for the year. Overall, 3.2 million square feet of space in the Group's US portfolio was leased during the year, representing around 1,300 leasing deals.

During the year we continued to execute a strategy to drive occupancy, resulting in a year-on-year increase from 92.8% to 94.1% in 2010. As the operating environment has continued to improve with stronger sales, higher occupancy and greater demand for space, net operating income is expected to grow between 2.5% and 3.5% in 2011.

Comparative net operating income declined as forecast, primarily as a result of vacancies occurring in 2009 which impacted on 2010.

United Kingdom

During the year the Group's UK portfolio reported strong growth in the London market and a more subdued performance in the markets outside London.

In the United Kingdom reported comparable retail sales were up 0.8% and total sales up 2.8%.

At 31 December average specialty store rent across our UK portfolio was £825 psm – down 1.9% from the level at December 2009 – reflecting growth at Westfield London and declines in the remainder of the portfolio. Occupancy was 99.5%, with 207 leasing deals completed, representing 81,647 sqm of retail space.

In its second year of operation, Westfield London continued to perform exceptionally well with total sales in 2010 of £870 million, up 24.7% and up 18.8% on a comparable basis. The performance has been extremely pleasing and the Group is now planning for Westfield London's next stage of development and expansion.

Overall, the comparable net operating income for 2010 was up 12.2%, reflecting the positive contribution from Westfield London. This momentum is expected to continue into 2011 with comparable net operating income budgeted to grow by 7%-8%.

Development Activities

Westfield Group currently has projects under construction with a total forecast investment of \$4.2 billion. The Group's forecast spend in completing these projects over the next 18 months is approximately \$900 million.

In 2010 the Group commenced work on \$1.05 billion worth of new projects including in Australia, the \$350 million new office tower at Westfield Sydney; a \$125 million redevelopment at Belconnen in the ACT; a \$300 million expansion at Carindale in Queensland; and US\$220 million of projects in the United States.

The upgrade program in the US has focused on reconfiguring existing space. The objective of these projects is to revitalise the existing portfolio by broadening the retail mix and introducing more every day needs such as supermarkets, fresh food, entertainment and lifestyle uses. In line with this strategy, the Group announced its first deals with warehouse retailer Costco, with plans to introduce their member-based retail format into Wheaton in Maryland; Sarasota in Florida; and at West Valley adjoining Topanga in Los Angeles.

At year end \$320 million of these projects were underway in the United States with a further \$150-\$200 million of such projects expected to start in 2011.

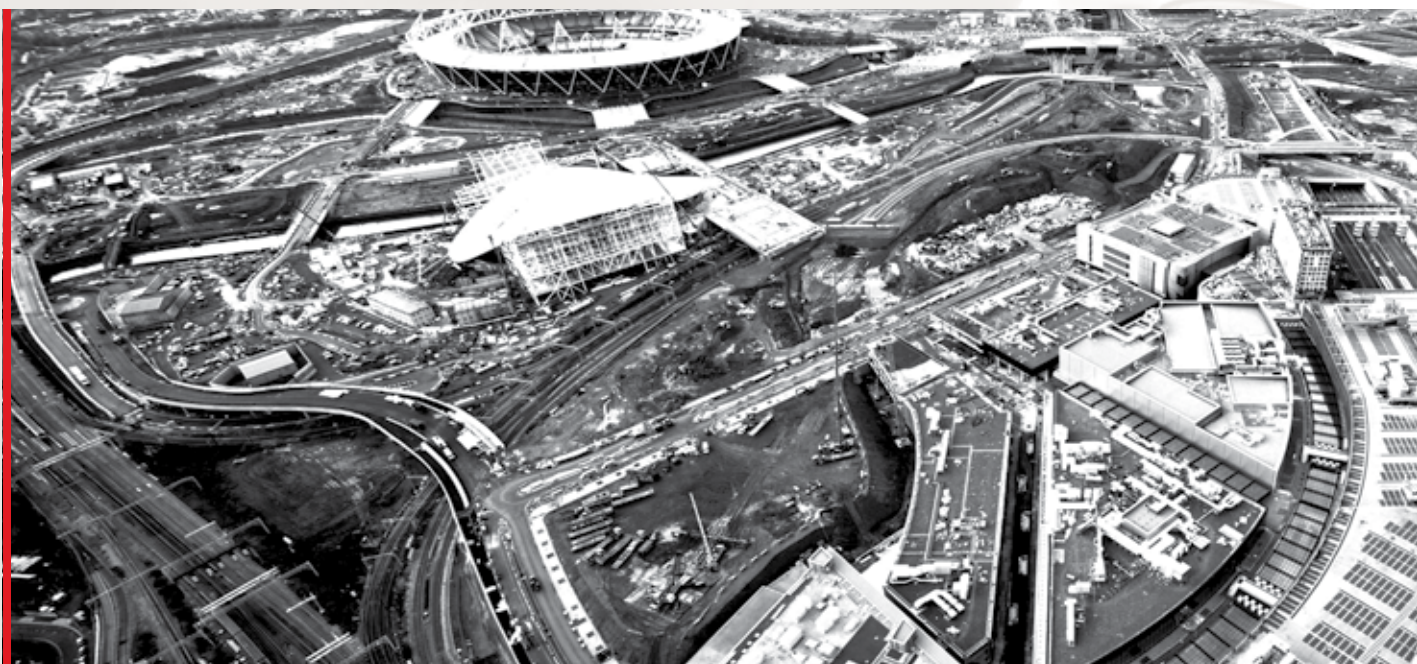
Westfield continues to actively monitor the growth in online retailing which, while coming from a relatively low base, is evident in all the markets in which Westfield operates. Significant numbers of shoppers are using the internet to search for products and the majority then purchase in-store while a smaller number purchase directly online. Given that this is how most consumers are currently using the internet, Westfield centres in all markets have responded by using this channel to communicate more with customers. These include online communities, building databases and conducting a dialogue with existing and potential shoppers using mobile phone, email and social media to encourage shopping visits.

During the year the Group launched westfield.com.au – a transactional, online shopping mall. This project has been many years in the making and a deliberately staged approach was adopted, investing relatively modest capital in the development of the online site and confining it initially to the Australian market. The site is in its early stages of development as shoppers and retailers experiment with the new format and increase their use of the site. There are also plans to test increased use of mobile technology and other initiatives before extending them more widely.

Westfield.com.au offers Australian shoppers the advantage of being able to search, compare and purchase goods from multiple stores in the one location. In principle, this is similar to what a traditional

Westfield shopping centre offers – a large number of quality retailers 'under one roof.' Westfield.com.au however offers a unique opportunity for customers to checkout purchases from multiple stores in a single transaction. Westfield.com.au already features more than 100 retailers, and this number is expected to grow in the year ahead. The new online mall provides a new retail channel for existing Westfield retailers and can be an attractive option for retailers who might not otherwise consider taking space in a Westfield centre.

Westfield will continue to monitor this rapidly-changing area of retailing to stay in touch with and respond to retailer and consumer expectations.



During the year, the Group also announced that it expects to start the US\$180 million first stage redevelopment of Westfield UTC in San Diego, representing its first major project to start in the United States in more than four years.

A major development highlight for the year was the opening of the first stage of the flagship Westfield Sydney project in the heart of Sydney's central business district, six months ahead of schedule. This opening included 130 fashion and food retailers and the 30,000 sqm office tower and marked the reopening of Pitt St mall after two years of construction.

Located in Australia's best retail area, the centre sits between the country's highest-performing department stores, David Jones and Myer, and has set a new standard for shopping centres in Australia. Westfield Sydney has a premium retail offering with a range of Australian and international designer brands (including luxury retailers Salvatore Ferragamo; Mulberry; Gucci; Christian Louboutin; Prada, Miu Miu and Versace; and high-street retailers Zara; Gap; Guess and Tag Heuer) many of which are the retailers' flagship stores and/or the first-to-market in Australia.

Additional retail openings are scheduled over 2011 with the project's completion to be marked by the opening of a 25-storey office tower in early 2012.

On completion the \$3.26 billion Westfield Sydney (including the former Sydney Central Plaza) will be a world-class retail, lifestyle and commercial precinct, with a total of 92,000 sqm of retail space and approximately 76,500 sqm of commercial space across three buildings.

Significantly, during 2010 the Group announced its intentions to relocate its corporate headquarters in 2011 to the commercial precinct of Westfield Sydney.

With a 50% share sold to WRT as part of the restructure, the project was valued at \$3.26 billion on completion. The Group's project development profit is expected to be approximately \$780 million.

At London's Westfield Stratford City, excellent progress continued throughout 2010 with around 79% of the retail area either leased or committed, and the £1.45 billion project on track to open in September 2011.

Retailers now committed to opening at Stratford include anchor stores John Lewis, Waitrose, Marks & Spencer and a 14-screen Vue cinema.

During the year the Group agreed to sell a 50% interest in the retail component of Stratford City for £871.5 million valuing the completed retail centre at £1.743 billion. This is expected to result in total development profits of £300 million.

The introduction of joint venture partners at both Sydney and Stratford allows the Group to achieve significant development gains, as well as releasing capital for deployment in future development activity.

The Group continued its pre-development activity on approximately \$10 billion of future development opportunities – with target unlevered internal rates of return in the range of 12% to 15% on invested capital.

For 2011, Westfield expects to start between \$750 million to \$1 billion of new projects and the Group will also generate development, design and construction income from the development activity undertaken on behalf of its joint venture partners.



Capital Structure – a Platform for Enhanced Growth

Throughout its history, Westfield has adapted and evolved its structure to continually position the Group for growth. Beginning with the original float of the Westfield Development Corporation in 1960, this was followed by the creation of the Westfield Property Trust and Westfield Trust in 1979 and 1982 respectively, Westfield America Trust in 1996 and the formation of Westfield Group in 2004.

In addition to the corporate structure of the business, Westfield has also implemented numerous strategies over time to enhance the Group's capital management and create wealth for security holders.

The creation of the Westfield Retail Trust in December last year has consolidated this strategy to create a more capital efficient business by introducing a new joint venture partner into 54 centres across Australia and New Zealand. It has also facilitated the distribution of \$7.3 billion of capital to security holders.

From this more efficient capital structure the Group will generate greater property management and development income as well as reducing its ongoing capital commitments.

This will result in improved return on equity and and greater future profitability.

The Group also remains in a strong position to execute future growth opportunities.

Westfield Group will continue to implement capital strategies aimed at improving return on equity including the potential introduction of further joint ventures, particularly in the United States, and the disposal of less productive assets globally.

Images:
Top Left: Westfield Stratford City, UK
Top Right: Artists Impression, Westfield Stratford City, UK
Below: Artists Impression, Westfield UTC, US





Outlook

The Group's strength continues to be underpinned by its high quality global portfolio which has benefitted from sustained investment through redevelopment activities over recent years.

The Group's restructure provides the platform for enhanced long term growth with continued focus on initiatives to improve return on equity. These initiatives include investment in more productive assets, the introduction of new joint venture capital and the expansion of the business globally.

For 2011, comparable net operating income is expected to grow in the range of:

- 2.5%-3.5% for the United States;
- 7%-8% for the United Kingdom; and
- 3%-4% for Australia / New Zealand.

Operational segment earnings are forecast to be 74.6 cents per security with a distribution of 48.4 cents per security for 2011.

In 2011, the Group will also report earnings comprising Funds From Operations (FFO), based on global industry practice, together with gains from development activity.

This will now provide the investment community with an earnings metric consistent with our global peers, in particular the US REITs. Our FFO will be calculated from AIFRS profit, adjusted for fair value adjustments including real estate depreciation and amortisation. For 2011, FFO is forecast to be in the range of 64 cents to 65 cents per security, not including gains from development activity.

The forecasts assume no material change to the assumptions contained in the Explanatory Memorandum regarding the Establishment of Westfield Retail Trust, dated 3 November, 2010.

Peter Lowy
Group Managing Director

Steven Lowy AM
Group Managing Director



Five-Year Review

Financial Highlights

	2006	2007	2008	2009	2010
Net Property Income ⁽¹⁾	\$2,671 m	\$2,512 m	\$2,496 m	\$2,721 m	\$2,602 m
Property revaluations	\$5,138 m	\$2,120 m	\$(3,340) m	\$(3,539) m	\$1,135 m
Profit/(Loss) After Tax	\$5,583 m	\$3,437 m	\$(2,197) m	\$(458) m	\$2,306 m ⁽²⁾
Distribution	\$1,872 m	\$1,978 m	\$2,077 m	\$2,149 m	\$1,464 m ⁽³⁾
Total Assets Under Management	\$60,739 m	\$63,172 m	\$69,436 m	\$59,511 m	\$58,220 m
Shopping Centre Assets	\$47,944 m	\$48,074 m	\$53,404 m	\$45,453 m	\$33,539 m
Net Assets	\$23,453 m	\$27,592 m	\$24,762 m	\$24,113 m	\$16,526 m
Gearing (Net Debt as % Assets)	39.4%	29.4%	38.6%	35.2%	38.4%

⁽¹⁾ Net property income is after the sale of shopping centre assets amounting to: 2006 – \$2.1bn, 2007 – \$2.7bn, 2008 – nil, 2009 – nil, 2010 – \$12.1bn.

⁽²⁾ Net profit before one-off accounting adjustments and charges in relation to the creation of WRT. Including the WRT accounting adjustments and charges (due to the distribution of assets to WRT), reported statutory net profit was \$1,114 million for 2010.

⁽³⁾ The Group changed its distribution policy from up to 100% to 70%-75% of operational segment earnings commencing in the 2010 financial year.

Sustainability

Interpretation of the term sustainability, as it relates to major companies, continues to evolve as does the way in which companies introduce sustainable policies and practices to the way they do business. Westfield is no exception. Over the past decade and more the Westfield Group has increasingly made sustainability part and parcel of its day-to-day operations.

For Westfield, the ultimate aim of sustainable business practice is simply to operate the business more efficiently, use energy more wisely, produce less waste and build and redevelop shopping centres that make the most of technology and new design techniques to minimise impact on the environment.

During 2010 the Group conducted a global review of its corporate social responsibility policies and practices with a view to reporting on these activities in a more deliberate and focussed way under the Global Reporting Initiative (GRI) Guidelines. This GRI Reporting Framework contains general and sector-specific content that has been agreed by a wide range of stakeholders around the world to be generally applicable for reporting an organisation's sustainability performance.

This review highlighted the number and diverse range of activities in this area, many initiated by individual staff and local teams.

One key objective of the review is to catalogue and then report regularly in a structured way about the progress the Group is making across the broad sustainability agenda.

This will be an important step towards gathering ever more accurate and measurable data which can in turn provide the

basis for the improvement of existing programs and the introduction of new initiatives as technology and expertise in this field evolves.

In Australia, the Group has brought these activities together under one simple banner – IT MATTERS – giving the sustainability objectives and initiatives a clear brand identity that will be easily communicated to all shoppers, retailers and other stakeholders.

The public place recycling program in Australia for example continues to be rolled out across the portfolio nationally, while centre-specific initiatives include the upgrading of air conditioning systems in six centres in NSW to improve energy efficiency; a retrofit program across 21 centres replacing inefficient 50w dichroic lamps with much more efficient 11w compact fluorescent lamps; and at Mt Druitt in NSW, water harvesting for use in the amenities blocks.

New projects provide the opportunity to implement increasingly advanced environmental design and construction practices, and during 2010, both Westfield Sydney in Australia and Westfield Stratford City in the United Kingdom are no exception.

At Westfield Sydney, the retail component, which had its first stage opening in October 2010, has been designed to achieve 'Australian Excellence' – a 5-star rating in sustainability under the Green Star system. Westfield Sydney is the first CBD retail centre in Australia to target this level of sustainable design.

The final component of the commercial precinct, the 25-storey office tower due to open in early 2012 has been designed to target a 6-star rating under the Green Star system.

This would be in line with the 6-star rating that was previously awarded to the project's first office component at 100 Market St.

Westfield Stratford City in London has been designed to be one of the most environmentally efficient retail centres in the United Kingdom, and is targeting excellence in environmental sustainability, with some of the most stringent guidelines imposed on its construction and ongoing management.

Seventy-five percent of all Stratford City's electrical power will be met through the construction and operation of an on-site Combined Cooling, Heat and Power Plant (CCHP). The retail centre will make use of natural light, effective insulation, high efficiency lighting, heating and cooling and control of solar gain to ensure that the buildings are at least 10% more energy efficient than required by Building Regulations.

Equally important to the Group's capacity to implement more efficient initiatives is its ability to quantify the impact of these with the ultimate goal of reducing the environmental footprint. Clearly identified and quantified, these initiatives can be prioritised into short-term, medium-term and long-term depending on feasibility with which they can be implemented.

The Greenhouse Gas Inventory tool, described in this report over recent years, continues to be the Group's most accurate measurement of its greenhouse gas emissions. The inventory tool's data is corroborated by the greenhouse gas measurement and accounting manual and methodology, which qualifies and substantiates the data collated from the Group's global operating markets.

In 2011, the Group will use this data to once again participate in the Carbon Disclosure Project (CDP) – an independent, not-for-profit organisation that holds the largest database of corporate climate change information in the world. The Group's score in 2010 improved by 20% (year on year) and also exceeded the industry average.

Westfield's submission to the CDP 2011 will be published in May 2011 and can be found at www.cdproject.net

The greenhouse gas inventory data collated for the CDP will also contribute towards the Group's development of its sustainability report to be developed in the GRI framework.

In conjunction with developing reporting processes which will allow Westfield to provide meaningful carbon management information externally, the Group also works with or is a member of various industry and regulatory bodies around the world.

In Australia that includes the Property Council of Australia (PCA) National Sustainability Roundtable Committee; the Green Building Council of Australia (GBCA); NABERS (Retail Technical Advisory Group (TAG)) coordinated by the Department of Environment and Climate Change; and also participated in Energy Efficiency Opportunities Forums & Briefings coordinated by the Department of Resources, Energy and Tourism, and the Environment Protection and Heritage Council (EPHC) Stakeholder Workshop. Westfield is a member of the New Zealand Packaging Council and the Property Council of New Zealand, the Electricity Authority and the Green Building Council. In the United States the Group is a member of US Green Building Council (USGBC); the USGBC's Leadership in Energy Efficiency and Design program and the Commercial Real Estate Energy

Alliance International Council of Shopping Centres (ICSC) Sustainability Working Group, and is a member of the British Council of Shopping Centres in the United Kingdom.

During the year Westfield, along with 777 other companies in Australia, provided information to the Federal Government about its direct and indirect greenhouse gas emissions and energy consumption under the National Greenhouse and Energy Reporting Act (NGER). We also reported on the results of our energy assessments and implemented energy efficiency measures under the Energy Efficiency Opportunities Act (EEO).

Community

Westfield centres remain a vital part of the communities where they operate and the Group continues to be closely involved with the concerns of its local communities.

In 2010 the Group provided disaster support to the local community in Christchurch, New Zealand, following the tragic earthquake in September. Westfield made its centres around the country available as a fund-raising location, as well as making a cash contribution to the affected community. In 2011 following this reporting period the city of Christchurch was devastated by another earthquake, damaging more than a third of the entire city. The Group's one property in Christchurch – Westfield Riccarton – was not seriously affected and the business will again use its centres as a fundraising location in addition to other means of support.

The Group also demonstrated its capacity to respond to natural disasters when Queensland in northern Australia suffered significant floods during December 2010 and January 2011. As with New Zealand, centres were established as community collection points in addition to other support provided by the Group.

In Australia the nomination of the families and carers of disabled children as a core cause for support has raised more than \$1.6 million worth of assistance – through cash donations, Westfield staff time and other in-kind support. This support has been extended to as many as 30 different disability groups around the country in the past three years.

In New Zealand there has been additional community assistance whereby the shopping centres have supported a

number of children's charities, in particular the North Shore Hospital Foundation for Home Care 4 Kids through Freezefield event held at Glenfield; and the Albany Annual Fire Works for the Community.

The US and UK businesses continue to support a wide variety of causes in their respective communities including the National MS Society, Special Olympics, St Jude's Children's Hospital and the Make a Wish Foundation in the United States and the Help A Capital Child, the Octavia Foundation and the British Heart Foundation in the United Kingdom.

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

SENIOR EXECUTIVE TEAM

Corporate



Peter Allen*
Group Chief
Financial Officer



Simon Tuxen*
Group General Counsel
& Company Secretary

Mark Bloom*
Deputy Group Chief
Financial Officer

Eamonn Cunningham
Chief Risk Officer

Gerhard Karba
Group Chief
Information Officer

Elliott Rusanow*
Group Director Finance

Mark Ryan
Group Director
Corporate Affairs

David Temby
Group Tax Counsel

* member of Group Executive Committee

Westfield has always been an entrepreneurial company, with the ability to move quickly to seize new opportunities or react to market conditions. But its approach to succession planning at the senior executive level has been consistent and orderly. The stability and deep experience of its senior team has been a hallmark of the company, with an average age of 51 and average length of service of 17 years.

Westfield began as a partnership between founders Frank Lowy and the late John Saunders. But since the late 1980s the story has been one of increasingly shared responsibility with an ever wider group of executives.

Since the reporting date the company has made a number of changes to the roles and responsibilities of senior management which reinforce this fact.

Joint Chief Executive Officers Peter and Steven Lowy have served the company for more than 28 and 23 years respectively. They have both held operational roles early in their careers before progressing into leadership positions in operations, development and finance, more senior country head roles, then most recently as joint Group Managing Directors.

Similarly, the current Group Chief Financial Officer Peter Allen, and country heads of the Group, Robert Jordan, Michael Gutman and John Widdup have served in a variety of roles for 15, 24, 18 and 17 years respectively.

As part of the post-reporting period changes to Westfield's leadership, a new Group Executive Committee – including the group listed above, the Chief Executive Officers and other key senior executives from the corporate team – has been established to oversee the full range of the organisation's operational and financial activities.

Regional



Australia & New Zealand

Robert Jordan*
Managing Director

Paul Altschwager
Head of Finance

Peter Bourke
Head of IT

Ian Cornell
Head of Human Resources

Andy Hedges
Head of Shopping Centre
Management & Marketing

Ian Irving
Head of Design
& Construction

Justin Lynch
Head of New Zealand

Greg Miles
Chief Operating Officer
Development, Design &
Construction

John Papagiannis
Head of Leasing

Michelle Vanzella
Head of Business
Development

Tim Walsh
General Counsel



United States

John Widdup*
Chief Operating Officer

Stan Duncan
Head of Human Resources

William Hecht
Head of Development

Peter Leslie
Head of Leasing

Easther Liu
Head of Strategy & Market
Research

David Moore
Head of Design
& Product Development

Bill Saltenberger
Head of Construction

Peter Schwartz
General Counsel

Mike Skovran
Head of Finance – Operations

Richard Steets
Head of Corporate Development

Mark Stefanek
Head of Finance – Corporate

Gary Williams
Head of Management
& Marketing



United Kingdom & Europe

Michael Gutman*
Managing Director

Duncan Bower
Head of Development & Asset
Management

John Burton
Head of Stratford Project

Janine Frew
Head of Human Resources

Bill Giouroukos
Head of Leasing,
Management & Marketing

Peter Miller
Chief Operating Officer

Leon Shelley
General Counsel

Philip Slavin
Head of Finance

Xavier Walker
Head of IT

Keith Whitmore
Head of Design
& Construction

* member of Group Executive Committee

Another feature of Westfield's approach to recruiting and retaining the best executive talent has been to provide opportunities for its staff to work in the Group's different markets around the world, bringing skills and experience from one market to the next and ensuring a globally consistent execution of best practice. This knowledge continues to be shared through relocation of staff as well as in structured and informal forums across the Group's markets.

In 2010 programs which have also contributed to the development of key staff included a focus on leadership training, cross-business mentoring, recruitment and induction practices. The Group has continued to promote a strong connection between performance and reward and recognition at every level of the organisation.

This disciplined approach to people management and succession planning continues to be a cornerstone of how the Group develops its staff, ensuring that existing expertise is maximised while seeking to attract it for the future.

PROPERTY PORTFOLIO

Australia

FOR THE YEAR ENDED 31 DECEMBER 2010

FOR THE YEAR ENDED 31 DECEMBER 2010				RETAIL SALES		LETTABLE AREA (SQM)		
SHOPPING CENTRE	INTEREST %	FAIR VALUE 31 DEC 2010 \$ MILLION	ESTIMATED YIELD	TOTAL ANNUAL SALES \$ MILLION	VARIANCE % ^(a)	SPECIALTY ANNUAL SALES \$ PSM	TOTAL	NUMBER OF RETAILERS
Australian Capital Territory								
Belconnen [#]	50	302.5	6.25%	387.0	(4.3)	8,473	77,705	244
Woden	25	162.5	6.25%	427.2	(1.3)	9,338	71,744	254
New South Wales								
Bondi Junction	50	983.8	5.25%	1,008.7	1.1	12,613	126,895	499
Burwood	50	373.6	6.25%	402.6	(0.7)	9,482	63,614	247
Chatswood	50	440.4	6.00%	518.5	(2.8)	9,066	76,558	283
Figtree	50	70.0	7.50%	167.4	4.2	8,767	21,688	95
Hornsby	50	431.2	6.00%	614.5	0.3	7,641	99,830	335
Hurstville	25	142.5	7.00%	400.3	2.0	9,275	62,821	261
Kotara	50	355.0	6.25%	491.4	2.6	10,925	65,026	266
Liverpool	25	208.8	6.25%	462.7	0.4	8,158	90,244	333
Macquarie	27.5	247.3	6.00%	541.6	(8.4)	8,959	97,760	273
Miranda	25	327.7	5.75%	723.6	0.2	11,790	107,879	390
Mt Druitt	25	108.8	7.00%	372.5	2.4	8,169	59,308	242
North Rocks	50	57.0	7.50%	143.1	3.5	6,806	22,940	92
Parramatta	25	377.6	5.75%	733.5	2.4	10,222	137,269	488
Penrith	25	260.0	6.00%	579.2	(2.2)	10,013	92,220	346
Sydney Central Plaza	50	287.5	6.00%	388.9	0.2	17,438	53,754	94
Sydney ^{# (b)}	50	942.0	5.13%	65.2	18.3	5,021	38,866	194
Tuggerah	50	315.5	6.25%	477.1	(1.4)	7,469	82,274	263
Warrawong	50	94.0	8.00%	217.8	0.2	6,248	57,582	140
Warringah Mall	12.5	137.0	6.00%	744.0	(3.1)	9,569	125,372	321
Queensland								
Cairns	50	225.0	6.00%	342.7	(1.0)	10,081	53,327	204
Carindale [#]	25	221.6	5.75%	695.7	0.2	11,136	113,795	297
Chermside	50	697.0	5.50%	873.5	8.8	12,722	144,351	409
Helensvale	25	88.7	6.50%	322.7	2.5	8,703	44,564	186
Mt Gravatt	37.5	324.4	6.00%	566.5	(3.3)	10,013	100,962	308
North Lakes	25	98.8	6.25%	355.3	2.6	8,215	61,611	218
Pacific Fair	22	220.0	6.25%	515.9	(8.9)	9,569	104,346	307
Strathpine	50	129.0	7.50%	263.0	(0.8)	8,136	44,658	161
South Australia								
Marion	25	265.0	6.00%	762.7	(0.4)	10,849	133,227	327
Tea Tree Plaza	31.3	213.7	6.00%	480.4	–	10,144	93,889	256
Westlakes	25	97.5	6.38%	379.3	1.8	9,147	60,708	214
Victoria								
Airport West	25	80.0	7.00%	253.3	(4.3)	7,126	55,669	184
Doncaster	25	350.0	5.75%	789.1	8.3	10,487	120,342	434
Fountain Gate	50	439.6	6.00%	704.0	0.6	10,317	137,286	324
Geelong	25	115.0	6.50%	266.1	(0.4)	7,923	51,972	187
Knox	15	150.0	6.35%	739.4	0.8	8,891	142,295	402
Plenty Valley	25	67.5	6.50%	273.1	4.3	6,147	53,086	183
Southland	25	307.5	6.00%	785.1	(0.2)	8,576	129,071	410
Western Australia								
Booragoon	12.5	108.8	6.00%	573.9	(1.5)	13,725	71,633	272
Carousel	50	400.0	6.00%	532.2	1.5	10,336	82,079	284
Innaloo	50	130.0	7.00%	273.3	(0.4)	7,704	47,295	174
Karrinyup	16.7	90.9	6.50%	426.8	0.7	10,810	59,643	216
Whitford City	25	140.0	6.75%	439.7	(2.0)	8,272	77,698	303

New Zealand

FOR THE YEAR ENDED 31 DECEMBER 2010				RETAIL SALES			LETTABLE AREA (SQM)	
SHOPPING CENTRE	INTEREST %	FAIR VALUE 31 DEC 2010 NZ\$ MILLION	ESTIMATED YIELD	TOTAL ANNUAL SALES NZ\$ MILLION	VARIANCE % ⁽ⁱ⁾	SPECIALTY ANNUAL SALES NZ\$ PSM	TOTAL	NUMBER OF RETAILERS
New Zealand								
Albany	50	192.5	6.75%	295.6	5.4	9,198	53,837	146
Chartwell	50	90.8	8.00%	121.4	1.0	7,056	28,800	127
Downtown	50	39.4	8.13%	64.6	(0.8)	7,466	13,967	81
Glenfield	50	54.3	8.63%	134.0	(8.0)	5,234	30,300	129
Manukau	50	170.1	7.50%	218.2	(0.1)	7,914	45,605	198
Newmarket	50	118.4	7.23%	128.9	1.7	10,895	31,449	120
Pakuranga	50	41.7	8.50%	104.4	(4.8)	4,871	29,305	121
Queensgate	50	169.0	7.13%	233.3	(1.9)	7,428	51,718	182
Riccarton	50	232.0	7.00%	353.1	6.4	8,992	55,160	199
Shore City	50	41.8	8.50%	58.0	0.6	6,279	14,254	81
St Lukes	50	225.4	6.88%	263.6	1.5	9,987	47,080	196
WestCity	50	92.5	8.38%	155.7	(2.1)	6,618	36,191	144

⁽ⁱ⁾ Year on year variance

United Kingdom

SHOPPING CENTRE	LOCATION	INTEREST %	FAIR VALUE 31 DEC 2010 £ MILLION	ESTIMATED YIELD	LETTABLE AREA (SQM)	NUMBER OF RETAILERS
England						
Derby	Derby	** 66.7	272.2	6.40%	120,417	235
Guildford	Guildford	50	48.1	7.00%	13,028	71
Merry Hill	Birmingham	* 33.3	269.9	5.70%	154,101	280
Nottingham	Nottingham	75	32.8	8.00%	48,167	109
Tunbridge Wells	Tunbridge Wells	* 33.3	41.5	6.75%	30,583	117
Westfield London	London	50	1,025.0	5.50%	161,531	371
Northern Ireland						
Belfast	Belfast	* 33.3	62.8	7.15%	31,335	93
Sprucefield	Sprucefield	100	65.0	6.00%	21,476	5

UK Footnotes:

- * As at 31 December 2010, Westfield Group's 33.3% investment in Merry Hill, Belfast and Tunbridge Wells includes an 8.3% investment held via Westfield Group's one third interest in Westfield UK Shopping Centre Fund.
- ** During the year, Westfield Group increased its interest in Derby from 33.3% to 66.7%. As a result, Westfield Group has a controlling interest in Derby. 100% interest in this entity has been included in the consolidated financial results and 33.3% is shown as external non controlling interest.

Australia Footnotes:

- # Centres currently under redevelopment
- ⁽ⁱ⁾ Year on year variance
- ⁽ⁱⁱ⁾ Fair value of \$942.0 million represents Westfield Group's 50% of Sydney following completion of Stage 1 of the development with a retail cap rate of 5.13% and a total valuation yield of 5.6%.

PROPERTY PORTFOLIO CONTINUED

United States

FOR THE YEAR ENDED 31 DECEMBER 2010

RETAIL SALES

LETTABLE AREA (SQF)

SPECIALTY ANNUAL SALES

SHOPPING CENTRE	INTEREST %	FAIR VALUE 31 DEC 2010 US\$ MILLION	ESTIMATED YIELD	US\$ MILLION	VARIANCE % ^(a)	US\$ PSF	TOTAL	SPECIALTY	NUMBER OF SPECIALTY STORES
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EAST COAST

Connecticut

Connecticut Post	100	233.0	7.34%	83.9	4.7	318	1,331,163	663,021	185
Meriden	100	136.3	7.58%	69.8	1.2	307	893,052	441,115	138
Trumbull	100	328.0	6.40%	92.1	2.2	346	1,113,623	437,673	173

Florida

Brandon	100	386.0	6.40%	171.3	10.4	429	1,156,039	536,324	211
Broward	100	168.0	6.60%	81.4	8.2	344	995,312	278,718	126
Citrus Park	100	217.0	6.87%	97.0	9.0	351	1,145,133	508,185	148
Countryside	100	191.0	7.00%	92.3	5.2	318	1,209,418	390,603	166
Sarasota	100	125.0	6.40%	54.6	4.5	269	944,833	364,183	133
Southgate	100	103.0	7.10%	46.9	12.2	430	421,818	135,944	52
Westland	100	134.4	6.63%	75.5	12.0	404	835,724	231,906	106

Maryland

Annapolis	100	643.4	6.02%	249.7	7.6	479	1,460,983	768,835	254
Montgomery	50	231.6	5.50%	207.4	7.1	557	1,224,193	512,092	203
Wheaton	100	271.5	7.26%	88.1	3.3	301	1,650,802	656,434	191

New Jersey

Garden State Plaza	50	641.7	6.19%	344.1	10.9	677	2,129,359	996,527	303
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New York

South Shore	100	165.4	7.66%	74.4	1.5	329	1,157,598	300,337	127
Sunrise	100	109.0	6.70%	69.7	(1.3)	325	1,212,118	478,620	159

North Carolina

Eastridge	100	44.7	9.80%	38.3	0.5	187	899,384	299,637	95
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MID WEST

Illinois

Chicago Ridge	100	133.0	7.31%	96.3	11.8	378	832,350	409,310	142
Fox Valley	100	190.0	8.50%	99.2	6.0	300	1,409,088	529,336	179
Hawthorn	100	195.0	7.20%	75.5	2.4	292	1,306,605	573,172	164
Louis Joliet	100	115.0	6.42%	77.5	5.5	388	970,760	354,292	111
Old Orchard	100	506.1	5.91%	169.8	9.5	550	1,796,678	770,711	133

Indiana

Southlake	100	261.0	6.28%	135.4	6.8	373	1,368,200	681,859	174
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Nebraska

Gateway	100	103.5	7.13%	72.1	5.2	325	969,792	332,107	120
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Ohio

Belden Village	100	176.5	6.82%	94.8	3.8	390	827,049	316,860	113
Franklin Park	100	289.0	7.00%	130.1	8.9	402	1,261,031	659,238	163
Great Northern	100	144.5	6.80%	83.9	0.4	321	1,234,392	436,426	139
Southpark	100	262.3	7.00%	130.0	3.6	344	1,654,490	866,089	178

FOR THE YEAR ENDED 31 DECEMBER 2010
RETAIL SALES
LETTABLE AREA (SQF)

SHOPPING CENTRE	INTEREST %	FAIR VALUE 31 DEC 2010 US\$ MILLION	ESTIMATED YIELD	SPECIALTY ANNUAL SALES					
				US\$ MILLION	VARIANCE % ⁽ⁱ⁾	US\$ PSF	TOTAL	SPECIALTY	NUMBER OF SPECIALTY STORES

WEST COAST
Northern California

Downtown Plaza	100	55.0	8.00%	39.1	(11.7)	264	1,172,656	384,010	113
Galleria at Roseville	100	551.2	6.00%	190.2	8.4	440	1,182,825	541,281	192
Oakridge	100	352.7	6.69%	147.9	10.9	453	1,139,244	612,500	194
San Francisco	*	538.7	5.90%	213.4	3.2	679	1,460,778	544,940	198
Solano	100	192.2	7.40%	84.5	2.7	322	1,157,647	642,472	169
Valley Fair	50	505.0	5.80%	382.7	12.8	779	1,477,679	742,951	262

Southern California – Los Angeles

Century City	100	735.0	5.75%	216.8	11.2	871	880,950	523,950	151
Culver City	100	320.9	6.00%	104.7	51.4	386	1,059,699	500,280	171
Eastland	100	114.0	6.50%	14.8	0.5	285	806,331	592,976	41
Fashion Square	50	138.5	6.27%	149.1	6.9	516	856,926	354,391	142
Mainplace	100	263.0	7.24%	111.5	4.7	326	1,111,393	450,893	187
Palm Desert	100	170.0	7.35%	78.5	1.3	331	1,004,296	391,603	157
Promenade	100	52.5	7.10%	25.1	(5.3)	287	614,396	344,396	51
Santa Anita	100	457.0	6.18%	166.6	8.6	355	1,302,712	786,888	242
Topanga	100	713.0	6.34%	259.5	24.0	495	1,637,088	680,721	279
Valencia Town Center [#]	50	117.4	7.20%	127.1	16.7	355	1,069,792	621,873	223
West Covina	100	293.7	6.10%	107.5	(0.2)	314	1,033,372	505,278	192

Southern California – San Diego

Horton Plaza	100	316.0	6.42%	69.6	(3.7)	383	758,023	477,537	130
Mission Valley	100	296.6	6.78%	119.0	1.9	457	1,576,972	798,044	131
North County	100	226.1	6.93%	129.9	9.4	399	1,255,325	445,899	172
Parkway	100	293.8	6.30%	100.4	2.3	311	1,318,760	552,420	193
Plaza Bonita	100	342.0	6.70%	140.0	8.2	409	1,037,158	556,393	184
Plaza Camino Real	100	160.0	7.02%	86.2	3.7	314	1,121,488	403,278	147
UTC	50	192.9	6.00%	161.2	8.0	533	1,066,842	478,039	150

Washington

Capital	100	160.0	6.90%	81.1	2.2	338	777,076	481,076	138
Southcenter	100	701.1	5.90%	222.3	9.9	523	1,719,247	761,772	252
Vancouver	100	141.0	6.05%	66.5	0.6	303	919,230	317,664	142

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

Centres currently under redevelopment

⁽ⁱ⁾ Year on year variance

BOARD OF DIRECTORS



Mr Frank P Lowy AC **Chairman**

Frank Lowy is executive Chairman and co-founder of the Westfield Group. He is the founder and Chairman of the Lowy Institute for International Policy and Chairman of Football Federation Australia Limited. Mr Lowy is Chairman of the Westfield Group Nomination Committee.

Mr David H Lowy AM **Deputy Chairman**

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

Mr Roy L Furman

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

The Right Honourable **Lord Goldsmith QC PC**

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

Mr David M Gonski AC

David Gonski was appointed as a non-executive Director of Westfield Holdings Limited in November 1985. He holds degrees in law and commerce from the University of NSW. Mr Gonski is Chairman of Investec Bank (Australia) Limited, Coca-Cola Amatil Limited, ASX Limited and Swiss Re Life and Health Australia Limited and a Director of Singapore Airlines Limited. He is also Chairman of the Review of Funding for Schooling in Australia, the National E-Health Transition Authority (NEHTA), Ingeus Limited, the Sydney Theatre Company, and Chancellor of the University of NSW. Mr Gonski is a member of the Westfield Group Audit and Compliance Committee, Remuneration Committee and Nomination Committee.

Professor Frederick G Hilmer AO

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

Mr Stephen P Johns

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



Standing Left to Right: Roy Furman, Judith Sloan, Peter Lowy, Steven Lowy, David Gonski, Stephen Johns, Fredrick Hilmer
Seated Left to Right: Brian Swartz, John McFarlane, David Lowy, Frank Lowy, Peter Goldsmith, Mark Johnson

Mr Mark R Johnson AO

Mark Johnson was appointed as a non-executive Director of Westfield Holdings Limited in May 2010. He holds a degree in law from the University of Melbourne and a Masters of Business Administration from Harvard University. Mr Johnson is Chairman of Guinness Peat Group plc and Australian Financial Centre Forum, an Australian government initiative directed to ensuring efficiency and competitiveness in the financial services sector. He is one of the Prime Minister's three Australian representatives on the APEC Business Advisory Council (ABAC) and was Chairman of ABAC and the APEC Business Summit in Sydney in 2007. Mr Johnson is also a member of the Board of Governors of the Institute for International Trade at the University of Adelaide and a Life Governor of the Victor Chang Cardiac Research Institute. He has previously held senior roles in Macquarie Bank before retiring as Deputy Chairman in July 2007 and his former directorships include Pioneer International and the Sydney Futures Exchange.

Mr Peter S Lowy

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

Mr Steven M Lowy AM

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

Mr John McFarlane

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

Mr Brian M Schwartz AM

Brian Schwartz was appointed as a non-executive Director of Westfield Holdings Limited in May 2009. In a career with Ernst & Young Australia spanning more than 25 years, he rose to the positions of Chairman (1996 – 1998) and then CEO of the firm from 1998 to 2004. From 2005 to 2009, Mr Schwartz assumed the role of CEO of Investec Bank (Australia) Limited. He is Chairman of Insurance Australia Group Limited, Deputy Chairman of Football Federation Australia Limited, a Director of Brambles Limited and is a fellow of the Australian Institute of Company Directors and the Institute of Chartered Accountants. Mr Schwartz is a member of the Westfield Group Audit and Compliance Committee and Nomination Committee.

Professor Judith Sloan

Judith Sloan was appointed as a non-executive Director of Westfield Holdings Limited in February 2008. She is Honorary Professorial Fellow at the Melbourne Institute of Applied Economic and Social Research at the University of Melbourne. Professor Sloan holds a first class Honours degree in Economics and a Master of Arts in Economics specialising in Industrial Relations, from the University of Melbourne and a Master of Science in Economics from the London School of Economics. She has previously held an academic appointment at Flinders University and is currently the Chairman of National Seniors Australia and a Director of the Lowy Institute for International Policy. Her previous appointments include Chairman of Primelife Limited, Deputy Chair of the Australian Broadcasting Corporation, Director of Santos Limited and Mayne Nickless Limited, and Commissioner of the Productivity Commission. Professor Sloan is a member of the Nomination Committee.

Financial Report

WESTFIELD GROUP ⁽¹⁾

For the financial year ended 31 December 2010

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

Income Statement

FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	31 Dec 10 \$million	31 Dec 09 \$million
Revenue			
Property revenue	3	3,316.3	3,459.0
Property development and project management revenue		216.2	573.7
Property and funds management income		93.1	90.3
		3,625.6	4,123.0
Share of after tax profits/(loss) of equity accounted entities			
Property revenue		438.7	467.9
Property revaluations	8	285.9	(502.3)
Property expenses, outgoings and other costs		(139.2)	(154.1)
Net interest expense		(53.2)	(63.7)
	16(a)	532.2	(252.2)
Expenses			
Property expenses, outgoings and other costs		(1,013.9)	(1,051.9)
Property development and project management costs		(249.5)	(559.8)
Property and funds management costs		(36.3)	(42.2)
Corporate costs		(41.8)	(37.0)
		(1,341.5)	(1,690.9)
Interest income		12.5	8.9
Currency derivatives	4	(216.9)	53.4
Financing costs	5	(770.2)	100.2
Gain from capital transactions	6,8	0.4	69.5
Property revaluations	8	849.3	(3,037.0)
Profit/(loss) before tax, non controlling interests and charges in respect of the establishment of the Westfield Retail Trust including transaction and financing costs		2,691.4	(625.1)
Tax (expense)/benefit	9	(374.1)	175.0
Profit/(loss) after tax, before non controlling interests and charges in respect of the establishment of the Westfield Retail Trust including transaction and financing costs		2,317.3	(450.1)
Charges in respect of the establishment of the Westfield Retail Trust including transaction and financing costs	7	(1,192.5)	–
Profit/(loss) after tax for the period		1,124.8	(450.1)
Profit/(loss) after tax for the period attributable to:			
– Members of the Westfield Group		1,114.0	(457.8)
– External non controlling interests		10.8	7.7
Profit/(loss) after tax for the period		1,124.8	(450.1)
Net profit/(loss) attributable to members of the Westfield Group analysed by amounts attributable to:			
Westfield Holdings Limited members		219.6	(74.9)
Westfield Trust members		370.0	52.7
Westfield America Trust members		524.4	(435.6)
Net profit/(loss) attributable to members of the Westfield Group		1,114.0	(457.8)
		cents	cents
Basic earnings/(loss) per Westfield Holdings Limited share		9.54	(3.34)
Diluted earnings/(loss) per Westfield Holdings Limited share		9.52	(3.34)
Basic earnings/(loss) per stapled security	10(a)	48.39	(20.41)
Diluted earnings/(loss) per stapled security	10(a)	48.14	(20.41)

Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2010

	31 Dec 10 \$million	31 Dec 09 \$million
Profit/(loss) after tax for the period	1,124.8	(450.1)
Other comprehensive income		
<i>Movement in foreign currency translation reserve</i>		
– Net exchange difference on translation of foreign operations	(997.4)	(2,375.4)
– Realised and unrealised gains on currency loans and asset hedging derivatives which qualify for hedge accounting	461.6	695.6
– Deferred tax effect on unrealised gains on currency loans and asset hedging derivatives which qualify for hedge accounting	(12.8)	15.3
<i>Movement in employee share plan swaps reserve</i>		
– Gain on employee share plan swaps	6.8	7.1
– Amount charged to income statement	(6.4)	(1.2)
– Deferred tax effect on employee share plan swaps	(0.1)	(1.8)
Total comprehensive income for the period	576.5	(2,110.5)
Total comprehensive income attributable to:		
– Members of the Westfield Group	565.7	(2,118.2)
– External non controlling interests	10.8	7.7
Total comprehensive income for the period	576.5	(2,110.5)
Total comprehensive income attributable to members of the Westfield Group analysed by amounts attributable to:		
Westfield Holdings Limited members	(300.9)	(484.4)
Westfield Trust and Westfield America Trust members ⁽ⁱ⁾	866.6	(1,633.8)
Total comprehensive income attributable to members of the Westfield Group	565.7	(2,118.2)

⁽ⁱ⁾ Total comprehensive income attributable to members of Westfield Trust and Westfield America Trust consists of a profit after tax for the period of \$894.4 million (31 December 2009: loss of \$382.9 million), the net exchange loss on translation of foreign operations of \$301.9 million (31 December 2009: loss of \$1,098.2 million) and a credit to Westfield America Trust of \$274.1 million (31 December 2009: charge of \$152.7 million) representing the reallocation of Westfield Group's net assets.

Dividend/Distribution Statement

FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	31 Dec 10 \$million	31 Dec 09 \$million
Operational segment results (excluding property revaluations) attributable to members of the Westfield Group and external non controlling interest:			
Earnings from property investments	33	2,602.6	2,701.5
Earnings from property and project management	33	133.7	170.2
Adjusted for unallocated items relating to the operational segment results			
Net interest expense		(663.0)	(753.6)
Non controlling interests – external		(10.8)	(7.7)
Revaluation of investment properties included in non controlling interests – external		–	(1.8)
Operational earnings ⁽ⁱ⁾		2,062.5	2,108.6
Less: amount (retained)/distributed		(599.0)	40.5
Dividend/distribution in respect of the financial year ⁽ⁱⁱ⁾		1,463.5	2,149.1
Dividend/distribution per ordinary stapled security for the year (cents) ^{(iii) (iv)}		63.56	94.00
Comprising dividend/distribution per stapled security for:			
– the six months ended 30 June 2010 (cents)		32.00	47.00
– the six months ended 31 December 2010 (cents)		31.56	47.00
Weighted average number of stapled securities entitled to distribution at 31 December 2010		2,302.5	2,286.3
Weighted average number of stapled securities on issue for the period		2,301.9	2,243.2

⁽ⁱ⁾ Equivalent to 89.6 cents operational earnings per stapled security (31 December 2009: 94.0 cents). The aggregate operational earnings for Westfield Group and Westfield Retail Trust equates to 90.09 cents per stapled security, 89.60 cents attributable to Westfield Group's security holders and 0.49 cents attributable to Westfield Retail Trust's unit holders.

⁽ⁱⁱ⁾ The dividend/distribution of \$1,463.5 million (31 December 2009: \$2,149.1 million) includes a \$0.4 million (31 December 2009: \$40.5 million) cum-dividend/distribution component in respect of stapled securities that were issued during the year with full dividend/distribution entitlement.

⁽ⁱⁱⁱ⁾ In August 2009 Westfield Group announced a change to its distribution payout level from 100% of operational earnings to 70%–75% of operational earnings.

^(iv) The aggregate distribution for Westfield Group and Westfield Retail Trust equates to 64.00 cents per security, comprising Westfield Group distribution of 63.56 cents per stapled security and Westfield Retail Trust distribution of 0.44 cents per ordinary stapled unit.

Balance Sheet

AS AT 31 DECEMBER 2010

	Note	31 Dec 10 \$million	31 Dec 09 \$million
Current assets			
Cash and cash equivalents	27(a)	210.1	182.3
Trade debtors		38.8	53.1
Derivative assets	11	258.7	139.0
Receivables	12	625.4	234.6
Inventories and work in progress		805.8	24.7
Tax receivable		6.3	19.3
Prepayments and deferred costs	13	102.0	95.2
Total current assets		2,047.1	748.2
Non current assets			
Investment properties	14	22,922.2	40,454.0
Equity accounted investments	16	8,660.3	3,765.2
Other investments	17	521.5	559.0
Derivative assets	11	939.1	1,160.9
Receivables	12	500.0	–
Plant and equipment	18	193.6	226.0
Deferred tax assets	9	74.4	78.7
Prepayments and deferred costs	13	91.8	173.6
Total non current assets		33,902.9	46,417.4
Total assets		35,950.0	47,165.6
Current liabilities			
Trade creditors		130.8	262.7
Payables and other creditors	19	1,176.2	1,657.4
Interest bearing liabilities	20	923.3	1,327.2
Other financial liabilities	21	98.7	100.0
Tax payable		48.0	63.6
Derivative liabilities	22	409.1	263.3
Total current liabilities		2,786.1	3,674.2
Non current liabilities			
Payables and other creditors	19	104.1	173.8
Interest bearing liabilities	20	12,807.9	14,790.1
Other financial liabilities	21	1,544.7	1,609.0
Deferred tax liabilities	9	1,421.5	1,784.3
Derivative liabilities	22	482.6	827.3
Total non current liabilities		16,360.8	19,184.5
Total liabilities		19,146.9	22,858.7
Net assets		16,803.1	24,306.9
Equity attributable to members of Westfield Holdings Limited			
Contributed equity	23	1,479.8	1,479.8
Reserves [®]	25	(709.4)	(188.9)
Retained profits	26	(106.7)	(326.2)
Total equity attributable to members of Westfield Holdings Limited		663.7	964.7
Equity attributable to Westfield Trust and Westfield America Trust members			
Contributed equity	23	15,701.4	18,692.0
Reserves [®]	25	(690.7)	(666.9)
Retained profits	26	851.7	5,123.0
Total equity attributable to Westfield Trust and Westfield America Trust members		15,862.4	23,148.1
Equity attributable to non controlling interests – external			
Contributed equity		212.5	94.0
Retained profits		64.5	100.1
Total equity attributable to non controlling interests – external		277.0	194.1
Total equity attributable to non controlling interests		16,139.4	23,342.2
Total Equity		16,803.1	24,306.9
Equity attributable to members of the Westfield Group analysed by amounts attributable to:			
Westfield Holdings Limited members		663.7	964.7
Westfield Trust and Westfield America Trust members		15,862.4	23,148.1
Total equity attributable to members of the Westfield Group		16,526.1	24,112.8

[®] For 31 December 2010, amount includes a \$274.1 million charge to Westfield Holdings Limited and a credit to Westfield America Trust of \$274.1 million representing the reallocation of Westfield Group's net assets between Westfield Holdings Limited and Westfield America Trust following the redemption of units in Westfield America Trust held by subsidiaries of Westfield Holdings Limited (Cross Holdings) for nil consideration. These units were not stapled or quoted on the ASX. There was no change to the number of stapled securities on issue in the Westfield Group as a result of the redemption. For 31 December 2009, amount includes a \$152.7 million credit to Westfield Holdings Limited and a charge to Westfield America Trust of \$152.7 million representing the reallocation of Westfield Group's net assets between Westfield Holdings Limited and Westfield America Trust following the subscription by Westfield Holdings Limited of additional equity in the Westfield America Trust Group.

Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	Comprehensive Income 31 Dec 10 \$million	Movement in Equity 31 Dec 10 \$million	Total 31 Dec 10 \$million	Total 31 Dec 09 \$million
Changes in equity attributable to members of the Westfield Group					
Opening balance of contributed equity		–	20,171.8	20,171.8	16,604.6
– Capital distribution to Westfield Retail Trust ⁽ⁱ⁾					
Book value of net assets distributed	47	–	(7,280.7)	(7,280.7)	–
Less: market value adjustment included in current year income statement	47	–	934.3	934.3	–
Less: accumulated property revaluation gains distributed ^(iv)		–	3,355.8	3,355.8	–
– Issuance of securities					
Share placement/share purchase plan		–	–	–	2,960.0
Dividend/distribution reinvestment plan		–	–	–	673.4
– Costs associated with the issuance of securities		–	–	–	(66.2)
Closing balance of contributed equity		–	17,181.2	17,181.2	20,171.8
Opening balance of reserves		–	(855.8)	(855.8)	792.3
– Movement in foreign currency translation reserve ^{(ii) (iii) (iv)}		(548.6)	(8.5)	(557.1)	(1,664.5)
– Movement in employee share plan benefits reserve ⁽ⁱⁱ⁾		–	12.5	12.5	12.3
– Movement in employee share plan swaps reserve ^{(ii) (iii)}		0.3	–	0.3	4.1
Closing balance of reserves		(548.3)	(851.8)	(1,400.1)	(855.8)
Opening balance of retained profits		–	4,796.8	4,796.8	7,364.9
Profit/(loss) after tax excluding operating profit retained		515.0	–	515.0	(417.3)
Operating profit retained/(distributed)		599.0	–	599.0	(40.5)
– Profit/(loss) after tax for the period ⁽ⁱⁱⁱ⁾		1,114.0	–	1,114.0	(457.8)
– Accumulated property revaluation gains distributed to Westfield Retail Trust ^(vi)		–	(3,347.3)	(3,347.3)	–
– Dividend/distribution paid		–	(1,818.5)	(1,818.5)	(2,110.3)
Closing balance of retained profits		1,114.0	(369.0)	745.0	4,796.8
Closing balance of equity attributable to members of the Westfield Group		565.7	15,960.4	16,526.1	24,112.8
Changes in equity attributable to external non controlling interests					
Opening balance of equity		–	194.1	194.1	195.9
Non controlling interest in associated entity consolidated during the period	16(f)	–	81.9	81.9	–
Total comprehensive income attributable to external non controlling interests ⁽ⁱⁱⁱ⁾		10.8	–	10.8	7.7
Dividend/distribution paid or provided for		–	(9.8)	(9.8)	(9.5)
Closing balance of equity attributable to external non controlling interests		10.8	266.2	277.0	194.1
Total Equity		576.5	16,226.6	16,803.1	24,306.9
Changes in equity attributable to:					
– Westfield Holdings Limited members		(300.9)	964.6	663.7	964.7
– Westfield Trust and Westfield America Trust members		866.6	14,995.8	15,862.4	23,148.1
Closing balance of equity attributable to members of the Westfield Group		565.7	15,960.4	16,526.1	24,112.8

⁽ⁱ⁾ The net assets distributed to Westfield Retail Trust amount to \$7,280.7 million of which \$2,990.6 million has been charged to contributed equity, \$3,355.8 million (representing accumulated property revaluation gains) has been charged to retained profits and \$934.3 million has been charged to the income statement. The charge of \$934.3 million represents the difference between the market value and book value of net assets distributed to Westfield Retail Trust.

⁽ⁱⁱ⁾ Movement in reserves attributable to members of Westfield Trust and Westfield America Trust consists of the net exchange loss on translation of foreign operations of \$310.4 million (31 December 2009: loss of \$1,098.2 million) and net credit to the employee share plan benefit reserve of \$12.5 million (31 December 2009: \$11.9 million) and a credit to Westfield America Trust of \$274.1 million (31 December 2009: charge of \$152.7 million) representing the reallocation of Westfield Group's net assets. These units were not stapled or quoted on the ASX. There was no change to the number of stapled securities on issue in the Westfield Group as a result of the redemption.

⁽ⁱⁱⁱ⁾ Total comprehensive income for the period amounts to a gain of \$576.5 million (31 December 2009: loss of \$2,110.5 million). The comparative period consists of a gain attributable to external non controlling interests of \$7.7 million, a loss attributable to Westfield Holdings Limited members of \$484.4 million and a loss attributable to Westfield Trust and Westfield America Trust members of \$1,633.8 million.

^(iv) The accumulated exchange differences relating to the New Zealand interests distributed to Westfield Retail Trust have been derecognised from the foreign currency translation reserve and transferred to retained earnings in accordance with AASB 121 The Effects of Changes in Foreign Exchange Rates.

^(v) This amount comprises property revaluations derecognised from Westfield Group's non controlling interest.

^(vi) This amount comprises property revaluations and accumulated exchange differences derecognised from non controlling interest.

Cash Flow Statement

FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	31 Dec 10 \$million	31 Dec 09 \$million
Cash flows from operating activities			
Receipts in the course of operations (including sales tax)		3,957.1	4,430.2
Payments in the course of operations (including sales tax)		(1,605.1)	(1,813.5)
Settlement of income hedging currency derivatives		34.4	45.5
Dividends/distributions received from equity accounted associates		240.8	246.7
Income and withholding taxes paid		(45.6)	(81.3)
Sales tax paid		(125.0)	(131.3)
Net cash flows from operating activities	27(b)	2,456.6	2,696.3
Cash flows used in investing activities			
Payments of capital expenditure for property investments		(1,324.9)	(1,807.4)
Payments for the acquisition of property investments		(108.3)	–
Proceeds from the sale of property investments		3.1	–
Payments for the acquisition of other investments		(6.1)	(44.2)
Proceeds from the sale of other investments		–	162.9
Net outflows for investments in equity accounted investments		(165.8)	(39.9)
Net proceeds from the sale of property assets by equity accounted entities		–	89.7
Payments for the purchases of plant and equipment		(41.5)	(43.4)
Proceeds from the sale of plant and equipment		–	11.8
Financing costs capitalised		(294.6)	(234.9)
Settlement of asset hedging currency derivatives		(46.3)	80.3
Cash in shopping centre interests transferred to Westfield Retail Trust	27(c)	(35.9)	–
Cash in shopping centre interests transferred to equity accounted entities		(21.8)	–
Cash acquired from non controlling interest in associated entity consolidated during the period		32.3	–
Net cash flows used in investing activities		(2,009.8)	(1,825.1)
Cash flows used in financing activities			
Proceeds from the establishment of Westfield Retail Trust	47	3,500.0	–
Proceeds from the issuance of securities		–	3,633.4
Payments for costs associated with the establishment of Westfield Retail Trust		(14.4)	–
Payments for costs associated with the issuance of securities		–	(66.2)
Payments for redemption of other financial liabilities		–	(1.3)
Termination of surplus interest rate swaps in respect of the repayment of interest bearing liabilities with the proceeds from the capital restructure		(336.0)	–
Termination of surplus interest rate swaps upon repayment of interest bearing liabilities with the proceeds from the issuance of securities and/or asset sales		–	(232.5)
Termination of surplus interest rate swaps upon the restructure of Westfield Group's interest rate hedge portfolio		(63.4)	(327.6)
Net repayment of interest bearing liabilities		(908.9)	(843.1)
Financing costs excluding interest capitalised		(788.1)	(987.0)
Interest received		13.4	8.9
Dividends/distributions paid		(1,818.5)	(2,110.3)
Dividends/distributions paid by controlled entities to non controlling interests		(9.8)	(9.5)
Net cash flows used in financing activities		(425.7)	(935.2)
Net increase/(decrease) in cash and cash equivalents held		21.1	(64.0)
Add opening cash and cash equivalents brought forward		173.0	242.7
Effects of exchange rate changes on opening cash and cash equivalents brought forward		(8.5)	(5.7)
Cash and cash equivalents at the end of the period	27(a)	185.6	173.0

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FOR THE YEAR ENDED 31 DECEMBER 2010

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Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 1 BASIS OF PREPARATION OF THE FINANCIAL REPORT

(a) Corporate information

This financial report of the Westfield Group (Group), comprising Westfield Holdings Limited (Parent Company) and its controlled entities, for the year ended 31 December 2010 was approved in accordance with a resolution of the Board of Directors of the Parent Company on 16 March 2011.

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

(b) Statement of Compliance

This financial report complies with Australian Accounting Standards and International Financial Reporting Standards issued by the International Accounting Standards board. The accounting policies adopted are consistent with those of the previous financial year except that the Group has adopted the following new or amended standards which became applicable on 1 January 2010.

- AASB 3 Business Combinations (revised 2008). The revised standard introduces significant changes in the accounting for business combinations occurring after this date. Changes affect the valuation of non-controlling interests (previously "minority interests"), the accounting for transaction costs, the initial recognition and subsequent measurement of contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period when an acquisition occurs and future reported results;
- AASB 127 Consolidated and Separate Financial Statements (revised 2008). The revised standard requires that a change in the ownership interest of a subsidiary (without a change in control) is to be accounted for as a transaction with owners in their capacity as owners. Therefore such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss in the statement of comprehensive income. Furthermore the revised standard changes the accounting for losses incurred by a partially owned subsidiary as well as the loss of control of a subsidiary. The changes will affect future acquisitions, changes in and loss of control of subsidiaries and transactions with non-controlling interests.

The Group has also adopted the following amendments to accounting standards as a result of the revision of related standards and the Annual Improvement Projects (for non-urgent changes).

- AASB 2008-3 *Amendments to the Australian Accounting Standards arising from AASB 3 and AASB 127*;
- AASB 2008-6 *Further Amendments to Australian Accounting Standards arising from the Annual Improvement Project*;
- AASB 2008-8 *Amendments to Australian Accounting Standard – Eligible Hedged Items*;
- AASB 2009-4 and AASB 2009-5 *Amendments to Australian Accounting Standards arising from the Annual Improvement Projects*;
- AASB 2009-8 *Amendments to Australian Accounting Standards – Group Cash-settled Share-based Payment Transactions*.

For the year, the adoption of these amended standards has no material impact on the financial statements of the Group.

The Group has prepared the financial statements in compliance with recent amendments to the Corporation Act (2001) in June 2010 which remove the requirement for the Group to lodge parent entity financial statements. Parent entity financial statements have been replaced by the reduced parent entity disclosure in Note 42.

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Group for the year ended 31 December 2010. The impact of these new or amended standards (to the extent relevant to the Group) and interpretations are as follows:

- AASB 9 *Financial Instruments: Classification and measurement*. This standard simplifies the classifications of financial assets into those to be carried at amortised cost and those to be carried at fair value. The standard is applicable to the Group from 1 January 2013.

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

- AASB 2009-10 *Amendments to Australian Accounting Standards – Classification of Rights Issues* (applicable from 1 February 2010);
- AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9* (applicable from 1 January 2013);
- AASB 2009-12 *Amendments to Australian Accounting Standards* (applicable from 1 January 2011);
- AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements* (applicable from 1 July 2013);
- AASB 2010-3 *Amendments to Australian Accounting Standards arising from the Annual Improvement Project* (applicable from 1 July 2010);
- AASB 2010-4 *Further Amendments to Australian Accounting Standards arising from the Annual Improvement Project* (applicable from 1 January 2011);
- AASB 2010-5 *Amendments to Australian Accounting Standards* (applicable from 1 January 2011);
- AASB 2010-6 *Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets* (applicable from 1 July 2011);
- AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)* (applicable from 1 January 2013);
- AASB 2010-8 *Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets* (applicable from 1 January 2012).

These recently issued or amended standards are not expected to have a significant impact on the amounts recognised in these financial statements when they are restated on application of these new accounting standards. The amendment to AASB 2010-8 *Deferred Tax: Recovery of Underlying Assets* (effective date on or after 1 January 2012) was approved on 20 December 2010. Management are in the process of assessing the expected financial impact in the various tax jurisdictions on application of this amendment which is effective in 2012.

(c) Basis of Accounting

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 (Act), Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis, except for investment properties, investment properties within equity accounted investments, derivative financial instruments, financial assets at fair value through profit and loss and other financial liabilities. The carrying values of recognised assets and liabilities that are hedged with fair value hedges and are otherwise carried at cost are adjusted to record changes in the fair values attributable to the risks that are being hedged.

(d) Significant accounting judgements, estimates and assumptions

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

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements, in particular, Note 2: Summary of significant accounting policies, Note 15: Details of shopping centre investments and Note 41: Fair value of financial assets and liabilities. Actual results may differ from these estimates under different assumptions and conditions and may materially affect the Group's financial results or the financial position in future periods.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Accounting for the Group

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

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

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

(b) Consolidation and classification

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

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

i) Synchronisation of Financial Year

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

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

ii) Joint Ventures

Joint venture operations

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

Joint venture entities

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

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

iii) Associates

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

The consolidated income statement reflects the Group's share of the results of operations of the associate. Where there has been a change recognised directly in the associate's equity, the Group recognises its share of any changes and discloses this, when applicable in the consolidated financial statements.

iv) Controlled entities

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

In December 2010, the Group established the Westfield Retail Trust. As a result, the Group distributed a 50% interest in a number of its Australia and New Zealand controlled entities to Westfield Retail Trust (refer to Note 47). Where the remaining interests are directly held by the Group, the relevant interests are consolidated. Where the remaining interests are held through interposed entities, these entities are equity accounted.

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

(c) Investment properties

The Group's investment properties include shopping centre investments, development projects and work in progress.

i) Shopping centre investments

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

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

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

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

Independent valuations of shopping centres are prepared annually. The Directors' assessment of fair value of each shopping centre investment property takes into account annual independent valuations, with updates at year end of independent valuations that were prepared at the half year taking into account any changes in estimated yield, underlying income and valuations of comparable centres. In determining the fair value, the capitalisation of net income method and the discounting of future cash flows to their present value have been used which are based upon assumptions and judgement in relation to future rental income, property capitalisation rate or estimated yield and make reference to market evidence of transaction prices for similar properties. Refer to Note 15 for estimated yield for each property.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Investment properties (continued)

ii) Development projects and work in progress

The Group's development projects and work in progress include costs incurred for the current and future redevelopment and expansion of new and existing shopping centre investments, and are classified as inventory and work in progress when intended for sale to third parties. Development projects and work in progress include capitalised construction and development costs and where applicable, borrowing costs incurred on qualifying developments.

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

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

(d) Other investments

i) Listed and unlisted investments

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

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

(e) Foreign currencies

i) Translation of foreign currency transactions

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

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

ii) Translation of accounts of foreign operations

The balance sheets of foreign subsidiaries and equity accounted associates are translated at exchange rates ruling at balance date and the income statement of foreign subsidiaries and equity accounted associates are translated at average exchange rates for the period. Exchange differences arising on translation of the interests in foreign operations and equity accounted associates are taken directly to the foreign currency translation reserve.

On consolidation, exchange differences and the related tax effect on foreign currency loans and cross currency swaps denominated in foreign currencies, which hedge net investments in foreign operations and equity accounted associates are taken directly to the foreign currency translation reserve.

(f) Revenue recognition

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

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

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

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

All other revenues are recognised on an accruals basis.

(g) Expenses

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

(h) Taxation

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

i) WT

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

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

ii) WAT

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Taxation (continued)

iii) Deferred tax

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

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

iv) Parent Company – tax consolidation

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

(i) Goodwill

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

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

(j) Sales Tax

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

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

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

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

(k) Financing costs

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

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

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

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

(m) Depreciation and amortisation

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

(n) Leases

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

(i) Operating leases

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

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

(ii) Finance leases

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

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

(o) Employee benefits

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

(p) Contributed equity

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

(q) Derivative financial instruments and financial instruments

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

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

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

i) Financial assets

Cash and cash equivalents

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

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

Receivables

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

ii) Financial liabilities

Payables

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

Interest bearing liabilities

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

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

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

Other financial liabilities

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

The fair value of property linked notes are determined by reference to the fair value of the underlying linked property investments. The fair value of convertible notes, preference and convertible preference securities are determined in accordance with generally accepted pricing models using current market prices in accordance with the terms of each instrument as set out in Note 21.

(r) Recoverable amount of assets

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

(s) Earnings per security

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

(t) Distributions of non-cash assets

Distribution of non-cash assets are recorded at market value in the financial statements. The market value of net assets distributed is charged to contributed equity and retained profits. The difference between the carrying amount and the market value of the assets at the time of the distribution is recognised in the Income Statement on the date of settlement.

(u) Rounding

In accordance with ASIC Class Order 98/0100, the amounts shown in the financial report have, unless otherwise indicated, been rounded to the nearest tenth of a million dollars. Amounts shown as 0.0 represent amounts less than \$50,000 that have been rounded down.

	Note	31 Dec 10 \$million	31 Dec 09 \$million
NOTE 3 PROPERTY REVENUE			
Shopping centre base rent and other property income		3,387.0	3,528.6
Amortisation of tenant allowances		(70.7)	(69.6)
		3,316.3	3,459.0

NOTE 4 CURRENCY DERIVATIVES

Realised gains on income hedging currency derivatives		34.4	53.5
Net fair value loss on currency derivatives that do not qualify for hedge accounting	8	(251.3)	(0.1)
		(216.9)	53.4

NOTE 5 FINANCING COSTS

Gross financing costs (excluding net fair value gain or loss on interest rate hedges that do not qualify for hedge accounting)

– interest bearing liabilities		(891.4)	(928.1)
– other financial liabilities		–	(0.5)
Financing costs capitalised to construction projects		294.6	234.9
Financing costs		(596.8)	(693.7)
Net fair value gain/(loss) on interest rate hedges that do not qualify for hedge accounting	8	(32.2)	876.0
Finance leases interest expense		(11.6)	(6.6)
Interest expense on other financial liabilities		(113.4)	(127.3)
Net fair value gain on other financial liabilities	8	18.9	13.0
Net fair value gain/(loss) on the termination of surplus interest rate swaps upon the restructure of the Group's interest rate hedge portfolio	8	(35.1)	38.8
		(770.2)	100.2

NOTE 6 GAIN FROM CAPITAL TRANSACTIONS

Asset sales and other

– proceeds from asset sales		3.1	269.9
– less: carrying value of assets sold		(2.7)	(279.7)
– net fair value gain on the termination of surplus interest rate swaps in respect of the repayment of interest bearing liabilities with the proceeds from the issuance of securities		–	79.3
	8	0.4	69.5

NOTE 7 CHARGES IN RESPECT OF THE ESTABLISHMENT OF THE WESTFIELD RETAIL TRUST INCLUDING TRANSACTION AND FINANCING COSTS

Market value adjustment on Westfield Retail Trust distribution ^①		(934.3)	–
Net fair value financing cost on the termination of surplus interest rate swaps in respect of the repayment of interest bearing liabilities with the proceeds from Westfield Retail Trust		(196.0)	–
Deferred borrowing costs in respect of the termination of surplus facilities and transaction costs		(62.2)	–
	8	(1,192.5)	–

^① The net assets distributed to Westfield Retail Trust amount to \$7,280.7 million of which \$2,990.6 million has been charged to contributed equity, \$3,355.8 million (representing accumulated property revaluation gains) has been charged to retained profits and \$934.3 million has been charged to the income statement. The charge of \$934.3 million represents the difference between the market value and book value of net assets distributed to Westfield Retail Trust.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	31 Dec 10 \$million	31 Dec 09 \$million
NOTE 8 SIGNIFICANT ITEMS			
The following significant items are relevant in explaining the financial performance of the business.			
Property revaluations		849.3	(3,037.0)
Equity accounted property revaluations	16(a)	285.9	(502.3)
Gain from capital transactions	6	0.4	69.5
Charges in respect of the establishment of the Westfield Retail Trust including transaction and financing costs	7	(1,192.5)	–
Current – tax on capital transactions	9	–	(7.1)
Deferred tax	9	(287.2)	266.5
Net fair value gain/(loss) on interest rate hedges that do not qualify for hedge accounting	5	(32.2)	876.0
Net fair value gain/(loss) on the termination of surplus interest rate swaps upon the restructure of the Group's interest rate hedge portfolio	5	(35.1)	38.8
Net fair value gain on other financial liabilities	5	18.9	13.0
Net fair value loss on currency derivatives that do not qualify for hedge accounting	4	(251.3)	(0.1)

NOTE 9 TAXATION

(a) Tax (expense)/benefit

Current – underlying tax		(86.9)	(84.4)
Current – tax on capital transactions	8	–	(7.1)
Deferred tax	8	(287.2)	266.5
		(374.1)	175.0

The prima facie tax on profit before tax is reconciled to the income tax expense provided in the financial statements as follows:

Profit/(loss) before tax, non controlling interests and charges in respect of the establishment of the Westfield Retail Trust including transaction and financing costs		2,691.4	(625.1)
Charges in respect of the establishment of the Westfield Retail Trust including transaction and financing costs		(1,192.5)	–
Profit/(loss) before income tax		1,498.9	(625.1)
Prima facie tax (expense)/benefit at 30%		(449.7)	187.5
WT income not assessable		390.8	10.4
WAT income not assessable		32.9	228.5
Differential of tax rates on US foreign income		59.4	(305.0)
Differential of tax rates on UK foreign income		5.3	1.3
Benefit from reduction in NZ tax rate		20.8	–
Change in NZ tax legislation removing depreciation deduction		(203.2)	–
Deferred tax assets recognised		–	49.9
Deferred tax release on the redemption of the WAT units		49.8	–
Market value adjustment on Westfield Retail Trust distribution (refer to Note 7)		(280.3)	–
Prior year under provision		(2.0)	(2.4)
Tax on inter-entity transactions		–	(12.5)
Capital items not assessable		–	17.2
Other items		2.1	0.1
Tax (expense)/benefit		(374.1)	175.0

(b) Deferred tax assets

Provisions and accruals		74.4	47.6
Unrealised fair value loss on financial derivatives		–	31.1
		74.4	78.7

(c) Deferred tax liabilities

Tax effect of book value in excess of the tax cost base of investment properties		1,222.9	1,608.6
Unrealised fair value gain on financial derivatives		73.1	116.0
Other timing differences		125.5	59.7
		1,421.5	1,784.3

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

The closing balance of deferred tax assets and deferred tax liabilities includes amounts charged to the foreign currency translation reserve of \$12.8 million (31 December 2009: credit of \$15.3 million).

	31 Dec 10 cents	31 Dec 09 cents
NOTE 10 EARNINGS PER SECURITY		
(a) Attributable to members of the Group		
Basic earnings/(loss) per stapled security	48.39	(20.41)
Diluted earnings/(loss) per stapled security	48.14	(20.41)
Operational earnings available for distributions ^(a)	89.6	94.0

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

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

	No. of securities	No. of securities
Weighted average number of ordinary securities used in calculating basic earnings per stapled security ⁽ⁱ⁾	2,301,936,999	2,243,157,530
Bonus element of performance rights which are dilutive ⁽ⁱⁱ⁾	4,621,811	–
Adjusted weighted average number of ordinary securities used in calculating diluted earnings per stapled security	2,306,558,810	2,243,157,530
	\$million	\$million
Earnings/(loss) used in calculating basic earnings per stapled security	1,114.0	(457.8)
Adjustment to earnings on security options which are considered dilutive	(3.7)	–
Earnings/(loss) used in calculating diluted earnings per stapled security	1,110.3	(457.8)

The calculation of the weighted average number of converted, lapsed or cancelled potential ordinary securities used in diluted earnings per stapled security was 1,468,720 (31 December 2009: 57,913).

⁽ⁱ⁾ 2,301.9 million (31 December 2009: 2,243.2 million) weighted average number of stapled securities on issue for the period has been included in the calculation of basic and diluted earnings per stapled security as reported in the income statement.

⁽ⁱⁱ⁾ Bonus element of security options relating to other financial liabilities and performance rights that are dilutive for the current period were 4,621,811 (31 December 2009 – anti-dilutive: 4,586,996). Earnings in respect of the security options were \$3.7 million (31 December 2009: nil).

(b) Conversions, calls, subscription or issues after 31 December 2010

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

	Note	31 Dec 10 \$million	31 Dec 09 \$million
NOTE 11 DERIVATIVE ASSETS			
Current			
Receivables on currency derivatives		185.9	79.4
Receivables on interest rate derivatives		67.8	59.6
Receivables on equity share plan swaps		5.0	–
		258.7	139.0
Non Current			
Receivables on interest rate derivatives		709.5	846.2
Receivables on currency derivatives		226.4	312.0
Receivables on equity share plan swaps		3.2	2.7
		939.1	1,160.9

NOTE 12 RECEIVABLES

Current			
Amount receivable from Westfield Retail Trust	47	442.0	–
Sundry debtors		183.4	234.6
		625.4	234.6
Non Current			
Amount receivable from Westfield Retail Trust	47	500.0	–
		500.0	–

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	31 Dec 10 \$million	31 Dec 09 \$million
NOTE 13 PREPAYMENTS AND DEFERRED COSTS			
Current			
Prepayments and deposits		68.2	74.3
Deferred costs – other		33.8	20.9
		102.0	95.2
Non Current			
Deferred costs – other		91.8	173.6
		91.8	173.6

NOTE 14 INVESTMENT PROPERTIES

Shopping centre investments	15	20,917.6	37,338.3
Development projects and work in progress		2,004.6	3,115.7
		22,922.2	40,454.0

Movement in total investment properties

Balance at the beginning of the year		40,454.0	46,909.1
Acquisition of properties		244.7	36.8
Disposal of properties		(3.4)	(8.0)
Distribution of properties to Westfield Retail Trust	47	(11,419.3)	–
Transfer to and from equity accounted investment properties		(5,756.8)	–
Transfer to current inventories and work in progress		(765.1)	–
Non controlling interest in associated entity consolidated during the period		207.1	–
Redevelopment costs		1,368.6	1,654.6
Net revaluation increment/(decrement)		860.9	(3,046.8)
Retranslation of foreign operations		(2,268.5)	(5,091.7)
Balance at the end of the year ⁽ⁱ⁾		22,922.2	40,454.0

⁽ⁱ⁾ The fair value of investment properties at the end of the year of \$22,922.2 million (31 December 2009: \$40,454.0 million) comprises investment properties at market value of \$22,869.9 million (31 December 2009: \$40,365.8 million) and ground leases included as finance leases of \$52.3 million (31 December 2009: \$88.2 million).

NOTE 15 DETAILS OF SHOPPING CENTRE INVESTMENTS

Consolidated Australian shopping centres	15(a)	6,012.7	19,088.9
Consolidated New Zealand shopping centres	15(b)	–	2,327.3
Consolidated United Kingdom shopping centres	15(c)	2,279.9	1,930.8
Consolidated United States shopping centres	15(d)	12,625.0	13,991.3
Total consolidated shopping centres	14	20,917.6	37,338.3
Equity accounted Australian shopping centres	15(a),16(b)	5,793.3	1,603.5
Equity accounted New Zealand shopping centres	15(b),16(b)	1,119.3	–
Equity accounted United Kingdom shopping centres	15(c),16(b)	692.5	1,017.9
Equity accounted United States shopping centres	15(d),16(b)	2,018.5	2,204.4
Total equity accounted shopping centres	16(b)	9,623.6	4,825.8
		30,541.2	42,164.1

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

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

NOTE 15(a) DETAILS OF SHOPPING CENTRE INVESTMENTS – AUSTRALIA

Australian shopping centres	Ownership Interest 31 Dec 10 %	Ownership Interest 31 Dec 09 %	Fair value 31 Dec 10 \$million	Estimated Yield 31 Dec 10 %	Fair Value 31 Dec 09 \$million	Estimated Yield 31 Dec 09 %	Latest independent valuation Date	Valuer
Airport West	25.0 C	50.0 C	80.0	7.00%	144.3	7.00%	06-10	Colliers International C&V Pty Limited
Belconnen ⁽ⁱ⁾	50.0 C	100.0 C	302.5	6.25%	605.0	6.25%	12-09	CB Richard Ellis Pty Limited
Bondi Junction	50.0 E	100.0 C	983.8	5.25%	1,819.1	5.25%	12-10	Savills (NSW) Pty Limited
Booragoon	12.5 E	25.0 C	108.8	6.00%	200.0	6.25%	12-10	Knight Frank Valuations
Burwood	50.0 C	100.0 C	373.6	6.25%	710.1	6.25%	12-10	CB Richard Ellis Pty Limited
Cairns	50.0 E	50.0 E	225.0	6.00%	225.1	6.00%	06-10	CB Richard Ellis Pty Limited
Carindale ⁽ⁱⁱ⁾	50.0 C	50.0 C	443.2	5.75%	442.1	5.75%	06-10	CB Richard Ellis Pty Limited
Carousel	50.0 C	100.0 C	400.0	6.00%	765.0	6.00%	12-10	M3property Pty Limited
Chatswood	50.0 E	100.0 C	440.4	6.00%	854.2	6.00%	06-10	Savills (NSW) Pty Limited
Chermside	50.0 C	100.0 C	697.0	5.50%	1,280.0	5.75%	12-10	Jones Lang La Salle
Doncaster	25.0 E	50.0 C	350.0	5.75%	680.0	5.75%	12-10	Refer to footnote (vi)
Figtree	50.0 C	100.0 C	70.0	7.50%	128.6	7.75%	06-10	Knight Frank Valuations
Fountain Gate	50.0 E	100.0 C	439.6	6.00%	872.8	6.00%	06-10	Colliers International C&V Pty Limited
Geelong	25.0 C	50.0 C	115.0	6.50%	233.1	6.30%	06-10	Knight Frank Valuations
Helensvale	25.0 C	50.0 C	88.7	6.50%	166.1	6.50%	06-10	CB Richard Ellis Pty Limited
Hornsby	50.0 E	100.0 C	431.2	6.00%	821.4	6.00%	12-10	CB Richard Ellis Pty Limited
Hurstville	25.0 C	50.0 C	142.5	7.00%	288.0	6.75%	06-10	Savills (NSW) Pty Limited
Innaloo	50.0 C	100.0 C	130.0	7.00%	247.7	7.00%	06-10	M3property Pty Limited
Karrinyup	16.7 E	33.3 E	90.9	6.50%	180.0	6.50%	12-10	Knight Frank Valuations
Knox	15.0 E	30.0 C	150.0	6.35%	288.6	6.35%	12-10	Knight Frank Valuations
Kotara	50.0 E	100.0 C	355.0	6.25%	630.0	6.25%	12-10	Jones Lang La Salle
Liverpool	25.0 C	50.0 C	208.8	6.25%	402.1	6.25%	12-10	CB Richard Ellis Pty Limited
Macquarie ⁽ⁱⁱⁱ⁾	27.5 E	55.0 C,E	247.3	6.00%	477.4	6.00%	12-10	CB Richard Ellis Pty Limited
Marion	25.0 C	50.0 C	265.0	6.00%	500.0	6.00%	12-10	Jones Lang La Salle
Miranda	25.0 C	50.0 C	327.7	5.75%	628.8	5.75%	06-10	Jones Lang La Salle
Mt Druitt	25.0 E	50.0 E	108.8	7.00%	210.0	7.00%	12-10	Savills (NSW) Pty Limited
Mt Gravatt	37.5 E	75.0 C	324.4	6.00%	618.3	6.00%	06-10	CB Richard Ellis Pty Limited
North Lakes	25.0 C	50.0 C	98.8	6.25%	190.0	6.25%	12-10	Colliers International C&V Pty Limited
North Rocks	50.0 E	100.0 C	57.0	7.50%	105.0	7.75%	12-10	Jones Lang La Salle
Pacific Fair ^(iv)	22.0 E	44.0 C,E	220.0	6.25%	440.0	6.25%	12-09	Knight Frank Valuations
Parramatta	25.0 C	50.0 C	377.6	5.75%	718.7	5.75%	12-10	CB Richard Ellis Pty Limited
Penrith	25.0 C	50.0 C	260.0	6.00%	517.5	6.00%	12-10	Savills (NSW) Pty Limited
Plenty Valley	25.0 C	50.0 C	67.5	6.50%	130.4	6.50%	06-10	Knight Frank Valuations
Southland	25.0 E	50.0 E	307.5	6.00%	583.0	6.00%	12-10	CB Richard Ellis Pty Limited
Strathpine	50.0 C	100.0 C	129.0	7.50%	248.0	7.50%	12-10	Colliers International C&V Pty Limited
Sydney Central Plaza	50.0 E	100.0 C	287.5	6.00%	555.0	6.00%	12-10	Savills (NSW) Pty Limited
Sydney City ^(iv)	50.0 C	100.0 C	942.0	5.13%	663.8	7.25%	12-10	CB Richard Ellis Pty Limited
Tea Tree Plaza	31.3 E	50.0 E	213.7	6.00%	322.0	6.00%	12-10	CB Richard Ellis Pty Limited
Tuggerah	50.0 E	100.0 C	315.5	6.25%	600.0	6.25%	12-10	CB Richard Ellis Pty Limited
Warrawong	50.0 C	100.0 C	94.0	8.00%	181.0	8.00%	12-10	CB Richard Ellis Pty Limited
Warringah Mall	12.5 E	25.0 C	137.0	6.00%	260.0	6.00%	12-10	CB Richard Ellis Pty Limited
West Lakes	25.0 C	50.0 C	97.5	6.38%	193.6	6.25%	06-10	Jones Lang La Salle
Whitford City	25.0 C	50.0 C	140.0	6.75%	256.6	7.00%	12-10	Knight Frank Valuations
Woden	25.0 C	50.0 C	162.5	6.25%	310.0	6.25%	12-10	Savills (NSW) Pty Limited
Total Australian portfolio			11,806.0		20,692.4			
Consolidated			6,012.7		19,088.9			
Equity accounted			5,793.3		1,603.5			
Total Australian portfolio			11,806.0		20,692.4			

C Consolidated

E Equity Accounted

⁽ⁱ⁾ Properties currently under redevelopment.

⁽ⁱⁱ⁾ 50% interest in this entity is consolidated and 25% is shown as non controlling interest.

⁽ⁱⁱⁱ⁾ As at 31 December 2009, 50% of this entity was consolidated and 5% was equity accounted.

^(iv) As at 31 December 2009, 40% of this entity was consolidated and 4% was equity accounted.

^(v) Fair value of \$942.0 million represents Westfield Group's 50% in Sydney City following completion of Stage 1 of the development with a retail cap rate of 5.13% and a total valuation yield of 5.6%.

^(vi) Based on sale price of 25% interest held by a third party.

Notes to the Financial Statements

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NOTE 15(b) DETAILS OF SHOPPING CENTRE INVESTMENTS – NEW ZEALAND

New Zealand shopping centres	Ownership Interest 31 Dec 10 %	Ownership Interest 31 Dec 09 %	Fair value 31 Dec 10 NZ\$million	Estimated Yield 31 Dec 10 %	Fair Value 31 Dec 09 NZ\$million	Estimated Yield 31 Dec 09 %	Latest independent valuation Date	Valuer
Albany	50.0 E	100.0 C	192.5	6.75%	373.0	6.75%	12-10	Collier International New Zealand Limited
Chartwell	50.0 E	100.0 C	90.8	8.00%	138.0	8.50%	12-10	CB Richard Ellis Limited
Downtown	50.0 E	100.0 C	39.4	8.13%	79.1	8.00%	06-10	Collier International New Zealand Limited
Glenfield	50.0 E	100.0 C	54.3	8.63%	122.5	8.63%	12-10	CB Richard Ellis Limited
Manukau	50.0 E	100.0 C	170.1	7.50%	320.3	7.50%	12-10	Collier International New Zealand Limited
Newmarket	50.0 E	100.0 C	118.4	7.23%	231.4	7.35%	06-10	CB Richard Ellis Limited
Pakuranga	50.0 E	100.0 C	41.7	8.50%	91.2	8.50%	12-10	CB Richard Ellis Limited
Queensgate	50.0 E	100.0 C	169.0	7.13%	340.5	7.13%	06-10	Collier International New Zealand Limited
Riccarton	50.0 E	100.0 C	232.0	7.00%	447.0	7.13%	06-10	Collier International New Zealand Limited
Shore City	50.0 E	100.0 C	41.8	8.50%	100.3	8.38%	06-10	CB Richard Ellis Limited
St Lukes	50.0 E	100.0 C	225.4	6.88%	450.5	6.88%	12-10	Collier International New Zealand Limited
WestCity	50.0 E	100.0 C	92.5	8.38%	188.3	8.38%	06-10	CB Richard Ellis Limited
Total New Zealand portfolio			1,467.6		2,882.1			
Exchange rate			1.3112		1.2384			
Total New Zealand portfolio in A\$			1,119.3		2,327.3			
Consolidated			–		2,327.3			
Equity accounted			1,119.3		–			
Total New Zealand portfolio			1,119.3		2,327.3			

C Consolidated

E Equity Accounted

NOTE 15(c) DETAILS OF SHOPPING CENTRE INVESTMENTS – UNITED KINGDOM

United Kingdom shopping centres	Ownership Interest 31 Dec 10 %	Ownership Interest 31 Dec 09 %	Fair Value 31 Dec 10 £million	Estimated Yield 31 Dec 10 %	Fair Value 31 Dec 09 £million	Estimated Yield 31 Dec 09 %	Latest independent valuation Date	Valuer
Belfast ⁽ⁱ⁾	33.3 E	33.3 E	62.8	7.15%	59.7	7.50%	12-10	DTZ Debenham Tie Leung Limited
Derby ⁽ⁱⁱ⁾	100.0 C	33.3 E	408.3	6.40%	136.1	6.40%	12-10	DTZ Debenham Tie Leung Limited
Guildford	50.0 E	50.0 E	48.1	7.00%	43.1	7.50%	12-10	DTZ Debenham Tie Leung Limited
Merry Hill ⁽ⁱ⁾	33.3 E	33.3 E	269.9	5.70%	251.4	6.00%	12-10	GVA Grimley Limited
Nottingham	75.0 E	75.0 E	32.8	8.00%	37.7	7.50%	12-10	CB Richard Ellis Limited
Sprucefield	100.0 C	100.0 C	65.0	6.00%	48.0	8.00%	12-10	Knight Frank LLP
Tunbridge Wells ⁽ⁱ⁾	33.3 E	33.3 E	41.5	6.75%	37.6	7.00%	12-10	DTZ Debenham Tie Leung Limited
Westfield London	50.0 C	50.0 C	1,025.0	5.50%	1,025.0	5.50%	12-10	GVA Grimley Limited
Total United Kingdom portfolio			1,953.4		1,638.6			
Exchange rate			0.6572		0.5557			
Total United Kingdom portfolio in A\$			2,972.4		2,948.7			
Consolidated			2,279.9		1,930.8			
Equity accounted			692.5		1,017.9			
Total United Kingdom portfolio			2,972.4		2,948.7			

C Consolidated

E Equity Accounted

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

⁽ⁱⁱ⁾ During the year, the Group increased its interest in Derby from 33.3% to 66.7%. As a result, the Group has a controlling interest in Derby. 100% interest in this entity has been included in the consolidated financial results and 33.3% is shown as external non controlling interest.

NOTE 15(d) DETAILS OF SHOPPING CENTRE INVESTMENTS – UNITED STATES

United States shopping centres	Ownership Interest 31 Dec 10 %	Ownership Interest 31 Dec 09 %	Fair Value 31 Dec 10 US\$million	Estimated Yield 31 Dec 10 %	Fair Value 31 Dec 09 US\$million	Estimated Yield 31 Dec 09 %	Latest independent valuation Date	Valuer
Annapolis	100.0 C	100.0 C	643.4	6.02%	636.0	6.16%	12-10	Weiser Realty Advisors, LLC
Belden Village	100.0 C	100.0 C	176.5	6.82%	168.6	7.00%	12-10	Weiser Realty Advisors, LLC
Brandon	100.0 C	100.0 C	386.0	6.40%	363.9	6.79%	06-10	PricewaterhouseCoopers LLP
Broward	100.0 C	100.0 C	168.0	6.60%	167.8	6.83%	12-10	Altus Group U.S. Inc.
Capital	100.0 C	100.0 C	160.0	6.90%	160.0	6.90%	06-10	Weiser Realty Advisors, LLC
Century City	100.0 C	100.0 C	735.0	5.75%	731.0	6.10%	12-10	Cushman & Wakefield Western, Inc.
Chicago Ridge	100.0 C	100.0 C	133.0	7.31%	123.0	7.92%	06-10	PricewaterhouseCoopers LLP
Citrus Park	100.0 C	100.0 C	217.0	6.87%	240.8	6.67%	06-10	PricewaterhouseCoopers LLP
Connecticut Post	100.0 C	100.0 C	233.0	7.34%	233.0	7.34%	12-10	Altus Group U.S. Inc.
Countryside	100.0 C	100.0 C	191.0	7.00%	170.7	8.09%	06-10	PricewaterhouseCoopers LLP
Culver City	100.0 C	100.0 C	320.9	6.00%	314.1	6.50%	12-10	Weiser Realty Advisors, LLC
Downtown Plaza	100.0 C	100.0 C	55.0	8.00%	99.9	8.00%	06-07	Weiser Realty Advisors, LLC
Eastland	100.0 C	100.0 C	114.0	6.50%	115.0	6.86%	06-10	Weiser Realty Advisors, LLC
Eastridge	100.0 C	100.0 C	44.7	9.80%	43.4	10.00%	06-10	Weiser Realty Advisors, LLC
Fashion Square	50.0 E	50.0 E	138.5	6.27%	134.5	6.59%	12-10	Altus Group U.S. Inc.
Fox Valley	100.0 C	100.0 C	190.0	8.50%	190.0	8.50%	06-10	Weiser Realty Advisors, LLC
Franklin Park	100.0 C	100.0 C	289.0	7.00%	327.7	6.55%	12-10	Cushman & Wakefield Western, Inc.
Galleria at Roseville	100.0 C	100.0 C	551.2	6.00%	551.2	6.00%	12-09	Weiser Realty Advisors, LLC
Garden State Plaza	50.0 E	50.0 E	641.7	6.19%	625.0	6.35%	06-10	Weiser Realty Advisors, LLC
Gateway	100.0 C	100.0 C	103.5	7.13%	103.5	7.13%	06-10	PricewaterhouseCoopers LLP
Great Northern	100.0 C	100.0 C	144.5	6.80%	145.0	6.80%	06-10	Weiser Realty Advisors, LLC
Hawthorn	100.0 C	100.0 C	195.0	7.20%	217.4	6.80%	06-10	PricewaterhouseCoopers LLP
Horton Plaza	100.0 C	100.0 C	316.0	6.42%	325.3	6.42%	12-10	Weiser Realty Advisors, LLC
Louis Joliet	100.0 C	100.0 C	115.0	6.42%	110.0	6.42%	06-10	Weiser Realty Advisors, LLC
Mainplace	100.0 C	100.0 C	263.0	7.24%	255.0	7.63%	06-10	PricewaterhouseCoopers LLP
Meriden	100.0 C	100.0 C	136.3	7.58%	136.4	7.54%	06-10	Weiser Realty Advisors, LLC
Mission Valley	100.0 C	100.0 C	296.6	6.78%	300.9	6.60%	12-10	Weiser Realty Advisors, LLC
Montgomery	50.0 E	50.0 E	231.6	5.50%	207.3	6.38%	12-10	Weiser Realty Advisors, LLC
North County	100.0 C	100.0 C	226.1	6.93%	226.3	6.93%	12-10	Altus Group U.S. Inc.
Oakridge	100.0 C	100.0 C	352.7	6.69%	344.9	6.86%	12-10	Weiser Realty Advisors, LLC
Old Orchard	100.0 C	100.0 C	506.1	5.91%	476.6	6.38%	12-10	Altus Group U.S. Inc.
Palm Desert	100.0 C	100.0 C	170.0	7.35%	170.0	7.35%	12-10	Altus Group U.S. Inc.
Parkway	100.0 C	100.0 C	293.8	6.30%	278.8	7.00%	12-10	Altus Group U.S. Inc.
Plaza Bonita	100.0 C	100.0 C	342.0	6.70%	336.0	6.70%	12-10	Cushman & Wakefield Western, Inc.
Plaza Camino Real	100.0 C	100.0 C	160.0	7.02%	157.0	7.20%	06-10	PricewaterhouseCoopers LLP
Promenade	100.0 C	100.0 C	52.5	7.10%	56.4	7.92%	12-10	Weiser Realty Advisors, LLC
San Francisco Centre	100.0 C	100.0 C	311.4	5.90%	304.6	6.07%	12-10	Weiser Realty Advisors, LLC
San Francisco Emporium	50.0 E	50.0 E	227.3	5.90%	226.8	6.07%	12-10	Weiser Realty Advisors, LLC
Santa Anita	100.0 C	100.0 C	457.0	6.18%	413.0	7.05%	06-10	PricewaterhouseCoopers LLP
Sarasota	100.0 C	100.0 C	125.0	6.40%	121.7	6.80%	12-10	Altus Group U.S. Inc.
Solano	100.0 C	100.0 C	192.2	7.40%	192.2	7.40%	12-09	Weiser Realty Advisors, LLC
South Shore	100.0 C	100.0 C	165.4	7.66%	171.9	7.66%	12-10	Weiser Realty Advisors, LLC
Southcenter	100.0 C	100.0 C	701.1	5.90%	661.6	6.50%	12-10	Weiser Realty Advisors, LLC
Southgate	100.0 C	100.0 C	103.0	7.10%	92.3	8.00%	12-10	Altus Group U.S. Inc.
Southlake	100.0 C	100.0 C	261.0	6.28%	245.0	6.70%	12-10	Altus Group U.S. Inc.
Southpark	100.0 C	100.0 C	262.3	7.00%	253.2	7.42%	06-10	Weiser Realty Advisors, LLC
Sunrise	100.0 C	100.0 C	109.0	6.70%	107.0	7.07%	12-10	Altus Group U.S. Inc.
Topanga	100.0 C	100.0 C	713.0	6.34%	737.0	6.34%	12-10	Cushman & Wakefield Western, Inc.
Trumbull	100.0 C	100.0 C	328.0	6.40%	232.7	7.50%	12-10	Weiser Realty Advisors, LLC
UTC	50.0 E	50.0 E	192.9	6.00%	192.8	6.00%	06-07	Weiser Realty Advisors, LLC
Valencia Town Center [®]	50.0 E	50.0 E	117.4	7.20%	117.4	7.20%	06-07	Weiser Realty Advisors, LLC
Valley Fair	50.0 E	50.0 E	505.0	5.80%	480.3	6.19%	12-10	Altus Group U.S. Inc.
Vancouver	100.0 C	100.0 C	141.0	6.05%	138.5	6.71%	12-10	Altus Group U.S. Inc.
West Covina	100.0 C	100.0 C	293.7	6.10%	230.1	7.00%	12-10	Weiser Realty Advisors, LLC
Westland	100.0 C	100.0 C	134.4	6.63%	126.7	6.63%	12-10	Altus Group U.S. Inc.
Wheaton	100.0 C	100.0 C	271.5	7.26%	290.6	7.26%	12-10	Weiser Realty Advisors, LLC
Total United States portfolio			14,904.2		14,577.7			
Exchange Rate			1.0178		0.9001			
Total United States portfolio in A\$			14,643.5		16,195.7			
Consolidated			12,625.0		13,991.3			
Equity accounted			2,018.5		2,204.4			
Total United States portfolio			14,643.5		16,195.7			

C Consolidated

E Equity Accounted

[®] Properties currently under redevelopment.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 16 DETAILS OF EQUITY ACCOUNTED INVESTMENTS

	Australia and New Zealand		United Kingdom		United States		Consolidated	
	31 Dec 10	31 Dec 09	31 Dec 10	31 Dec 09	31 Dec 10	31 Dec 09	31 Dec 10	31 Dec 09
	\$million	\$million	\$million	\$million	\$million	\$million	\$million	\$million
(a) Details of the Westfield Group's aggregate share of equity accounted entities net profit								
Shopping centre base rent and other property income	150.5	131.2	86.8	99.5	208.6	243.6	445.9	474.3
Amortisation of tenant allowances	(1.3)	(0.7)	(1.3)	(1.1)	(4.6)	(4.6)	(7.2)	(6.4)
Property revenue	149.2	130.5	85.5	98.4	204.0	239.0	438.7	467.9
Interest income	0.5	0.4	–	–	–	–	0.5	0.4
Revenue	149.7	130.9	85.5	98.4	204.0	239.0	439.2	468.3
Property expenses, outgoings and other costs	(38.0)	(32.9)	(29.6)	(35.8)	(71.6)	(85.4)	(139.2)	(154.1)
Borrowing costs	(1.7)	(0.5)	(6.3)	(9.9)	(45.7)	(53.7)	(53.7)	(64.1)
Expenses	(39.7)	(33.4)	(35.9)	(45.7)	(117.3)	(139.1)	(192.9)	(218.2)
Share of after tax profits of equity accounted entities before property revaluations	110.0	97.5	49.6	52.7	86.7	99.9	246.3	250.1
Property revaluations	167.0	(32.7)	50.4	(140.3)	68.5	(329.3)	285.9	(502.3)
Share of after tax profits/(loss) of equity accounted entities	277.0	64.8	100.0	(87.6)	155.2	(229.4)	532.2	(252.2)
(b) Details of the Westfield Group's aggregate share of equity accounted entities assets and liabilities								
Cash	29.8	9.3	17.4	25.2	9.9	29.1	57.1	63.6
Receivables	17.1	5.8	1.8	2.6	5.3	4.5	24.2	12.9
Shopping centre investments (refer to Note 15)	6,912.6	1,603.5	692.5	1,017.9	2,018.5	2,204.4	9,623.6	4,825.8
Development projects	77.2	3.6	46.1	51.6	104.8	118.3	228.1	173.5
Other assets	3.2	1.9	5.8	5.3	5.1	14.3	14.1	21.5
Total assets	7,039.9	1,624.1	763.6	1,102.6	2,143.6	2,370.6	9,947.1	5,097.3
Payables	(123.8)	(22.0)	(41.7)	(50.6)	(73.0)	(52.4)	(238.5)	(125.0)
Interest bearing liabilities	(10.0)	(19.5)	(73.6)	(239.2)	(728.9)	(948.4)	(812.5)	(1,207.1)
Deferred tax liabilities	(235.8)	–	–	–	–	–	(235.8)	–
Total liabilities	(369.6)	(41.5)	(115.3)	(289.8)	(801.9)	(1,000.8)	(1,286.8)	(1,332.1)
Net assets	6,670.3	1,582.6	648.3	812.8	1,341.7	1,369.8	8,660.3	3,765.2
(c) Details of the Westfield Group's aggregate share of equity accounted entities lease commitments								
Operating lease receivables								
Future minimum rental revenues under non-cancellable operating retail property leases								
Due within one year	456.7	85.7	40.6	60.9	110.2	129.3	607.5	275.9
Due between one and five years	1,130.4	197.2	136.5	209.3	334.2	409.0	1,601.1	815.5
Due after five years	711.3	111.6	214.2	360.1	200.7	271.9	1,126.2	743.6
	2,298.4	394.5	391.3	630.3	645.1	810.2	3,334.8	1,835.0
(d) Details of the Westfield Group's aggregate share of equity accounted entities capital expenditure commitments								
Estimated capital expenditure commitments in relation to development projects								
Due within one year	–	–	–	–	–	19.7	–	19.7
Due between one and five years	–	–	–	–	–	–	–	–
	–	–	–	–	–	19.7	–	19.7
(e) Details of the Westfield Group's aggregate share of equity accounted entities contingent liabilities								
Performance guarantees	–	–	33.0	45.7	1.7	1.9	34.7	47.6
	–	–	33.0	45.7	1.7	1.9	34.7	47.6

NOTE 16 DETAILS OF EQUITY ACCOUNTED INVESTMENTS (CONTINUED)

			Economic interest	
Name of investments ⁽ⁱ⁾	Type of equity	Balance Date	31 Dec 10	31 Dec 09
(f) Equity accounted entities economic interest				
Australian investments ^{(ii) (iii)}				
Bondi Junction*	Trust units	31 Dec	50.0%	n/a
Booragoon *	Trust units	31 Dec	12.5%	n/a
Cairns ^(iv)	Trust units	30 Jun	50.0%	50.0%
Chatswood *	Trust units	31 Dec	50.0%	n/a
Doncaster *	Trust units	31 Dec	25.0%	n/a
Fountain Gate *	Trust units	31 Dec	50.0%	n/a
Hornsby *	Trust units	31 Dec	50.0%	n/a
Karrinyup ^{^ (iv)}	Trust units	30 Jun	16.7%	33.3%
Knox *	Trust units	31 Dec	15.0%	n/a
Kotara *	Trust units	31 Dec	50.0%	n/a
Macquarie ^{^ * (viii)}	Trust units	31 Dec	27.5%	5.0%
Mount Druitt ^{^ (iv)}	Trust units	30 Jun	25.0%	50.0%
Mt Gravatt *	Trust units	31 Dec	37.5%	n/a
North Rocks *	Trust units	31 Dec	50.0%	n/a
Pacific Fair ^{^ * (ix)}	Trust units	31 Dec	22.0%	4.0%
Southland ^{^ (iv)}	Trust units	30 Jun	25.0%	50.0%
Sydney Central Plaza *	Trust units	31 Dec	50.0%	n/a
Tea Tree Plaza ^{^ (iv)}	Trust units	30 Jun	31.3%	50.0%
Tuggerah *	Trust units	31 Dec	50.0%	n/a
Warringah Mall *	Trust units	31 Dec	12.5%	n/a
New Zealand investments ^{(ii) (iii)}				
Albany *	Shares	31 Dec	50.0%	n/a
Chartwell *	Shares	31 Dec	50.0%	n/a
Downtown *	Shares	31 Dec	50.0%	n/a
Glenfield *	Shares	31 Dec	50.0%	n/a
Manukau *	Shares	31 Dec	50.0%	n/a
Newmarket *	Shares	31 Dec	50.0%	n/a
Pakuranga *	Shares	31 Dec	50.0%	n/a
Queensgate *	Shares	31 Dec	50.0%	n/a
Riccarton *	Shares	31 Dec	50.0%	n/a
Shore City *	Shares	31 Dec	50.0%	n/a
St Lukes *	Shares	31 Dec	50.0%	n/a
WestCity *	Shares	31 Dec	50.0%	n/a
United Kingdom investments ⁽ⁱⁱ⁾				
Nottingham ^(v)	Partnership interest	31 Dec	75.0%	75.0%
Belfast ^(vi)	Partnership interest	31 Dec	33.3%	33.3%
Derby ^(vii)	Partnership interest	31 Dec	–	33.3%
Guildford	Partnership interest	31 Dec	50.0%	50.0%
Merry Hill ^(vi)	Partnership interest	31 Dec	33.3%	33.3%
Tunbridge Wells ^(vi)	Partnership interest	31 Dec	33.3%	33.3%
Sprucefield ^(x)	Shares	31 Dec	50.0%	50.0%
United States investments ⁽ⁱⁱ⁾				
Fashion Square	Partnership units	31 Dec	50.0%	50.0%
Garden State Plaza	Partnership units	31 Dec	50.0%	50.0%
Montgomery	Partnership units	31 Dec	50.0%	50.0%
San Francisco Emporium	Partnership units	31 Dec	50.0%	50.0%
UTC	Partnership units	31 Dec	50.0%	50.0%
Valencia Town Center	Partnership units	31 Dec	50.0%	50.0%
Valley Fair	Partnership units	31 Dec	50.0%	50.0%

⁽ⁱ⁾ Details of the entities in respect of these investments are provided in Note 48.

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

⁽ⁱⁱⁱ⁾ In December 2010, Westfield Group established the Westfield Retail Trust. As a result, Westfield Group distributed 50% interest in a number of its Australian and New Zealand controlled entities to Westfield Retail Trust. The remaining interest in these entities as denoted by * are equity accounted as Westfield Group continues to have significant influence or joint control. Entities denoted by ^ in which an interest had been distributed to Westfield Retail Trust continue to be equity accounted.

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

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

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

^(vii) During the year, the Group increased its interest in Derby from 33.3% to 66.7%. As a result, the Group has a controlling interest in Derby. 100% interest in this entity has been included in the consolidated financial results and 33.3% is shown as external non controlling interest.

^(viii) At 31 December 2009, Westfield Group's interest in Macquarie was 55% of which 5% was equity accounted and 50% was proportionately consolidated.

^(ix) At 31 December 2009, Westfield Group's interest in Pacific Fair was 44% of which 4% was equity accounted and 40% was proportionately consolidated.

^(x) Interest in property held for redevelopment.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2010

	31 Dec 10 \$million	31 Dec 09 \$million
NOTE 17 OTHER INVESTMENTS		
Listed investments	112.0	96.7
Unlisted investments	409.5	462.3
	521.5	559.0

Movement in other investments		
Balance at the beginning of the year	559.0	833.6
Additions	22.0	44.2
Disposals	–	(175.0)
Net revaluation increment/(decrement) to income statement	(6.7)	9.8
Retranslation of foreign operations	(52.8)	(153.6)
Balance at the end of the year	521.5	559.0

NOTE 18 PLANT AND EQUIPMENT

At cost	412.9	421.9
Accumulated depreciation	(219.3)	(195.9)
Total plant and equipment	193.6	226.0

Movement in plant and equipment		
Balance at the beginning of the year	226.0	247.0
Additions	41.5	43.4
Disposals/transfers	(16.8)	(1.2)
Depreciation expense	(41.5)	(38.6)
Retranslation of foreign operations and other differences	(15.6)	(24.6)
Balance at the end of the year	193.6	226.0

Plant and equipment of \$193.6 million (31 December 2009: \$226.0 million) comprises the following: aircraft \$89.0 million (31 December 2009: \$97.8 million); and other plant and equipment \$104.6 million (31 December 2009: \$128.2 million).

	31 Dec 10 \$million	31 Dec 09 \$million
NOTE 19 PAYABLES AND OTHER CREDITORS		
Current		
Payables and other creditors	1,077.6	1,561.7
Employee benefits	98.6	95.7
	1,176.2	1,657.4

Non Current		
Sundry creditors and accruals	28.8	98.1
Employee benefits	75.3	75.7
	104.1	173.8

	Note	31 Dec 10 \$million	31 Dec 09 \$million
NOTE 20 INTEREST BEARING LIABILITIES			
Current			
Unsecured			
Bank overdraft ⁽ⁱ⁾	27(a)	24.5	9.3
Bank loans ⁽ⁱ⁾			
– NZ\$ denominated		138.8	–
– £ denominated		38.0	–
– US\$ denominated		–	24.6
Notes payable			
– US\$ denominated ⁽ⁱⁱ⁾		–	754.1
– A\$ denominated		–	160.0
Finance leases		0.8	1.4
Secured			
Bank loans ^(iv)			
– US\$ denominated		721.2	323.4
– A\$ denominated		–	54.4
		923.3	1,327.2
Non Current			
Unsecured			
Bank loans ⁽ⁱ⁾			
– US\$ denominated		1,306.7	744.4
– £ denominated		208.5	773.8
– NZ\$ denominated		398.9	312.5
– A\$ denominated		–	407.0
Notes payable			
– US\$ denominated ⁽ⁱⁱ⁾		6,582.8	7,443.6
– £ denominated ⁽ⁱⁱⁱ⁾		913.0	1,079.7
– € denominated ^(iv)		735.2	895.7
Finance leases		51.5	86.8
Secured			
Bank loans ^(iv)			
– US\$ denominated		2,180.1	2,992.0
– £ denominated		374.2	7.6
– A\$ denominated		57.0	47.0
		12,807.9	14,790.1
The maturity profile in respect of current and non current interest bearing liabilities is set out below:			
Due within one year		923.3	1,327.2
Due between one and five years		7,579.7	8,183.4
Due after five years		5,228.2	6,606.7
		13,731.2	16,117.3

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

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

⁽ⁱⁱ⁾ Notes payable – US\$
Guaranteed Senior Notes of US\$6,700.0 million were issued in the US 144A bond market. The issues comprised US\$600.0 million, US\$2,100.0 million, US\$750.0 million, US\$900.0 million, US\$1,100.0 million and US\$1,250.0 million of fixed rate notes maturing 2012, 2014, 2015, 2016, 2018 and 2019 respectively. These notes are subject to negative pledge arrangements which require the Group to comply with certain minimum financial requirements.

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

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

^(v) Secured liabilities
Current and non current secured liabilities are \$3,332.5 million (31 December 2009: \$3,424.4 million). Secured liabilities are borrowings secured by mortgages over properties or loans secured over development projects that have a fair value of \$8.5 billion (31 December 2009: \$10.1 billion). These properties and development projects are as follows: Belden Village, Brandon, Broward, Carindale, Century City, Countryside, Culver City, Derby, Fox Valley, Franklin Park, Galleria at Roseville, Gateway, Great Northern, Horton Plaza, Mainplace, Mission Valley, Old Orchard, Parkway, Plaza Bonita, San Francisco Centre, Santa Anita, Solano, Southcenter, Southlake, Southpark, Vancouver, West Covina and Westland.

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

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 20 INTEREST BEARING LIABILITIES (CONTINUED)

	31 Dec 10 \$million	31 Dec 09 \$million
Financing facilities		
Committed financing facilities available to the Group:		
Total financing facilities at the end of the year	19,910.2	23,803.3
Amounts utilised ⁽ⁱ⁾	(13,778.9)	(16,170.3)
Available financing facilities	6,131.3	7,633.0
Cash	210.1	182.3
Financing resources available at the end of the year	6,341.4	7,815.3
Maturity profile of financing facilities		
Maturity profile in respect of the above financing facilities:		
Due within one year	1,437.4	3,262.9
Due between one year and five years	13,199.1	13,933.7
Due after five years	5,273.7	6,606.7
	19,910.2	23,803.3

⁽ⁱ⁾ Amounts utilised include borrowings and bank guarantees.

These facilities comprise fixed and floating rate secured facilities, fixed and floating rate notes and unsecured interest only floating rate facilities. Certain facilities are also subject to negative pledge arrangements which require the Group to comply with specific minimum financial requirements. These facilities exclude convertible notes, property linked notes and redeemable preference shares set out in Note 21. Amounts which are denominated in foreign currencies are translated at exchange rates ruling at balance date. Subsequent to year end the Group cancelled \$1.4 billion of financing facilities.

	Note	31 Dec 10 \$million	31 Dec 09 \$million
NOTE 21 OTHER FINANCIAL LIABILITIES			
Current			
Convertible redeemable preference shares	(b)	8.2	14.0
Other redeemable preference units	(c)	90.5	86.0
		98.7	100.0
Non Current			
Property linked notes	(a)	1,288.0	1,253.6
Convertible redeemable preference shares/units	(b)	108.9	197.6
Other redeemable preference units	(c)	147.8	157.8
		1,544.7	1,609.0

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

Current – within one year	98.7	100.0
Non current – after one year	1,544.7	1,609.0
	1,643.4	1,709.0

NOTE 21 OTHER FINANCIAL LIABILITIES (CONTINUED)

(a) Property linked notes

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

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

(b) Convertible redeemable preference shares/units

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

- (i) As at 31 December 2010, the Jacobs Group holds 10,448,066 (31 December 2009: 10,448,066) Series G units in the operating partnership. The holders have the right that requires WEA to purchase up to 10% of the shares redeemed for cash.
- (ii) As at 31 December 2010, the previous owners of the Sunrise Mall holds 1,401,426 Series I units (31 December 2009: 1,401,426). At any time after the earlier of (i) 21 July 2005, (ii) dissolution of the operating partnership, and (iii) the death of the holder, such holder (or the Holder's Estate) has the right to require the operating partnership to redeem its Series I units at WAT's discretion either for: (i) cash; (ii) shares in WEA (with the holder having the right to exchange such WEA shares for stapled securities); or (iii) a combination of both.
- (iii) As at 31 December 2010, 1,538,481 (31 December 2009: 1,538,481) Series J units are outstanding. At the holder's discretion, such holder has the right to require the operating partnership to redeem its Series J units, at WAT's discretion, either for: (i) cash; (ii) shares in WEA (with the holder having the right to exchange such WEA shares for stapled securities); or (iii) a combination of both.
- (iv) The investor unit rights in the operating partnership have a fixed life and are able to be redeemed at WAT's discretion either for: (i) cash; (ii) shares in WEA; or (iii) a combination of both.
- (v) As at 31 December 2010, 764,205 (31 December 2009: nil) WEA common shares are held by certain third party investors. At any time after 19 May 2014, such holders have the right to require WEA to redeem their WEA common shares, at the Group's discretion, either for (i) cash; (ii) stapled securities; or (iii) a combination of both.

(c) Other redeemable preference units

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

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

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

- (ii) The former partners in the San Francisco Centre hold 360,000 Series H -1 Units in the operating partnership. Each Series H-1 unit will be entitled to receive quarterly distributions equal to US\$0.125 for the first four calendar quarters after the Series H-1 units are issued (the Base Year) and for each calendar quarter thereafter, US\$0.125 multiplied by a growth factor. The growth factor is an amount equal to one plus or minus, 25% of the percentage increase or decrease in the distributions payable with respect to a partnership common unit of the Operating Partnership for such calendar quarter relative to 25% of the aggregate distributions payable with respect to a partnership common unit for the Base Year.
- (iii) In September 2003, WEA sold its entire interest in WEA HRE-Abbey, Inc. In connection with the transaction, the acquirer has a preferred limited partner interest in Head L.P. The holder of this interest receives a rate of return per annum equal to 3-month LIBOR plus 0.90%.
- (iv) In connection with the completion of the San Francisco Emporium development, 1,000 Westfield Growth, LP Series A units were issued to Forest City Enterprises, Inc. Redemption of these securities by the holder can only be made at the time that the San Francisco Centre (which includes San Francisco Emporium) is sold or otherwise divested. Should this occur, the redemption of these securities is required to be made in cash but only out of funds legally available from Westfield Growth, LP.
- (v) The limited partnership interests have a fixed life and an obligation to distribute available funds.

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FOR THE YEAR ENDED 31 DECEMBER 2010

	31 Dec 10 \$million	31 Dec 09 \$million
NOTE 22 DERIVATIVE LIABILITIES		
Current		
Payables on interest rate derivatives	316.3	112.4
Payables on currency derivatives	92.8	149.5
Payables on equity share plan swaps	–	1.4
	409.1	263.3
Non Current		
Payables on currency derivatives	312.2	157.9
Payables on interest rate derivatives	170.4	669.4
	482.6	827.3
	Securities	Securities

NOTE 23 CONTRIBUTED EQUITY

(a) Number of securities on issue

Balance at the beginning of the year	2,301,904,238	1,958,901,610
Share placement	–	276,190,500
Share purchase plan	–	5,971,444
Dividend/distribution reinvestment plan	–	60,837,808
Conversion of rights	1,214,876	2,876
Balance at the end of the year ⁽ⁱ⁾	2,303,119,114	2,301,904,238

⁽ⁱ⁾ The Westfield Executive Share Option Plan Trust holds 5,869,425 (31 December 2009: 5,869,425) securities in the Group, which have been consolidated and eliminated in accordance with accounting standards.

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

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

	Note	31 Dec 10 \$million	31 Dec 09 \$million
(b) Amount of contributed equity			
of the Parent Company		1,479.8	1,479.8
of WT and WAT		15,701.4	18,692.0
of the Group		17,181.2	20,171.8
Movement in contributed equity attributable to members of the Group			
Balance at the beginning of the year		20,171.8	16,604.6
Capital distribution to Westfield Retail Trust			
– Book value of net assets distributed	47	(7,280.7)	–
– Less: market value adjustment included in current year income statement	47	934.3	–
– Less: accumulated property revaluation gains distributed		3,355.8	–
Share placement/share purchase plan		–	2,960.0
Dividend/distribution reinvestment plan		–	673.4
Costs associated with the issuance of securities		–	(66.2)
Balance at the end of the year		17,181.2	20,171.8

	Note	No. of rights 31 Dec 10	Weighted average exercise price \$ 31 Dec 10	No. of rights 31 Dec 09	Weighted average exercise price \$ 31 Dec 09
NOTE 24 SHARE BASED PAYMENTS					
(a) Rights over Westfield Group stapled securities					
– Executive performance rights	24(b)(i)	2,867,402	–	3,072,490	–
– Partnership incentive rights	24(b)(ii)	1,534,578	–	1,453,717	–
		4,401,980	–	4,526,207	–
Movement in rights on issue					
Balance at the beginning of the year		4,526,207	–	2,390,992	–
Movement in Executive performance rights					
Rights issued during the year		159,088	–	1,630,623	–
Adjustment to rights upon the establishment of Westfield Retail Trust ⁽ⁱ⁾		877,030	–	–	–
Rights exercised during the year		(1,084,304)	–	(2,876)	–
Rights forfeited during the year		(156,902)	–	(183,685)	–
Movement in Partnership incentive rights					
Rights issued during the year		–	–	691,153	–
Adjustment to rights upon the establishment of Westfield Retail Trust ⁽ⁱ⁾		407,039	–	–	–
Rights exercised during the year		(201,540)	–	–	–
Rights forfeited during the year		(124,638)	–	–	–
Balance at the end of the year ⁽ⁱ⁾		4,401,980	–	4,526,207	–

⁽ⁱ⁾ At 31 December 2010, the 4,401,980 rights (31 December 2009: 4,526,207 rights) on issue are convertible to 4,401,980 (31 December 2009: 4,526,207) Westfield Group stapled securities.

⁽ⁱⁱ⁾ As a result of the Westfield Retail Trust transaction, the rights over Westfield Group stapled securities have been increased by applying an adjustment factor of 1.28 to the rights on issue with a vesting date post 15 December 2010. The adjustment factor is calculated using the formula as follows: (Value of Westfield stapled security post transaction = \$9.7927 + Offer price of stapled units under the offer = \$2.75) / Value of Westfield stapled security post transaction = \$9.7927

(b) Executive Performance Rights and Partnership Incentive Rights Plans

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

	Number of rights 31 Dec 10	Number of rights 31 Dec 09
Movement in Executive Performance Rights		
Balance at the beginning of the year	3,072,490	1,628,428
Rights issued during the year	159,088	1,630,623
Adjustment to rights upon the establishment of Westfield Retail Trust	877,030	–
Rights exercised during the year	(1,084,304)	(2,876)
Rights forfeited during the year	(156,902)	(183,685)
Balance at the end of the year	2,867,402	3,072,490

	Fair value granted \$million ⁽ⁱ⁾ 31 Dec 10	Adjusted number of rights at ⁽ⁱⁱ⁾ (iii) 31 Dec 10	Adjusted fair value of rights granted \$ ⁽ⁱⁱⁱ⁾ 31 Dec 10	Fair value granted \$million 31 Dec 09	Number of rights at ⁽ⁱⁱ⁾ 31 Dec 09	Fair value of the rights at grant date \$ 31 Dec 09
Vesting profile						
2010	–	–	–	11.9	884,821	13.47
2011	14.0	2,080,409	6.72	14.8	1,731,919	8.55
2012	4.7	583,360	8.08	4.7	455,750	10.35
2013	–	–	–	–	–	–
2014	1.5	203,633	7.20	–	–	–
	20.2	2,867,402	7.03	31.4	3,072,490	10.23

⁽ⁱ⁾ The fair value of the rights granted is equivalent before and after the Westfield Retail Trust transaction as a result of applying the adjustment factor to the number of rights on issue at the time of the Westfield Retail Trust transaction.

⁽ⁱⁱ⁾ The exercise price for the EPR Plan is nil.

⁽ⁱⁱⁱ⁾ The fair value of the rights at grant date has been adjusted as a result of the Westfield Retail Trust transaction. The number of rights has been increased by applying the adjustment factor of 1.28 with consequential adjustment to the fair value at grant date.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 24 SHARE BASED PAYMENTS (CONTINUED)

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

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

The EPR Plan is a plan in which senior executives and high performing employees participate. The Executive Chairman and Group Managing Directors do not participate in the EPR Plan. However, the Group Managing Directors participate in the EDA Plan. The fair value of rights issued under the EPR Plan is measured at each grant date using a Black Scholes option pricing model. The inputs include the Group's 10 day volume weighted average security price prior to the grant date, the risk free interest rate, expected volatility and expected dividend yield during the vesting period. Expected volatility is based on the historical security price volatility over the past 3 years. Executives are not able to call for early exercise of the rights, however there are provisions in the plan to allow for early vesting at the discretion of the Board. Vesting conditions such as the number of employees remaining in service is taken into account in determining the total amortisation for each reporting period. The terms of the EPR Plan are described in section 7.4.3 of the Directors' Report.

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

	Number of rights 31 Dec 10	Number of rights 31 Dec 09
Movement in Partnership Incentive Rights		
Balance at the beginning of the year	1,453,717	762,564
Rights issued during the year ⁽ⁱ⁾	–	691,153
Adjustment to rights upon the establishment of Westfield Retail Trust	407,039	–
Rights exercised during the year	(201,540)	–
Rights forfeited during the year	(124,638)	–
Balance at the end of the year	1,534,578	1,453,717

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

Vesting profile	Fair value granted \$million ⁽ⁱ⁾ 31 Dec 10	Adjusted number of rights at ^{(ii) (iii)} 31 Dec 10	Adjusted fair value of rights granted \$ ⁽ⁱⁱⁱ⁾ 31 Dec 10	Fair value granted \$million 31 Dec 09	Number of rights at ⁽ⁱⁱⁱ⁾ 31 Dec 09	Fair value of the rights at grant date \$ 31 Dec 09
2010	–	–	–	2.9	157,453	18.13
2011	5.1	447,329	11.42	5.5	379,355	14.63
2012	4.6	662,750	6.98	5.0	558,858	8.93
2013	2.1	424,499	4.96	2.3	358,051	6.35
	11.8	1,534,578	7.71	15.7	1,453,717	10.78

⁽ⁱ⁾ The fair value of the rights granted is equivalent before and after the Westfield Retail Trust transaction as a result of applying the adjustment factor to the number of rights on issue at the time of the Westfield Retail Trust transaction.

⁽ⁱⁱ⁾ The exercise price for the PIR Plan is nil.

⁽ⁱⁱⁱ⁾ The fair value of the rights at grant date has been adjusted as a result of the Westfield Retail Trust transaction. The number of rights has been increased by applying the adjustment factor of 1.28 with consequential adjustment to the fair value at grant date.

The senior leadership team of the Westfield Group participate in the PIR Plan. The Executive Chairman and Group Managing Directors do not participate in the PIR Plan. However, the Group Managing Directors participate in the PIP Plan (refer to Note 24(c)(ii)). The fair value of rights issued under the PIR Plan is measured at each grant date using a Black Scholes option pricing model. The inputs include the Group's 10 day volume weighted average security price prior to the grant date, the risk free interest rate, expected volatility and expected dividend yield during the vesting period. Expected volatility is based on the historical security price volatility over the past 3 years. Other vesting conditions include growth in Operational segment earnings and development projects starts during the qualifying year. Vesting conditions such as number of employees remaining in service is taken into account in determining the total amortisation for each reporting period. In calculating the Black Scholes' value of rights granted it has been assumed that the hurdle conditions are met and consequently, the value of the option is not reduced to reflect the hurdle conditions. The terms of the PIR Plan are described in section 7.4.3 of the Directors' Report.

Accounting for equity settled Share Based Payments

During the year, \$12.5 million (31 December 2009: \$12.3 million) was charged to the income statement as gross amortisation in respect of equity settled share based payments and the corresponding entry is recorded against employee share plan benefits reserve.

NOTE 24 SHARE BASED PAYMENTS (CONTINUED)

(c) Executive Deferred Award and Partnership Incentive Plans

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

	Number of award securities 31 Dec 10	Weighted average grant price \$ 31 Dec 10	Number of award securities 31 Dec 09	Weighted average grant price \$ 31 Dec 09
Movement in Executive Deferred Awards				
Balance at the beginning of the year	6,442,257	15.47	5,164,251	18.42
Awards issued during the year	2,609,388	12.05	1,964,037	10.08
Adjustment to awards upon the establishment of Westfield Retail Trust	1,890,386	–	–	–
Distribution reinvested as awards during the year	323,283	12.40	573,564	10.98
Awards exercised during the year	(2,180,600)	17.83	(853,228)	17.56
Awards lapsed during the year	(505,236)	11.95	(406,367)	16.27
Balance at the end of the year	8,579,478	10.41	6,442,257	15.47

	Cumulative value granted \$million⁽ⁱ⁾ 31 Dec 10	Adjusted number of award securities⁽ⁱⁱ⁾ 31 Dec 10	Adjusted weighted average grant price \$⁽ⁱⁱ⁾ 31 Dec 10	Cumulative value granted \$million 31 Dec 09	Number of award securities 31 Dec 09	Weighted average grant price \$ 31 Dec 09
Vesting profile						
2010	–	–	–	26.2	1,403,290	18.68
2011	26.7	1,991,953	13.42	38.0	2,216,149	17.16
2012	61.2	6,410,373	9.54	34.2	2,700,072	12.68
2013	0.1	9,878	9.75	–	–	–
2014	1.3	167,274	8.02	1.2	122,746	10.12
	89.3	8,579,478	10.41	99.6	6,442,257	15.47

⁽ⁱ⁾ The fair value of the awards granted is equivalent before and after the Westfield Retail Trust transaction as a result of applying the adjustment factor to the number of awards on issue at the time of the Westfield Retail Trust transaction.

⁽ⁱⁱ⁾ The weighted average grant price has been adjusted as a result of the Westfield Retail Trust transaction. The number of awards has been increased by applying the adjustment factor of 1.28 with consequential adjustment to the weighted average grant price.

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

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 24 SHARE BASED PAYMENTS (CONTINUED)

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

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

	Number of award securities 31 Dec 10	Weighted average grant price \$ 31 Dec 10	Number of award securities 31 Dec 09	Weighted average grant price \$ 31 Dec 09
Movement in Partnership Incentive Plan				
Balance at the beginning of the year	2,338,979	15.15	1,854,178	17.29
Awards issued during the year ⁽ⁱ⁾	1,485,186	11.24	647,858	10.04
Adjustment to awards upon the establishment of Westfield Retail Trust	855,610	–	–	–
Distribution reinvested as awards during the year	67,703	12.41	144,793	10.98
Awards exercised during the year	(995,775)	16.63	(307,850)	15.40
Awards lapsed during the year	(56,686)	12.05	–	–
Balance at the end of the year	3,695,017	9.98	2,338,979	15.15

⁽ⁱ⁾ As outlined in section 7.3.3 of the Directors' Report, certain performance hurdles must be met in order for participants to be entitled to awards under the PIP Plan. The application of graduated scaling for entitlement to awards during the Financial Year resulted in participants receiving 125% (31 December 2009: 85%) of the targeted number of awards.

	Cumulative value granted \$million ⁽ⁱ⁾ 31 Dec 10	Adjusted number of award securities ⁽ⁱⁱ⁾ 31 Dec 10	Adjusted weighted average grant price \$ ⁽ⁱⁱ⁾ 31 Dec 10	Cumulative value granted \$million 31 Dec 09	Number of award securities 31 Dec 09	Weighted average grant price \$ 31 Dec 09
Vesting profile						
2010	–	–	–	10.5	644,616	16.33
2011	3.4	259,998	13.04	8.6	487,797	17.54
2012	10.9	1,034,359	10.58	6.5	369,285	17.62
2013	15.0	1,596,753	9.38	6.6	513,354	12.86
2014	7.6	803,907	9.41	3.2	323,927	10.04
	36.9	3,695,017	9.98	35.4	2,338,979	15.15

⁽ⁱ⁾ The fair value of the awards granted is equivalent before and after the Westfield Retail Trust transaction as a result of applying the adjustment factor to the number of awards on issue at the time of the Westfield Retail Trust transaction.

⁽ⁱⁱ⁾ The weighted average grant price has been adjusted as a result of the Westfield Retail Trust transaction. The number of awards has been increased by applying the adjustment factor of 1.28 with consequential adjustment to the weighted average grant price.

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

Accounting for cash settled Share Based Payments

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

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

During the year, \$31.1 million (31 December 2009: \$15.0 million) was charged to the income statement as gross amortisation in respect of cash settled share based payments.

	31 Dec 10 \$million	31 Dec 09 \$million
NOTE 25 RESERVES		
of the Parent Company	(709.4)	(188.9)
of WT and WAT	(690.7)	(666.9)
of the Westfield Group	(1,400.1)	(855.8)
Total reserves of the Group		
Foreign currency translation reserve	(1,437.3)	(880.2)
Employee share plan benefits reserve	34.8	22.3
Equity share plan swaps reserve	2.4	2.1
Balance at the end of the year	(1,400.1)	(855.8)
Movement in foreign currency translation reserve		
The foreign currency translation reserve is to record net exchange differences arising from the translation of financial statements of foreign controlled entities and the net investments hedged in these entities.		
Balance at the beginning of the year	(880.2)	784.3
Foreign exchange movement		
– realised and unrealised differences on the translation of investment in foreign entities, currency loans and asset hedging derivatives which qualify for hedge accounting	(535.8)	(1,679.8)
– deferred tax effect	(12.8)	15.3
– derecognition of accumulated exchange differences on distribution of net assets to the Westfield Retail Trust ⁽ⁱ⁾	(8.5)	–
Balance at the end of the year	(1,437.3)	(880.2)
⁽ⁱ⁾ The accumulated exchange differences relating to the New Zealand interests distributed to Westfield Retail Trust have been derecognised from the foreign currency translation reserve and transferred to retained profits in accordance with AASB 121 The Effects of Changes in Foreign Exchange Rates.		
Movement in employee share plan benefits reserve		
The employee share plan benefits reserve is used to record the value of share based payments provided to employees as part of their remuneration.		
Balance at the beginning of the year	22.3	10.0
– equity settled share based payment	12.5	12.3
Balance at the end of the year	34.8	22.3
Movement in equity share plan swaps reserve		
The equity share plan swaps reserve reflects cumulative gains or losses on the equity share plan swaps that relates to future service provided.		
Balance at the beginning of the year	2.1	(2.0)
– gain on employee share plan swaps	6.8	7.1
– amount charged to income statement	(6.4)	(1.2)
– deferred tax effect on employee share plan swaps	(0.1)	(1.8)
Balance at the end of the year	2.4	2.1
NOTE 26 RETAINED PROFITS		
of the Parent Company	(106.7)	(326.2)
of WT and WAT	851.7	5,123.0
of the Group	745.0	4,796.8
Movement in retained profits		
Balance at the beginning of the year	4,796.8	7,364.9
Profit/(loss) after tax for the period	1,114.0	(457.8)
Accumulated property revaluation gains distributed to Westfield Retail Trust ⁽ⁱ⁾	(3,347.3)	–
Dividend/distribution paid	(1,818.5)	(2,110.3)
Balance at the end of the year	745.0	4,796.8

⁽ⁱ⁾ This amount comprises property revaluations and accumulated exchange differences derecognised from non controlling interest.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	31 Dec 10 \$million	31 Dec 09 \$million
NOTE 27 CASH AND CASH EQUIVALENTS			
(a) Components of cash and cash equivalents			
Cash		210.1	182.3
Bank overdrafts	20	(24.5)	(9.3)
Total cash and cash equivalents		185.6	173.0
(b) Reconciliation of profit/(loss) after tax to net cash flows from operating activities			
Profit/(loss) after tax		1,124.8	(450.1)
Property revaluations		(849.3)	3,037.0
Share of associates (profit)/loss in excess of dividend/distribution		(291.4)	498.9
Deferred tax		287.2	(266.5)
Tax on capital transactions		–	7.1
Net fair value (gain)/loss of forward exchange contracts		251.3	(7.9)
Borrowing costs		770.2	(100.2)
Interest income		(12.5)	(8.9)
Gain from capital transactions		(0.4)	(69.5)
Charges in respect of the establishment of the Westfield Retail Trust including transaction and financing costs		1,192.5	–
(Increase)/decrease in working capital attributable to operating activities		(15.8)	56.4
Net cash flows from operating activities		2,456.6	2,696.3
(c) Transfer of shopping centres interests to Westfield Retail Trust (refer to Note 47)			
Assets			
Cash and cash equivalents		35.9	–
Trade debtors		6.7	–
Investment properties		11,419.3	–
Equity accounted investments		656.2	–
Other assets		512.7	–
Total assets		12,630.8	–
Liabilities			
Trade creditors and other payables		134.7	–
Interest bearing liabilities		537.7	–
Deferred tax liabilities		235.7	–
Total liabilities		908.1	–
Net assets		11,722.7	–
Consideration received and receivable			
Loan repaid		3,500.0	–
Loan receivable		942.0	–
		4,442.0	–
Net asset transferred		7,280.7	–
Net cash effect			
Cash consideration received		3,500.0	–
Less: Cash and cash equivalents included in net assets of interests transferred		(35.9)	–
Net cash flows from the interests transferred		3,464.1	–

	31 Dec 10 \$million	31 Dec 09 \$million
NOTE 28 DIVIDENDS/DISTRIBUTIONS		
(a) Final dividend/distribution paid		
Dividend/distribution in respect of the 6 months to 31 December 2010		
– paid on 28 February 2011		
Parent Company: 5.00 cents per share 100% franked	115.2	–
WT: 18.00 cents per unit, 80% estimated tax deferred	414.6	–
WAT: 8.56 cents per unit, 25% estimated tax deferred	197.1	–
Dividend/distribution in respect of the 6 months to 31 December 2009		
– paid on 26 February 2010		
WT: 28.00 cents per unit, 65% tax deferred	–	644.5
WAT: 19.00 cents per unit, 100% tax deferred	–	437.4
Westfield Group 31.56 cents per stapled security (31 Dec 09: 47.00 cents)	726.9	1,081.9

Interim dividend/distributions of 32.00 cents were paid on 31 August 2010. Final dividend/distributions were paid on 28 February 2011. The record date for the final dividends/distributions was 5pm, 14 February 2011. The Westfield Group Distribution Reinvestment Plan (DRP) was suspended from operation on 2 February 2010. Accordingly, the DRP was not in operation for the distribution paid on 28 February 2011.

(b) Dividends/distributions paid during the year		
Dividend/distribution in respect of the 6 months to 30 June 2010		
WT: 21.00 cents per unit, 80% estimated tax deferred	483.4	–
WAT: 11.00 cents per unit, 25% estimated tax deferred	253.2	–
Dividend/distribution in respect of the 6 months to 31 December 2009		
WT: 28.00 cents per unit, 65% tax deferred	644.5	–
WAT: 19.00 cents per unit, 100% tax deferred	437.4	–
Dividend/distribution in respect of the 6 months to 30 June 2009		
WT: 28.00 cents per unit, 65% tax deferred	–	635.8
WAT: 19.00 cents per unit, 100% tax deferred	–	431.4
Dividend/distribution in respect of the 6 months to 31 December 2008		
Parent Company: 10.00 cents per share 60% franked	–	195.9
WT: 26.00 cents per unit, 67% tax deferred	–	509.3
WAT: 17.25 cents per unit, 54% tax deferred	–	337.9
	1,818.5	2,110.3

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

(c) Franking credit balance of the Parent Company		
The amount of franking credits available on a tax paid basis for future distributions are:		
– franking credits balance as at the end of the year at the corporate tax rate of 30%	50.2	28.3
– franking credits arising from the payment of income tax provided in this financial report	3.0	3.9
Franking credits available for distribution	53.2	32.2
– reduction in franking credits that arise from the payment of the final dividend	(49.5)	–
Franking credits available for future distributions	3.7	32.2

	31 Dec 10 \$	31 Dec 09 \$
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NOTE 29 NET TANGIBLE ASSET BACKING

Net tangible asset backing per security	7.18	10.47
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Net tangible asset backing per security is calculated by dividing total equity attributable to stapled security holders of the Group by the number of securities on issue. The number of securities used in the calculation of the consolidated net tangible asset backing is 2,303,119,114 (31 December 2009: 2,301,904,238).

Notes to the Financial Statements

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	31 Dec 10 \$million	31 Dec 09 \$million
NOTE 30 LEASE COMMITMENTS		
Operating lease receivables		
Substantially all of the property owned and leased by the Group is leased to third party retailers. Lease terms vary between retailers and some leases include percentage rental payments based on sales revenue.		
Future minimum rental revenues under non-cancellable operating retail property leases		
Due within one year	1,211.4	2,302.9
Due between one and five years	3,569.2	6,410.9
Due after five years	2,691.8	4,777.0
	7,472.4	13,490.8

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

Operating lease payables

Expenditure contracted but not provided for		
Due within one year	14.9	19.0
Due between one and five years	15.1	54.9
Due after five years	3.7	4.5
	33.7	78.4

NOTE 31 CAPITAL EXPENDITURE COMMITMENTS

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

Due within one year	858.5	891.2
Due between one and five years	133.4	1,024.4
Due after five years	—	—
	991.9	1,915.6

NOTE 32 CONTINGENT LIABILITIES

Performance guarantees	472.0	601.6
Special tax assessment municipal bonds	35.3	41.5
	507.3	643.1

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

From time to time, in the normal course of business, the Group is involved in lawsuits. The Directors believe that the ultimate outcome of such pending litigation will not materially affect the results of operations or the financial position of the Group.

NOTE 33 SEGMENT REPORTING

Operating segments

The Group's operating segments are as follows:

a) The Group's operational segment comprises the property investment and property and project management segments.

(i) Property investments

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

(ii) Property and project management

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

b) Development

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

c) Corporate

The corporate business unit includes unallocated corporate entity expenses.

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

The Group's operating segments' income and expenses have been prepared on a proportionate format. The proportionate format presents the net income from equity accounted properties on a gross format whereby the underlying components of net income is disclosed separately as revenues, expenses, revaluations, financing costs and taxes.

NOTE 33 SEGMENT REPORTING (CONTINUED)

Management of the Group considers that, given that the assets underlying both the consolidated and the equity accounted components of the statutory income statement are similar (that is, Australian, New Zealand, United Kingdom and United States shopping centres), that most of the centres are under common management, and that, therefore, the drivers of their results are similar, the proportionate format income statement provides a more useful way to understand the performance of the portfolio as a whole than the statutory format. This is because the proportionate format aggregates both revenue and expense items across the whole portfolio, rather than netting the income and expense items for equity accounted centres and only reflecting their performance as a single item of profit or loss, as the statutory format requires. As a result, the proportionate format is what management considers in assessing and understanding the performance and results of operations of the Group as it allows management to observe and analyse revenue and expense results and trends on a portfolio-wide basis.

(a) Income and expenses

	Operational				
	Property investments \$million	Property and project management \$million	Development \$million	Corporate \$million	Consolidated \$million
31 December 2010					
Revenue					
Property revenue ⁽ⁱ⁾	3,690.2	–	62.2	2.6	3,755.0
Property development and project management revenue	–	216.2	–	–	216.2
Property and funds management income	–	93.1	–	–	93.1
	3,690.2	309.3	62.2	2.6	4,064.3
Expenses					
Property expenses, outgoings and other costs ⁽ⁱⁱ⁾	(1,122.0)	–	(31.1)	–	(1,153.1)
Property development and project management costs	–	(139.3)	(110.2)	–	(249.5)
Property and funds management costs	–	(36.3)	–	–	(36.3)
Corporate overheads	–	–	–	(41.8)	(41.8)
	(1,122.0)	(175.6)	(141.3)	(41.8)	(1,480.7)
Realised gains on income hedging currency derivatives	34.4				34.4
Segment result	2,602.6	133.7	(79.1)	(39.2)	2,618.0
Segment revaluations and gain from capital transactions					
Revaluation of properties and development projects	443.4	–	405.9	–	849.3
Equity accounted – revaluation of properties and development projects	292.8	–	(6.9)	–	285.9
Non controlling interests share of property revaluations	–	–	–	–	–
	736.2	–	399.0	–	1,135.2
Gain from capital transactions					0.4
Inter-segmental transactions					
Transfer of completed developments			122.6		122.6
Carrying value of developments transferred			(122.6)		(122.6)
			–		–
Other currency derivatives					(251.3)
Interest income					13.0
Financing costs					(823.9)
Tax expense					(374.1)
Non controlling interests					(10.8)
Charges in respect of the establishment of the Westfield Retail Trust including transaction and financing costs					(1,192.5)
Net profit attributable to members of the Westfield Group⁽ⁱⁱⁱ⁾					1,114.0

⁽ⁱ⁾ Property revenue of \$3,755.0 million consists of consolidated property revenue of \$3,316.3 million and equity accounted property revenue of \$438.7 million.

⁽ⁱⁱ⁾ Property expenses, outgoings and other costs of \$1,153.1 million consists of consolidated property expenses and outgoing of \$1,013.9 million and equity accounted property expenses and outgoing of \$139.2 million.

⁽ⁱⁱⁱ⁾ Net profit attributable to members of the Westfield Group was \$1,114.0 million. Net profit after tax for the period which includes profit attributable to non controlling interests of \$10.8 million was \$1,124.8 million.

(b) Details of segment assets and liabilities

Segment assets	30,904.0	829.9	2,575.2	–	34,309.1
Group assets					1,640.9
Total segment assets	30,904.0	829.9	2,575.2	–	35,950.0
Segment liabilities	1,086.4	54.6	56.3	–	1,197.3
Group liabilities					17,949.6
Total segment liabilities	1,086.4	54.6	56.3	–	19,146.9
Equity accounted associates included in segment assets	8,660.3	–	–	–	8,660.3
Additions to segment non current assets during the year	241.1	–	1,368.5	–	1,609.6

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 33 SEGMENT REPORTING (CONTINUED)

(c) Geographic information – Total revenue

31 December 2010	Australia & New Zealand \$million	United Kingdom \$million	United States \$million	Consolidated \$million
Property revenue	1,931.5	191.5	1,567.2	3,690.2
Property development revenue	21.5	11.6	29.1	62.2
Property development and project management revenue	50.1	156.1	10.0	216.2
Property and funds management revenue	45.0	13.6	34.5	93.1
Other				2.6
Total revenue	2,048.1	372.8	1,640.8	4,064.3

(d) Geographic information – Property investments segment

Property revenue	1,931.5	191.5	1,567.2	3,690.2
Property expenses, outgoings and other costs	(493.4)	(61.4)	(567.2)	(1,122.0)
Net property investments income	1,438.1	130.1	1,000.0	2,568.2

(e) Geographic information – Property investments assets and non current assets

Property investments assets	13,330.4	2,988.8	14,584.8	30,904.0
Non current assets	13,606.8	4,190.9	15,022.9	32,820.6
Group non current assets				1,082.3
Total non current assets	13,606.8	4,190.9	15,022.9	33,902.9

NOTE 33 SEGMENT REPORTING (CONTINUED)

(a) Income and expenses

	Operational				
	Property investments \$million	Property and project management \$million	Development \$million	Corporate \$million	Consolidated \$million
31 December 2009					
Revenue					
Property revenue ⁽ⁱ⁾	3,876.6	–	49.6	0.7	3,926.9
Property development and project management revenue	–	573.7	–	–	573.7
Property and funds management income	–	90.3	–	–	90.3
	3,876.6	664.0	49.6	0.7	4,590.9
Expenses					
Property expenses, outgoings and other costs ⁽ⁱⁱ⁾	(1,175.9)	–	(30.1)	–	(1,206.0)
Property development and project management costs	–	(451.6)	(108.2)	–	(559.8)
Property and funds management costs	–	(42.2)	–	–	(42.2)
Corporate overheads	–	–	–	(37.0)	(37.0)
	(1,175.9)	(493.8)	(138.3)	(37.0)	(1,845.0)
Realised gains on income hedging currency derivatives	44.7	–	–	8.8	53.5
Segment result	2,745.4	170.2	(88.7)	(27.5)	2,799.4
Segment revaluations and gain from capital transactions					
Revaluation of properties and development projects	(2,569.3)	–	(467.7)	–	(3,037.0)
Equity accounted – revaluation of properties and development projects	(476.3)	–	(26.0)	–	(502.3)
Non controlling interests share of property revaluations	1.8	–	–	–	1.8
	(3,043.8)	–	(493.7)	–	(3,537.5)
Gain from capital transactions					69.5
Inter-segmental transactions					
Transfer of completed developments			689.6		689.6
Carrying value of developments transferred			(689.6)		(689.6)
			–		–
Other currency derivatives					(0.1)
Interest income					9.3
Financing costs					36.1
Tax benefit					175.0
Non controlling interests					(9.5)
Net profit/(loss) attributable to members of the Westfield Group⁽ⁱⁱⁱ⁾					(457.8)

⁽ⁱ⁾ Property revenue of \$3,926.9 million consists of consolidated property revenue of \$3,459.0 million and equity accounted property revenue of \$467.9 million.

⁽ⁱⁱ⁾ Property expenses, outgoings and other costs of \$1,206.0 million consists of consolidated property expenses and outgoing of \$1,051.9 million and equity accounted property expenses and outgoing of \$154.1 million.

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

(b) Details of segment assets and liabilities

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

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 33 SEGMENT REPORTING (CONTINUED)

(c) Geographic information – Total revenue

	Australia & New Zealand \$million	United Kingdom \$million	United States \$million	Consolidated \$million
31 December 2009				
Property revenue	1,865.5	196.3	1,814.8	3,876.6
Property development revenue	6.3	15.5	27.8	49.6
Property development and project management revenue	196.4	351.2	26.1	573.7
Property and funds management revenue	41.5	13.4	35.4	90.3
Other				0.7
Total revenue	2,109.7	576.4	1,904.1	4,590.9

(d) Geographic information – Property investments segment

Property revenue	1,865.5	196.3	1,814.8	3,876.6
Property expenses, outgoings and other costs	(463.7)	(61.9)	(650.3)	(1,175.9)
Net property investments income	1,401.8	134.4	1,164.5	2,700.7

(e) Geographic information – Property investments assets and non current assets

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

NOTE 34 CAPITAL RISK MANAGEMENT

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

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

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

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

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

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

NOTE 35 FINANCIAL RISK MANAGEMENT

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

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

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

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

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

NOTE 36 INTEREST RATE RISK MANAGEMENT

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

Summary of interest rate positions at balance date

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

(i) Interest payable and receivable exposures

	Note	31 Dec 10 \$million	31 Dec 09 \$million
Principal amounts of all interest bearing liabilities:			
Current interest bearing liabilities	20	923.3	1,327.2
Non current interest bearing liabilities	20	12,807.9	14,790.1
Share of equity accounted entities interest bearing liabilities	16(b)	812.5	1,207.1
Cross currency swaps			
– A\$	37(ii)	1,727.1	1,793.9
– £121.1 million (31 December 2009: £121.1 million)	37(i)	184.3	217.9
– £740.0 million (31 December 2009: £815.0 million)	37(iv)	1,126.0	1,466.6
– US\$452.8 million (31 December 2009: US\$452.8 million)	37(i)	444.9	503.1
– US\$2,927.5 million (31 December 2009: US\$3,352.5 million)	37(iv)	2,876.3	3,724.6
Foreign currency swaps			
– A\$	37(ii)	289.8	969.9
– £912.0 million (31 December 2009: £60.0 million)	37(ii)	1,387.7	108.0
Principal amounts subject to interest rate payable exposure		22,579.8	26,108.4
Principal amounts of all interest bearing assets:			
Cross currency swaps			
– A\$	37(iv)	5,950.9	6,717.0
– €560.0 million (31 December 2009: €560.0 million)	37(i)	735.2	896.1
– US\$1,500.0 million (31 December 2009: US\$1,250.0 million)	37(ii)	1,473.8	1,388.7
– NZ\$ nil (31 December 2009: NZ\$429.3 million)	37(ii)	–	346.7
Foreign currency swaps			
– A\$	37(ii)	1,463.9	109.2
– £180.0 million (31 December 2009: nil)	37(ii)	273.9	–
– US\$ nil (31 December 2009: US\$761.8 million)	37(ii)	–	846.4
Cash	27(a)	210.1	182.3
Share of equity accounted entities cash	16(b)	57.1	63.6
Amount receivable from Westfield Retail Trust	12,47	500.0	–
Principal amounts subject to interest rate receivable exposure		10,664.9	10,550.0
Principal amounts of net interest bearing liabilities subject to interest rate payable exposure		11,914.9	15,558.4

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 36 INTEREST RATE RISK MANAGEMENT (CONTINUED)

Summary of interest rate positions at balance date (continued)

(i) Interest payable and receivable exposures (continued)

	Note	31 Dec 10 \$million	31 Dec 09 \$million
Principal amounts of fixed interest rate liabilities:			
Fixed rate loans			
– A\$	36(ii)	–	160.0
– €560.0 million (31 December 2009: €560.0 million)	36(ii)	735.2	896.1
– £600.0 million (31 December 2009: £600.0 million)	36(ii)	913.0	1,079.7
– US\$10,086.3 million (31 December 2009: US\$10,765.3 million)	36(ii)	9,909.9	11,960.1
Fixed rate derivatives			
– A\$	36(ii)	800.0	1,000.0
– £1,721.8 million (31 December 2009: £1,497.3 million)	36(ii)	2,619.9	2,694.4
– US\$894.0 million (31 December 2009: US\$6,029.0 million)	36(ii)	878.4	6,698.1
Interest rate caps			
– A\$	36(iii)	1,700.0	–
– US\$500.0 million (31 December 2009: nil)	36(iii)	491.3	–
Foreign currency swaps			
– A\$	37(ii)	289.8	969.9
– £912.0 million (31 December 2009: £60.0 million)	37(ii)	1,387.7	108.0
Principal amounts on which interest rate payable exposure has been hedged		19,725.2	25,566.3
Principal amounts of fixed interest rate assets:			
Fixed rate derivatives			
– A\$	36(ii)	5,450.0	6,517.0
– €560.0 million (31 December 2009: €560.0 million)	36(ii)	735.2	896.1
– US\$2,950.0 million (31 December 2009: US\$1,900.0 million)	36(ii)	2,898.4	2,110.9
Foreign currency swaps			
– A\$	37(ii)	1,463.9	109.2
– £180.0 million (31 December 2009: nil)	37(ii)	273.9	–
– US\$ nil (31 December 2009: US\$761.8 million)	37(ii)	–	846.4
Amount receivable from Westfield Retail Trust	12,47	500.0	–
Principal amounts on which interest rate receivable exposure has been hedged		11,321.4	10,479.6

Principal amounts on which net interest rate payable exposure has been hedged

8,403.8 15,086.7

At 31 December 2010, the Group has hedged 71% of its net interest payable exposure by way of fixed rate borrowings, interest rate swaps and interest rate options of varying durations. The remaining 29% is exposed to floating rates on a principal payable of \$3,511.1 million, at an average interest rate of 1.2%, including margin (31 December 2009: 97% hedged with floating exposure of \$471.7 million at an average rate of 5.2%). Changes to the fair value of derivatives due to interest rate movements are set out in Note 36(ii).

Interest rate sensitivity		31 Dec 10 \$million	31 Dec 09 \$million
The sensitivity of interest expense to changes in floating interest rates is as follows:	Interest rate movement	(Increase)/ decrease in interest expense	
	– 1.0%	35.1	4.7
	– 0.5%	17.6	2.4
	0.5%	(17.6)	(2.4)
	1.0%	(35.1)	(4.7)

NOTE 36 INTEREST RATE RISK MANAGEMENT (CONTINUED)

Summary of interest rate positions at balance date (continued)

(ii) Fixed rate debt and interest rate swaps

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

	Interest rate swaps *		Fixed rate borrowings		Interest rate swaps		Fixed rate borrowings	
Fixed rate debt and swaps contracted as at the reporting date and outstanding at	31 Dec 10 Notional principal amount million	31 Dec 10 Average rate	31 Dec 10 Principal amount million	31 Dec 10 Average rate including margin	31 Dec 09 Notional principal amount million	31 Dec 09 Average rate	31 Dec 09 Principal amount million	31 Dec 09 Average rate including margin
A\$ payable *								
31 December 2009	–	–	–	–	A\$(1,000.0)	5.92%	A\$(160.0)	5.46%
31 December 2010	A\$(800.0)	5.86%	–	–	A\$(1,440.0)	5.98%	–	–
31 December 2011	A\$(300.5)	5.47%	–	–	A\$(1,715.5)	5.46%	–	–
31 December 2012	A\$(323.0)	5.47%	–	–	A\$(1,702.0)	5.98%	–	–
31 December 2013	A\$(263.0)	7.18%	–	–	A\$(1,038.0)	6.46%	–	–
31 December 2014	A\$(38.0)	5.80%	–	–	A\$(1,013.0)	6.08%	–	–
31 December 2015	A\$(8.5)	6.65%	–	–	A\$(1,408.5)	6.18%	–	–
31 December 2016	A\$(3.5)	7.28%	–	–	A\$(503.5)	6.26%	–	–
31 December 2017	A\$(3.5)	7.28%	–	–	A\$(503.5)	6.26%	–	–
£ payable *								
31 December 2009	–	–	–	–	£(1,497.3)	4.57%	£(600.0)	5.39%
31 December 2010	£(1,721.8)	4.44%	£(600.0)	5.39%	£(1,654.8)	4.42%	£(600.0)	5.39%
31 December 2011	£(1,171.8)	4.90%	£(600.0)	5.39%	£(1,254.8)	4.88%	£(600.0)	5.39%
31 December 2012	£(932.5)	4.78%	£(600.0)	5.39%	£(1,082.5)	4.81%	£(600.0)	5.39%
31 December 2013	£(932.5)	4.78%	£(600.0)	5.39%	£(1,082.5)	4.81%	£(600.0)	5.39%
31 December 2014	£(790.0)	4.75%	£(600.0)	5.39%	£(790.0)	4.75%	£(600.0)	5.39%
31 December 2015	£(400.0)	4.97%	£(600.0)	5.39%	£(400.0)	4.97%	£(600.0)	5.39%
31 December 2016	£(50.0)	5.13%	£(600.0)	5.39%	£(50.0)	5.13%	£(600.0)	5.39%
31 December 2017	£(150.0)	5.11%	–	–	£(150.0)	5.11%	–	–
US\$ payable *								
31 December 2009	–	–	–	–	US\$(6,029.0)	5.57%	US\$(10,765.3)	6.07%
31 December 2010	US\$(894.0)	5.72%	US\$(10,086.3)	6.11%	US\$(2,372.0)	5.72%	US\$(9,751.6)	6.14%
31 December 2011	US\$(934.0)	5.47%	US\$(9,389.2)	6.02%	US\$(2,512.0)	5.63%	US\$(8,925.4)	6.04%
31 December 2012	US\$(3,304.0)	5.44%	US\$(8,447.7)	6.06%	US\$(5,449.0)	5.55%	US\$(7,987.7)	6.08%
31 December 2013	US\$(2,940.0)	5.43%	US\$(7,909.1)	6.10%	US\$(4,635.0)	5.54%	US\$(7,453.0)	6.13%
31 December 2014	US\$(2,690.0)	5.41%	US\$(5,453.2)	6.31%	US\$(4,175.0)	5.44%	US\$(5,088.6)	6.29%
31 December 2015	US\$(1,965.0)	5.44%	US\$(4,579.0)	6.45%	US\$(2,850.0)	5.47%	US\$(4,218.9)	6.43%
31 December 2016	US\$(1,000.0)	5.43%	US\$(3,444.4)	6.70%	US\$(1,600.0)	5.47%	US\$(3,089.0)	6.71%
31 December 2017	US\$(1,000.0)	3.94%	US\$(3,066.3)	6.81%	US\$(1,000.0)	3.94%	US\$(2,715.9)	6.82%
31 December 2018	US\$(1,000.0)	3.94%	US\$(1,815.0)	6.71%	US\$(1,000.0)	3.94%	US\$(1,470.7)	6.70%
31 December 2019	–	–	US\$(552.9)	6.73%	–	–	US\$(216.1)	6.75%
31 December 2020	–	–	US\$(46.8)	4.97%	–	–	–	–
€ payable								
31 December 2009	–	–	–	–	–	–	€(560.0)	3.58%
31 December 2010	–	–	€(560.0)	3.58%	–	–	€(560.0)	3.58%
31 December 2011	–	–	€(560.0)	3.58%	–	–	€(560.0)	3.58%
€ receivable								
31 December 2009	–	–	–	–	€560.0	3.58%	–	–
31 December 2010	€560.0	3.58%	–	–	€560.0	3.58%	–	–
31 December 2011	€560.0	3.58%	–	–	€560.0	3.58%	–	–

* Refer Note 36(iiia) for details of the interest rate swap profile subsequent to balance date.

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FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 36 INTEREST RATE RISK MANAGEMENT (CONTINUED)

Summary of interest rate positions at balance date (continued)

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

	Interest rate swaps		Fixed rate borrowings		Interest rate swaps		Fixed rate borrowings	
	31 Dec 10 Notional principal amount million	31 Dec 10 Average rate	31 Dec 10 Principal amount million	31 Dec 10 Average rate including margin	31 Dec 09 Notional principal amount million	31 Dec 09 Average rate	31 Dec 09 Principal amount million	31 Dec 09 Average rate including margin
Fixed rate debt and swaps contracted as at the reporting date and outstanding at								
A\$ receivable								
31 December 2009	–	–	–	–	A\$6,517.0	6.38%	–	–
31 December 2010	A\$5,450.0	6.43%	–	–	A\$5,750.0	6.44%	–	–
31 December 2011	A\$4,250.0	6.35%	–	–	A\$4,450.0	6.37%	–	–
31 December 2012	A\$3,086.0	6.28%	–	–	A\$3,700.0	6.43%	–	–
31 December 2013	A\$1,150.0	6.37%	–	–	A\$1,450.0	6.44%	–	–
31 December 2014	A\$400.0	6.76%	–	–	A\$500.0	6.75%	–	–
US\$ receivable								
31 December 2009	–	–	–	–	US\$1,900.0	1.75%	–	–
31 December 2010	US\$2,950.0	3.00%	–	–	US\$1,600.0	2.02%	–	–
31 December 2011	US\$3,250.0	3.29%	–	–	US\$1,900.0	2.68%	–	–
31 December 2012	US\$2,300.0	3.56%	–	–	US\$950.0	2.72%	–	–
31 December 2013	US\$2,100.0	3.58%	–	–	US\$750.0	2.55%	–	–
31 December 2014	US\$1,250.0	3.04%	–	–	US\$750.0	2.55%	–	–
31 December 2015	US\$500.0	3.77%	–	–	–	–	–	–
31 December 2016	US\$500.0	3.77%	–	–	–	–	–	–
31 December 2017	US\$500.0	3.77%	–	–	–	–	–	–
31 December 2018	US\$500.0	3.77%	–	–	–	–	–	–
31 December 2019	US\$500.0	3.77%	–	–	–	–	–	–

The Group's interest rate swaps do not meet the accounting requirements to qualify for hedge accounting treatment. Changes in fair value have been reflected in the income statement as a component of interest expense. At 31 December 2010, the aggregate fair value is a payable of \$198.8 million (31 December 2009: \$449.2 million). The change in fair value for the year ended 31 December 2010 was \$250.4 million (31 December 2009: \$1,270.8 million).

Fair value sensitivity	31 Dec 10 \$million	31 Dec 09 \$million	
The sensitivity of fair value of interest rate swaps to changes in interest rates is as follows:	Interest rate movement	(Increase)/decrease in interest expense	
	– 1.0%	(14.8)	(237.4)
	– 0.5%	(6.9)	(117.0)
	0.5%	5.9	112.5
	1.0%	11.5	222.6

All fixed rate borrowings are carried at amortised cost, therefore increases or decreases arising from changes in fair value have not been recorded in these financial statements.

NOTE 36 INTEREST RATE RISK MANAGEMENT (CONTINUED)

Summary of interest rate positions at balance date (continued)

(iia) Interest rate swaps subsequent to balance date

The Group's interest bearing liabilities have been reduced as a result of the WRT transaction (refer to Note 47). Accordingly, the Group has terminated A\$ payable, £ payable and US\$ payable interest rate hedges. These terminations were transacted over the period December 2010 to January 2011. The positions reported in Note 36(ii) above reflect the position at 31 December 2010. The final positions in respect of the Group's A\$ payable, £ payable and US\$ payable interest rate hedges following these transactions are set out below.

	A\$ payable		£ payable		US\$ payable	
	31 Jan 11 Notional principal amount million	31 Jan 11 Average rate	31 Jan 11 Notional principal amount million	31 Jan 11 Average rate	31 Jan 11 Notional principal amount million	31 Jan 11 Average rate
Interest rate swaps contracted as at the reporting date and outstanding at						
31 December 2011	A\$(50.5)	5.67%	£(1,171.8)	4.90%	–	–
31 December 2012	A\$(73.0)	5.60%	£(882.5)	4.76%	–	–
31 December 2013	A\$(63.0)	5.65%	£(882.5)	4.76%	–	–
31 December 2014	A\$(38.0)	5.80%	£(790.0)	4.75%	–	–
31 December 2015	A\$(8.5)	6.65%	£(400.0)	4.97%	–	–
31 December 2016	A\$(3.5)	7.28%	£(50.0)	5.13%	–	–
31 December 2017	A\$(3.5)	7.28%	£(150.0)	5.11%	US\$(1,000.0)	3.94%
31 December 2018	–	–	–	–	US\$(1,000.0)	3.94%

In addition to the above terminations, as part of ongoing Treasury risk management, the Group has also terminated A\$200.0 million of receivable interest rate hedges, maturing in 2015.

(iii) Interest rate caps

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

	Interest rate caps		Interest rate caps	
	31 Dec 10 Notional principal amount million	31 Dec 10 Strike rate	31 Dec 09 Notional principal amount million	31 Dec 09 Strike rate
A\$ payable				
31 December 2010	A\$(1,700.0)	6.52%	A\$(1,500.0)	6.50%
31 December 2011	A\$(1,700.0)	6.52%	A\$(1,500.0)	6.50%
31 December 2012	A\$(1,700.0)	6.52%	A\$(1,500.0)	6.50%
US\$ payable				
31 December 2010	US\$(500.0)	1.32%	US\$(500.0)	1.32%
31 December 2011	US\$(500.0)	1.32%	US\$(500.0)	1.32%

The Group's interest rate caps do not meet the accounting requirements to qualify for hedge accounting treatment. Changes in fair value have been reflected in the income statement as a component of interest expense. At 31 December 2010, the aggregate fair value is a payable of \$10.7 million (31 December 2009: \$4.7 million). The change in fair value for the year ended 31 December 2010 was \$6.0 million (31 December 2009: \$4.7 million).

Fair value sensitivity	31 Dec 10 \$million	31 Dec 09 \$million
The sensitivity of fair value of interest rate caps to changes in interest rates is as follows:	Interest rate movement	(Increase)/decrease in interest expense
	– 1.0%	(4.1) (15.2)
	– 0.5%	(2.7) (8.6)
	0.5%	4.9 11.1
	1.0%	12.7 24.6

Notes to the Financial Statements

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NOTE 37 EXCHANGE RATE RISK MANAGEMENT

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

Summary of foreign exchange balance sheet positions at balance date

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

	Note	31 Dec 10 million	31 Dec 09 million
Foreign currency net investments			
The Group had floating currency exposure, after taking into account the effect of foreign exchange derivatives, at reporting date of:			
US\$ net assets		US\$14,681.2	US\$14,026.4
US\$ borrowings		US\$(11,030.9)	US\$(11,099.1)
US\$ cross currency swaps	37(i)	US\$(452.8)	US\$(452.8)
US\$ currency swaps	37(ii)	US\$1,500.0	US\$2,011.8
US\$ denominated net assets		US\$4,697.5	US\$4,486.3
NZ\$ net assets		NZ\$1,194.8	NZ\$2,885.9
NZ\$ borrowings		NZ\$(706.3)	NZ\$(404.4)
NZ\$ cross currency swaps	37(ii)	–	NZ\$429.3
NZ\$ denominated net assets		NZ\$488.5	NZ\$2,910.8
£ net assets		£2,920.7	£2,175.1
£ borrowings		£(1,013.2)	£(1,037.8)
£ cross currency swaps	37(i)	£(121.1)	£(121.1)
£ currency swaps	37(ii)	£(732.0)	£(60.0)
£ denominated net assets		£1,054.4	£956.2

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

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

		31 Dec 10 \$million	31 Dec 09 \$million	31 Dec 10 \$million	31 Dec 09 \$million
Foreign currency sensitivity					
The sensitivity of US\$ denominated net assets to changes in the A\$/US\$ rate is as follows:	A\$/US\$ Currency movement		Gain/(loss) to foreign currency translation reserve		Gain/(loss) to income statement
	– 10 cents	422.6	447.7	71.4	166.6
	– 5 cents	200.4	210.7	33.8	77.3
	+ 5 cents	(181.6)	(188.5)	(30.6)	(67.9)
	+ 10 cents	(347.0)	(358.2)	(58.5)	(128.8)
The sensitivity of NZ\$ denominated net assets to changes in the A\$/NZ\$ rate is as follows:	A\$/NZ\$ Currency movement		Gain/(loss) to foreign currency translation reserve		Gain/(loss) to income statement
	– 10 cents	30.8	176.0	–	29.1
	– 5 cents	14.8	84.3	–	14.0
	+ 5 cents	(13.7)	(77.8)	–	(12.6)
	+ 10 cents	(26.4)	(149.7)	–	(23.5)
The sensitivity of £ denominated net assets to changes in the A\$/£ rate is as follows:	A\$/£ Currency movement		Gain/(loss) to foreign currency translation reserve		Gain/(loss) to income statement
	– 10 pence	487.8	401.3	(199.9)	(23.7)
	– 5 pence	223.8	180.8	(91.7)	(10.7)
	+ 5 pence	(192.2)	(151.0)	78.9	8.9
	+ 10 pence	(359.0)	(278.9)	147.3	16.5

NOTE 37 EXCHANGE RATE RISK MANAGEMENT (CONTINUED)

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

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

Cross currency swaps contracted as at the reporting date and outstanding at	Weighted average exchange rate		Amount receivable/(payable)			
	31 Dec 10	31 Dec 09	31 Dec 10 million	31 Dec 10 million	31 Dec 09 million	31 Dec 09 million
£						
Contracts to receive € [®] and pay £						
31 December 2009	–	0.6488	–	–	€186.7	£(121.1)
31 December 2010	0.6488	0.6488	€186.7	£(121.1)	€186.7	£(121.1)
31 December 2011	0.6488	0.6488	€186.7	£(121.1)	€186.7	£(121.1)
US\$						
Contracts to receive € [®] and pay US\$						
31 December 2009	–	1.2128	–	–	€373.3	US\$(452.8)
31 December 2010	1.2128	1.2128	€373.3	US\$(452.8)	€373.3	US\$(452.8)
31 December 2011	1.2128	1.2128	€373.3	US\$(452.8)	€373.3	US\$(452.8)

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

These cross currency swaps are effective net investment hedges and recorded directly in the foreign currency translation reserve. At 31 December 2010, the aggregate fair value is a receivable of \$176.1 million (31 December 2009: \$188.4 million). The change in fair value for the year ended 31 December 2010 was \$12.3 million (31 December 2009: \$210.3 million).

Foreign currency sensitivity		31 Dec 10 \$million	31 Dec 09 \$million
The sensitivity of cross currency swaps to changes in the A\$/US\$ rate is as follows:	A\$/US\$ Currency movement		Gain/(loss) to foreign currency translation reserve
	– 10 cents	(48.5)	(62.9)
	– 5 cents	(23.0)	(29.6)
	+ 5 cents	20.8	26.5
	+ 10 cents	39.8	50.3
The sensitivity of cross currency swaps to changes in the A\$/£ rate is as follows:	A\$/£ Currency movement		Gain/(loss) to foreign currency translation reserve
	– 10 pence	(33.1)	(47.8)
	– 5 pence	(15.2)	(21.5)
	+ 5 pence	13.0	18.0
	+ 10 pence	24.3	33.2

Notes to the Financial Statements

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NOTE 37 EXCHANGE RATE RISK MANAGEMENT (CONTINUED)

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

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

Foreign currency swaps contracted as at the reporting date and maturing during the year ended	31 Dec 10	Weighted average exchange rate 31 Dec 09	31 Dec 10 million	Amount receivable/(payable) 31 Dec 10 million	31 Dec 09 million	31 Dec 09 million
US\$						
Contracts to buy US\$ and sell A\$						
31 December 2010	-	0.7855	-	-	US\$761.8	A\$(969.9)
£						
Contracts to buy A\$ and sell £						
31 December 2010	-	0.5494	-	-	A\$109.2	£(60.0)
31 December 2011	0.6230	-	A\$1,463.9	£(912.0)	-	-
	0.6211	-	A\$(289.8)	£180.0	-	-
Cross currency swaps contracted as at the reporting date and outstanding at						
US\$						
Contracts to receive US\$ and pay A\$						
31 December 2009	-	0.8574	-	-	A\$(1,457.9)	US\$1,250.0
31 December 2010	0.8685	0.8574	A\$(1,727.1)	US\$1,500.0	A\$(1,457.9)	US\$1,250.0
31 December 2011	0.8685	0.8574	A\$(1,727.1)	US\$1,500.0	A\$(1,457.9)	US\$1,250.0
31 December 2012	0.8505	0.8273	A\$(1,175.8)	US\$1,000.0	A\$(906.6)	US\$750.0
31 December 2013	0.8505	0.8273	A\$(1,175.8)	US\$1,000.0	A\$(906.6)	US\$750.0
31 December 2014	0.8273	0.8273	A\$(906.6)	US\$750.0	A\$(906.6)	US\$750.0
NZ\$						
Contracts to receive NZ\$ and pay A\$						
31 December 2009	-	1.2774	-	-	A\$(336.0)	NZ\$429.3
31 December 2010	-	1.2774	-	-	A\$(336.0)	NZ\$429.3
31 December 2011	-	1.2774	-	-	A\$(336.0)	NZ\$429.3
31 December 2012	-	1.2774	-	-	A\$(336.0)	NZ\$429.3
31 December 2013	-	1.2774	-	-	A\$(336.0)	NZ\$429.3
31 December 2014	-	1.2800	-	-	A\$(209.8)	NZ\$268.5
31 December 2015	-	1.2800	-	-	A\$(209.8)	NZ\$268.5
31 December 2016	-	1.2800	-	-	A\$(209.8)	NZ\$268.5
31 December 2017	-	1.2800	-	-	A\$(75.0)	NZ\$96.0

At 31 December 2010, none of the above described foreign exchange derivatives qualify for hedge accounting treatment. Changes in fair value have been reflected in the income statement. At 31 December 2010, the aggregate fair value is a payable of \$183.3 million (31 December 2009: \$146.3 million). The change in fair value for the year ended 31 December 2010 was \$37.0 million (31 December 2009: \$224.3 million).

Foreign currency sensitivity	31 Dec 10 \$million	31 Dec 09 \$million
The sensitivity of cross currency swaps to changes in the A\$/US\$ rate is as follows:	A\$/US\$ Currency movement	Gain/(loss) to income statement
	- 10 cents	151.7 270.7
	- 5 cents	71.9 126.3
	+ 5 cents	(65.1) (111.8)
	+ 10 cents	(124.4) (212.1)
The sensitivity of cross currency swaps to changes in the A\$/£ rate is as follows:	A\$/£ Currency movement	Gain/(loss) to income statement
	- 10 pence	(199.9) (23.7)
	- 5 pence	(91.7) (10.7)
	+ 5 pence	78.9 8.9
	+ 10 pence	147.3 16.5
The sensitivity of cross currency swaps to changes in the A\$/NZ\$ rate is as follows:	A\$/NZ\$ Currency movement	Gain/(loss) to income statement
	- 10 cents	- 29.1
	- 5 cents	- 14.0
	+ 5 cents	- (12.6)
	+ 10 cents	- (23.5)

NOTE 37 EXCHANGE RATE RISK MANAGEMENT (CONTINUED)**(iii) Forward exchange derivatives to hedge the Group's foreign currency earnings**

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

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

Forward exchange contracts contracted as at the reporting date and maturing during the year ended	Weighted average exchange rate		Amount receivable/(payable)			
	31 Dec 10	31 Dec 09	31 Dec 10 million	31 Dec 10 million	31 Dec 09 million	31 Dec 09 million
NZ\$						
Contracts to buy A\$ and sell NZ\$						
31 December 2010	–	1.1860	–	–	A\$152.2	NZ\$(180.5)
31 December 2011	1.2084	1.2084	A\$154.9	NZ\$(187.2)	A\$154.9	NZ\$(187.2)
	1.2752	–	A\$(146.8)	NZ\$187.2	–	–
31 December 2012	1.2172	1.2172	A\$135.8	NZ\$(165.3)	A\$135.8	NZ\$(165.3)
	1.2697	–	A\$(130.2)	NZ\$165.3	–	–
31 December 2013	1.2245	1.2245	A\$78.2	NZ\$(95.7)	A\$78.2	NZ\$(95.7)
	1.2563	–	A\$(76.2)	NZ\$95.7	–	–
US\$						
Contracts to buy A\$ and sell US\$						
31 December 2010	–	0.7270	–	–	A\$228.7	US\$(166.3)
	–	0.8043	–	–	A\$(164.5)	US\$132.3
31 December 2011	0.7765	0.7765	A\$186.1	US\$(144.5)	A\$186.1	US\$(144.5)
	0.7771	0.7195	A\$(186.8)	US\$145.2	A\$(128.1)	US\$92.2
31 December 2012	0.8241	0.8241	A\$123.9	US\$(102.1)	A\$123.9	US\$(102.1)
	0.8114	0.8114	A\$(15.2)	US\$12.3	A\$(15.2)	US\$12.3
31 December 2013	0.8136	0.8136	A\$197.3	US\$(160.5)	A\$197.3	US\$(160.5)
31 December 2014	0.7869	0.7869	A\$93.3	US\$(73.4)	A\$93.3	US\$(73.4)

At 31 December 2010, none of the above described forward exchange contracts qualify for hedge accounting treatment. Changes in fair value have been reflected in the income statement. At 31 December 2010, the aggregate fair value is a receivable of \$60.7 million (31 December 2009: \$35.0 million). The change in fair value for the year ended 31 December 2010 was \$25.7 million (31 December 2009: \$98.6 million).

Foreign currency sensitivity		31 Dec 10 \$million	31 Dec 09 \$million
The sensitivity of forward exchange contracts to changes in the A\$/NZ\$ rate is as follows:	A\$/NZ\$ Currency movement		Gain/(loss) to income statement
	– 10 cents	0.2	(42.5)
	– 5 cents	0.1	(20.3)
	+ 5 cents	0.2	19.0
	+ 10 cents	0.3	36.5
The sensitivity of forward exchange contracts to changes in the A\$/US\$ rate is as follows:	A\$/US\$ Currency movement		Gain/(loss) to income statement
	– 10 cents	(34.2)	(53.2)
	– 5 cents	(16.3)	(25.0)
	+ 5 cents	14.5	23.0
	+ 10 cents	27.8	44.0

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NOTE 37 EXCHANGE RATE RISK MANAGEMENT (CONTINUED)

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

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

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

	Weighted average exchange rate		Amount receivable/(payable)			
	31 Dec 10	31 Dec 09	31 Dec 10 million	31 Dec 10 million	31 Dec 09 million	31 Dec 09 million
US\$						
Contracts to receive A\$ and pay US\$						
31 December 2009	–	0.6977	–	–	A\$4,805.2	US\$(3,352.5)
31 December 2010	0.6945	0.6945	A\$4,215.1	US\$(2,927.5)	A\$4,215.1	US\$(2,927.5)
31 December 2011	0.7199	0.7199	A\$3,190.7	US\$(2,297.0)	A\$3,190.7	US\$(2,297.0)
31 December 2012	0.7199	0.7199	A\$2,225.2	US\$(1,602.0)	A\$2,225.2	US\$(1,602.0)
31 December 2013	0.7181	0.7181	A\$1,160.0	US\$(833.0)	A\$1,160.0	US\$(833.0)
£						
Contracts to receive A\$ and pay £						
31 December 2009	–	0.4263	–	–	A\$1,911.8	£(815.0)
31 December 2010	0.4263	0.4263	A\$1,735.8	£(740.0)	A\$1,735.8	£(740.0)
31 December 2011	0.4264	0.4264	A\$1,383.7	£(590.0)	A\$1,383.7	£(590.0)
31 December 2012	0.4264	0.4264	A\$856.0	£(365.0)	A\$856.0	£(365.0)
31 December 2013	0.4265	0.4265	A\$504.1	£(215.0)	A\$504.1	£(215.0)
31 December 2014	0.4270	0.4270	A\$210.8	£(90.0)	A\$210.8	£(90.0)

At 31 December 2010, none of the above described foreign exchange derivatives qualify for hedge accounting treatment. Changes in fair value have been reflected in the income statement. At 31 December 2010, the aggregate fair value is a receivable of \$500.4 million (31 December 2009: \$577.9 million). The change in fair value for the year ended 31 December 2010 was \$77.5 million (31 December 2009: \$269.1 million).

Foreign currency sensitivity		31 Dec 10 \$million	31 Dec 09 \$million
The sensitivity of cross currency interest rate swaps to changes in the A\$/US\$ rate is as follows:		A\$/US\$ Currency movement	Gain/(loss) to income statement
		– 10 cents	(6.9) (25.7)
		– 5 cents	(3.3) (12.1)
		+ 5 cents	2.8 10.8
		+ 10 cents	5.5 20.6
The sensitivity of cross currency interest rate swaps to changes in the A\$/£ rate is as follows:		A\$/£ Currency movement	Gain/(loss) to income statement
		– 10 pence	(8.7) (26.6)
		– 5 pence	(4.0) (12.0)
		+ 5 pence	3.5 10.0
		+ 10 pence	6.4 18.5

NOTE 38 CREDIT AND LIQUIDITY RISK MANAGEMENT

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

At 31 December 2010, the aggregate credit risk in respect of derivative financial instruments is \$1,197.8 million (31 December 2009: \$1,297.3 million). In accordance with the Group policy, credit risk is spread among a number of creditworthy counterparties within specified limits. The Group had 50.1% of its aggregate credit risk spread over four counterparties each with an S&P long term rating of A+ or higher. The remainder is spread over counterparties each with less than 10% of the aggregate credit risk and with an S&P long term rating of A or higher.

At 31 December 2010, the Group had aggregate credit risk of \$942.0 million (31 December 2009: nil) in respect of the receivable from Westfield Retail Trust (refer to Note 47).

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

Interest bearing liabilities, and funding facilities and their maturity profiles, are set out in Note 20.

NOTE 39 FINANCIAL COVENANTS

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

- a) Leverage ratio (net debt to net assets)
 - less than 65%
- b) Secured debt ratio (secured debt to total assets)
 - less than 40% (and less than 45% on certain facilities)
- c) Interest cover ratio (EBITDA to gross interest expense excluding gains or losses from mark to market)
 - greater than 1.5 times
- d) Unencumbered leverage ratio (unencumbered assets to unsecured debt)
 - greater than 150% (and greater than 125% on certain facilities)

At and during 31 December 2010 and 2009, the Group was in compliance with all the above financial covenants.

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

	31 Dec 10 \$million	31 Dec 09 \$million
Interest bearing liabilities and interest		
Maturity profile of the principal amounts of current and non current interest bearing liabilities (refer to Note 20) together with the aggregate future estimated interest thereon is set out below:		
Due within one year	(1,578.0)	(1,271.3)
Due between one and five years	(9,647.0)	(9,678.5)
Due after five years	(6,204.9)	(9,758.2)
	(17,429.9)	(20,708.0)
Derivatives		
Maturity profile of the estimated impact of contracted derivative cash flows in respect of interest and currency is set out below:		
Due within one year	228.3	(47.0)
Due between one and five years	527.4	260.7
Due after five years	236.3	111.2
	992.0	324.9

Contingent liabilities are set out in Note 32 and are not included in the amounts shown above.

NOTE 41 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

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

	31 Dec 10 \$million	Fair value 31 Dec 09 \$million	Carrying amount 31 Dec 10 \$million	31 Dec 09 \$million
Consolidated assets				
Cash	210.1	182.3	210.1	182.3
Trade receivables ⁽ⁱ⁾	38.8	53.1	38.8	53.1
Receivables ⁽ⁱ⁾	625.4	234.6	625.4	234.6
Other investments ⁽ⁱⁱ⁾	521.5	559.0	521.5	559.0
Derivative assets ⁽ⁱⁱ⁾	1,197.8	1,299.9	1,197.8	1,299.9
Consolidated liabilities				
Payables ⁽ⁱ⁾	1,411.1	2,093.9	1,411.1	2,093.9
Interest bearing liabilities ⁽ⁱⁱ⁾				
– Fixed rate debt	11,739.4	13,896.8	10,927.9	13,419.8
– Floating rate debt	2,797.1	2,688.8	2,803.3	2,697.5
Other financial liabilities ⁽ⁱⁱ⁾	1,643.4	1,709.0	1,643.4	1,709.0
Derivative liabilities ⁽ⁱⁱ⁾	891.7	1,090.6	891.7	1,090.6

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

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

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2010

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

Determination of fair value

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

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

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

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

	31 Dec 10 \$million	Level 1 \$million	Level 2 \$million	Level 3 \$million
Consolidated assets measured at fair value				
Other investments				
– Listed investments	112.0	112.0	–	–
– Unlisted investments	409.5	–	–	409.5
Derivative assets				
– Interest rate derivatives	777.3	–	777.3	–
– Currency derivatives	412.3	–	412.3	–
– Equity share plan swaps	8.2	–	8.2	–
Consolidated liabilities measured at fair value				
Interest bearing liabilities				
– Fixed rate debt	11,739.4	–	11,739.4	–
– Floating rate debt	2,797.1	–	2,797.1	–
Other financial liabilities				
– Property linked notes	1,288.0	–	–	1,288.0
– Redeemable preference shares/units	355.4	–	–	355.4
Derivative liabilities				
– Interest rate derivatives	486.7	–	486.7	–
– Currency derivatives	405.0	–	405.0	–

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

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

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

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

	Unlisted investments ⁽ⁱ⁾ 31 Dec 10 \$million	Property linked notes ⁽ⁱⁱ⁾ 31 Dec 10 \$million	Redeemable preference shares/units ⁽ⁱⁱⁱ⁾ 31 Dec 10 \$million	Unlisted investments ⁽ⁱ⁾ 31 Dec 09 \$million	Property linked notes ⁽ⁱⁱ⁾ 31 Dec 09 \$million	Redeemable preference shares/units ⁽ⁱⁱⁱ⁾ 31 Dec 09 \$million
Level 3 fair value movement						
Balance at the beginning of the year	462.3	1,253.6	455.4	731.3	1,271.8	584.7
Additions	–	–	7.2	–	–	–
Disposals	–	–	–	(115.4)	–	–
Net revaluation increment/(decrement) to income statement	–	34.4	(58.9)	–	(18.2)	5.4
Retranslation of foreign operations	(52.8)	–	(48.3)	(153.6)	–	(134.7)
Balance at the end of the year	409.5	1,288.0	355.4	462.3	1,253.6	455.4

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

⁽ⁱⁱ⁾ The fair value of the property linked notes has been determined by reference to the fair value of the relevant Westfield shopping centres (refer Note 21(a)).

⁽ⁱⁱⁱ⁾ The fair value of the redeemable preference shares/units has generally been determined by applying the relevant earnings yield to the underlying net income of the relevant securities. At 31 December 2010, an increment of 1% to the earnings yield would result in an additional gain of \$54.0 million (31 December 2009: \$62.7 million) in the income statement. Similarly, a decrement of 1% to the yield would result in an additional loss of \$74.5 million (31 December 2009: \$83.0 million) in the income statement.

	31 Dec 10 \$million	31 Dec 09 \$million
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NOTE 42 PARENT COMPANY

The Parent Company financial information is presented in accordance with the amendments to the Corporations Regulations 2001 and the Corporations Amendment Regulations 2010 (No. 6). Summary data of the Parent Company is disclosed as follows:

(a) Assets

Current assets	1,293.3	2,230.4
Non current assets	2,134.9	1,859.0
Total assets	3,428.2	4,089.4

(b) Liabilities

Current liabilities	2,133.7	2,516.2
Non current liabilities	–	–
Total liabilities	2,133.7	2,516.2

(c) Total equity

Contributed equity	1,542.1	1,542.1
Employee share plan benefits reserve	1.2	0.9
Retained profits	(248.8)	30.2
Total equity	1,294.5	1,573.2

(d) Comprehensive income

Profit/(loss) after tax for the period	(279.1)	(87.0)
Other comprehensive income	–	–
Total comprehensive income for the period	(279.1)	(87.0)

(e) Contingent liabilities

Guaranteed borrowings of controlled entities	10,806.1	12,272.2
Guaranteed borrowings of subsidiaries	766.3	1,390.2
	11,572.4	13,662.4

Notes to the Financial Statements

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	31 Dec 10 \$000	31 Dec 09 \$000
NOTE 43 AUDITOR'S REMUNERATION		
Amounts received or due and receivable by the auditors of the Parent Company and any other entity in the Group for:		
– Audit or review of the financial reports	5,281	5,534
– Assurance and compliance services	810	729
– Taxation advice and compliance	80	–
– Technical accounting advice and services	57	63
– Due diligence services	352	–
	6,580	6,326
Amounts received or due and receivable by affiliates of the auditors of the Parent Company for:		
– Audit or review of the financial reports	3,885	4,259
– Assurance and compliance services	100	–
– Taxation advice and compliance	135	356
– Technical accounting advice and services	20	97
	4,140	4,712
	10,720	11,038

NOTE 44 SUPERANNUATION COMMITMENTS

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

NOTE 45 RELATED PARTY DISCLOSURES

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

(a) Nature of relationship with related parties

Key Management Personnel of the entity

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

Other Related Parties

On 20 December 2010, the Group established the Westfield Retail Trust. Westfield Retail Trust is considered to be a related party of the Group as subsidiaries of WHL are the responsible entities and manage the shopping centres held by Westfield Retail Trust.

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

The Lowy Institute for International Policy is considered to be a related party of the Group. This is due to this entity being under the control or significant influence of certain Directors of the Group, being either Mr Frank Lowy, Mr Steven Lowy or Mr Peter Lowy.

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

Transactions with Key Management Personnel of the entity

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

The Group owns two aircraft for business use by its executives. One is located in Australia and the other is located in the United States. During the year, the Lowy family hired the aircraft (when the aircraft was not required for Westfield Group business use) and were charged by the Group. The rates used for determining the amounts charged for aircraft usage were reviewed by an independent expert and determined to be at an arm's length rate. Amounts charged to the Lowy family totalled \$462,190 (31 December 2009: \$163,868) during the period, and were payable on seven day terms.

Other Related Parties

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

- The Group entered into arrangements regarding the use of aircraft owned by LFG. The charges for these aircraft were on commercial arm's length rates. During the period the Group incurred costs amounting to \$1,694,551 (31 December 2009: \$1,445,041) in relation to the use of these aircraft. Amounts charged are payable on 30 day terms.
- The Group has aircraft operation, maintenance, crew sharing, and hangar facility agreements with LFG. The agreements enable the parties to, where possible, cooperate with each other with a view to enhancing the economy of operation of their respective aircraft through their combined resources and purchasing power, including in relation to the cost of fuel, parts, maintenance, landing, engineering, insurance and aircrew services. During the period the Group charged LFG \$430,851 (31 December 2009: \$741,530) in relation to the provision of aircrew, maintenance and hangar facility to LFG, which were payable on seven day terms. Also during the period, the Group was charged \$93,459 (31 December 2009: \$205,795) for use of aircraft crew employed by LFG, which are payable on 30 day terms.

LFG currently subleases premises from the Group. During the period \$429,584 (31 December 2009: \$345,913) was charged to LFG covering rental and outgoings with respect to these leases. The leases are on arm's length terms and conditions. Rental is charged monthly and payable on seven day terms.

During the period the Group paid amounts totalling \$3,914 (31 December 2009: \$14,634) for rental accommodation owned by LFG.

During the period the Group charged The Lowy Institute amounts totalling \$72,937 (31 December 2009: nil) for design and construction services.

During the period the Group charged LFG \$421,077 (31 December 2009: \$286,640) for service costs in relation to the provision of communication and security services.

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

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

Nature	Type	2010	2009
Owing to LFG	Current payable	\$2,598	nil
Owing from LFG	Current receivable	nil	nil

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

NOTE 46 REMUNERATION, OPTION AND SHAREHOLDINGS OF KEY MANAGEMENT PERSONNEL

(a) Remuneration of Key Management Personnel

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

The aggregate remuneration for the 12 months was:

	Short term benefits				Post Employment	Share Based	Total
	Cash salary, fees and short term compensated absences	Short term cash profit sharing and other bonuses	Non-monetary benefits	Other short term employee benefits ⁽¹⁾	Other post employment benefits	Amortisation of cash and equity settled share based payments ⁽²⁾	
Key Management Personnel	\$	\$	\$	\$	\$	\$	\$
Key Management Personnel – Directors							
31 December 2010	15,238,373	14,652,968	889,414	(99,818)	101,588	5,990,544	36,773,069
31 December 2009	15,606,028	12,918,745	902,584	(129,332)	67,679	3,776,076	33,141,780
Key Management Personnel – Excluding Directors							
31 December 2010	4,469,754	5,078,474	1,033,576	76,660	–	7,076,723	17,735,187
31 December 2009	4,601,753	4,476,534	1,065,449	29,350	–	4,793,523	14,966,609
Total Key Management Personnel							
31 December 2010	19,708,127	19,731,442	1,922,990	(23,158)	101,588	13,067,267	54,508,256
31 December 2009	20,207,781	17,395,279	1,968,033	(99,982)	67,679	8,569,599	48,108,389

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

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

(b) Option holdings of Key Management Personnel

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

(c) Shareholdings of Key Management Personnel

Stapled securities held in the Group (number)	Balance at 1 January 2010	Granted as remuneration	On exercise of options	Net change other	Balance at 31 Dec 2010
F P Lowy	179,598,386			–	179,598,386
D H Lowy					
P S Lowy					
S M Lowy					
R L Furman	50,000			–	50,000
P H Goldsmith	5,000			–	5,000
D M Gonski	339,578			–	339,578
F G Hilmer	238,512			–	238,512
S P Johns	1,551,846			–	1,551,846
M R Johnson ⁽²⁾	–			4,415	4,415
J McFarlane	51,951			–	51,951
B M Schwartz	11,110			–	11,110
J Sloan	3,000			–	3,000
G H Weiss ⁽³⁾	22,237			–	22,237
P K Allen	96,597	101,629		1,195 ⁽⁴⁾	199,421
M J Gutman	50,950	78,502		(39,577)	89,875
R R Jordan	698,119	79,313		–	777,432
J M Widdup	5,000			–	5,000
Total	182,722,286	259,444	–	(33,967)	182,947,763

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

⁽²⁾ Mr Johnson was appointed to the Board on 27 May 2010.

⁽³⁾ Mr Weiss retired from the Board on 27 May 2010. This represents Mr Weiss's holding of WDC stapled securities at the date of his retirement.

⁽⁴⁾ Held by a family member.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 46 REMUNERATION, OPTION AND SHAREHOLDINGS OF KEY MANAGEMENT PERSONNEL (CONTINUED)

(d) Other transactions and balances with Key Management Personnel

- (i) Other related party transactions and balances with Key Management Personnel are included in Note 45.
- (ii) During the financial year, transactions occurred between the Group and Key Management Personnel which were within normal employee, customer or supplier relationships on terms and conditions no more favourable than those available to other employees, customers or suppliers, being the performance of contracts of employment; the reimbursement of expenses; and the payment of dividends/distributions by the Group in respect of stapled securities held in the Group.

NOTE 47 WESTFIELD GROUP RESTRUCTURE – ESTABLISHMENT OF WESTFIELD RETAIL TRUST

(a) Overview

On 3 November 2010, the Group announced a restructuring whereby \$7.3 billion of capital was proposed to be distributed to its security holders through the creation of a new separately listed property trust – Westfield Retail Trust (WRT).

The restructure was approved by the Group's security holders on 9 December 2010 and implemented on 20 December 2010. Full details of the restructure proposal were provided in the Explanatory Memorandum (EM) and Product Disclosure Statement (PDS) issued to the Group's security holders in November 2010.

As a result of the restructuring, WRT owns half of the Group's interests in Australia and New Zealand retail shopping centres (excluding Westfield Carindale and Cairns), representing a gross asset value of \$12.1 billion to WRT, offset by \$0.4 billion of liabilities and \$4.4 billion paid and payable to the Group. As at 31 December 2010, the Group received \$3.5 billion from WRT with the remaining balance disclosed as \$442.0 million current and \$500.0 million non current receivables.

The \$4.4 billion received and receivable by the Group from WRT has been and will be applied to retire the Group's interest bearing liabilities at 31 December 2010 and over the next 18 months. As a result of this reduction in the Group's interest bearing liabilities, the Group has terminated its interest rate hedges in respect of the borrowings retired and to be retired. The net fair value adjustment of excess swaps terminated and the deferred borrowing costs written off amounted to a financing cost of \$258.2 million and has been recognised as a charge to the income statement under the heading "Charges in respect of the establishment of the Westfield Retail Trust including transaction and financing costs".

(b) Accounting for Westfield Group – post restructure

The effective date of the restructure for accounting purposes was 21 December 2010 being the date WRT stapled units were destapled from the Group.

The restructure has been accounted for as a distribution of non-cash assets in accordance with AASB Interpretation 17 'Distributions of non-cash assets to Owners'. The fair value of the distribution as determined by the initial offer price of WRT units has been charged to contributed equity and retained profits. The difference between the market value and book value of assets distributed amounting to \$934.3 million has been recognised as a charge to the income statement under the heading "Charges in respect of the establishment of the Westfield Retail Trust including transaction and financing costs".

The consolidated income statement of the Group for the year ended 31 December 2010 includes the results of the Australian and New Zealand shopping centre interests transferred to WRT up to 20 December 2010. The Group does not control WRT following implementation of the restructure from 20 December 2010 and does not consolidate WRT's results, assets and liabilities from that date.

Comparatives for the year ended 31 December 2009 have not been restated.

Following implementation of the restructure, 15 Australian and all 12 New Zealand properties that were previously consolidated have now been equity accounted. Certain equity accounted investments where Westfield Group continues to have significant influence or joint control continue to be equity accounted. Further details of these entities are set out in Note 16 and Note 48.

(c) Westfield Group – after establishment of WRT

The Group and WRT are partners in the ownership of 54 Australian and New Zealand shopping centres and will maintain a close ongoing relationship having regard to the Group's property management and development roles as well as the provision by the Group of corporate services to WRT. The Group will continue to act as property, leasing and development manager for the properties on terms and fees materially consistent with those in place with its other third party joint venture partners in Australia. In addition, the Group and WRT have also agreed to, where possible, cooperate on future retail property acquisition and growth opportunities in Australia and New Zealand together. Furthermore, WRT will have access to the Westfield brand name and operating platform of the Group through WRT's Responsible Entities which are wholly owned by the Group. WRT will not be charged a responsible entity fee by the Group.

(d) Arrangements with WRT

These primary arrangements between the Group and WRT are summarised as follows:

- the Group and WRT will directly and indirectly co-own the properties including properties where there are existing third party joint venture partners;
- the Group will act in most cases as the property manager;
- the Group will act in most cases as the property developer;
- the Group and WRT will co-operate to source new investment opportunities in Australia and New Zealand;
- the Group will own the WRT responsible entities and WRT will have access to the Westfield brand; and
- the Group will initially provide corporate services to WRT.

Various agreements have been entered into in order to manage and develop this relationship. A detailed summary of the agreements is set out in section 10 of the PDS. The following is a high level summary only. These comprise:

(i) Co-operation Deed

The Co-operation deed governs the relationship between the Group and WRT in connection with any new investment opportunities to acquire an interest in a retail property or a retail development site in Australia or New Zealand. The deed also governs the use of Westfield trade marks and will provide the Group with rights in relation to certain properties in circumstances where the Group wishes to dispose of its interest. Further, WRT agrees not to dispose of its shareholdings in the WRT responsible entities for as long as they are the WRT responsible entities.

(ii) Co-ownership arrangements

The Co-ownership arrangements will be regulated by Co-ownership agreements, Unitholder agreements and Shareholder agreements. In general terms, these agreements have the following features:

- proportionate sharing of income and expenses;
- the establishment of committees having proportionate representation and voting rights to deal with major decisions and the resolution of disputes;
- pre-emptive rights in relation to dealings with specified exceptions; and
- remedies where defaults in obligations occur.

(iii) Property management agreement

The Group is entitled to a management fee equal to 5% of the annual gross income of the property and is entitled to be reimbursed for its out of pocket expenses and other costs agreed upfront. The Group is also entitled to recover WRT's share of the tenancy, design and co-ordination fees of up to \$7,000 per specialty store (increasing by CPI).

The property management fee for the year ended 31 December 2010 was \$1.4 million.

**NOTE 47 WESTFIELD GROUP RESTRUCTURE –
ESTABLISHMENT OF WESTFIELD RETAIL TRUST (CONTINUED)**

(d) Arrangements with WRT (continued)

(iv) Development framework agreements

Where a development project is undertaken with WRT, the following fees will be charged:

- a development fee of 3% of the project price payable in stages;
- a design fee of 10% of the project price payable in stages;
- a project leasing fee of up to 15% of the tenant's first year net rent payable for leases of new specialty shops created by the development;
- a tenancy, design and co-ordination fee of \$7,000 per specialty store lease entered into in respect of a project (increasing by CPI); and
- major tenant new and renewal lease fee and market rent review fee.

For the period from the implementation date to 31 December 2010, no amount was charged in relation to construction contracts.

(v) Corporate services agreement

The Group will provide corporate services to WRT at a cost commensurate with the Group's cost in providing those services. These services, including accounting, tax, treasury, corporate, human resources, information technology and compliance will be provided at the direction of the Board and management of WRT. As disclosed in the EM, the cost for these services for the first 12 months from listing of WRT is \$23.0 million, payable in quarterly instalments. The continued provision of these services will be at the discretion of WRT and the agreement may be terminated by either party with twelve months notice following the initial twelve month term. The scope and cost of the services will be reviewed annually by WRT and the Group.

The amount accrued for these services during the year to 31 December 2010 was \$0.7 million.

(vi) Westfield Sydney arrangements

WRT is a 50% joint venture owner with the Group in Westfield Sydney, which is currently under redevelopment. The total investment by WRT is expected to be \$1.340 billion when the redevelopment is completed. Stage one of the redevelopment was completed in October 2010 and the overall redevelopment is expected to be completed in 2012.

On 20 December 2010, the Group advanced \$942.0 million under the Westfield Sydney facility to WRT in order to fund the acquisition of a 50% interest in stage one of Westfield Sydney. There are two separate loans comprising \$500.0 million at an interest rate of 6.75% repayable seven days after practical completion of the development and an interest free loan of \$442.0 million repayable on demand. The net balance of the loan at year end is disclosed as \$442.0 million current receivable and \$500.0 million non current receivable (refer to Note 12) with interest accrued of \$1.0 million receivable.

WRT also entered into a Project Design and Construction Agreement for the completion of the Westfield Sydney redevelopment. WRT's share of the project payments payable under the agreement is \$398.0 million (plus accrued interest and any variations). Project payments of \$280.0 million will be charged during 2011 with payment deferred until 7 days after practical completion of the project and interest which accrues at the rate of 6.75% per annum. These amounts and a final payment of \$118.0 million (plus any variations) will be repayable in full at the completion date.

The Group will provide WRT with an income guarantee for each of the three years commencing after practical completion of the redevelopment which will ensure that WRT receives a minimum annual yield of 5.6% of its total investment in Westfield Sydney.

NOTE 48 DETAILS OF CONTROLLED ENTITIES AND EQUITY ACCOUNTED ENTITIES

Name of entity	31 Dec 10 – Interest			31 Dec 09 – Interest		
	Parent Company %	Beneficial ^(a) Westfield Group %	Consolidated or Equity accounted %	Parent Company %	Beneficial ^(a) Westfield Group %	Consolidated or Equity accounted %
ENTITIES INCORPORATED IN AUSTRALIA						
Parent Company						
Westfield Holdings Limited	100.0	100.0	100.0	100.0	100.0	100.0
Consolidated Controlled Entities						
Adurant Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Alphen Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Amondi Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Annsa Pty Ltd	100.0	100.0	100.0	100.0	100.0	100.0
Booragoon Investment Trust	–	100.0	100.0	–	–	–
Cairns Investment Trust – Shares Trust	100.0	100.0	100.0	100.0	100.0	100.0
Cairns Investment Trust – Units Trust	–	100.0	100.0	–	100.0	100.0
Carindale Property Trust	–	50.0	100.0	–	50.0	100.0
Cavemont Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Croissy Pty Limited ^(b)	–	–	–	100.0	100.0	100.0
Descon Invest Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Fidele Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Fidele Trust	–	100.0	100.0	–	100.0	100.0
Gaural Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Greissen Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Karrinyup Investment Trust	–	100.0	100.0	–	–	–
Lourens Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Lycus Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Marchet Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Market Street Investment Trust	–	100.0	100.0	–	100.0	100.0
Market Street Special Trust	–	100.0	100.0	–	100.0	100.0
MH (No. 1) Trust	15.0	100.0	100.0	15.0	100.0	100.0
MH (No. 2) Trust	15.0	100.0	100.0	15.0	100.0	100.0
Nauthiz Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
New Bradford Trust	15.0	100.0	100.0	–	–	–
Orta Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Parliv Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0

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FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 48 DETAILS OF CONTROLLED ENTITIES AND EQUITY ACCOUNTED ENTITIES (CONTINUED)

Name of entity	31 Dec 10 – Interest			31 Dec 09 – Interest		
	Beneficial ^(a) Parent Company %	Westfield Group %	Consolidated or Equity accounted %	Beneficial ^(a) Parent Company %	Westfield Group %	Consolidated or Equity accounted %
ENTITIES INCORPORATED IN AUSTRALIA (CONTINUED)						
Consolidated Controlled Entities (continued)						
RE1 Limited	100.0	100.0	100.0	–	–	–
RE2 Limited	100.0	100.0	100.0	–	–	–
Regional Shopping Centre Nominees Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Samel Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Southland Investment Trust	–	100.0	100.0	–	–	–
Stonehenge Pty Limited	–	50.0	50.0	–	50.0	50.0
Stratford City (No.1) Trust	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City (No.2) Trust	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City (No.3) Trust	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City (No.4) Trust	15.0	100.0	100.0	15.0	100.0	100.0
Titania Services Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Variscite Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
WASCF Alliances Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
WCSCF Management Trust	15.0	100.0	100.0	15.0	100.0	100.0
Westfield (Parramatta) Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Alliances Carindale Pty Limited	85.0	100.0	100.0	85.0	100.0	100.0
Westfield Alliances Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield America Management Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield America Trust	–	100.0	100.0	4.1	100.0	100.0
Westfield American Investments Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Bradford Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield C Fund Pty Limited ^(a)	–	–	–	50.0	50.0	50.0
Westfield Capital Assets Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Capital Corporation Finance Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Capital Corporation Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Capital Financial Services Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Carindale Management Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Custodian Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Design and Construction Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Developments Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Digital Pty Limited	100.0	100.0	100.0	–	–	–
Westfield European Investments Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Executive Option Plan Trust	–	–	100.0	–	–	100.0
Westfield Finance (Aust) Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Funds Management Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Gift Cards No. 2 Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Gift Cards Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Internet Shoppingtown Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Management Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Morley Trust	–	100.0	100.0	–	100.0	100.0
Westfield No. 1 Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield No. 4 Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Nominees Pty Limited ^(a)	–	–	–	50.0	50.0	50.0
Westfield Projects (Australia) Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Promotion Fund Management Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield QLD No 1 Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield QLD No 2 Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Queensland Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Retail Trust 1 (formerly Westfield Sub Trust C)	–	–	–	–	100.0	100.0
Westfield R.S.C.F. Management Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Services Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Shopping Centre Management Co (A.C.T.) Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Shopping Centre Management Co (Qld.) Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Shopping Centre Management Co (S.A.) Pty Ltd	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Shopping Centre Management Co (Vic.) Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Shopping Centre Management Co Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Shoppingtown Carousel Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Sub Trust D	–	100.0	100.0	–	100.0	100.0
Westfield Sub Trust E	–	100.0	100.0	–	100.0	100.0
Westfield Sub Trust F	–	100.0	100.0	–	100.0	100.0
Westfield Sub Trust G	–	100.0	100.0	–	100.0	100.0

NOTE 48 DETAILS OF CONTROLLED ENTITIES AND EQUITY ACCOUNTED ENTITIES (CONTINUED)

Name of entity	31 Dec 10 – Interest			31 Dec 09 – Interest		
	Beneficial ⁽ⁱ⁾ Parent Company %	Westfield Group %	Consolidated or Equity accounted %	Beneficial ⁽ⁱ⁾ Parent Company %	Westfield Group %	Consolidated or Equity accounted %
ENTITIES INCORPORATED IN AUSTRALIA (CONTINUED)						
Consolidated Controlled Entities (continued)						
Westfield Sub Trust I	–	100.0	100.0	–	100.0	100.0
Westfield Sub Trust J	–	100.0	100.0	–	100.0	100.0
Westfield Sydney Investment Trust (formerly WestUS Trust)	–	–	–	100.0	100.0	100.0
Westfield (NZ) Trust (formerly Westfield Sub trust No.2)	–	100.0	100.0	–	100.0	100.0
Westfield Trust	–	100.0	100.0	–	100.0	100.0
Westfield U.S. Investments Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
WestUS Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
WFA Finance (Aust) Pty Limited	–	100.0	100.0	4.1	100.0	100.0
White City Investments Trust	15.0	100.0	100.0	15.0	100.0	100.0
WRS Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
WSF Fund Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
WT Finance (Aust) Pty Limited	–	100.0	100.0	–	100.0	100.0
Zed Investments Pty Limited	100.0	100.0	100.0	100.0	100.0	100.0
Equity Accounted Entities						
AMP Capital Pacific Fair and Macquarie Shopping Centre Fund	–	5.0	5.0	–	10.0	10.0
Bondi Junction Trust ^(iv)	–	50.0	50.0	–	100.0	100.0
Booragoon Trust	–	50.0	50.0	–	–	–
Cairns Central Ltd	50.0	50.0	50.0	50.0	50.0	50.0
CMS General Trust	–	50.0	50.0	–	50.0	50.0
CMS Property Trust	–	50.0	50.0	–	50.0	50.0
Fountain Gate Trust ^(iv)	–	50.0	50.0	–	100.0	100.0
Karrinyup Trust	–	50.0	50.0	–	–	–
Kotara Trust (formerly Bradford Trust) ^(iv)	–	50.0	50.0	15.0	100.0	100.0
KSC Trust	–	16.7	16.7	–	33.3	33.3
Market Street Property Trust ^(iv)	–	50.0	50.0	–	100.0	100.0
Mount Druitt Shopping Centre Trust	–	25.0	25.0	–	50.0	50.0
SA Shopping Centre Trust	–	31.3	31.3	–	50.0	50.0
Southland Trust	–	25.0	25.0	–	50.0	50.0
Tea Tree Plaza Trust	–	31.3	31.3	–	50.0	50.0
VIC Shopping Centre Trust ^(iv)	–	50.0	50.0	–	100.0	100.0
W.D. Trust ^(iv)	–	50.0	50.0	–	100.0	100.0
WestArt Trust ^(iv)	–	50.0	50.0	–	100.0	100.0
Westfield Chatswood Trust ^(iv)	–	50.0	50.0	–	100.0	100.0
Westfield North Rocks Trust (formerly WestNM Trust) ^(iv)	–	50.0	50.0	100.0	100.0	100.0
Westfield Northgate Trust ^(iv)	–	50.0	50.0	–	100.0	100.0
Westfield Services Trust ^(iv)	–	50.0	50.0	100.0	100.0	100.0
Westfield Shoppingtown Property Trust ^(iv)	–	62.5	62.5	–	100.0	100.0
Westfield Sub Trust H ^(iv)	–	50.0	50.0	–	100.0	100.0
Westfield Sub Trust K ^(iv)	–	50.0	50.0	–	100.0	100.0
Westfield Tuggerah Trust ^(iv)	–	50.0	50.0	–	100.0	100.0
ENTITIES INCORPORATED IN IRELAND						
Consolidated Controlled Entities						
Belfast WCSCF Finance Limited	66.7	66.7	66.7	66.7	66.7	66.7
Derby WCSCF Finance Limited	66.7	66.7	66.7	66.7	66.7	66.7
Guildford Finance Limited	100.0	100.0	100.0	100.0	100.0	100.0
Merry Hill Finance Limited	–	–	–	–	–	–
(formerly Merry Hill WCSCF Finance Limited)	66.7	66.7	66.7	66.7	66.7	66.7
Tunbridge Wells WCSCF Finance Limited	66.7	66.7	66.7	66.7	66.7	66.7
Westfield Europe Finance (No. 2) Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Europe Finance PLC	100.0	100.0	100.0	100.0	100.0	100.0
ENTITIES INCORPORATED IN JERSEY						
Consolidated Controlled Entities						
Aldeburgh Ltd	51.0	100.0	100.0	51.0	100.0	100.0
Midlands Shopping Centre Jersey Unit Trust (No.1) (formerly Bradford Shopping Centre Jersey Unit Trust)	15.0	100.0	100.0	15.0	100.0	100.0
Sprucefield No. 1 General Partner Limited	25.5	50.0	50.0	25.5	50.0	50.0
Sprucefield No. 1 Limited Partnership	51.0	100.0	100.0	51.0	100.0	100.0
Sprucefield No. 2 General Partner Limited	51.0	100.0	100.0	51.0	100.0	100.0
Sprucefield No. 2 Limited Partnership	51.0	100.0	100.0	51.0	100.0	100.0
Sprucefield Unit Trust	51.0	100.0	100.0	51.0	100.0	100.0
Stratford City Hotel Jersey Unit Trust (No.1)	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Hotel Jersey Unit Trust (No.2)	15.0	100.0	100.0	15.0	100.0	100.0

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FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 48 DETAILS OF CONTROLLED ENTITIES AND EQUITY ACCOUNTED ENTITIES (CONTINUED)

Name of entity	31 Dec 10 – Interest			31 Dec 09 – Interest		
	Beneficial ^(a) Parent Company %	Westfield Group %	Consolidated or Equity accounted %	Beneficial ^(a) Parent Company %	Westfield Group %	Consolidated or Equity accounted %
ENTITIES INCORPORATED IN JERSEY (CONTINUED)						
Consolidated Controlled Entities (continued)						
Stratford City Offices Jersey Unit Trust (No.1)	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Offices Jersey Unit Trust (No.2)	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Offices Jersey Unit Trust (No.3)	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Offices Jersey Unit Trust (No.4)	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Offices Jersey Unit Trust (No.5)	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Offices Jersey Unit Trust (No.6)	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Shopping Centre Jersey Unit Trust (No.1)	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Shopping Centre Jersey Unit Trust (No.2)	15.0	100.0	100.0	15.0	100.0	100.0
The Westfield Jersey Unit Trust	100.0	100.0	100.0	100.0	100.0	100.0
UK Shopping Centres Trustee (No.1) Limited	100.0	100.0	100.0	100.0	100.0	100.0
UK Shopping Centres Trustee (No.2) Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Management Jersey (Nominee) Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Management Jersey Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield MH (No.1) Jersey Unit Trust	24.4	66.0	66.0	24.4	66.0	66.0
Westfield MH (No.2) Jersey Unit Trust	24.4	66.0	66.0	24.4	66.0	66.0
Westfield MH (No.3) Jersey Unit Trust	24.4	66.0	66.0	24.4	66.0	66.0
Westfield MH (No.4) Jersey Unit Trust	24.4	66.0	66.0	24.4	66.0	66.0
Westfield MH (No.5) Jersey Unit Trust	24.4	66.0	66.0	24.4	66.0	66.0
Westfield MH (No.6) Jersey Unit Trust	24.4	66.0	66.0	24.4	66.0	66.0
Westfield MH (No.7) Jersey Unit Trust	24.4	66.0	66.0	24.4	66.0	66.0
Westfield MH (No.8) Jersey Unit Trust	24.4	66.0	66.0	24.4	66.0	66.0
Westfield UK Acquisitions (Jersey) Limited	51.0	100.0	100.0	51.0	100.0	100.0
Westfield UK Acquisitions No. 2 (Jersey) Limited	51.0	100.0	100.0	51.0	100.0	100.0
White City Jersey Unit Trust (No. 1)	15.0	100.0	100.0	15.0	100.0	100.0
Equity Accounted Entities						
W (No.1) GP (Nominee A) Limited	50.0	50.0	50.0	50.0	50.0	50.0
W (No.1) GP (Nominee B) Limited	50.0	50.0	50.0	50.0	50.0	50.0
W (No.2) GP (Nominee A) Limited ^(a)	–	–	–	50.0	50.0	50.0
W (No.2) GP (Nominee B) Limited ^(a)	–	–	–	50.0	50.0	50.0
W (No.3) GP (Nominee A) Limited	100.0	100.0	100.0	50.0	50.0	50.0
W (No.3) GP (Nominee B) Limited	100.0	100.0	100.0	50.0	50.0	50.0
W (No.4) GP (Nominee A) Limited	50.0	50.0	50.0	50.0	50.0	50.0
W (No.4) GP (Nominee B) Limited	50.0	50.0	50.0	50.0	50.0	50.0
W (No.5) GP (Nominee A) Limited ^(a)	–	–	–	50.0	50.0	50.0
W (No.5) GP (Nominee B) Limited ^(a)	–	–	–	50.0	50.0	50.0
W (No.6) GP (Nominee A) Limited	50.0	50.0	50.0	50.0	50.0	50.0
W (No.6) GP (Nominee B) Limited	50.0	50.0	50.0	50.0	50.0	50.0
W (No.7) GP (Nominee A) Limited ^(a)	–	–	–	50.0	50.0	50.0
W (No.7) GP (Nominee B) Limited ^(a)	–	–	–	50.0	50.0	50.0
W (No.7) GP (Nominee C) Limited ^(a)	–	–	–	50.0	50.0	50.0
W (No.7) GP (Nominee D) Limited ^(a)	–	–	–	50.0	50.0	50.0
W (No.7) GP (Nominee E) Limited ^(a)	–	–	–	50.0	50.0	50.0
W (No.7) GP (Nominee F) Limited ^(a)	–	–	–	50.0	50.0	50.0
WCSCF CastleCourt Jersey Unit Trust	33.3	33.3	33.3	33.3	33.3	33.3
WCSCF Derby Jersey Unit Trust	33.3	33.3	33.3	33.3	33.3	33.3
WCSCF Tunbridge Wells Jersey Unit Trust	33.3	33.3	33.3	33.3	33.3	33.3
ENTITIES INCORPORATED IN LUXEMBOURG						
Equity Accounted Entities						
WCSCF Finance Sarl	33.3	33.3	33.3	33.3	33.3	33.3
ENTITIES INCORPORATED IN MALAYSIA						
Consolidated Controlled Entities						
Westasia Malls Sdn. Bhd. ^(a)	–	–	–	100.0	100.0	100.0
Westfield Shoppingtowns Corporation Sdn Bhd ^(a)	–	–	–	100.0	100.0	100.0
ENTITIES INCORPORATED IN NEW ZEALAND						
Consolidated Controlled Entities						
Westfield (New Zealand) Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Finance (NZ) Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Leasing (NZ) Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Properties (New Zealand) Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Shopping Centre Management Co (NZ) Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Trust (NZ) Limited	–	100.0	100.0	–	100.0	100.0
WT Finance (NZ) No.2 Limited	–	100.0	100.0	–	–	–

NOTE 48 DETAILS OF CONTROLLED ENTITIES AND EQUITY ACCOUNTED ENTITIES (CONTINUED)

Name of entity	31 Dec 10 – Interest			31 Dec 09 – Interest		
	Beneficial ^(iv) Parent Company %	Westfield Group %	Consolidated or Equity accounted %	Beneficial ^(iv) Parent Company %	Westfield Group %	Consolidated or Equity accounted %
ENTITIES INCORPORATED IN NEW ZEALAND (CONTINUED)						
Equity Accounted Entities						
Abyssinian Holding Limited ^(iv)	1.0	50.0	50.0	1.0	100.0	100.0
Albany Shopping Centre (No 2) Limited ^(iv)	–	50.0	50.0	–	100.0	100.0
Albany Shopping Centre Limited ^(iv)	–	50.0	50.0	–	100.0	100.0
Cedarville Properties Limited ^(iv)	–	50.0	50.0	–	100.0	100.0
Chartwell Shopping Centre Limited ^(iv)	–	50.0	50.0	–	100.0	100.0
Copthorne Investments Limited ^(iv)	–	50.0	50.0	–	100.0	100.0
Downtown Shopping Centre (No 2) Limited ^(iv)	–	50.0	50.0	–	100.0	100.0
Downtown Shopping Centre Limited ^(iv)	–	50.0	50.0	–	100.0	100.0
Glenfield Mall Limited ^(iv)	–	50.0	50.0	–	100.0	100.0
Johnsonville Shopping Centre Limited ^(iv)	–	50.0	50.0	–	100.0	100.0
Kroftfield Properties Limited ^(iv)	–	50.0	50.0	–	100.0	100.0
Manukau City Centre Limited ^(iv)	–	50.0	50.0	–	100.0	100.0
Petavid Investments Limited ^(iv)	–	50.0	50.0	–	100.0	100.0
Queensgate Centre Limited ^(iv)	–	50.0	50.0	–	100.0	100.0
Redisville Enterprises Limited ^(iv)	–	50.0	50.0	–	100.0	100.0
Riccarton Shopping Centre (1997) Limited ^(iv)	–	50.0	50.0	–	100.0	100.0
Shore City Centre (1993) Limited ^(iv)	–	50.0	50.0	–	100.0	100.0
St Lukes Group (No. 2) Limited ^(iv)	–	50.0	50.0	–	100.0	100.0
St Lukes Group (No. 3) Limited ^(iv)	–	50.0	50.0	–	100.0	100.0
St Lukes Group Holdings Limited ^(iv)	–	50.0	50.0	–	100.0	100.0
St Lukes Group Limited ^(iv)	–	50.0	50.0	–	100.0	100.0
St Lukes Square (1993) Limited ^(iv)	–	50.0	50.0	–	100.0	100.0
The Plaza Pakuranga Limited ^(iv)	–	50.0	50.0	–	100.0	100.0
WestCity Shopping Centre Limited ^(iv)	–	50.0	50.0	–	100.0	100.0
Westfield NZ Holdings Limited	–	50.0	50.0	–	–	–
WT Finance (NZ) Limited ^(iv)	–	50.0	50.0	–	100.0	100.0
ENTITIES INCORPORATED IN SINGAPORE						
Consolidated Controlled Entities						
WRMS Pte Limited	100.0	100.0	100.0	100.0	100.0	100.0
ENTITIES INCORPORATED IN UNITED KINGDOM						
Consolidated Controlled Entities						
Belfast Business Management Limited	66.7	66.7	66.7	66.7	66.7	66.7
Belfast Investments General Partner Limited	100.0	100.0	100.0	100.0	100.0	100.0
Belfast Investments Limited Partnership	66.3	66.3	66.3	66.3	66.3	66.3
Belfast Investments Trustee Limited	100.0	100.0	100.0	100.0	100.0	100.0
Bradford Shopping Centre (No.1) General Partner Limited	100.0	100.0	100.0	100.0	100.0	100.0
Bradford Shopping Centre (No.1) Limited Partnership	15.0	100.0	100.0	15.0	100.0	100.0
Bradford Shopping Centre (No.1) Nominee A Limited	100.0	100.0	100.0	100.0	100.0	100.0
Bradford Shopping Centre (No.1) Nominee B Limited	100.0	100.0	100.0	100.0	100.0	100.0
Cable Plaza Ltd	51.0	100.0	100.0	51.0	100.0	100.0
Castle & Pedmore Houses Ltd	51.0	100.0	100.0	51.0	100.0	100.0
Crossmane Ltd	51.0	100.0	100.0	51.0	100.0	100.0
Derby Business Management Limited	66.7	66.7	100.0	66.7	66.7	66.7
Derby Investments General Partner Limited	100.0	100.0	100.0	66.7	66.7	66.7
Derby Investments Limited Partnership	66.3	66.3	100.0	66.7	66.7	66.7
Derby Investments Trustee Limited	100.0	100.0	100.0	66.7	66.7	66.7
Fox Retail General Partner Limited	100.0	100.0	100.0	100.0	100.0	100.0
Guildford Business Management Limited	100.0	100.0	100.0	100.0	100.0	100.0
Guildford Investments General Partner Limited	100.0	100.0	100.0	100.0	100.0	100.0
Guildford Investments Limited Partnership	100.0	100.0	100.0	100.0	100.0	100.0
Guildford Investments Trustee Limited	100.0	100.0	100.0	100.0	100.0	100.0
Merry Hill Management Services Ltd	51.0	100.0	100.0	51.0	100.0	100.0
Merry Hill Services Ltd	51.0	100.0	100.0	51.0	100.0	100.0
Merry Hill Trading Ltd	51.0	100.0	100.0	51.0	100.0	100.0
Nottingham Business Management Limited	100.0	100.0	100.0	100.0	100.0	100.0
Nottingham Investments General Partner Limited	100.0	100.0	100.0	100.0	100.0	100.0
Nottingham Investments Limited Partnership	100.0	100.0	100.0	100.0	100.0	100.0
Nottingham Investments Trustee Limited	100.0	100.0	100.0	100.0	100.0	100.0
Retail Utilities Solutions Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford CCH Limited	100.0	100.0	100.0	–	–	–
Stratford City Developments Limited	51.0	100.0	100.0	51.0	100.0	100.0

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 48 DETAILS OF CONTROLLED ENTITIES AND EQUITY ACCOUNTED ENTITIES (CONTINUED)

Name of entity	31 Dec 10 – Interest			31 Dec 09 – Interest		
	Beneficial ⁽ⁱ⁾	Consolidated	or Equity accounted	Beneficial ⁽ⁱ⁾	Consolidated	or Equity accounted
	Parent Company %	Westfield Group %		Parent Company %	Westfield Group %	
ENTITIES INCORPORATED IN UNITED KINGDOM (CONTINUED)						
Consolidated Controlled Entities (continued)						
Stratford City Hotels (No.1) General Partner Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Hotels (No.1) Limited Partnership	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Hotels (No.1) Nominee A Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Hotels (No.1) Nominee B Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Hotels (No.2) General Partner Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Hotels (No.2) Limited Partnership	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Hotels (No.2) Nominee A Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Hotels (No.2) Nominee B Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Hotels (No.3) General Partner Limited ⁽ⁱⁱ⁾	–	–	–	100.0	100.0	100.0
Stratford City Hotels (No.3) Nominee A Limited ⁽ⁱⁱ⁾	–	–	–	100.0	100.0	100.0
Stratford City Hotels (No.3) Nominee B Limited ⁽ⁱⁱ⁾	–	–	–	100.0	100.0	100.0
Stratford City Offices (No.1) General Partner Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Offices (No.1) Limited Partnership	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Offices (No.1) Nominee A Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Offices (No.1) Nominee B Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Offices (No.2) General Partner Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Offices (No.2) Limited Partnership	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Offices (No.2) Nominee A Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Offices (No.2) Nominee B Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Offices (No.3) General Partner Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Offices (No.3) Limited Partnership	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Offices (No.3) Nominee A Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Offices (No.3) Nominee B Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Offices (No.4) General Partner Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Offices (No.4) Limited Partnership	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Offices (No.4) Nominee A Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Offices (No.4) Nominee B Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Offices (No.5) General Partner Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Offices (No.5) Limited Partnership	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Offices (No.5) Nominee A Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Offices (No.5) Nominee B Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Offices (No.6) General Partner Limited ⁽ⁱⁱ⁾	–	–	–	100.0	100.0	100.0
Stratford City Offices (No.6) Limited Partnership ⁽ⁱⁱ⁾	–	–	–	15.0	100.0	100.0
Stratford City Offices (No.6) Nominee A Limited ⁽ⁱⁱ⁾	–	–	–	100.0	100.0	100.0
Stratford City Offices (No.6) Nominee B Limited ⁽ⁱⁱ⁾	–	–	–	100.0	100.0	100.0
Stratford City Shopping Centre (No.1) General Partner Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Shopping Centre (No.1) Limited Partnership	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Shopping Centre (No.1) Nominee A Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Shopping Centre (No.1) Nominee B Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Shopping Centre (No.2) General Partner Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Shopping Centre (No.2) Limited Partnership	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Shopping Centre (No.2) Nominee A Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford City Shopping Centre (No.2) Nominee B Limited	100.0	100.0	100.0	100.0	100.0	100.0
Stratford Utilities Limited	100.0	100.0	100.0	–	–	–
The Sprucefield Centre Limited	25.5	50.0	50.0	25.5	50.0	50.0
The Westfield UK Limited Partnership	100.0	100.0	100.0	100.0	100.0	100.0
The White City (Shepherds Bush) Limited Partnership	51.0	100.0	100.0	51.0	100.0	100.0
Tunbridge Wells Business Management Limited	66.7	66.7	66.7	66.7	66.7	66.7
Tunbridge Wells Investments General Partner Limited	100.0	100.0	100.0	100.0	100.0	100.0
Tunbridge Wells Investments Limited Partnership	66.3	66.3	66.3	66.3	66.3	66.3
Tunbridge Wells Investments Trustee Limited	100.0	100.0	100.0	100.0	100.0	100.0
WCSCF General Partner Limited	100.0	100.0	100.0	100.0	100.0	100.0
WCSCF Management General Partner Limited	100.0	100.0	100.0	100.0	100.0	100.0
WCSCF Management Limited Partnership	15.4	100.0	100.0	15.4	100.0	100.0
WCSCF Management Trustee Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Acquisitions Limited (formerly Westfield Acquisitions PLC)	51.0	100.0	100.0	51.0	100.0	100.0
Westfield Bradford Car Park Limited ⁽ⁱⁱ⁾	–	–	–	100.0	100.0	100.0
Westfield Bradford No. 2 Limited	51.0	100.0	100.0	51.0	100.0	100.0
Westfield Bradford Limited	51.0	100.0	100.0	51.0	100.0	100.0
Westfield Merry Hill Limited	51.0	100.0	100.0	51.0	100.0	100.0
Westfield MH Acquisitions Ltd	51.0	100.0	100.0	51.0	100.0	100.0
Westfield MH Group Ltd	51.0	100.0	100.0	51.0	100.0	100.0

NOTE 48 DETAILS OF CONTROLLED ENTITIES AND EQUITY ACCOUNTED ENTITIES (CONTINUED)

Name of entity	31 Dec 10 – Interest			31 Dec 09 – Interest		
	Beneficial ^(a)	Consolidated	or Equity accounted	Beneficial ^(a)	Consolidated	or Equity accounted
	Parent Company %	Westfield Group %		Parent Company %	Westfield Group %	
ENTITIES INCORPORATED IN UNITED KINGDOM (CONTINUED)						
Consolidated Controlled Entities (continued)						
Westfield MH Holdings Ltd	51.0	100.0	100.0	51.0	100.0	100.0
Westfield MH Investments Ltd	51.0	100.0	100.0	51.0	100.0	100.0
Westfield MH Leaseholds Ltd	51.0	100.0	100.0	51.0	100.0	100.0
Westfield MH Participations Ltd	51.0	100.0	100.0	51.0	100.0	100.0
Westfield MH Phase 1 Limited	51.0	100.0	100.0	51.0	100.0	100.0
Westfield MH Properties Ltd	51.0	100.0	100.0	51.0	100.0	100.0
Westfield MH Waterfront Ltd	51.0	100.0	100.0	51.0	100.0	100.0
Westfield Shoppingtowns Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield UK Finance Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield UK General Partner Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield UK Operations Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield UK Trustee Limited	100.0	100.0	100.0	100.0	100.0	100.0
Westfield White City GP Ltd	51.0	100.0	100.0	51.0	100.0	100.0
Westfield White City HC Ltd	51.0	100.0	100.0	51.0	100.0	100.0
Westfield White City LP Ltd	51.0	100.0	100.0	51.0	100.0	100.0
Westfield White City SAGP Ltd	51.0	100.0	100.0	51.0	100.0	100.0
Westfield White City SALP Ltd	51.0	100.0	100.0	51.0	100.0	100.0
Westfield Wholesale (Nominee) Limited ⁽ⁱⁱⁱ⁾	100.0	100.0	100.0	100.0	100.0	100.0
Westfield Wholesale General Partner Limited ⁽ⁱⁱⁱ⁾	100.0	100.0	100.0	100.0	100.0	100.0
White City (Shepherds Bush) General Partner Limited	51.0	100.0	100.0	51.0	100.0	100.0
White City Acquisitions (Nominee One) Ltd	51.0	100.0	100.0	51.0	100.0	100.0
White City Acquisitions (Nominee Two) Ltd	51.0	100.0	100.0	51.0	100.0	100.0
White City Acquisitions Ltd	51.0	100.0	100.0	51.0	100.0	100.0
White City Business Management (No. 1) Limited	100.0	100.0	100.0	100.0	100.0	100.0
White City Developments Ltd	51.0	100.0	100.0	51.0	100.0	100.0
White City Investments (No. 1) General Partner Limited	100.0	100.0	100.0	100.0	100.0	100.0
White City Investments (No. 1) Limited Partnership	15.0	100.0	100.0	15.0	100.0	100.0
White City Investments (No. 1) Nominee A Limited	100.0	100.0	100.0	100.0	100.0	100.0
White City Investments (No. 1) Nominee B Limited	100.0	100.0	100.0	100.0	100.0	100.0
White City Shopping Limited	51.0	100.0	100.0	51.0	100.0	100.0
Equity Accounted Entities						
Belfast SLP General Partner Limited	33.3	33.3	33.3	33.3	33.3	33.3
Belfast SLP Limited Partnership	33.3	33.3	33.3	33.3	33.3	33.3
Broadmarsh Retail General Partner Limited	75.0	75.0	75.0	75.0	75.0	75.0
Broadmarsh Retail (Nominee No.1) Limited	75.0	75.0	75.0	75.0	75.0	75.0
Broadmarsh Retail (Nominee No.2) Limited	75.0	75.0	75.0	75.0	75.0	75.0
Derby SLP General Partner Limited	33.3	33.3	33.3	33.3	33.3	33.3
Derby SLP Limited Partnership	33.3	33.3	33.3	33.3	33.3	33.3
DGL Acquisitions Limited	51.0	100.0	100.0	25.5	50.0	50.0
Duelguide Finance Limited	51.0	100.0	100.0	25.5	50.0	50.0
Duelguide Holdings Limited	51.0	100.0	100.0	25.5	50.0	50.0
Duelguide Limited	51.0	100.0	100.0	25.5	50.0	50.0
Duelguide Mezzanine Limited	51.0	100.0	100.0	25.5	50.0	50.0
MH (No.1) General Partner Limited	50.0	50.0	50.0	50.0	50.0	50.0
MH (No.1) Limited Partnership	12.6	33.4	33.4	12.6	33.4	33.4
MH (No.2) General Partner Limited	50.0	50.0	50.0	50.0	50.0	50.0
MH (No.2) Limited Partnership	12.6	33.4	33.4	12.6	33.4	33.4
MH (No.3) General Partner Limited	50.0	50.0	50.0	50.0	50.0	50.0
MH (No.3) Limited Partnership	12.6	33.4	33.4	12.6	33.4	33.4
MH (No.4) General Partner Limited	50.0	50.0	50.0	50.0	50.0	50.0
MH (No.4) Limited Partnership	12.6	33.4	33.4	12.6	33.4	33.4
MH (No.5) General Partner Limited	50.0	50.0	50.0	50.0	50.0	50.0
MH (No.5) Limited Partnership	12.6	33.4	33.4	12.6	33.4	33.4
MH (No.6) General Partner Limited	50.0	50.0	50.0	50.0	50.0	50.0
MH (No.6) Limited Partnership	12.6	33.4	33.4	12.6	33.4	33.4
MH (No.7) General Partner Limited	50.0	50.0	50.0	50.0	50.0	50.0
MH (No.7) Limited Partnership	12.6	33.4	33.4	12.6	33.4	33.4
MH (No.8) General Partner Limited	50.0	50.0	50.0	50.0	50.0	50.0
MH (No.8) Limited Partnership	12.4	33.1	33.1	12.4	33.1	33.1
MH (No.1) Nominee A Limited	50.0	50.0	50.0	50.0	50.0	50.0
MH (No.1) Nominee B Limited	50.0	50.0	50.0	50.0	50.0	50.0
MH (No.2) Nominee A Limited	50.0	50.0	50.0	50.0	50.0	50.0

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 48 DETAILS OF CONTROLLED ENTITIES AND EQUITY ACCOUNTED ENTITIES (CONTINUED)

Name of entity	31 Dec 10 – Interest			31 Dec 09 – Interest		
	Beneficial ^(a)	Consolidated	or Equity accounted	Beneficial ^(a)	Consolidated	or Equity accounted
	Parent Company %	Westfield Group %		Parent Company %	Westfield Group %	

ENTITIES INCORPORATED IN UNITED KINGDOM (CONTINUED)

Equity Accounted Entities (continued)

MH (No.2) Nominee B Limited	50.0	50.0	50.0	50.0	50.0	50.0
MH (No.3) Nominee A Limited	50.0	50.0	50.0	50.0	50.0	50.0
MH (No.3) Nominee B Limited	50.0	50.0	50.0	50.0	50.0	50.0
MH (No.4) Nominee A Limited	50.0	50.0	50.0	50.0	50.0	50.0
MH (No.4) Nominee B Limited	50.0	50.0	50.0	50.0	50.0	50.0
MH (No.5) Nominee A Limited	50.0	50.0	50.0	50.0	50.0	50.0
MH (No.5) Nominee B Limited	50.0	50.0	50.0	50.0	50.0	50.0
MH (No.6) Nominee A Limited	50.0	50.0	50.0	50.0	50.0	50.0
MH (No.6) Nominee B Limited	50.0	50.0	50.0	50.0	50.0	50.0
MH (No.7) Nominee A Limited	50.0	50.0	50.0	50.0	50.0	50.0
MH (No.7) Nominee B Limited	50.0	50.0	50.0	50.0	50.0	50.0
MH (No.8) Nominee A Limited	50.0	50.0	50.0	50.0	50.0	50.0
MH (No.8) Nominee B Limited	50.0	50.0	50.0	50.0	50.0	50.0
The Broadmarsh Retail Limited Partnership	75.0	75.0	75.0	75.0	75.0	75.0
The Westfield Core Shopping Centre Fund Limited Partnership	33.3	33.3	33.3	33.3	33.3	33.3
WCSCF Business Management Limited	34.0	34.0	34.0	33.3	33.3	33.3
Wilmslow (No. 1) General Partner Limited	50.0	50.0	50.0	50.0	50.0	50.0
The Wilmslow (No. 1) Limited Partnership	33.3	33.3	33.3	33.3	33.3	33.3
Wilmslow (No. 2) General Partner Limited ⁽ⁱⁱⁱ⁾	50.0	50.0	50.0	50.0	50.0	50.0
The Wilmslow (No. 2) Limited Partnership ⁽ⁱⁱⁱ⁾	50.0	50.0	50.0	50.0	50.0	50.0
Wilmslow (No. 3) General Partner Limited	100.0	100.0	100.0	50.0	50.0	50.0
The Wilmslow (No. 3) Limited Partnership	66.7	66.7	66.7	33.3	33.3	33.3
Wilmslow (No. 3) Nominee A Limited	100.0	100.0	100.0	50.0	50.0	50.0
Wilmslow (No. 3) Nominee B Limited	100.0	100.0	100.0	50.0	50.0	50.0
Wilmslow (No. 4) General Partner Limited	50.0	50.0	50.0	50.0	50.0	50.0
The Wilmslow (No. 4) Limited Partnership	50.0	50.0	50.0	50.0	50.0	50.0
Wilmslow (No. 5) General Partner Limited ⁽ⁱⁱⁱ⁾	50.0	50.0	50.0	50.0	50.0	50.0
The Wilmslow (No. 5) Limited Partnership ⁽ⁱⁱⁱ⁾	50.0	50.0	50.0	50.0	50.0	50.0
Wilmslow (No. 6) General Partner Limited	50.0	50.0	50.0	50.0	50.0	50.0
The Wilmslow (No. 6) Limited Partnership	33.3	33.3	33.3	33.3	33.3	33.3
Wilmslow (No.7) General Partner Limited ⁽ⁱⁱⁱ⁾	50.0	50.0	50.0	50.0	50.0	50.0
The Wilmslow (No.7) Limited Partnership ⁽ⁱⁱⁱ⁾	50.0	50.0	50.0	50.0	50.0	50.0
Tunbridge Wells SLP General Partner Limited	33.3	33.3	33.3	33.3	33.3	33.3
Tunbridge Wells SLP Limited Partnership	33.3	33.3	33.3	33.3	33.3	33.3

ENTITIES INCORPORATED IN UNITED STATES

Consolidated Controlled Entities

1801 Avenue of the Stars, LP	15.9	100.0	100.0	18.8	100.0	100.0
21919 Erwin Street, LLC	15.9	100.0	100.0	18.8	100.0	100.0
21945 Erwin Street, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Anita Associates	15.9	100.0	100.0	18.8	100.0	100.0
Annapolis Holdings, LLC ⁽ⁱⁱ⁾	–	–	–	18.8	100.0	100.0
Annapolis Land II, LLC ⁽ⁱⁱ⁾	–	–	–	18.8	100.0	100.0
Annapolis Land, LLC ⁽ⁱⁱ⁾	–	–	–	18.8	100.0	100.0
Annapolis Mall, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Annapolis Mall, LP	15.9	100.0	100.0	18.8	100.0	100.0
Annapolis Manager, LLC ⁽ⁱⁱ⁾	–	–	–	18.8	100.0	100.0
Annapolis Parcel, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Annapolis Shoppingtown, LLC ⁽ⁱⁱ⁾	–	–	–	18.8	100.0	100.0
Avenue of the Stars, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Bellweather Properties of Florida (Limited)	15.9	100.0	100.0	18.8	100.0	100.0
Bradford Shopping Centre (No. 1), LLC	15.0	100.0	100.0	15.0	100.0	100.0
Bradford Shopping Centre (No. 2), LLC	15.0	100.0	100.0	15.0	100.0	100.0
Bradford Shopping Centre US Limited Partnership	15.0	100.0	100.0	15.0	100.0	100.0
Brandon Land Partners, Ltd	15.9	100.0	100.0	18.8	100.0	100.0
Brandon Shopping Center Partners, Ltd	15.9	100.0	100.0	18.8	100.0	100.0
Broward Mall, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Broward Mall MM, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Bunworth Enterprises, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Bunworth Holdings, LLC ⁽ⁱⁱ⁾	–	–	–	18.8	100.0	100.0
Capital Mall Company	15.9	100.0	100.0	18.8	100.0	100.0
Capital Mall GP, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Capital Mall Holdings, LLC ⁽ⁱⁱ⁾	–	–	–	18.8	100.0	100.0

NOTE 48 DETAILS OF CONTROLLED ENTITIES AND EQUITY ACCOUNTED ENTITIES (CONTINUED)

Name of entity	31 Dec 10 – Interest			31 Dec 09 – Interest		
	Beneficial ⁽ⁱ⁾	Consolidated	or Equity accounted	Beneficial ⁽ⁱ⁾	Consolidated	or Equity accounted
	Parent Company	Westfield Group		Parent Company	Westfield Group	
	%	%	%	%	%	%
ENTITIES INCORPORATED IN UNITED STATES (CONTINUED)						
Consolidated Controlled Entities (continued)						
Capital Mall I, LLC ⁽ⁱⁱ⁾	–	–	–	18.8	100.0	100.0
Capital Mall Land, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Capital Shopping Center, LLC ⁽ⁱⁱ⁾	–	–	–	18.8	100.0	100.0
CC Building GP, LLC	15.9	100.0	100.0	18.8	100.0	100.0
CC Building, LP	15.9	100.0	100.0	18.8	100.0	100.0
Century City Mall, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Citrus Park Venture, LP	15.9	100.0	100.0	18.8	100.0	100.0
CMF Culver City, LLC	15.9	100.0	100.0	18.8	100.0	100.0
CMF MP North, LLC	15.9	100.0	100.0	18.8	100.0	100.0
CMF MP South, LLC	15.9	100.0	100.0	18.8	100.0	100.0
CMF NCF North, LLC	15.9	100.0	100.0	18.8	100.0	100.0
CMF NCF South, LLC	15.9	100.0	100.0	18.8	100.0	100.0
CMF PCR, LLC	15.9	100.0	100.0	18.8	100.0	100.0
CMF PWC, LLC	15.9	100.0	100.0	18.8	100.0	100.0
CMF Richland, LLC	15.9	100.0	100.0	18.8	100.0	100.0
CMF Santa Anita, LLC ⁽ⁱⁱ⁾	–	–	–	18.8	100.0	100.0
CMF UTC North, LLC ⁽ⁱⁱ⁾	–	–	–	18.8	100.0	100.0
CMF UTC South, LLC ⁽ⁱⁱ⁾	–	–	–	18.8	100.0	100.0
CMF, Inc. ⁽ⁱⁱ⁾	–	–	–	18.8	100.0	100.0
Connecticut Post Mall, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Culver City GP, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Culver City Mall, LP	15.9	100.0	100.0	18.8	100.0	100.0
Downtown Plaza, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Eastland Manager, LLC ⁽ⁱⁱ⁾	–	–	–	18.8	100.0	100.0
Eastland Shopping Center, LLC	15.9	100.0	100.0	18.8	100.0	100.0
EWB Escondido Associates, LP	15.9	100.0	100.0	18.8	100.0	100.0
Fashion Square, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Fox Valley Mall, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Franklin Park Parcel, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Franklin Residential Parcel, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Great Northern Partnership	15.9	100.0	100.0	18.8	100.0	100.0
Growth Head GP, LLC	15.9	100.0	100.0	18.8	100.0	100.0
GSP Investor, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Hahn UPI	15.9	100.0	100.0	18.8	100.0	100.0
Hawthorn Furniture, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Hawthorn Theatre, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Hawthorn, LP	15.9	100.0	100.0	18.8	100.0	100.0
Head Acquisition, LP	15.9	100.0	100.0	18.8	100.0	100.0
Horton Land, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Horton Plaza GP, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Horton Plaza Venture, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Horton Plaza, LP	15.9	100.0	100.0	18.8	100.0	100.0
Louis Joliet Holdings, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Louis Joliet Shoppingtown, LP	15.9	100.0	100.0	18.8	100.0	100.0
MainPlace Shoppingtown, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Meriden Square #2, LLC ⁽ⁱⁱ⁾	–	–	–	18.8	100.0	100.0
Meriden Square #3, LLC ⁽ⁱⁱ⁾	–	–	–	18.8	100.0	100.0
Meriden Square Partnership	15.9	100.0	100.0	18.8	100.0	100.0
Metreon, LLC ⁽ⁱⁱ⁾	–	–	–	18.8	100.0	100.0
MH (No. 1) US, LP	15.0	100.0	100.0	15.0	100.0	100.0
MH (No. 2) US, LP	15.0	100.0	100.0	15.0	100.0	100.0
Mission Valley Center, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Mission Valley Partnership	15.9	100.0	100.0	18.8	100.0	100.0
Mission Valley Shoppingtown, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Missouri Residential I, LLC ⁽ⁱⁱ⁾	–	–	–	18.8	100.0	100.0
North County Fair, LP	15.9	100.0	100.0	18.8	100.0	100.0
Oakridge Mall GP, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Oakridge Mall, LP	15.9	100.0	100.0	18.8	100.0	100.0
Old Orchard License Holdings, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Old Orchard Urban, LP	15.9	100.0	100.0	18.8	100.0	100.0
Parkway Plaza GP, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Parkway Plaza, LP	15.9	100.0	100.0	18.8	100.0	100.0

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 48 DETAILS OF CONTROLLED ENTITIES AND EQUITY ACCOUNTED ENTITIES (CONTINUED)

Name of entity	31 Dec 10 – Interest			31 Dec 09 – Interest		
	Beneficial ^(a) Parent Company %	Westfield Group %	Consolidated or Equity accounted %	Beneficial ^(a) Parent Company %	Westfield Group %	Consolidated or Equity accounted %
ENTITIES INCORPORATED IN UNITED STATES (CONTINUED)						
Consolidated Controlled Entities (continued)						
PCRGP, LP	15.9	100.0	100.0	18.8	100.0	100.0
Plaza Bonita GP, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Plaza Bonita II, LP	15.9	100.0	100.0	18.8	100.0	100.0
Plaza Bonita IV, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Plaza Bonita Parking GP, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Plaza Bonita, LP	15.9	100.0	100.0	18.8	100.0	100.0
Plaza Camino Real, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Plaza Camino Real, LP	15.9	100.0	100.0	18.8	100.0	100.0
Plaza West Covina GP, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Plaza West Covina, LP	15.9	100.0	100.0	18.8	100.0	100.0
Promenade, LP	15.9	100.0	100.0	18.8	100.0	100.0
Residential Real Estate I, LLC ^(a)	–	–	–	18.8	100.0	100.0
Residential Rental and Investments, Inc.	15.9	100.0	100.0	18.8	100.0	100.0
Roseville Parcel, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Roseville Shoppingtown, LLC	15.9	100.0	100.0	18.8	100.0	100.0
S.F. Centre Limited Partnership	15.9	100.0	100.0	18.8	100.0	100.0
S.F. Centre, LLC	15.9	100.0	100.0	18.8	100.0	100.0
S.F. Shopping Centre Associates, LP	15.9	100.0	100.0	18.8	100.0	100.0
Santa Ana Venture	15.9	100.0	100.0	18.8	100.0	100.0
Santa Anita Fashion Park, LP	15.9	100.0	100.0	18.8	100.0	100.0
Santa Anita GP, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Santa Anita Shoppingtown, LP	15.9	100.0	100.0	18.8	100.0	100.0
Sarasota Shoppingtown, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Solano Mall, LP	15.9	100.0	100.0	18.8	100.0	100.0
Solano Mall Boxes, LLC (formerly WEA Solano BB Parcel, LLC)	15.9	100.0	100.0	18.8	100.0	100.0
South County Center, LLC ^(a)	–	–	–	18.8	100.0	100.0
South County Holdings, LLC ^(a)	–	–	–	18.8	100.0	100.0
South County Post Office, LLC ^(a)	–	–	–	18.8	100.0	100.0
South Shore Mall Holdings, LLC ^(a)	–	–	–	18.8	100.0	100.0
South Shore Mall, LLC	15.9	100.0	100.0	18.8	100.0	100.0
South Shore Manager, LLC ^(a)	–	–	–	18.8	100.0	100.0
Southgate Plaza, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Southlake Indiana, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Southpark Mall, LLC	15.9	100.0	100.0	18.8	100.0	100.0
SSM Land, LLC	15.9	100.0	100.0	18.8	100.0	100.0
St. Louis Assets, LLC ^(a)	–	–	–	18.8	100.0	100.0
Stratford City Hotels (No. 1), LLC	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Hotels (No. 2), LLC	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Hotels US Limited Partnership	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Offices (No. 1), LLC	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Offices (No. 2), LLC	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Offices US Limited Partnership	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Shopping Centre (No. 1), LLC	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Shopping Centre (No. 2), LLC	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Shopping Centre (No. 3), LLC	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Shopping Centre (No. 4), LLC	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Shopping Centre US (No. 1) Limited Partnership	15.0	100.0	100.0	15.0	100.0	100.0
Stratford City Shopping Centre US (No. 2) Limited Partnership	15.0	100.0	100.0	15.0	100.0	100.0
Sunrise Mall, LLC	15.9	100.0	100.0	18.8	100.0	100.0
The Connecticut Post, LP	15.9	100.0	100.0	18.8	100.0	100.0
Topanga Plaza Owner, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Trumbull Shopping Center # 1, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Trumbull Shopping Center # 2, LLC	15.9	100.0	100.0	18.8	100.0	100.0
UC Century Genpar, LLC	15.9	100.0	100.0	18.8	100.0	100.0
UK Shopping Centres (No.1), LLC	15.0	100.0	100.0	15.0	100.0	100.0
UK Shopping Centres (No.2), LLC	15.0	100.0	100.0	15.0	100.0	100.0
UK Shopping Centres (No.3), LLC	15.0	100.0	100.0	15.0	100.0	100.0
UK Shopping Centres (No.4), LLC	15.0	100.0	100.0	15.0	100.0	100.0
UPI Associates	15.9	100.0	100.0	18.8	100.0	100.0
Urban Roseville, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Urban Shopping Centers, LP	15.9	100.0	100.0	18.8	100.0	100.0
Vancouver Holdings, LLC	15.9	100.0	100.0	18.8	100.0	100.0

NOTE 48 DETAILS OF CONTROLLED ENTITIES AND EQUITY ACCOUNTED ENTITIES (CONTINUED)

Name of entity	31 Dec 10 – Interest			31 Dec 09 – Interest		
	Beneficial ^(a)	Consolidated	or Equity accounted	Beneficial ^(a)	Consolidated	or Equity accounted
	Parent Company	Westfield Group		Parent Company	Westfield Group	
	%	%	%	%	%	%
ENTITIES INCORPORATED IN UNITED STATES (CONTINUED)						
Consolidated Controlled Entities (continued)						
Vancouver Mall II, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Vancouver Mall II, LP	15.9	100.0	100.0	18.8	100.0	100.0
Vancouver Mall III, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Vancouver Mall, LLC	15.9	100.0	100.0	18.8	100.0	100.0
WALP Service, LLC	15.9	100.0	100.0	18.8	100.0	100.0
WAP HC, Inc. ^(a)	–	–	–	18.8	100.0	100.0
WCI Finance, LLC	15.9	100.0	100.0	18.8	100.0	100.0
WCM (BOS), LLC	15.9	100.0	100.0	18.8	100.0	100.0
WCMI (Texas), LLC	15.9	100.0	100.0	18.8	100.0	100.0
WCSCF Management (No. 1), LLC	15.0	100.0	100.0	15.0	100.0	100.0
WCSCF Management (No. 2), LLC	15.0	100.0	100.0	15.0	100.0	100.0
WCSCF Management US, LP	15.0	100.0	100.0	15.0	100.0	100.0
WDI Operations, LLC	15.9	100.0	100.0	18.8	100.0	100.0
WEA Belden, LLC	15.9	100.0	100.0	18.8	100.0	100.0
WEA Brandon I GP, LLC	15.9	100.0	100.0	18.8	100.0	100.0
WEA Brandon II GP, LLC	15.9	100.0	100.0	18.8	100.0	100.0
WEA Chicago Ridge, LLC	15.9	100.0	100.0	18.8	100.0	100.0
WEA Citrus GP, LLC	15.9	100.0	100.0	18.8	100.0	100.0
WEA Countryside GP, LLC	15.9	100.0	100.0	18.8	100.0	100.0
WEA CT Houses, LLC	15.9	100.0	100.0	18.8	100.0	100.0
WEA Eastridge GP, LLC	15.9	100.0	100.0	18.8	100.0	100.0
WEA Eastridge, LP	15.9	100.0	100.0	18.8	100.0	100.0
WEA Finance, LLC	15.9	100.0	100.0	18.8	100.0	100.0
WEA Fox Valley GP, LLC	15.9	100.0	100.0	18.8	100.0	100.0
WEA Gateway, LLC	15.9	100.0	100.0	18.8	100.0	100.0
WEA Great Northern GP II, LLC	15.9	100.0	100.0	18.8	100.0	100.0
WEA Great Northern GP, LLC	15.9	100.0	100.0	18.8	100.0	100.0
WEA Great Northern Mall, LLC	15.9	100.0	100.0	18.8	100.0	100.0
WEA Hawthorn Shopping Center GP, LLC	15.9	100.0	100.0	18.8	100.0	100.0
WEA Hawthorn Theatre MM, LLC	15.9	100.0	100.0	18.8	100.0	100.0
WEA Meriden Square No.2, LLC	15.9	100.0	100.0	18.8	100.0	100.0
WEA Meriden Square, LLC	15.9	100.0	100.0	18.8	100.0	100.0
WEA North Bridge, LLC ^(a)	–	–	–	18.8	100.0	100.0
WEA Northwest Indiana Holdings, LLC 1	15.9	100.0	100.0	18.8	100.0	100.0
WEA NY Houses, LLC	15.9	100.0	100.0	18.8	100.0	100.0
WEA NY, Inc.	15.9	100.0	100.0	18.8	100.0	100.0
WEA Old Orchard GP, LLC	15.9	100.0	100.0	18.8	100.0	100.0
WEA Palm Desert, LP	15.9	100.0	100.0	18.8	100.0	100.0
WEA San Francisco GP, LLC	15.9	100.0	100.0	18.8	100.0	100.0
WEA Southcenter, LLC	15.9	100.0	100.0	18.8	100.0	100.0
WEA Southgate Plaza, LLC	15.9	100.0	100.0	18.8	100.0	100.0
WEA Southlake, LLC	15.9	100.0	100.0	18.8	100.0	100.0
WEA Southpark, LLC	15.9	100.0	100.0	18.8	100.0	100.0
WEA Valley Fair UTC, LP	15.9	100.0	100.0	18.8	100.0	100.0
WEA Valley Fair, LP	15.9	100.0	100.0	18.8	100.0	100.0
WEA VTC GP, LLC	15.9	100.0	100.0	18.8	100.0	100.0
WEA VTC LP, LLC	15.9	100.0	100.0	18.8	100.0	100.0
West County Center, LLC ^(a)	–	–	–	18.8	100.0	100.0
West Valley Development, LLC	15.9	100.0	100.0	18.8	100.0	100.0
West Valley Partnership	15.9	100.0	100.0	18.8	100.0	100.0
West Valley, LP	15.9	100.0	100.0	18.8	100.0	100.0
Westfield 816-818 Mission Street, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Westfield America GP, Inc.	15.9	100.0	100.0	18.8	100.0	100.0
Westfield America GP, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Westfield America Investor, LP	15.9	100.0	100.0	18.8	100.0	100.0
Westfield America Shopping Centers, LP	15.9	100.0	100.0	18.8	100.0	100.0
Westfield America, Inc.	15.9	100.0	100.0	18.8	100.0	100.0
Westfield America, LP	15.9	100.0	100.0	18.8	100.0	100.0
Westfield Beneficiary 1, Inc.	15.9	100.0	100.0	18.8	100.0	100.0
Westfield Beneficiary 2, Inc.	15.9	100.0	100.0	18.8	100.0	100.0
Westfield Beverage, Inc.	15.9	100.0	100.0	18.8	100.0	100.0
Westfield Branding, LLC	15.9	100.0	100.0	18.8	100.0	100.0

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 48 DETAILS OF CONTROLLED ENTITIES AND EQUITY ACCOUNTED ENTITIES (CONTINUED)

Name of entity	31 Dec 10 – Interest			31 Dec 09 – Interest		
	Beneficial ^(a) Parent Company %	Westfield Group %	Consolidated or Equity accounted %	Beneficial ^(a) Parent Company %	Westfield Group %	Consolidated or Equity accounted %
ENTITIES INCORPORATED IN UNITED STATES (CONTINUED)						
Consolidated Controlled Entities (continued)						
Westfield Brandon Partners, Ltd	15.9	100.0	100.0	18.8	100.0	100.0
Westfield Bulletin Building, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Westfield Centers, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Westfield Concession Management II, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Westfield Concession Management, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Westfield Development, Inc.	15.9	100.0	100.0	18.8	100.0	100.0
Westfield Digital Services, Inc.	15.9	100.0	100.0	18.8	100.0	100.0
Westfield Eco Inc.	15.9	100.0	100.0	–	–	–
Westfield Emporium, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Westfield Franklin Park Mall II, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Westfield Franklin Park Mall, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Westfield Garden State, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Westfield GEX2, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Westfield Gift Card Management, Inc.	15.9	100.0	100.0	18.8	100.0	100.0
Westfield Growth II, LP	15.9	100.0	100.0	18.8	100.0	100.0
Westfield Growth, LP	15.9	100.0	100.0	18.8	100.0	100.0
Westfield Head, LP	15.9	100.0	100.0	18.8	100.0	100.0
Westfield Independence Mall, LP	15.9	100.0	100.0	18.8	100.0	100.0
Westfield Independence, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Westfield Louis Joliet, Inc.	15.9	100.0	100.0	18.8	100.0	100.0
Westfield Management Company	15.9	100.0	100.0	18.8	100.0	100.0
Westfield Metreon, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Westfield Project Management, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Westfield Sacramento Acquisition Associates, LP ^(a)	–	–	–	18.8	100.0	100.0
Westfield San Francisco, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Westfield SF, LP	15.9	100.0	100.0	18.8	100.0	100.0
Westfield Subsidiary REIT 1, Inc.	15.9	100.0	100.0	18.8	100.0	100.0
Westfield Subsidiary REIT 2, Inc.	15.9	100.0	100.0	18.8	100.0	100.0
Westfield Topanga Owner, LP	15.9	100.0	100.0	18.8	100.0	100.0
Westfield U.S. Holdings, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Westfield Urban Preferred, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Westfield Urban, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Westfield USA Centres, Inc.	100.0	100.0	100.0	100.0	100.0	100.0
Westfield World Trade Retail, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Westfield WTC Holding, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Westfield, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Westland Mall, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Westland Properties, Inc.	15.9	100.0	100.0	18.8	100.0	100.0
Westland Realty Beneficiary, Inc.	15.9	100.0	100.0	18.8	100.0	100.0
Westland Shopping Center, LP, A California Limited Partnership	15.9	100.0	100.0	18.8	100.0	100.0
Westland Shopping Center, LP	15.9	100.0	100.0	18.8	100.0	100.0
Westland South Shore Mall, LP	15.9	100.0	100.0	18.8	100.0	100.0
Wheaton Plaza No.1, LLC	15.9	100.0	100.0	18.8	100.0	100.0
Wheaton Plaza Regional Shopping Center, LLP	15.9	100.0	100.0	18.8	100.0	100.0
White City Investments (No. 1), LLC	15.0	100.0	100.0	15.0	100.0	100.0
White City Investments (No. 2), LLC	15.0	100.0	100.0	15.0	100.0	100.0
White City Investments US, LP	15.0	100.0	100.0	15.0	100.0	100.0
WHL (USA), Inc.	100.0	100.0	100.0	100.0	100.0	100.0
Equity Accounted Entities						
Abbey Acquisition, LLC	6.9	43.3	43.3	8.2	43.3	43.3
Bulletin Building Owner, LLC	7.9	50.0	50.0	9.4	50.0	50.0
Bulletin Building, LLC	7.9	50.0	50.0	9.4	50.0	50.0
Emporium Development, LLC	7.9	50.0	50.0	9.4	50.0	50.0
Emporium Mall, LLC	7.9	50.0	50.0	9.4	50.0	50.0
Fashion Square Service TRS, Inc.	7.9	50.0	50.0	9.4	50.0	50.0
GSP Holdings, LLC	7.9	50.0	50.0	9.4	50.0	50.0
GSP Service TRS, Inc.	7.9	50.0	50.0	9.4	50.0	50.0
MBM Associates	0.2	1.0	1.0	0.2	1.0	1.0
MerchantWired, LLC	1.5	9.7	9.7	1.8	9.7	9.7
Montgomery Mall Borrower, LLC ^(a)	–	–	–	9.4	50.0	50.0
Montgomery Mall Condo, LLC	7.9	50.0	50.0	9.4	50.0	50.0
Montgomery Mall of Maryland, LLC	7.9	50.0	50.0	9.4	50.0	50.0

NOTE 48 DETAILS OF CONTROLLED ENTITIES AND EQUITY ACCOUNTED ENTITIES (CONTINUED)

Name of entity	31 Dec 10 – Interest			31 Dec 09 – Interest		
	Beneficial ⁽ⁱ⁾		Consolidated or Equity accounted	Beneficial ⁽ⁱ⁾		Consolidated or Equity accounted
	Parent Company	Westfield Group		Parent Company	Westfield Group	
	%	%	%	%	%	%
ENTITIES INCORPORATED IN UNITED STATES (CONTINUED)						
Equity Accounted Entities (continued)						
Montgomery Mall, LLC	7.9	50.0	50.0	9.4	50.0	50.0
Montgomery Service, Inc.	7.9	50.0	50.0	9.4	50.0	50.0
Northbridge Retail Company, LLC ⁽ⁱⁱ⁾	–	–	–	6.3	33.3	33.3
R A Hotel Partners, LP	6.9	43.3	43.3	8.2	43.3	43.3
R A Hotel, Inc.	6.9	43.3	43.3	8.2	43.3	43.3
R A West, Inc.	6.9	43.3	43.3	8.2	43.3	43.3
RNA-NY, LLC	6.9	43.3	43.3	8.2	43.3	43.3
Rolim Real Estate Investments, Inc.	6.9	43.3	43.3	8.2	43.3	43.3
Rolim West, LLC	6.9	43.3	43.3	8.2	43.3	43.3
RoPro TRS, Inc.	6.9	43.3	43.3	8.2	43.3	43.3
Sherman Oaks Fashion Associates, LP	7.9	50.0	50.0	9.4	50.0	50.0
Tri-Party Miscellaneous, LLC	6.9	43.3	43.3	8.2	43.3	43.3
Tri-Party Non-856 Assets, LLC	6.9	43.3	43.3	8.2	43.3	43.3
University Towne Center, LLC	7.9	50.0	50.0	9.4	50.0	50.0
UTC Venture, LLC	7.9	50.0	50.0	9.4	50.0	50.0
V F Mall, LLC	7.9	50.0	50.0	9.4	50.0	50.0
Valencia Town Center Associates, LP	7.9	50.0	50.0	9.4	50.0	50.0
Valencia Town Center Venture, GP, LLC	7.9	50.0	50.0	9.4	50.0	50.0
Valencia Town Center Venture, LP	7.9	50.0	50.0	9.4	50.0	50.0
Valley Fair UTC, LLC	7.9	50.0	50.0	9.4	50.0	50.0
VF/UTC Service, Inc.	7.9	50.0	50.0	9.4	50.0	50.0
Westfield Paramus 1, Inc.	7.9	50.0	50.0	9.4	50.0	50.0
Westfield Paramus Holdings 1, LLC	7.9	50.0	50.0	9.4	50.0	50.0
Westfield Paramus Holdings 2, LLC	7.9	50.0	50.0	9.4	50.0	50.0
Westfield Paramus Holdings 3, LLC	7.9	50.0	50.0	9.4	50.0	50.0
Westfield Paramus Holdings LLC 4	7.9	49.5	49.5	–	–	–
Westfield Valencia, LLC ⁽ⁱⁱⁱ⁾	–	–	–	9.4	50.0	50.0
Westland Garden State Plaza, LP	7.9	50.0	50.0	9.4	50.0	50.0

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

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

⁽ⁱⁱⁱ⁾ Entity currently being dissolved/deregistered.

^(iv) Previously consolidated controlled entities

Directors' Declaration

The Directors of Westfield Holdings Limited (Company) declare that:

- (a) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- (b) in the Directors opinion, the Financial Statements and notes thereto are in accordance with the Corporations Act 2001, including sections 296 and 297; and the International Financial Reporting Standards issued by the International Accounting Standards Board; and
- (c) they have been provided with the declarations required by section 295A of the Corporations Act 2001 (Cwlth).

Made on 16 March 2011 in accordance with a resolution of the Board of Directors.



F P Lowy AC
Executive Chairman



F G Hilmer AO
Director

Independent Audit Report

TO MEMBERS OF WESTFIELD HOLDINGS LIMITED



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Independent Auditor's Report to the Members of Westfield Holdings Limited

Report on the financial report

We have audited the accompanying financial report of Westfield Holdings Limited which comprises the consolidated balance sheet as at 31 December 2010, the consolidated income statement and statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

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

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

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

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Opinion

In our opinion:

- a. the financial report of Westfield Holdings Limited is in accordance with the *Corporations Act 2001*, including:
 - i giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the remuneration report

We have audited the Remuneration Report included in pages 99 to 123 of the directors' report for the year ended 31 December 2010. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Westfield Holdings Limited for the year ended 31 December 2010, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Sydney, 16 March 2011

S J Ferguson
Partner

The Directors of Westfield Holdings Limited (Company) submit the following report for the period from 1 January 2010 to 31 December 2010 (Financial Year).

1. OPERATIONS AND ACTIVITIES

1.1 Review of Operations and Results of Operations

A review of the operations for the Financial Year of the Company and the other entities required by the accounting standards to be included in the consolidated financial statements (collectively the **Group**) and the results of those operations are contained in the Chairman's and Group Managing Directors' Reviews, at pages 4 to 15 of the Annual Report.

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

- The establishment of \$12.1 billion Westfield Retail Trust.
- The successful opening of the first stage of the \$1.2 billion redevelopment of Westfield Sydney.
- The commencement of \$1.055 billion of redevelopment projects in 2010 including the \$350 million new office tower at Westfield Sydney, a \$125 million redevelopment at Belconnen ACT and a \$300 million expansion at Carindale in Queensland.
- The agreement to sell 50% interest in the retail component of Stratford City for £871.5 million.
- The acquisition, together with the UK Wholesale Fund, of a 50% share in Derby for £185 million.

1.2 Principal Activities

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

1.3 Subsequent Events

Proposed changes to Board and management

As announced on 2 March 2011, the Group is proposing a number of changes to its Board and management, including a decision by the Executive Chairman, Mr Frank Lowy, to assume the role of non-executive Chairman and the appointment of Mr Peter Lowy and Mr Steven Lowy as joint Chief Executive Officers.

Other changes include Mr David Lowy and Mr David Gonski indicating that they do not wish to seek re-election at the next Annual General Meeting (AGM) of the Company, the appointment of Mr Brian Schwartz as Deputy Chairman and the proposed appointment of Mr Peter Allen, the current Group Chief Financial Officer of Westfield Group as a director. Mr Allen will stand for election at the upcoming Annual General Meeting (AGM) of the Company.

All changes will take effect at the AGM to be held on 25 May 2011.

Termination of interest rate hedges

Reference is made to Note 36(ii) and (iia) regarding the termination of interest rate hedges subsequent to the balance date.

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

1.4 Future Developments, Business Strategy and Prospects

Details of the Group's future developments, business strategy and prospects are outlined in the Chairman's Review and Managing Directors' Review at pages 4 to 15 of this Annual Report.

1.5 Environmental Performance

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

2. DIVIDENDS

No dividend was declared for the six months ended 31 December 2009. ⁽¹⁾

No dividend was declared for the six months ended 30 June 2010. ⁽²⁾

A dividend of 5.00 cents per security was declared for the six months ended 31 December 2010 and paid on 28 February 2011. ⁽³⁾

3. DIRECTORS AND SECRETARIES

3.1 Board Membership and Qualifications

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

The composition of the Board changed during the Financial Year with the retirement of Dr Gary Weiss on 27 May 2010 and the appointment of Mr Mark Johnson on the same date.

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

3.2 Directors' Relevant Interests

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

Director	Number of Stapled Securities
F P Lowy	179,598,386
D H Lowy	
P S Lowy	
S M Lowy	
R L Furman	50,000
P H Goldsmith	5,000
D M Gonski	243,057
F G Hilmer	205,904
S P Johns	1,512,655
M R Johnson	4,415
J McFarlane	51,951
B M Schwartz	21,110
J Sloan	3,000

Dr Gary Weiss retired from the Board on 27 May 2010. On the date of his retirement, Dr Weiss held 22,237 ordinary stapled securities in the Westfield Group.

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

⁽¹⁾ A distribution of 47.00 cents per ordinary WDC stapled security was paid on 26 February 2010. This distribution was an aggregate of a distribution from each of Westfield Trust and Westfield America Trust. No dividend was paid by the Company.

⁽²⁾ A distribution of 32.00 cents per ordinary WDC stapled security was paid on 31 August 2010. This distribution was an aggregate of a distribution from each of Westfield Trust and Westfield America Trust. No dividend was paid by the Company.

⁽³⁾ The Company dividend of 5.00 cents per ordinary share formed part of the distribution of 31.56 cents per ordinary WDC stapled security paid on 28 February 2011. This distribution is an aggregate of a distribution from each of Westfield Trust and Westfield America Trust and a dividend from the Company. The figure reported here only represents that component of the aggregate Westfield Group distribution being the dividend from the Company.

3.3 Directors' attendance at meetings

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

Number of Meetings held:

Board of Directors:	7
Audit and Compliance Committee:	4
Remuneration Committee:	3
Nomination Committee:	1
Board Risk Management Committee:	4

Directors	Board		Audit & Compliance		Remuneration		Nomination		Board Risk Management	
	A	B	A	B	A	B	A	B	A	B
F P Lowy	7	7	–	–	–	–	1	1	–	–
D H Lowy	7	7	–	–	–	–	–	–	4	4
P S Lowy	7	7	–	–	–	–	–	–	–	–
S M Lowy	7	7	–	–	–	–	–	–	–	–
R L Furman	7	7	–	–	3	3	–	–	–	–
P H Goldsmith	7	7	–	–	–	–	–	–	–	–
D M Gonski	7	7	4	4	3	3	1	1	–	–
F G Hilmer	7	6	4	4	3	3	–	–	–	–
S P Johns	7	7	4	4	–	–	–	–	4	4
M R Johnson*	5	5	–	–	–	–	–	–	–	–
J McFarlane	7	7	–	–	–	–	–	–	4	4
B M Schwartz	7	7	4	4	–	–	1	1	–	–
J Sloan	7	6	–	–	–	–	1	1	–	–
G H Weiss**	2	2	–	–	–	–	–	–	2	2

Key: A = Number of meetings eligible to attend

B = Number of meetings attended

* Mr Johnson was appointed to the Board on 27 May 2010.

** Dr Weiss retired from the Board on 27 May 2010.

3.4 Directors' directorships of other listed companies

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

Director	Company	Date appointed	Date resigned
F P Lowy	Westfield America Management Limited*	20 February 1996	Continuing
	Westfield Management Limited**	16 January 1979	Continuing
D H Lowy	Consolidated Media Holdings Limited	31 May 2006	8 April 2009
	Crown Limited	6 July 2007	22 June 2010
	Westfield America Management Limited*	13 July 2004	Continuing
	Westfield Management Limited**	13 July 2004	Continuing
P S Lowy	Westfield America Management Limited*	20 February 1996	Continuing
	Westfield Management Limited**	1 May 1986	Continuing
S M Lowy	RE1 Limited***	12 August 2010	Continuing
	RE2 Limited****	12 August 2010	Continuing
	Westfield America Management Limited*	20 February 1996	Continuing
	Westfield Management Limited**	28 June 1989	Continuing
R L Furman	Westfield America Management Limited*	29 May 2002	Continuing
	Westfield Management Limited**	13 July 2004	Continuing
P H Goldsmith	Westfield America Management Limited*	28 August 2008	Continuing
	Westfield Management Limited**	28 August 2008	Continuing
D M Gonski	ASX Limited	1 June 2007	Continuing
	Coca-Cola Amatil Limited	1 October 1997	Continuing
	Westfield America Management Limited*	13 July 2004	Continuing
	Westfield Management Limited**	13 July 2004	Continuing
F G Hilmer	Westfield America Management Limited*	13 July 2004	Continuing
	Westfield Management Limited**	13 July 2004	Continuing

Directors' Report (continued)

Director	Company	Date appointed	Date resigned
S P Johns	Brambles Limited	21 August 2006 ⁽¹⁾	Continuing
	Leighton Holdings Limited	21 December 2009	Continuing
	Spark Infrastructure Group	8 November 2005 ⁽²⁾	Continuing
	Westfield America Management Limited*	20 February 1996	Continuing
	Westfield Management Limited**	11 November 1985	Continuing
M R Johnson	AGL Energy Limited	7 April 1988	21 October 2010
	Guinness Peat Group plc	22 September 2010	Continuing
	Westfield America Management Limited*	27 May 2010	Continuing
	Westfield Management Limited**	27 May 2010	Continuing
J McFarlane	Westfield America Management Limited*	26 February 2008	Continuing
	Westfield Management Limited**	26 February 2008	Continuing
B M Schwartz	Brambles Limited	13 March 2009	Continuing
	Insurance Australia Group	1 January 2005	Continuing
	Westfield America Management Limited*	6 May 2009	Continuing
	Westfield Management Limited**	6 May 2009	Continuing
J Sloan	Lend Lease Primelife Limited	30 May 2006	28 April 2009
	Santos Limited	5 September 1994	6 May 2009
	Westfield America Management Limited*	26 February 2008	Continuing
	Westfield Management Limited**	26 February 2008	Continuing
G H Weiss	Ariadne Australia Limited	28 November 1989	Continuing
	Canberra Investment Corporation Limited	27 September 1995	28 August 2008
	Capral Limited	25 November 2003	6 November 2008
	Guinness Peat Group plc	30 November 1990	Continuing
	Premier Investments Limited	11 March 1994	Continuing
	Tag Pacific Limited	1 October 1988	Continuing
	Tower Australia Group Limited ⁽³⁾	8 August 2006	8 August 2008
	Westfield America Management Limited*	13 July 2004	27 May 2010
	Westfield Management Limited**	29 May 2002	27 May 2010

⁽¹⁾ While Mr Johns was appointed to the Board on this date, Brambles Limited did not list on the ASX until 27 November 2006.

⁽²⁾ While Mr Johns was appointed to the Board on this date, Spark Infrastructure Group did not list on the ASX until 16 December 2005.

⁽³⁾ In November 2006, Tower Limited separated its Australian and New Zealand businesses. Shares in Tower Australia Group Limited commenced trading on the ASX on 21 November 2006.

Notes:

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

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

*** RE1 Limited, as responsible entity for Westfield Trust 1, a managed investment scheme, the securities of which are stapled to units in Westfield Retail Trust 2 and which trade on the ASX as Westfield Retail Trust.

**** RE2 Limited, as responsible entity for Westfield Trust 2, a managed investment scheme, the securities of which are stapled to units in Westfield Retail Trust 1 and which trade on the ASX as Westfield Retail Trust.

3.5 Secretaries

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

Mr Simon J Tuxen

Simon Tuxen joined Westfield in July 2002 as Group General Counsel and Company Secretary. He holds a Bachelor of Laws degree, and has practised as a solicitor and corporate lawyer for over 29 years. Prior to joining Westfield, Mr Tuxen was the General Counsel of BIL International Limited in Singapore, Group Legal Manager of the Jardine Matheson Group in Hong Kong and a partner with Mallesons Stephen Jaques from 1987 to 1993.

Ms Maureen T McGrath

Maureen McGrath joined Westfield in May 2000 and was appointed a Secretary of the Company in July 2002. She holds Bachelor of Jurisprudence and Bachelor of Laws degrees and has practised as a solicitor and corporate lawyer for over 22 years. Ms McGrath was a solicitor and later a senior associate with Mallesons Stephen Jaques for 11 years before joining Westfield in 2000.

4. OPTIONS

Details of the unissued ordinary shares in the Company under options as at the date of this report are provided in Note 24 to the Financial Statements (page 53).

Details of fully paid ordinary shares in the Company which were issued during or since the end of the Financial Year as a result of the exercise of options over unissued shares are provided in Note 10 and 23 to the Financial Statements (pages 41 and 52).

5. INDEMNITIES AND INSURANCE PREMIUMS

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

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

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

6. AUDIT

6.1 Audit and Compliance Committee

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

6.2 Non-Audit Services and Audit Independence

Details of the amount paid to the auditor, which includes amounts paid for non-audit services, are set out in Note 43 to the Financial Statements (page 78). The Board is satisfied that the provision of non-audit services by the auditor during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. Furthermore, the provision of non-audit services by the auditor during the year did not compromise the independence requirements under the Corporations Act 2001 because:

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

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



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

In relation to our audit of the financial report of Westfield Holdings Limited for the year ended 31 December 2010, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

S J Ferguson
Partner

Sydney, 16 March 2011

Liability limited by a scheme approved under Professional Standards Legislation.

7. REMUNERATION REPORT

7.1 Remuneration Committee

7.1.1 Role of the Committee

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

The responsibilities of the Remuneration Committee include:

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

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

7.1.2 Membership and meetings

The current members of the Committee are:

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

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

7.2 Remuneration of Non-Executive Directors

7.2.1 Policy

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

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

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

The fees paid to the Non-Executive Directors in the Financial Year are set out in section 7.2.2. At the AGM for the Company held in May 2008, members approved an aggregate pool of Non-Executive Directors' fees of \$2.5 million. The aggregate fees currently paid to Non-Executive Directors (including standing Committee fees) is \$1.995 million. On the recommendation of the Remuneration Committee, the Board has determined that the base fee for Non-Executive Directors (inclusive of superannuation guarantee contributions) will be increased by 5.7% from \$175,000 to \$185,000, with effect from 1 January 2011. The same rate of increase also applies to committee fees, the additional fee for deputy chair and the fee for committee chair.

Directors' Report (continued)

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

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

7.2.2 Remuneration of Non-Executive Directors

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

Name	Year	Base fee ⁽¹⁾ \$	Deputy chair fee \$	Audit & compliance committee \$	Risk management committee \$	Nomination committee \$	Remuneration committee \$	Due diligence committee fees \$	Total \$
D H Lowy	2010	175,000	30,000	–	24,000	–	–	–	229,000
	2009	175,000	30,000	–	24,000	–	–	–	229,000
R L Furman	2010	175,000	–	–	–	–	12,000	–	187,000
	2009	175,000	–	–	–	–	12,000	–	187,000
P H Goldsmith	2010	175,000	–	–	–	–	–	–	175,000
	2009	175,000	–	–	–	–	–	–	175,000
D M Gonski	2010	175,000	–	20,000	–	6,000	12,000	–	213,000
	2009	175,000	–	20,000	–	6,000	12,000	–	213,000
F G Hilmer	2010	175,000	–	30,000	–	–	18,000	–	223,000
	2009	175,000	–	30,000	–	–	18,000	–	223,000
S P Johns	2010	175,000	–	20,000	18,000	–	–	–	213,000
	2009	175,000	–	20,000	18,000	–	–	–	213,000
M Johnson ⁽²⁾	2010	104,327	–	–	–	–	–	–	104,327
	2009	–	–	–	–	–	–	–	–
J McFarlane	2010	175,000	–	–	18,000	–	–	–	193,000
	2009	175,000	–	–	6,330	–	–	–	181,330
B Schwartz ⁽³⁾	2010	175,000	–	20,000	–	3,593 ⁽⁴⁾	–	–	198,593
	2009	114,423	–	7,033	–	–	–	–	121,456
J Sloan	2010	175,000	–	–	–	6,000	–	25,000 ⁽⁵⁾	206,000
	2009	175,000	–	–	–	2,110 ⁽⁶⁾	–	–	177,110
GH Weiss ⁽⁷⁾	2010	71,153	–	–	7,318	–	–	–	78,471
	2009	175,000	–	–	18,000	–	–	–	193,000

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

⁽²⁾ Mr Johnson joined the Board on 27 May 2010. Accordingly, his fees for 2010 are on a pro-rata basis. There are no comparative fees for 2009.

⁽³⁾ Mr Schwartz joined the Board on 6 May 2009. Accordingly, his fees for 2009 are on a pro-rata basis.

⁽⁴⁾ This is a pro-rata fee as service on the committee commenced during 2010.

⁽⁵⁾ Professor Sloan acted as Chair of the due diligence committee in connection with the establishment of Westfield Retail Trust. This fee was paid in respect of that role. The due diligence committee is not a standing committee.

⁽⁶⁾ This is a pro-rata fee as service on the committee commenced during the 2009 financial year.

⁽⁷⁾ Dr Weiss retired from the Board on 27 May 2010. Accordingly, his fees for 2010 are on a pro-rata basis.

7.2.3 Other entitlements

Short term employee benefits

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

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

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

Post-employment benefits

Non-Executive Directors are not entitled to:

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

Other long-term employee benefits

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

Termination benefits

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

Share based payments

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

7.2.4 Board changes

Dr Gary Weiss retired as a Director on 27 May 2010.

Mr Mark Johnson was appointed as a Director at the AGM of the Company held on 27 May 2010.

On 2 March 2011, the Group announced that:

- effective from the date of the Annual General Meeting to be held on 25 May 2011, Mr Frank Lowy will assume a Non-Executive role as Chairman;
- Mr David Lowy and Mr David Gonski will not seek re-election at the AGM;
- Mr Brian Schwartz will from the date of the AGM be appointed as Deputy Chairman; and
- Mr Peter Allen will stand for election as a director at the AGM.

7.3 Remuneration of the Senior Executive Team

7.3.1 Policy and environment

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

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

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

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

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

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

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

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

Performance

The remuneration policies of the Group are strongly focussed on individual and team performance against measurable financial and non financial objectives. Typically, these include important measures such as operational segment earnings per security, portfolio leasing statistics, achievement of development objectives in terms of development starts and compliance with development budgets and timetables, treasury and capital management objectives and other specific objectives relevant to the Group's business at a point in time.

In setting these objectives, the Board attempts to measure performance without reference to factors which are outside the control of the executive team or any individual member of that team. This includes gains or losses resulting from a movement in exchange rates and increases or decreases in the value of the Group's property portfolio attributable to a movement up or down in capitalisation rates.

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

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

The specific achievements of the Group in the Financial Year are discussed in more detail in the Chairman's Review at pages 4 to 7 and the Group Managing Directors' Review at pages 8 to 15 of this Annual Report.

As noted in those reviews, the Group:

- exceeded its major operating targets for the Financial Year, including full year Operational segment earnings per security of 90.1 cents (adjusted to include the earnings of 0.49 cents made by Westfield Retail Trust in respect of the 11 days to 31 December 2010) which was at the upper end of the earnings guidance implied by the forecast distribution per security of 64 cents, which was paid in full;
- achieved a significant improvement in the level of leasing of the global portfolio with pleasing increases in both the United States and the United Kingdom;
- commenced more than \$1 billion in new developments and made significant progress on continuing developments at both Stratford City (£1.45 billion) and Westfield Sydney (\$1.2 billion) – with the first stage of Westfield Sydney opening in October 2010 with an excellent response in terms of leasing, traffic and sales. At the end of the Financial Year, Westfield Group projects under construction have a total forecast investment of \$4.2 billion;
- established the Westfield Retail Trust (including the completion of an initial public offer raising in excess of \$2.0 billion), resulting in greater flexibility and choice for the Group's investors, an expected improvement on the Group's return on capital and creating a long term joint venture partner in Australia and New Zealand for the Group. As part of that transaction, the Group sold 50% of its interest in Westfield Sydney, with the Group's development surplus on that project expected to be approximately \$780 million;
- entered into an agreement to sell a 50% interest in the retail component of Westfield Stratford City for £871.5 million to a joint venture comprising APG of the Netherlands and Canada Pension Plan Investment Board. This is expected to result in total development surplus of approximately £300 million for the Group;
- completed refinancings in excess of \$3.6 billion in respect of existing facilities; and
- launched its on-line shopping site – westfield.com.au – an on-line mall for Australian consumers with over 100 retailers participating in the start-up phase of the site.

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

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

Retention

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

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

This significant change in the commercial environment was reflected in a number of specific remuneration policies which were adopted in respect of the 2009 and 2010 financial years. In particular, in each of those years, the Group applied a "remuneration freeze" to the senior executive team. Those policies are discussed in more detail in section 7.3.2.

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

As noted in the Remuneration Report in respect of the 2009 financial year, there were signs late in that year (particularly Australia), of increasing pressure on remuneration for highly experienced executives and particular job types. As expected, in the Financial Year, those pressures became more evident as the global economy continued to stabilise and the Group's competitors in various markets recovered from difficult financial circumstances and sought to enhance the quality of their management teams through recruitment.

The equity linked incentive plans operated by the Group are regarded by the Board as an essential retention tool for the senior executive team. The design of the PIP Plan with a Qualifying Year (during which performance is measured and qualification against a targeted number of awards for that year is determined) coupled with a four to five year vesting period is intended to encourage and reward high performance and facilitate retention of executives for an extended period. The fact that the average length of service for PIP Plan participants is 13 years is a strong indication that the PIP Plan remains a significant factor on achieving continuity in the senior executive team.

Alignment

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

That alignment is achieved in a number of ways including:

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

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

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

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

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

7.3.2 Specific remuneration policies

2009 Financial Year

Before outlining the Group's policies for 2010, it is useful to revisit the policies adopted at the end of 2008 and applied in the 2009 financial year.

As noted in the Remuneration Report for 2009, despite a strong performance by the Group in the 2008 financial year, by the end of 2008, the Remuneration Committee and the Board were conscious that the global environment was deteriorating and that it was likely that 2009 would be a difficult year. In addition to a continuation of the volatile and weak operating environment, the Group's earnings in 2009 were expected to be negatively impacted by currency movements and increasing financing costs.

Having regard to these conditions, the Remuneration Committee and the Board set the following policies (as noted in the 2009 Annual Report) in relation to the remuneration of the Board and the senior executive team in 2009:

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

At the end of the 2009 financial year, notwithstanding that the Group's Operational segment earnings per security were within the forecast range of 94 – 97 cents, the short term variable bonuses paid to the Executive Chairman and to the Group Managing Directors for the 2009 financial year were set at 85% of their respective targets.

Further, vesting of awards under the PIP and PIR Plans reduced (by application of the performance hurdle) to 85% of target for the 2009 Qualifying Year (see section 7.3.3 below).

In short, for the 2009 financial year, the Board imposed a freeze on all elements of remuneration of the senior executive team and the Non-Executive Directors. The Board also noted in the 2008 Annual Report (at page 91) that, as a consequence of the declining equity markets which impacted property securities globally (including the Westfield Group), the value of unvested awards held by executives participating in the Plans had reduced significantly since the date of grant. As a consequence of that fall in value, the amortisation of unvested awards decreased to a significant extent.

2010 Financial Year

Although during the course of the 2009 financial year, there was a stabilisation in operating conditions, a significant improvement in financial markets and a modest recovery in the price of the Group's securities, the Remuneration Committee and the Board determined that, having regard to the difficult operating conditions which were expected to continue in markets other than Australia, the following broad remuneration policies should be applied for 2010:

- there was no increase in the fees payable to Non-Executive Directors in 2010;
- a continuation of the remuneration freeze for all senior executives (except where an executive is promoted). Consequently, with two exceptions as a result of promotion, there were no base salary increases for the senior executive team for 2010;
- other than the exceptions noted above, the total target remuneration for the senior executive team in 2010 was capped at the same level as 2009 (subject to the possibility of additional awards being earned under the PIP Plan for above target performance); and
- the aggregate increase for other executives and staff for 2010 was capped at 2.5% per annum to reflect increases in the cost of living.

In arriving at these policies for the 2010 Financial Year, the Board demonstrated continued restraint which was both appropriate and necessary given the continued challenges posed by an uncertain operating environment.

The specific disclosures with respect to the Executive Directors (as set out in sections 7.6 and 7.7) show an increase in remuneration in the Financial Year when compared with the 2009 financial year. That increase is attributable to the following factors:

- in the case of the Executive Chairman and the Group Managing Directors, the short term variable bonus paid to each of them increased from 85% of target in 2009 to 100% of target in 2010. The target bonus in each case remained constant between the financial years;
- in the case of each of the Group Managing Directors and the Specified Executives, entitlements to awards under the PIP Plan, as dictated by performance against the Operational segment earnings per security hurdle set by the Board at the commencement of the Financial Year, increased from 85% of target in 2009 to 125% of target in 2010 (see section 7.3.3 for further details); and
- in the case of each of the Executive Directors and the Specified Executives, the level of amortisation of equity linked awards under the cash settled Plans operated by the Group, as dictated by applicable accounting standards, fluctuates significantly from year to year despite the fact that the face value of awards received by the executive did not vary between financial years. In the Financial Year the amortisation profile of awards held by the senior executive team gives the appearance of an increase in remuneration received by the executive when compared with 2009.

In any year the level of disclosed remuneration is impacted by the application of accounting rules relating to the amortisation of the cash settled equity linked plans operated by the Group. The process is more fully described in section 7.3.4. That process can give rise to significant year on year fluctuations in the disclosed remuneration, dictated principally by movements up or down in the price of Group securities as well as assumptions made about the future value of securities. In contrast to the method of amortising conventional equity settled awards (utilising an agreed option valuation method such as Black Scholes and then amortising a fixed amount across the life of the option), the cash settled “synthetic” EDAP and PIP Plans are marked to market each year and the actual value to the executive, over time, is reflected in the amortisation of that award as shown in the remuneration tables. The fluctuations in disclosed remuneration occur despite the fact that the face value of awards received by an executive remains constant as between the years being compared.

Whilst this accounting treatment can result in significant year on year fluctuations in total remuneration, a review of the remuneration of that executive over a longer period presents a more accurate picture of average remuneration actually received by that executive. For this reason, where available, we have disclosed a 5 year history for each Executive Director and Specified Executive which demonstrates the level of disclosed remuneration for that executive over time.

By way of example, the 5 year remuneration disclosures demonstrate that:

- the remuneration of the Group Managing Directors (Peter and Steven Lowy) in 2010 approximates their remuneration as disclosed for the 2007 financial year; and
- the remuneration of Mr Allen in 2010 approximates his remuneration in the 2006 financial year and the remuneration of Messrs Gutman and Jordan is significantly less than the disclosed remuneration for those executives for the 2006 financial year.

2011 Financial Year

Although details of the remuneration of the Executive Directors and the Specified Executives in 2011 will be disclosed in the 2011 Remuneration Report, it is pertinent to note that the improved financial performance of the Group in 2010 combined with increasing pressure on retention of executives as global economic conditions improve has led to the removal of the “remuneration freeze” which applied in the previous two financial years.

As a consequence, merit based increases in both base salary and target short term variable bonuses have occurred in respect of the 2011 financial year.

On 2 March 2011, the Group announced that, as from the completion of the Annual General Meeting on 25 May 2011, Mr Frank Lowy will assume a non-executive role as Chairman. Details of Mr Lowy’s remuneration in that role and the retirement benefit payable to him are set out in section 7.6.1. On that date, Peter and Steven Lowy will assume the role of joint Chief Executive Officers. There will be no adjustment to the 2011 remuneration of Peter Lowy and Steven Lowy or any change in their current contractual terms as a consequence of the assumption of that new role.

The Group’s policies with respect to the performance hurdles applicable to the PIP Plan in 2011 are set out in section 7.3.3.

7.3.3 Review of equity linked incentive plans

Background

The operation of the Group’s equity linked incentive plans is described in greater detail in section 7.4.3.

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

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

2010 Qualifying Year

In respect of the hurdle(s) which applied to the PIP and PIR Plans for the 2010 Qualifying Year, the Remuneration Committee and the Board continued to focus on measures which reflected the underlying operating strength of the business.

Prior to the 2009 Qualifying Year, the Group had adopted performance hurdles whereby the level of grant of awards was determined by reference to:

- Operational segment earnings per unit; and
- the achievement of a specified level of development starts in the Qualifying Year.

However, as was noted in the 2008 and 2009 Annual Reports, the Board acknowledged in respect of both the 2009 and 2010 Financial Years that capital expenditure would be heavily constrained in those years and accordingly the market was advised that the Group did not expect to commence any large projects. Rather, the Group’s development focus was on the significant projects which had already commenced at Stratford City in the United Kingdom and the Sydney City redevelopment in Australia. In view of this, the Board determined that there would be no performance hurdle relating to development starts during either the 2009 or 2010 Qualifying Years.

The Board determined that the sole hurdle for the vesting of awards in the 2010 Qualifying Year would be based on achieving the Group’s targets for Operational segment earnings per security. As in previous years, the Board set a graduated scale of vesting having regard to performance against targets for Operational segment earnings per security. That scale was determined by reference to the Group’s budget for the Financial Year.

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

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

Directors' Report (continued)

The Board reserves the right to adjust the hurdle to reflect any capital transaction occurring during the year which would impact on Operational segment earnings (e.g. a significant equity issue at a discount or the sale of a material part of the portfolio). Where the Board considers that an adjustment is required, both the methodology for the adjustment and the quantum of the adjustment would be referred by the Board to an independent expert for determination.

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

The hurdle adopted by the Board for the 2010 Qualifying Year incorporated a graduated scale of growth in Operational segment earnings which contemplated participants earning between 0% and 150% of the targeted number of awards, depending on the level of Operational segment earnings per security which was achieved. If those earnings fell below the minimum level set in the graduated scale, no part of the value of the awards which are contingent on meeting this hurdle would vest.

OSE Target	Percentage Vesting
Above 92.5	150%
91.5 – 92.4	140%
90.6 – 91.4	130%
90.0 – 90.5	125%
89.5 – 89.9	120%
89.0 – 89.4	115%
88.5 – 88.9	110%
88.0 – 88.4	105%
87.5 – 87.9	100%
87.0 – 87.4	95%
86.5 – 86.9	90%
86.0 – 86.4	85%
85.5 – 85.9	80%
85.0 – 85.4	75%
84.5 – 84.9	70%
83.5 – 84.4	50%
82.5 – 83.4	25%
Below 82.5	0%

In the 2010 Qualifying Year the application of the graduated scale resulted in participants in the PIP Plan receiving 125% of the targeted number of awards. The Group's budget for the Financial Year contemplated Operational segment earnings of 87.5 cents. The Group achieved above budget performance in all jurisdictions in which the Group operated. The Operational segment earnings of 90.1 cents per security includes an adjustment of earnings of 0.49 cents made by Westfield Retail Trust in respect of the 11 days to 31 December 2010. This adjustment was made to ensure that the reported earnings of the Group are comparable with the budgeted position at the commencement of the Financial Year.

The reported Operational segment earnings (on a constant currency basis) represent above budget performance of \$73 million (\$57.5 million without the constant currency adjustment). The cost of granting the additional awards is approximately \$3.4 million. It is the view of the Board that the cost of granting these additional awards is appropriately aligned with the Group's operating performance and the interests of members.

2011 Qualifying Year

In relation to the 2011 Qualifying Year, the Remuneration Committee and the Board have continued to focus on hurdles which reflect the underlying operating strength of the business. As a consequence of the recommencement during 2010 of the Group's development program, the structure of the hurdles for the 2011 Qualifying Year will revert to the structure last used in the 2008 Qualifying Year. That is:

- achieving growth in Operational segment earnings continues with a graduated scale of vesting having regard to performance against set targets. This hurdle has a 75% weighting; and
- achieving a targeted level of development project starts. This target is binary (i.e. this portion of the PIP or PIR awards will not vest if the target is not achieved). This hurdle has a 25% weighting.

The Remuneration Committee and Board have maintained the position that performance against these targets will be measured in a single Qualifying Year after which the only vesting requirement will be that the executive remains with the Group for a further four years. The Committee considers that the structure of annual awards with performance hurdles measured in a single Qualifying Year and vesting over an extended period provides an appropriate balance between performance incentives and retention.

Both hurdles reflect important measures of the health of the underlying business of the Group.

Operational segment earnings on a constant currency basis measures the profitability of the core operating business of the Group without regard to issues not relating to the underlying operations (such as profits/losses arising through revaluations and currency movements). Operational segment earnings are reported to the market semi-annually. Performance against this hurdle will be measured by converting foreign currency earnings to Australian dollars at the exchange rates detailed in the Group's budget.

As was the case in the Financial Year, the Operational segment earnings hurdle approved by the Board for the 2011 Qualifying Year incorporates a graduated scale of growth in Operational segment earnings which contemplates participants earning within a range of 0% and 150% of the targeted number of awards, depending on the level of Operational segment earnings per security that is achieved. Up to 75% of the total number of targeted awards will be granted based on performance against this hurdle.

The second hurdle is a measure of the success of the Group in achieving a targeted value of development project starts. All major developments must be approved by the Board prior to commencement to ensure that relevant financial, operating and strategic requirements are satisfied. Development starts are considered by the Board to be of particular importance to the medium term growth of Operational segment earnings as well as the capital value of the Group's portfolio. The Committee has set a targeted level of development starts which must be achieved in order for the awards linked to this hurdle to vest. If the level of development project starts is below that target, no part of the value of the awards which are contingent on meeting this hurdle will vest. Up to 25% of the total number of targeted awards will be granted based on performance against this hurdle.

The Board retains the discretion to review the level of the development starts if projects, which are otherwise ready for commencement, are deferred for strategic or economic reasons which are not related to the unsatisfactory performance of management.

The Board does not believe it is appropriate, at this time, to publish the precise targets which have been set for the executive team as this may be taken as a forecast of Operational segment performance or that certain developments will be commenced. As a consequence, the specific terms of these hurdles remain commercially sensitive at this time. The Group will report on the specific terms of the hurdles and performance against those hurdles in the 2011 Annual Report.

Other hurdles considered by the Board

As in previous years, the Remuneration Committee has considered, and taken advice regarding, the implementation of a hurdle based on measurement of total return to shareholders (TRS), either on a comparative basis or in absolute terms. The Committee ultimately rejected the use of a TRS based hurdle primarily due to unwillingness on the part of the Board and the Committee to determine executive rewards by reference to movements in the price of Westfield Group securities.

Although the Westfield Group over an extended period has a well established record of superior share market performance both in relative and absolute terms, the philosophy of the Group has been, and remains, that this record of success is a product of sound operating performance and strategic decision making and that the focus of the executive team should remain on the underlying business and not on the price of the Group's securities. The Group's view remains that long term incentives (which are an increasingly significant component of executive remuneration) should not fluctuate in favour of, or against, the executive, based principally on movements in the price of Westfield Group securities. Rather, performance hurdles should focus on the fundamentals of the Group's business and on the performance of the executive team in meeting the operational, development and corporate targets which the Group sets for itself. The Committee is of the view that if the management team maintains its intensive focus on these fundamentals, security holders will be rewarded, over time, by superior market performance.

The interests of the executive and the members are also aligned in respect of the price of the Group's securities as the value of awards at the time of vesting fluctuates with movements in the price of the Group's securities. The higher the price at the time of vesting, the greater the benefit received by the executive.

Apart from these general concerns regarding TRS hurdles, it was also apparent to the Remuneration Committee that, having regard to Westfield's size, market capitalisation, capital and debt structure, geographic spread and business model, there is no appropriate peer group in Australia or internationally to act as a benchmark against which to measure TRS performance. Westfield has a market capitalisation which is significantly larger than the next largest Australian listed property trust. The Group's significant international presence, its industry focus on regional and super regional retail centres and its capital and debt structure, mean that comparisons of the Group with both local and international competitors are difficult.

The Remuneration Committee and the Board are satisfied that the proposed hurdles for the 2011 Qualifying Year and the remuneration structure in general are appropriate having regard to the general objectives referred to above.

7.3.4 Accounting for awards

As noted above, the accounts of the Westfield Group and the remuneration disclosures in this Annual Report disclose the full cost to members of the grant of awards under the Group's cash settled equity linked plans, and not simply the amortisation of the face value of the grant when originally made.

At the date of grant of an award, the face value of the grant is adjusted for anticipated increases in the value of that award over its life. Assumptions regarding share price movements are made for the purposes of estimating the Group's future liability with respect to each award. The estimated future liability is then amortised over the life of the award.

At the end of each accounting period the awards are marked to market on the basis of the then current share price and the assumptions made in previous years are reconsidered having regard to any change in circumstances.

This process may result in a variation of the estimate of the future liability of the Group with respect to that award and an increase or decrease in the amortisation. For example, in any year, where the share price increases at a rate which is greater than the estimate made in the original model, the implied increase in value of the awards at the date of maturity will result in an increase in the amount of amortisation. Conversely, as occurred in 2008 and 2009 financial years, where the share price decreases in any year, the expected lower value of the awards at the date of maturity will result in a decrease in the amount of amortisation. The full amount of that amortisation is then included in the accounts and disclosed as part of the remuneration of executive directors and specified executives.

By adopting this method of amortisation in disclosing the value of cash settled awards held by senior executives, members obtain an accurate picture of the full cost to the Group of granting those awards as well as the actual remuneration received, over time, by the recipients of the awards.

7.3.5 External consultants

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

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

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

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

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

7.4 Components of Westfield Executive Remuneration

7.4.1 Base salary

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

7.4.2 Short term variable bonus

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

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

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

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

7.4.3 Equity linked incentive plans

The Westfield Group has four equity linked incentive plans. The EDA Plan and the PIP Plan which were introduced following the merger in 2004 and the EPR Plan and the PIR Plan which were introduced in 2008 to provide the Group with the flexibility to issue equity settled rights where considered appropriate.

Mechanics of the Plans

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

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

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

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

The EDA Plan

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

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

Participants will qualify to receive a cash amount on the qualification date or, in limited circumstances, the date that they cease to be an employee of the Group. Depending on age, length of service and the date of retirement executives may be eligible to continue to participate in the Plans up to the vesting date if they retire prior to that date.

The circumstances in which a participant's award will be forfeited include the following:

- (a) voluntary resignation by the executive (other than where the retirement conditions are met);
- (b) a "Summary Termination Event" occurring in respect of a participant (this includes the participant engaging in serious misconduct or, in certain cases, being convicted of a criminal offence); and
- (c) the participant failing to comply with a "Competition and Confidentiality Condition" (which will include standard confidentiality, non-compete and non-solicitation conditions).

In the case of death or total and permanent disablement, the awards will fully vest with the exception of retention awards in respect of which a pro-rata payment will be made.

If a participant is made redundant or Westfield terminates their employment other than for cause, a pro-rata payment will be made to that participant. However, no payment will be made in these circumstances in respect of any retention awards.

The Board also utilises the EDA Plan to make non-recurring awards (known as retention awards) to the Group's most senior executives. These retention awards are distinguished from the typical EDA Plan awards described above. They are granted with the specific aim of retaining the services of those executives over a period of two to five years. In the Financial Year, there were no retention awards issued to any of the executives participating in the PIP Plan. Neither the Executive Chairman nor the Group Managing Directors receive these retention awards.

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

The PIP Plan

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

Only the senior leadership team of the Westfield Group participates in the PIP Plan. There are currently 20 executives world-wide, including the Group Managing Directors, participating in the PIP Plan. The Executive Chairman does not participate in the PIP Plan.

The PIP Plan itself is designed to encourage a "partnership" amongst the senior leadership team of the Westfield Group which will emphasise the strategic leadership role of that team. Through the PIP Plan, the members of that partnership will be provided with a benefit which is fully aligned with the interests of members as discussed in section 7.3.1.

The operation of the PIP Plan and the manner of calculation of the payout to which the executive is entitled is as described above.

The performance hurdle(s) applicable under the PIP Plan are determined annually by the Remuneration Committee when determining which executives will be invited to participate in the PIP Plan. Executives are informed of those hurdles at the same time as they are advised of the potential number of "synthetic securities" for which they will qualify if the performance hurdles are achieved. More than one hurdle may be set in any year.

The year in which the performance hurdles apply is known as the Qualifying Year. Actual performance against the hurdles which apply during the Qualifying Year will determine the final number of awards which the executive will receive at the end of that year. If performance against a hurdle is such that full qualification for awards is not achieved, there is no provision in the Plan for re-testing in subsequent years. The Board will revise hurdles during a Qualifying Year only where required as a consequence of a capital transaction undertaken by the Group (e.g. a major capital raising) or a strategic decision by the Group which prevents achievement of the hurdle (e.g. in circumstances where the Board decides to close down the development program due to economic circumstances and as a consequence, management is unable to meet the development starts hurdle).

No payments are made to the executive at the end of that Qualifying Year. Rather, the awards in the PIP Plan are confirmed at that time and vest on two dates: 50% at the end of year four and 50% at the end of year five. No other performance hurdles are imposed during the vesting period.

The hurdle chosen by the Remuneration Committee for the 2011 Qualifying Year is discussed in section 7.3.3.

By adopting this combination of the application of performance hurdles in the Qualifying Year and the employee being required to stay for the subsequent four to five year vesting period, the Westfield Group aims, through the issue of awards under the PIP Plan, to incentivise achievement of targeted objectives and assist in the retention of the senior leadership team for an extended period. Executives participating in the PIP Plan will be required to remain with the Group for a period of five years in order to get the full benefit of each award.

The EPR Plan and PIR Plan

In 2004, the Group moved to “synthetic” equity linked incentive plans as certain Australian taxation concessions in place at the time in relation to options over shares issued under employee share plans did not apply equally to options granted to employees over units in a trust. As a consequence, it was not practical for the Group to issue options over Westfield Group securities. Rather, the Group introduced the synthetic plans (EDA and PIP Plans) as described above which result in a cash payment to executives based on the value of Westfield Group securities rather than being settled through the issue or transfer of actual securities.

In 2007, the Federal government introduced legislation to correct this position with regard to stapled entities, such as the Westfield Group, where a share in a company (Westfield Holdings Limited) is stapled to units in a trust (Westfield Trust and Westfield America Trust).

The EPR Plan and the PIR Plan operate in much the same manner as the EDA Plan and the PIP Plan except that entitlements will be satisfied by the delivery of Westfield Group securities (as opposed to the payment of a cash amount).

The EPR Plan and the PIR Plan also offer participants the opportunity to defer the time at which they are taxed once the performance rights vest. Typically, on delivery of securities, participants will be taxed on the value of the securities (as ordinary income). These plans enable participants to defer the taxing point if they elect to have a restriction period on dealing with securities that vest under the Plans. If such an election is made, securities delivered upon vesting will be placed in a “holding lock”. This means that, while the securities will be registered in the name of the participant and they will have a right to vote and receive distributions, the participant will not be able to sell or transfer the securities during the restriction period. The restriction period is up to ten years from the date of the grant of the performance rights.

7.4.4 Hedging policy

In addition to the restrictions placed on entering into hedging arrangements by operation of the Group's Security Trading Policy, participants in the Plans are prohibited from entering into hedging arrangements in respect of unvested awards or rights in any of the Plans.

The primary purpose of this prohibition is to ensure that, at all times until awards granted to executives under the Plans have vested, there is complete alignment between the interests of the executive and the interests of the Group and its members. In the Board's view, that alignment potentially ceases if an executive's economic interest in the benefit of an award or right is hedged – with the effect that the executive is not affected (or is affected to a lesser extent), by positive or negative movements in the market value of Westfield Group securities.

Executives are prohibited from entering into or renewing hedging or financial instruments in connection with their unvested entitlements under the Plans. This includes instruments such as equity swaps, caps and collars and other types of hedges, which are entered into for the purpose of mitigating the financial impact of movements in the price of Westfield Group securities to the extent such movements impact the value of awards made under the Plans.

7.5 Performance of the Westfield Group

Full details of the Group's various financial and operating achievements are contained in the Chairman's Review at pages 4 to 7 and the Group Managing Directors' Review at pages 8 to 15 of this Annual Report.

Although the performance of the Group by comparison with its domestic and international peers is reviewed regularly, the remuneration policy of the Group is more focused on achievement of the Group's internal financial and operational objectives. The Group regards achievement of these objectives as the appropriate criteria for determining remuneration rather than simply measuring relative performance against a market index or an external comparator group.

The following pages contain an analysis of the Group's performance using various metrics applied over time.

7.5.1 Operational segment earnings on a constant currency basis ⁽¹⁾

Growth in earnings from the Operational segment on a constant currency basis measures the profitability of the core operating business of the Group without regard to issues not relating to the underlying operations (such as profits/losses arising through revaluations and currency movements). The Operational segment analysis for last five years is detailed below.

Financial year to 31 December	Operational segment earnings \$m	Operational segment earnings growth (annual %)	Operational segment earnings (cents per security)
2010 (as adjusted for Westfield Retail Trust)	2,073.8	3.6	90.09
2010 (as reported)	2,062.5	3.0	89.60
2009	2,002.1	5.7	89.25
2008	1,893.7	11.1	97.48
2007	1,705.2	10.9	91.75
2006	1,537.2	9.1	87.08

⁽¹⁾ Constant currency is achieved by retranslating each item in the prior period income statement at the current period exchange rate. The average exchange rates are A\$/US\$ 0.9198 (31/12/09 0.7986, 31/12/08 0.8598, 31/12/07 0.8388 & 31/12/06 0.7535); A\$/£ 0.5950 (31/12/09 0.5074, 31/12/08 0.4596; 31/12/07 0.4188 & 31/12/06 0.4091); A\$/NZ\$ 1.2746 (31/12/09 1.2477, 31/12/08 1.1934; 31/12/07 1.1397 & 31/12/06 1.1627).

Directors' Report (continued)

7.5.2 Earnings per security

Details of the Group's earnings per security for the last five financial years are detailed below.

Financial year to 31 December	Westfield Group's EPS (cents)	Westfield Group's EPS growth (annual %)
2010 (as adjusted for Westfield Retail Trust)	48.63	338.3
2010 (as reported)	48.14	335.9
2009	(20.41)	82.7
2008	(117.79)	(163.7)
2007	184.93 ⁽¹⁾	(41.5)
2006	316.27 ⁽¹⁾	27.8

⁽¹⁾ The number of stapled securities used in the calculation of EPS includes an adjustment for the bonus element of the pro-rata entitlement offer which was completed in July 2007, being 4.376 million securities for the period to July 2007 and 8.641 million securities for the full year ended 31 December 2006

Significant fluctuations in EPS growth occur from year to year. Under AIFRS, EPS growth includes non-cash items such as movements in the value of properties in the Group's portfolio and mark to market adjustments of financial instruments. Because of the impact of these non cash items on the Group's profit and loss statement, since the adoption of AIFRS reporting, EPS has not been used by the Group as a key metric for assessment of the Group's performance. As noted above, growth in Operational segment earnings on a constant currency basis is regarded as the more important measure of the Group's performance.

7.5.3 Distributions per security

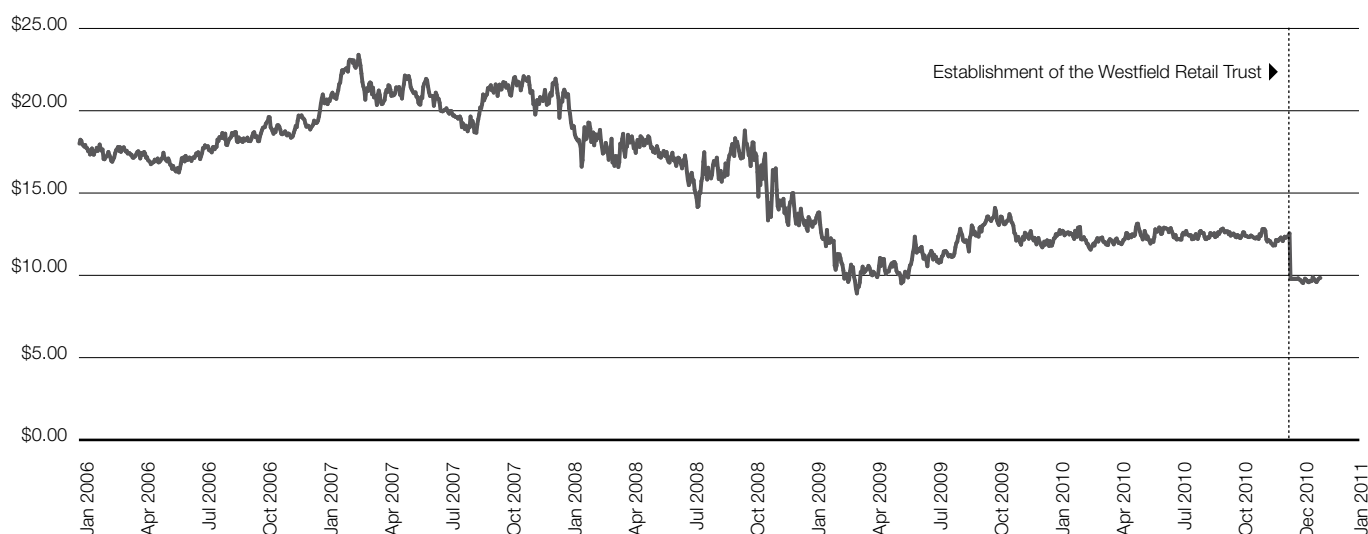
Distributions paid by the Group for the last five financial years are as follows:

Financial year to 31 December	Annual distributions per stapled security (cents)	Annual distributions total (\$)
2010 (as adjusted for Westfield Retail Trust)	64.00	1,473,600,000
2010 (as reported)	63.56	1,463,500,000 ⁽¹⁾
2009	94.00	2,149,100,000
2008	106.50	2,076,500,000
2007	106.50	1,977,500,000
2006	106.50	1,872,100,000

⁽¹⁾ The reduced distribution per security in the Financial Year (64 cents) compared with 2009 (94 cents) despite an increase in Operational segment earnings per security resulted from implementation by the Group of a new distribution policy first communicated to the market in the first half of 2009. The revised policy (applicable to the Financial Year) is to distribute between 70% – 75% of Operational segment earnings. The introduction of that policy in the Financial Year resulted in retained operational earnings in that year of \$599 million (2009: distributed retained earnings of \$40.5 million). The Group's distribution policy was further amended following implementation of the Westfield Retail Trust transaction. That amended distribution policy will apply from the 2011 financial year.

7.5.4 WDC security price

Movement in the Westfield Group's security price for the last five financial years is shown in the chart below. The drop in the price in December 2010 is attributable to the Westfield Retail Trust transaction which included an in-specie distribution by the Group to its members. The aggregate distribution to members during the period 1 January 2006 to 31 December 2010 was \$4.77 per security.

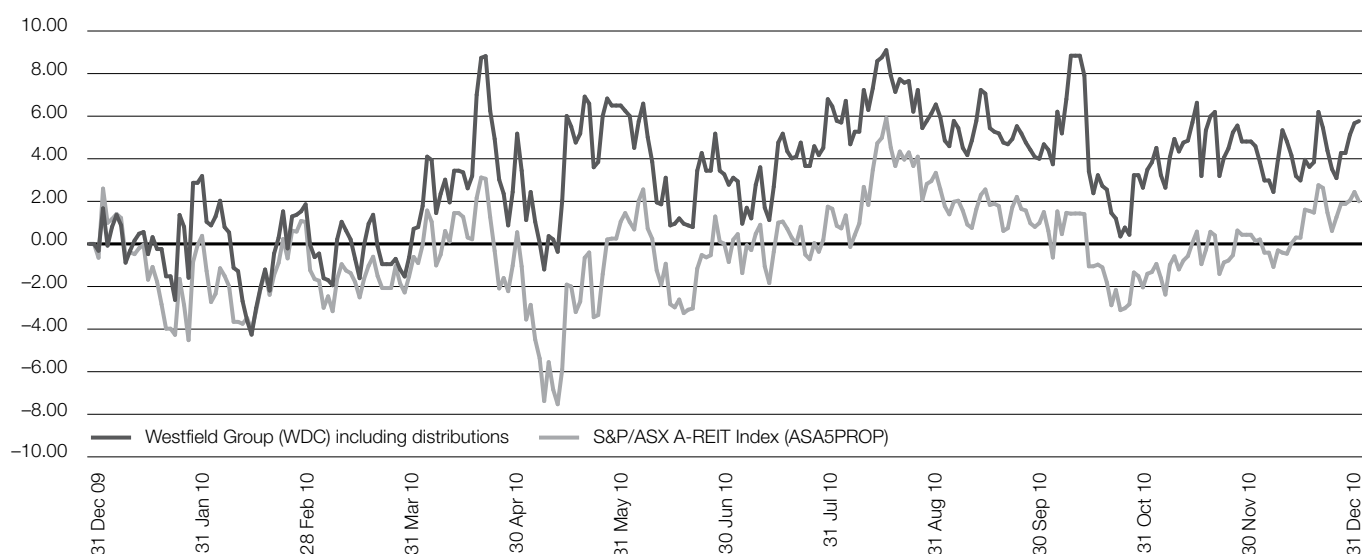


Source: Weblink

7.5.5 Performance against S&P/ASX A-REIT Index 1 January 2010 – 31 January 2011

The Westfield Group is included in the S&P/ASX A-REIT Index with a weighting of approximately 30.38% of that index as at 4 January 2011.

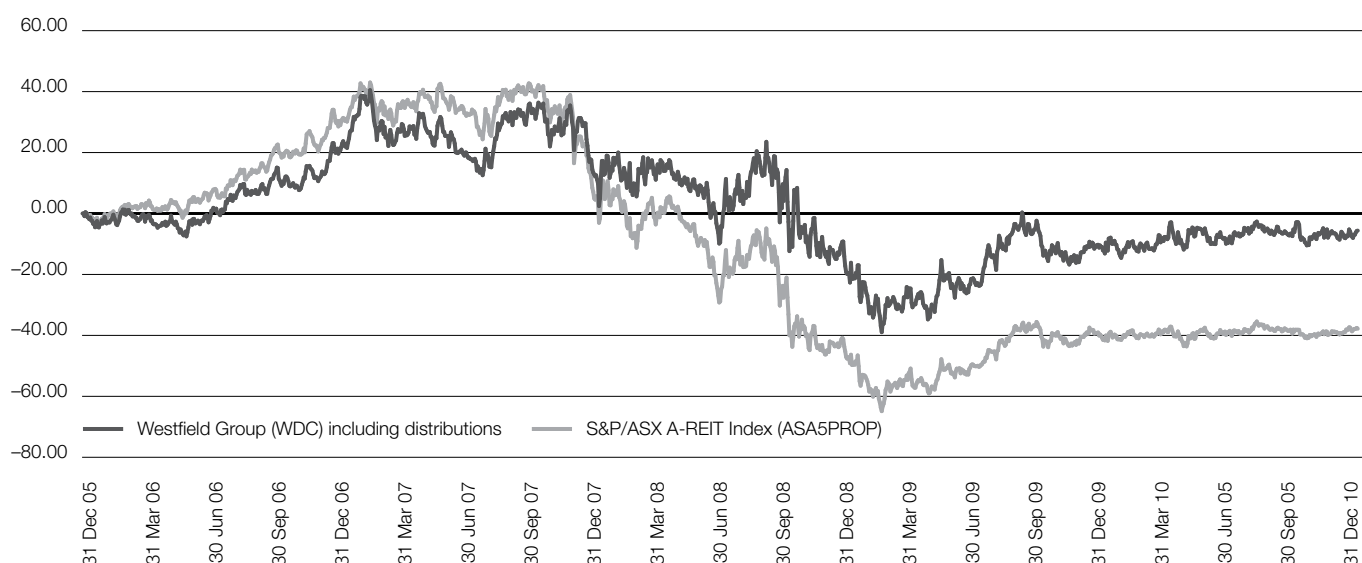
The chart below shows the performance of the Group against the S&P/ASX A-REIT Index from 1 January 2010 to 31 January 2011. That chart demonstrates our performance by the Group against that Index for the Financial Year. Importantly, given that the Westfield Group is a major component of that Index, the relative performance of the Group against the Index (excluding the Westfield Group) would be significantly improved over that shown in the chart. This also applies to the longer term comparison as shown in the chart at section 7.5.6.



Source: Bloomberg

7.5.6 Performance against S&P/ASX A-REIT Index since 1 January 2006 – 31 January 2011

As evidenced by the chart below, the performance of the Westfield Group has approximated the movements in the Index for much of the last four years, with a significant out performance by the Group over the past year.



Source: Bloomberg

7.6 Remuneration of the Executive Directors

At the date of this report, there were three Executive Directors in office, Mr Frank Lowy, Executive Chairman and the Group Managing Directors, Mr Peter Lowy and Mr Steven Lowy.

The remuneration of the Executive Directors is determined by the Board, acting on recommendations made by the Remuneration Committee.

The Group's remuneration practices are regularly benchmarked against its competitors in all markets. In making recommendations to the Board, the Remuneration Committee takes into account advice from independent consultants and advisers on domestic and international trends in remuneration for Executive Directors. In arriving at recommendations, the advisers consider a wide range of factors including the Westfield Group's financial profile, the complexity and geographic spread of its business and the size and scope of the workload and responsibilities assumed by the Executive Directors.

Directors' Report (continued)

7.6.1 Executive Chairman

The term of Mr Frank Lowy's service contract expired 31 December 2010 and was extended on the same terms until 31 December 2011. These arrangements are renewable by agreement between the parties at the end of that period. Mr Lowy does not have a Service Agreement (as referred to in section 7.7.1).

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

- (a) a base salary of \$8 million;
- (b) an annual performance bonus of \$7 million; and
- (c) other benefits as detailed in the table below. The Chairman's entitlement to these non monetary benefits has not changed from previous financial years.

Mr Lowy's total remuneration for the Financial Year increased by approximately 6.9% primarily as a consequence of achieving 100% of his target performance bonus for the Financial Year.

Mr Lowy does not participate in the Group's equity linked incentive plans.

Mr Lowy's service contract does not contain provision for any payment on termination by the Group (with or without cause) other than the retirement benefit referred to below. Mr Lowy will also be entitled to accrued statutory entitlements with respect to annual and long service leave.

The performance hurdles for the payment of Mr Lowy's bonus were the same performance hurdles as those applied to the 2010 Qualifying Year hurdles for the PIP Plan (see section 7.3.3). Mr Lowy's performance bonus was paid at 100% of target.

Mr Lowy's service arrangements provide for a retirement benefit of one month's salary for each year of service on termination of his services. This benefit will continue to be calculated based on his salary in the 2003/2004 year (increased annually by CPI) and not the higher amount payable in accordance with the post merger arrangements.

The amount accrued for the Financial Year was \$101,588 (2009: \$67,679). The amount payable to Mr Lowy on retirement from his executive role on 25 May 2011 is \$2,208,292. That amount (along with any accrued statutory entitlements) has been fully provided for in the Group's accounts and disclosed in prior financial years.

In setting Mr Lowy's remuneration, a wide variety of matters are taken into account.

The Remuneration Committee has taken external advice from the Group's human resources consultants and has commissioned a report from Egan Associates regarding the level of Mr Lowy's remuneration compared with Australian and international chief executive officers. That external advice is considered in detail by the Remuneration Committee in making its recommendations to the Board.

The Remuneration Committee and the Board have particular regard to Mr Lowy's status as one of Australia's most respected and influential chief executive officers. As a founder of the Westfield Group and having occupied the position of Managing Director/Chief Executive Officer since its inception, Mr Lowy is regarded in Australia and internationally as an outstanding and unique Chief Executive Officer who has presided, for over 50 years, over the growth of a global retail business.

Mr Lowy's knowledge, not only of the Westfield Group and its corporate history, but of the broader industry in which the Group operates globally, is broadly acknowledged. With 51 years direct experience in the design, construction and management of shopping centres and associated fund and asset management, Mr Lowy's experience and reputation is unrivalled in the global retail property industry.

The Board also had regard to the fact that Mr Lowy does not participate in the Group's equity linked incentive plans and has not done so over the past 21 years. Given Mr Lowy's significant holdings in the Westfield Group over time, the Remuneration Committee and the Board have, over that period, been satisfied that there is appropriate alignment between Mr Lowy's interest and those of shareholders despite the fact that Mr Lowy does not participate in those Plans. Rather, the vast majority of Mr Lowy's remuneration is paid in cash and is fully disclosed below.

The summary below outlines Mr Lowy's fixed and at risk remuneration for the Financial Year. Based on the independent advice received by the Remuneration Committee and the Board, and having regard to the unique circumstances applicable to Mr Lowy, the Board regards this remuneration as reasonable and appropriate.

The Board has announced that, as from the Annual General Meeting on 25 May 2011, Mr Lowy will assume the role of Non-Executive Chairman. It is proposed that Mr Lowy be paid a fee of \$750,000 per annum in that role.

Component of remuneration	A\$ 2010	A\$ 2009	A\$ 2008	A\$ 2007	A\$ 2006
<i>Short term employee benefits</i>					
– Base salary ⁽¹⁾	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
Fixed					
– Cash bonus (accrued)	7,000,000 ⁽²⁾	5,950,000	7,000,000	7,000,000	5,500,000
At risk					
– Other short term employee benefits ⁽³⁾	(26,100)	11,693	24,657	1,351	42,554
Fixed					
– Non monetary benefits ⁽⁴⁾	889,414	902,584	1,054,041	817,421	756,737
Fixed					
<i>Post employment employee benefits</i>					
– Pension and superannuation benefits	–	–	–	–	–
Fixed					
– Retirement benefits ⁽⁵⁾	101,588	67,679	126,062	66,506	88,906
<i>Other long term benefits</i>	–	–	–	–	–
<i>Termination benefits</i>	–	–	–	–	–
<i>Share based payments⁽⁶⁾</i>	–	–	–	–	–
Total remuneration	15,964,902	14,931,956	16,204,760	15,885,278	14,388,197

⁽¹⁾ Mr Lowy's base salary is inclusive of statutory superannuation contributions.

⁽²⁾ Mr Lowy's bonus for the Financial Year was 100% of his targeted bonus (2009: 85%). No part of this bonus is payable in respect of any future financial year.

⁽³⁾ Comprising annual leave and long service leave entitlements.

⁽⁴⁾ Other benefits comprise usage of the Group's aircraft which is classified as private usage (\$886,504). The entitlement to private usage of the Group's aircraft by Mr Lowy is up to a maximum of 75 hours per annum. The value of private usage (including fringe benefits tax) in any year is disclosed as remuneration. Unused entitlements are carried forward to future periods. During the current and the previous financial year, the Chairman, for each year, waived 20 hours of his entitlement to 75 hours of private usage of the aircraft.

⁽⁵⁾ Mr Lowy's service arrangements provide for a retirement benefit of one month's salary for each year of service on termination of his services. This benefit is calculated based on his salary in the 2003/2004 year (increased annually by CPI) and not the higher amount payable in accordance with the post merger arrangements.

⁽⁶⁾ The Chairman does not participate in the Group's equity linked incentive plans. He was not paid or entitled to any share based compensation in the Financial Year.

7.6.2 Group Managing Directors

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

Mr Peter Lowy

- Has been with the Group since 1983.
- Has resided in the United States since 1990.
- All aspects of Mr Lowy's remuneration are reviewed annually by the Remuneration Committee and the Board. To assist in that review, an external review is conducted by Egan Associates to determine the appropriate level of remuneration having regard to a wide range of factors including the specific responsibilities attached to the position, remuneration of executives within Australian and international REITs (and other comparable industries) and other matters relating specifically to Westfield.
- Base salary of US\$2.5 million per annum for the Financial Year.
- Mr Lowy's performance bonus was paid at 100% of target for the Financial Year (2009: 85%). That level of vesting is consistent with the performance bonus paid to the Executive Chairman.
- Mr Lowy qualified for awards under the PIP Plan (see sections 7.3.3 and 7.4.3) at 125% of target for the 2010 Qualifying Year (2009: 85%).
- Details of Mr Lowy's Service Agreement with the Group, including termination entitlements are set out in section 7.7.1. Following the proposed assumption by Mr Lowy of the role of joint Chief Executive Officer, there will not be any change to Mr Lowy's contractual terms including his current remuneration for the 2011 financial year.

The summary below outlines Mr Peter Lowy's fixed and at risk remuneration for the Financial Year.

Component of remuneration ⁽¹⁾	US\$ 2010	US\$ 2009	US\$ 2008	US\$ 2007	US\$ 2006
<i>Short term employee benefits</i>					
– Base salary	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Fixed					
– Cash bonus (accrued)	3,360,000 ⁽²⁾	2,850,000	3,360,000	3,531,600	2,300,000
At risk					
– Other short term employee benefits ⁽³⁾	–	–	89,346	(123,798)	221,037
Fixed					
– Non monetary benefits					
Fixed					
<i>Total short term employee benefits</i>	5,860,000	5,350,000	5,949,346	5,907,802	5,021,037
<i>Post employment employee benefits</i>					
– Pension and superannuation benefits	–	–	–	–	–
<i>Share based payments ⁽⁴⁾</i>					
– Cash settled EDA/PIP Plan (at risk)	2,755,051	1,507,787	1,100,308	2,651,522	1,857,666
<i>Other long term benefits</i>	–	–	–	–	–
Total remuneration	8,615,051	6,857,787	7,049,654	8,559,324	6,878,703

⁽¹⁾ As Mr Peter Lowy is based in the United States his remuneration is disclosed in local US currency.

⁽²⁾ Mr Lowy's bonus for the Financial Year was 100% of his targeted bonus (2009: 85%). No part of this bonus is payable in respect of any future financial year.

⁽³⁾ Comprising annual leave entitlements.

⁽⁴⁾ Mr Lowy does not hold any options or other equity instruments as part of his remuneration. Mr Lowy does not participate in the EPR Plan or PIR Plan. Refer to the tables at 7.6.3 and 7.6.4 for details of awards held by Mr Lowy under the EDA Plan and PIP Plan.

Directors' Report (continued)

Mr Steven Lowy

- Has been with the Group since 1987.
- All aspects of Mr Lowy's remuneration are reviewed annually by the Remuneration Committee and the Board. To assist in that review, an external review is conducted by Egan Associates to determine the appropriate level of remuneration having regard to a wide range of factors including the specific responsibilities attached to the position, remuneration of executives within Australian and international REITs (and other comparable industries) and other matters relating specifically to Westfield.
- Base salary of A\$2.5 million per annum for the Financial Year.
- Mr Lowy's performance bonus was paid at 100% of target for the Financial Year (2009: 85%). That level of vesting is consistent with the performance bonus paid to the Executive Chairman.
- Mr Lowy qualified for awards under the PIP Plan (see sections 7.3.3 and 7.4.3) at 125% of target for the 2010 Qualifying Year (2009: 85%).
- Details of Mr Lowy's Service Agreement with the Group including termination entitlements are set out in section 7.7.1. Following the proposed assumption by Mr Lowy of the role of joint Chief Executive Officer, there will not be any change to Mr Lowy's contractual terms including his current remuneration for the 2011 financial year.

The summary below outlines Mr Steven Lowy's fixed and at risk remuneration for the Financial Year.

Component of remuneration ⁽¹⁾	A\$ 2010	A\$ 2009	A\$ 2008	A\$ 2007	A\$ 2006
<i>Short term employee benefits</i>					
– Base salary ⁽²⁾	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Fixed					
– Cash bonus (accrued)	4,000,000 ⁽³⁾	3,400,000	4,000,000	4,000,000	3,000,000
At risk					
– Other short term employee benefits ⁽⁴⁾	(73,718)	(141,025)	89,743	70,513	446,346
Fixed					
– Non monetary benefits	–	–	–	–	–
Fixed					
<i>Total short term employee benefits</i>	6,426,282	5,758,975	6,589,743	6,570,513	5,946,346
<i>Post employment employee benefits</i>					
– Pension and superannuation benefits	–	–	–	–	–
<i>Share based payments⁽⁵⁾</i>					
– Cash settled EDA/PIP Plan (at risk)	2,995,272	1,888,038	1,279,726	3,161,090	2,465,383
<i>Other long term benefits</i>	–	–	–	–	–
Total remuneration	9,421,554	7,647,013	7,869,469	9,731,603	8,411,729

⁽¹⁾ As Mr Steven Lowy is based in Australia his remuneration is disclosed in A\$.

⁽²⁾ Mr Lowy's base salary is inclusive of statutory superannuation contributions.

⁽³⁾ Mr Lowy's bonus for the Financial Year was 100% of his targeted bonus (2009: 85%). No part of this bonus is payable in respect of any future financial year.

⁽⁴⁾ Comprising annual leave and long service leave entitlements.

⁽⁵⁾ Mr Lowy does not hold any options or other equity instruments as part of his remuneration. Mr Lowy does not participate in the EPR Plan or the PIR Plan. Refer to the tables at 7.6.3 and 7.6.4 for details of awards held by Mr Lowy under the EDA Plan and the PIP Plan.

7.6.3 Group Managing Directors: participation in the EDA Plan

The following chart details awards under the EDA Plan held by the Group Managing Directors.

Executive	Date of Grant	Number of Awards at Grant Date	Vesting Date	Reinvest-ment Awards ⁽¹⁾	Adjustment Awards ⁽²⁾	Total Awards Held/Issued	Fair Value at Grant ⁽³⁾ \$	Market Value at 28 Feb 2011 ⁽⁴⁾ \$	Performance Hurdles
Peter Lowy	1 Jan 2007	43,928	1 Jan 2010 ⁽⁵⁾	9,652	N/A	53,580	984,562	N/A	N/A
Group	1 Jan 2008	49,912	15 Dec 2010 ⁽⁶⁾	11,810	N/A	61,722	916,164	N/A	N/A
Managing	1 Jan 2009	84,661	15 Dec 2011	13,913	27,601	126,175	971,690	1,230,206	N/A
Director	1 Jan 2010	82,656	14 Dec 2012	N/A	23,144	105,800	864,582	1,031,550	N/A
Steven Lowy	1 Jan 2007	43,928	1 Jan 2010 ⁽⁵⁾	9,652	N/A	53,580	984,562	N/A	N/A
Group	1 Jan 2008	49,912	15 Dec 2010 ⁽⁶⁾	11,810	N/A	61,722	916,164	N/A	N/A
Managing	1 Jan 2009	84,661	15 Dec 2011	13,913	27,601	126,175	971,690	1,230,206	N/A
Director	1 Jan 2010	82,656	14 Dec 2012	N/A	23,144	105,800	864,582	1,031,550	N/A

⁽¹⁾ Aggregate figure in relation to the notional reinvestment of distributions for the distributions paid in February and August of 2007, 2008, 2009 and 2010. The notional reinvestment of distributions feature of the EDA Plan does not apply to awards granted on or after 1 January 2010. Rather, the number of awards has been adjusted to include an amount being an estimate of the distributions payable on a Westfield Group stapled security over the vesting period.

⁽²⁾ To take into account the impact of the Westfield Retail Trust transaction, the number of awards has been adjusted by a factor of 1.28 as per a formula reviewed by Ernst & Young and approved by the ASX. The number of adjustment awards is an adjustment on the total of the awards at grant date and the reinvestment awards. Other than the adjustment to the number of awards, there has been no alteration to the terms of the grant to either of the Group Managing Directors under the EDA Plan since the grant date.

⁽³⁾ The fair value of the awards issued under the EDA Plan is based on the estimated fair value of earnings. This is calculated by discounting the total value of the anticipated impact of future distributions and share price movements. The fair value of awards granted under the EDA plan on or after 1 January 2010 is calculated using the Black Scholes pricing methodology. The fair value of the awards issued under the EDA Plan is calculated on the assumption that the employee remains employed with the Group for the full term of the EDA Plan.

⁽⁴⁾ The market value at 28 February 2011 is based on the closing price of \$9.75.

⁽⁵⁾ These awards vested (and were paid) in January 2010. The payout amount was \$646,175 for each Group Managing Director.

⁽⁶⁾ These awards vested (and were paid) in December 2010. The payout amount was \$750,540 for each Group Managing Director.

7.6.4 Group Managing Directors: participation in the PIP Plan

The following chart details awards under the PIP Plan held by the Group Managing Directors.

Executive	Date of Grant	Number of Awards at Grant Date	Vesting Date	Reinvest-ment Awards ⁽¹⁾	Adjustment Awards ⁽²⁾	Total Awards Held/ Issued	Fair Value at Grant ⁽³⁾ \$	Market Value at 28 Feb 2011 ⁽⁴⁾ \$	Performance Hurdles
Peter Lowy Group Managing Director	1 Jan 2006	55,732	55,732: 01/01/10 ⁽⁵⁾	16,479	N/A	72,211	1,117,684	N/A	Satisfied
	1 Jan 2007	100,925	50,463: 01/01/10 ⁽⁶⁾ 50,462: 01/01/11 ⁽⁷⁾	11,088 15,069	N/A 18,349	61,551 83,880	1,107,759 1,200,073	N/A N/A	Satisfied
	1 Jan 2008	103,360	51,680: 15/12/10 ⁽⁸⁾ 51,680: 15/12/11	12,227 12,227	N/A 17,894	63,907 81,801	1,139,785 1,247,481	N/A 797,560	Satisfied
	1 Jan 2009	117,440	58,720: 15/12/11 58,720: 14/12/12	19,300	38,288	175,028	2,059,746	1,706,523	Satisfied
	1 Jan 2010	224,809 ⁽⁹⁾	108,442: 14/12/12 116,367: 16/12/13	N/A	62,947	287,756	1,712,306	2,805,621	85% Satisfied
	1 Jan 2011	246,036 ⁽¹⁰⁾	120,264: 16/12/13 125,772: 15/12/14	N/A	68,890	314,926	2,395,123	3,070,529	125% Satisfied
Steven Lowy Group Managing Director	1 Jan 2006	55,732	55,732: 01/01/10 ⁽⁵⁾	16,479	N/A	72,211	1,117,684	N/A	Satisfied
	1 Jan 2007	100,925	50,463: 01/01/10 ⁽⁶⁾ 50,462: 01/01/11 ⁽⁷⁾	11,088 15,069	N/A 18,349	61,551 83,880	1,107,759 1,200,073	N/A N/A	Satisfied
	1 Jan 2008	103,360	51,680: 15/12/10 ⁽⁸⁾ 51,680: 15/12/11	12,227 12,227	N/A 17,894	63,907 81,801	1,139,785 1,247,481	N/A 797,560	Satisfied
	1 Jan 2009	117,440	58,720: 15/12/11 58,720: 14/12/12	19,300	38,288	175,028	2,059,746	1,706,523	Satisfied
	1 Jan 2010	224,809 ⁽⁹⁾	108,442: 14/12/12 116,367: 16/12/13	N/A	62,947	287,756	1,712,306	2,805,621	85% Satisfied
	1 Jan 2011	246,036 ⁽¹⁰⁾	120,264: 16/12/13 125,772: 15/12/14	N/A	68,890	314,926	2,395,123	3,070,529	125% Satisfied

⁽¹⁾ Aggregate figure in relation to the notional reinvestment of distributions for the distributions paid in February and August of 2006, 2007, 2008, 2009 and 2010. The notional reinvestment of distributions feature of the PIP Plan does not apply to awards granted on or after 1 January 2010. Rather, the number of awards has been adjusted to include an amount being an estimate of the distributions payable on a Westfield Group stapled security over the vesting period.

⁽²⁾ To take into account the impact of the Westfield Retail Trust transaction, the number of awards has been adjusted by a factor of 1.28 as per a formula reviewed by Ernst & Young and approved by the ASX. The number of adjustment awards is an adjustment on the total of the awards at grant date and the reinvestment awards. Other than the adjustment to the number of awards, there has been no alteration to the terms of the grant to either of the Group Managing Directors under the EDA Plan since the grant date.

⁽³⁾ The fair value of the awards issued under the PIP Plan is based on the estimated fair value of earnings. This is calculated by discounting the total value of the anticipated impact of future distributions and share price movements. The fair value of awards granted under the PIP plan on or after 1 January 2010 is calculated using the Black Scholes pricing methodology and calculated on the assumption that the employee remains employed with the Group for the full term of the PIP Plan.

⁽⁴⁾ The market value at 28 February 2011 is based on the closing price of \$9.75.

⁽⁵⁾ These tranche 2 awards vested (and were paid). The payout amount was \$870,865 for each Group Managing Director.

⁽⁶⁾ This number represents 50% of the original number of the awards, as awards under the PIP Plan vest in two tranches. These awards are tranche 1 of the awards first granted in 2007. Tranche 1 vested on 1 January 2010. The payout amount was \$742,305 for each Group Managing Director.

⁽⁷⁾ These tranche 2 awards vested (and were paid). The payout amount was \$821,185 for each Group Managing Director.

⁽⁸⁾ These tranche 2 awards vested (and were paid). The payout amount was \$777,109 for each Group Managing Director.

⁽⁹⁾ As the Qualifying Hurdles were only satisfied to 85%, 169,323 base awards were granted. The difference of 55,486 represents a gross up of awards for an adjustment for future distributions. See note 1 above. If the Qualifying Hurdles for 2009 were met in full the Managing Directors would have entitled to 264,480 awards (including gross up of future distributions).

⁽¹⁰⁾ As the Qualifying Hurdles were satisfied to 125%, 207,469 base awards were granted. The difference of 38,567 represents a gross up of awards for an adjustment for future distributions. See note 1 above.

7.7 Executive remuneration and termination arrangements

7.7.1 Service agreements and termination arrangements

This report incorporates details of the Specified Executives, being the executives (other than the Directors) numbering at least five, who received the highest remuneration for the Financial Year.

Mr Peter Allen, Group Chief Financial Officer and each of Mr Michael Gutman, Mr Robert Jordan (as Managing Directors of the UK and Europe, and Australia and New Zealand, respectively) and Mr John Widdup (Chief Operating Officer, United States) are also the Key Management Personnel as defined under AASB 124. Mr Peter Leslie (Senior Executive Vice President – Leasing) who relocated to the United States from Australia in 2009 is also disclosed as a Specified Executive.

In 2009, the Group entered into Service Agreements with the Group Managing Directors and each of the Specified Executives. Previously, none of these executives had written contracts. Rather, their employment was managed in accordance with well established policies and procedures developed by the Group over time. The Service Agreements entered into between the Group and each of these executives are in a common form and are consistent with those policies and procedures.

The Service Agreements outline the elements of remuneration which may be conferred on the executive during their period of employment by the Group (including base salary, performance bonus and participation in the Group's equity linked incentive plans). The agreement is silent on the details of that remuneration. Those details are determined annually by the Board and advised to the executive by letter.

The Service Agreements do not have a fixed term. They may be terminated by the Group employer at any time by giving the relevant executive one month's notice. The executive may terminate the contract at any time by giving the Group three month's notice.

Payments to the executive on termination are also common to each Service Agreement. The principles applicable to termination payment by the Group, as applied by the Group prior to execution of the Service Agreements and now reflected in those Service Agreements, are as follows:

(a) Resignation (excluding retirement) and termination by the Group for cause

An executive who resigns from the Group to pursue other opportunities or who is dismissed by the Group for cause (broadly defined to include serious misconduct, fraud or dishonest conduct or a refusal to comply with lawful directions) is entitled to minimal benefits on termination.

The executive is entitled only to accrued base salary and statutory entitlements to the date of departure. Payment of a pro-rata bonus for the relevant year may be considered in exceptional circumstances. All unvested entitlements under the Group's equity linked incentive plans are forfeited, without payment, on termination.

(b) Redundancy or termination by the Group (other than for cause)

An executive made redundant by the Group or who is terminated without cause is entitled to receive:

- accrued statutory entitlements;
- a pro-rata performance bonus to the date of termination;
- a redundancy payment of between twelve and twenty four months base salary depending on the length of service of the executive plus one month's base salary in lieu of notice; and
- pro-rata vesting of outstanding awards under the Group's equity linked incentive plans (excluding any awards which lapsed as a consequence of a failure to satisfy a performance hurdle).

(c) Death or permanent disability

If an executive dies or suffers a permanent disability during the term of employment the entitlements payable to that executive (or the estate of that executive) are as follows:

- accrued statutory entitlements;
- a pro-rata performance bonus to the date of termination; and
- full vesting of outstanding awards under the Group's equity linked incentive plans (excluding any awards which lapsed as a consequence of a failure to satisfy a performance hurdle) other than "retention awards" which vest pro-rata to the date of termination.

(d) Retirement

The Group recognises that if an executive satisfies the retirement conditions (see below), the termination of the employment should be treated in a different manner to a resignation in the ordinary course.

Provided an executive has reached the age of 55 years with at least 5 years continuous service or the aggregate of the age of the participant and the number of years of service with the Group is equal to or greater than 70, the executive will be entitled to the following benefits:

- accrued statutory entitlements;
- a pro-rata performance bonus to the date of retirement; and
- the right to continue in the Group's equity linked incentive plans until the date of vesting of outstanding awards granted prior to the date of retirement (excluding any awards which lapsed as a consequence of a failure to satisfy a performance hurdle) or, in circumstances where continued participation in the Plans is not permitted under the terms of the Plans, the executive is entitled to a cash payment from the Group equal to the amount that would have been received had the executive been permitted to continue in the Plans.

Where permitted by law, the Group imposes a further requirement that, following retirement, the executive complies with certain continuing non compete obligations which, if not satisfied, will result in forfeiture of all awards then outstanding.

The Remuneration Committee and the Board believe that these policies provide appropriate incentives (and disincentives) on termination which balances the interests of the Group and its members with the policy objective of providing commercially reasonable payments to executives which reflect the circumstances of their departure. As has been noted above, the retention of senior executives is a key objective of the Group. It is also an objective of the Board to keep long serving executives participating in the equity linked incentive plans right up to the point of their retirement. The Board believes that the policies described above assist in achieving those objectives.

The table below outlines the terms of the service contracts with Specified Executives.

Name and Title	Employing Company	Commencement Date	Term	Termination Provisions/Benefits
Peter Allen Group Chief Financial Officer	Westfield Limited	4 March 1996	Mr Allen's contract continues in force until terminated by either party in accordance with its terms. This includes: <ul style="list-style-type: none"> – the Group may in its discretion terminate Mr Allen's employment on one month's notice of termination – the Group may summarily terminate Mr Allen's employment for cause – Mr Allen may terminate his employment on three month's notice to the Group 	Refer section 7.7.1
Michael Gutman Managing Director, UK and Europe	Westfield Limited	22 September 1993	Mr Gutman's contract continues in force until terminated by either party in accordance with its terms. This includes: <ul style="list-style-type: none"> – the Group may in its discretion terminate Mr Gutman's employment on one month's notice of termination – the Group may summarily terminate Mr Gutman's employment for cause – Mr Gutman may terminate his employment on three month's notice to the Group 	Refer section 7.7.1
Robert Jordan Managing Director, Australia and New Zealand	Westfield Limited	24 August 1987	Mr Jordan's contract continues in force until terminated by either party in accordance with its terms. This includes: <ul style="list-style-type: none"> – the Group may in its discretion terminate Mr Jordan's employment on one month's notice of termination – the Group may summarily terminate Mr Jordan's employment for cause – Mr Jordan may terminate his employment on three month's notice to the Group 	Refer section 7.7.1
Peter Leslie Senior Executive Vice President Leasing, United States	Westfield LLC	1 October 2001	Mr Leslie's contract continues in force until terminated by either party in accordance with its terms. This includes: <ul style="list-style-type: none"> – the Group may in its discretion terminate Mr Leslie's employment on one month's notice of termination – the Group may summarily terminate Mr Leslie's employment for cause – Mr Leslie may terminate his employment on three month's notice to the Group 	Refer section 7.7.1
John Widdup Chief Operating Officer, United States	Westfield LLC	5 April 1994	Mr Widdup's contract continues in force until terminated by either party in accordance with its terms. This includes: <ul style="list-style-type: none"> – the Group may in its discretion terminate Mr Widdup's employment on one month's notice of termination – the Group may summarily terminate Mr Widdup's employment for cause – Mr Widdup may terminate his employment on three month's notice to the Group 	Refer section 7.7.1

Directors' Report (continued)

7.7.2 Remuneration: Specified Executives

The remuneration of the Specified Executives summarised in the tables below.

Mr Peter Allen: Fixed and at risk remuneration for the Financial Year.

Component of remuneration ⁽¹⁾	A\$ 2010	A\$ 2009	A\$ 2008	A\$ 2007	A\$ 2006
<i>Short term employee benefits</i>					
– Base salary ⁽²⁾	1,200,000	1,200,000	1,200,000	1,000,000	900,000
Fixed					
– Cash bonus (accrued)	1,700,000 ⁽³⁾	1,200,000	1,200,000	1,500,000	1,000,000
At risk					
– Other short term employee benefits ⁽⁴⁾	43,076	(19,231)	188,508	88,871	53,729
Fixed					
– Non monetary benefits	–	–	–	–	–
Fixed					
<i>Total short term employee benefits</i>	2,943,076	2,380,769	2,588,508	2,588,871	1,953,729
<i>Post employment employee benefits</i>					
– Pension and superannuation benefits	–	–	–	–	–
<i>Share based payments ⁽⁵⁾</i>					
– Cash settled EDA/PIP Plan (at risk)	948,637	187,975	699,661	3,276,389	3,005,620
– Equity settled EPR/PIR Plan (at risk)	1,067,602	1,067,602	547,719	–	–
<i>Other long term benefits</i>	–	–	–	–	–
Total remuneration	4,959,315	3,636,346	3,835,888	5,865,260	4,959,349

⁽¹⁾ As Mr Allen is based in Australia his remuneration is disclosed in A\$.

⁽²⁾ Mr Allen's base salary is inclusive of statutory superannuation contributions.

⁽³⁾ Mr Allen's bonus for the Financial Year was 100% of his targeted bonus. Mr Allen also received a project bonus. No part of this bonus is payable in respect of any future financial year.

⁽⁴⁾ Comprising annual leave and long service leave entitlements.

⁽⁵⁾ Refer to the tables in section 7.7.3 to 7.7.6.

Mr Michael Gutman: Fixed and at risk remuneration for the Financial Year.

Component of remuneration ⁽¹⁾	A\$ 2010	A\$ 2009	A\$ 2008	A\$ 2007	A\$ 2006
<i>Short term employee benefits</i>					
– Base salary ⁽²⁾	1,200,000	1,200,000	1,200,000	955,110	988,937
Fixed					
– Cash bonus (accrued)	1,200,000 ⁽³⁾	1,200,000	1,200,000	1,552,053	1,222,195
At risk					
– Other short term employee benefits ⁽⁴⁾	19,230	19,230	78,242	28,010	38,939
Fixed					
– Non monetary benefits ⁽⁵⁾	228,764	282,342	691,971	952,019	800,464
Fixed					
<i>Total short term employee benefits</i>	2,647,994	2,701,572	3,170,213	3,487,192	3,050,535
<i>Post employment employee benefits</i>					
– Pension and superannuation benefits	–	–	–	–	–
<i>Share based payments ⁽⁶⁾</i>					
– Cash settled EDA/PIP Plan (at risk)	842,212	187,135	708,720	3,123,099	2,935,517
– Equity settled EPR/PIR Plan (at risk)	902,268	902,268	482,582	–	–
<i>Other long term benefits</i>	–	–	–	–	–
Total remuneration	4,392,474	3,790,975	4,361,515	6,610,291	5,986,052

⁽¹⁾ Mr Gutman is based between Australia and the UK. As he is paid in A\$ his remuneration is disclosed in A\$.

⁽²⁾ Mr Gutman's base salary is inclusive of statutory superannuation contributions.

⁽³⁾ Mr Gutman's bonus for the Financial Year was 100% of his targeted bonus. No part of this bonus is payable in respect of any future financial year.

⁽⁴⁾ Comprising annual leave and long service leave entitlements.

⁽⁵⁾ Comprising normal expatriate benefits including medical benefits, accommodation, school fees, home leave plus fringe benefit tax on those benefits.

⁽⁶⁾ Refer to the tables in section 7.7.3 to 7.7.6.

Mr Robert Jordan: Fixed and at risk remuneration for the Financial Year.

Component of remuneration ⁽¹⁾	A\$ 2010	A\$ 2009	A\$ 2008	A\$ 2007	A\$ 2006
<i>Short term employee benefits</i>					
– Base salary ⁽²⁾	1,200,000	1,200,000	1,200,000	1,000,000	900,000
Fixed					
– Cash bonus (accrued)	1,200,000 ⁽³⁾	1,200,000	1,200,000	1,500,000	1,000,000
At risk					
– Other short term employee benefits ⁽⁴⁾	(19,033)	(3,078)	219,899	97,075	79,177
Fixed					
– Non monetary benefits	–	–	–	–	–
Fixed					
<i>Total short term employee benefits</i>	2,380,967	2,396,922	2,619,899	2,597,075	1,979,177
<i>Post employment employee benefits</i>					
– Pension and superannuation benefits	–	–	–	–	–
<i>Share based payments ⁽⁵⁾</i>					
– Cash settled EDA/PIP Plan (at risk)	843,215	187,975	715,082	3,184,914	2,869,256
– Equity settled EPR/PIR Plan (at risk)	907,425	907,425	469,441	–	–
<i>Other long term benefits</i>	–	–	–	–	–
Total remuneration	4,131,607	3,492,322	3,804,422	5,781,989	4,848,433

⁽¹⁾ As Mr Jordan is based in Australia his remuneration is disclosed in A\$.

⁽²⁾ Mr Jordan's base salary is inclusive of statutory superannuation contributions.

⁽³⁾ Mr Jordan's bonus for the Financial Year was 100% of his targeted bonus. No part of this bonus is payable in respect of any future financial year.

⁽⁴⁾ Comprising annual leave and long service leave entitlements.

⁽⁵⁾ Refer to the tables in section 7.7.3 to 7.7.6.

Mr Peter Leslie: Fixed and at risk remuneration for the Financial Year.

Component of remuneration ⁽¹⁾	US\$ 2010	US\$ 2009
<i>Short term employee benefits</i>		
– Base salary ⁽²⁾	750,000	707,797
Fixed		
– Cash bonus (accrued)	1,250,000 ⁽³⁾	1,150,000
At risk		
– Other short term employee benefits ⁽⁴⁾	15,637	31,486
Fixed		
– Non monetary benefits ⁽⁵⁾	495,998	279,610
Fixed		
<i>Total short term employee benefits</i>	2,511,635	2,168,893
<i>Post employment employee benefits</i>		
– Pension and superannuation benefits	–	–
<i>Share based payments ⁽⁶⁾</i>		
– Cash settled EDA/PIP Plan (at risk)	754,608	483,291
– Equity settled EPR/PIR Plan (at risk)	167,687	145,591
<i>Other long term benefits</i>	–	–
Total remuneration	3,433,930	2,797,776

⁽¹⁾ Mr Peter Leslie is based in the United States and his remuneration is disclosed in local US currency. Mr Leslie was not a Specified Executive in 2008. Accordingly, 2008 comparative information is not shown.

⁽²⁾ Base salary is inclusive of statutory superannuation contributions earned prior to Mr Leslie's expatriation to the US.

⁽³⁾ Mr Leslie's bonus for the Financial Year was 100% of his targeted bonus. No part of this bonus is payable in respect of any future financial year.

⁽⁴⁾ Comprising annual leave, and long service leave entitlements.

⁽⁵⁾ Comprising normal expatriate benefits including medical benefits, accommodation, home leave plus fringe benefit tax on those benefits.

⁽⁶⁾ Refer to the tables in section 7.7.3 to 7.7.6.

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

Component of remuneration ⁽¹⁾	US\$ 2010	US\$ 2009	US\$ 2008
<i>Short term employee benefits</i>			
– Base salary	800,000	800,000	800,000
– Cash bonus (accrued)	900,000 ⁽²⁾	700,000	800,000
– Other short term employee benefits ⁽³⁾	30,709	25,897	71,701
– Non monetary benefits ⁽⁴⁾	740,266	625,390	609,913
Total short term employee benefits	2,470,975	2,151,287	2,281,614
<i>Post employment employee benefits</i>			
– Pension and superannuation benefits	–	–	–
<i>Share based payments ⁽⁵⁾</i>			
– Cash settled EDA/PIP Plan (at risk)	802,040	526,877	432,205
– Equity settled EPR/PIR Plan (at risk)	637,782	553,743	596,178
<i>Other long term benefits</i>	–	–	–
Total remuneration	3,910,797	3,231,907	3,309,998

⁽¹⁾ Mr John Widdup is based in the United States and his remuneration is disclosed in local US currency. Mr Widdup was first classified as a Specified Executive in 2008.

⁽²⁾ Mr Widdup's bonus for the Financial Year was 100% of his targeted bonus (2009: 85%). No part of this bonus is payable in respect of any future financial year.

⁽³⁾ Comprising annual leave and long service leave entitlements.

⁽⁴⁾ Comprising normal expatriate benefits including medical benefits, accommodation, school fees, home leave plus fringe benefit tax on those benefits.

⁽⁵⁾ Refer to the tables in section 7.7.3 to 7.7.6.

7.7.3 Specified Executives: participation in the EDA Plan ⁽¹⁾

The following chart details awards under the EDA Plan held by Specified Executives.

Executive	Date of Grant	Number of Awards at Grant Date	Vesting Date	Reinvest-ment Awards ⁽²⁾	Adjustment Awards ⁽³⁾	Total Awards Held/ Issued	Fair Value at Grant ⁽⁴⁾ \$	Market Value at 28 Feb 2011 ⁽⁵⁾ \$	Performance Hurdles
Peter Allen ⁽⁶⁾	1 Jan 2006	288,355	1 Jan 2011 ⁽⁷⁾	109,398	111,371	509,124	6,786,595	N/A	N/A
Group Chief	1 Jan 2007	20,672	1 Jan 2010 ⁽⁸⁾	4,543	N/A	25,215	463,362	N/A	N/A
Financial Officer	1 Jan 2008	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	1 Jan 2009	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	1 Jan 2010	72,933	14 Dec 2012	N/A	20,421	93,354	762,879	910,201	N/A
Michael Gutman ⁽⁹⁾	1 Jan 2006	288,355	1 Jan 2011 ⁽¹⁰⁾	109,398	111,371	509,124	6,786,595	N/A	N/A
Managing Director, UK and Europe	1 Jan 2007	22,063	1 Jan 2010 ⁽¹¹⁾	4,851	N/A	26,914	494,531	N/A	N/A
	1 Jan 2008	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	1 Jan 2009	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	1 Jan 2010	48,622	14 Dec 2012	N/A	13,614	62,236	508,586	606,801	N/A
Robert Jordan ⁽¹²⁾	1 Jan 2006	288,355	1 Jan 2011 ⁽¹³⁾	109,398	111,371	509,124	6,786,595	N/A	N/A
Managing Director, Australia and New Zealand	1 Jan 2007	20,672	1 Jan 2010 ⁽¹⁴⁾	4,543	N/A	25,215	463,362	N/A	N/A
	1 Jan 2008	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	1 Jan 2009	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	1 Jan 2010	48,622	14 Dec 2012	N/A	13,614	62,236	508,586	606,801	N/A
Peter Leslie ⁽¹⁵⁾	1 Jan 2007	15,504	1 Jan 2010 ⁽¹⁶⁾	3,409	N/A	18,913	316,318	N/A	N/A
Senior Executive Vice President	1 Jan 2007	103,359	1 Jan 2012	30,858	37,581	171,798	2,162,382	1,675,030	N/A
Leasing, United States	1 Jan 2008	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	1 Jan 2009	38,563	15 Dec 2011	6,339	12,573	57,475	442,613	560,381	N/A
	1 Jan 2010	26,830	14 Dec 2012	N/A	7,512	34,342	280,642	334,834	N/A
John Widdup	1 Jan 2007	14,729	1 Jan 2010 ⁽¹⁷⁾	3,238	N/A	17,967	330,155	N/A	N/A
Chief Operating, Officer	1 Jan 2007	31,008	1 May 2010 ⁽¹⁸⁾	8,273	N/A	39,281	677,036	N/A	N/A
	1 Jan 2008	18,851	15 Dec 2010 ⁽¹⁹⁾	4,461	N/A	23,312	346,039	N/A	N/A
United States	1 Jan 2009	46,276	15 Dec 2011	7,606	15,087	68,969	531,141	672,448	N/A
	1 Jan 2010	32,196	14 Dec 2012	N/A	9,015	41,211	336,770	401,807	N/A

⁽¹⁾ In Australia and New Zealand, the issuer of awards under the EDA Plan is Westfield Holdings Limited. In the United States it is Westfield LLC and, in the United Kingdom, Westfield Shoppingtowns Limited.

⁽²⁾ Aggregate figure in relation to the notional reinvestment of distributions for the distributions paid in February and August 2006, 2007, 2008, 2009 and 2010. The notional reinvestment of distributions feature of the EDA Plan does not apply to awards granted on or after 1 January 2010. Rather, the number of awards has been adjusted to include an amount being an estimate of the distributions payable on a Westfield Group stapled security over the vesting period.

⁽³⁾ To take into account the impact of the Westfield Retail Trust transaction, the number of awards has been adjusted by a factor of 1.28 as per a formula reviewed by Ernst & Young and approved by the ASX. The number of adjustment awards is an adjustment on the total of the awards at grant date and the reinvestment awards. Other than the adjustment to the number of awards, there has been no alteration to the terms of the grant to the Specified Executives under the EDA Plan since the grant date.

⁽⁴⁾ The fair value of the awards issued under the EDA Plan is based on the estimated fair value of earnings. This is calculated by discounting the total value of the anticipated impact of future distributions and share price movements. The fair value of awards granted under the EDA plan on or after 1 January 2010 is calculated using the Black Scholes pricing methodology. The fair value of the awards issued under the EDA Plan is calculated on the assumption that the employee remains employed with the Group for the full term of the EDA Plan.

⁽⁵⁾ The market value at 28 February 2011 is based on the closing price of \$9.75.

⁽⁶⁾ In 2008 and 2009, Mr Allen participated in the EPR Plan. Refer table at 7.7.5.

⁽⁷⁾ These awards vested and have been paid. The payout amount was \$4,984,324.

⁽⁸⁾ These awards vested and have been paid. The payout amount was \$304,093.

⁽⁹⁾ In 2008 and 2009, Mr Gutman participated in the EPR Plan.

⁽¹⁰⁾ These awards vested and have been paid. The payout amount was \$4,984,324.

⁽¹¹⁾ These awards vested and have been paid. The payout amount was \$324,583.

⁽¹²⁾ In 2008 and 2009, Mr Jordan participated in the EPR Plan. Refer table at 7.7.5.

⁽¹³⁾ These awards vested and have been paid. The payout amount was \$4,984,324.

⁽¹⁴⁾ These awards vested and have been paid. The payout amount was \$304,093.

⁽¹⁵⁾ In 2008, Mr Leslie participated in the EPR Plan. Refer the table at 7.7.5.

⁽¹⁶⁾ These awards vested and have been paid. The payout amount was A\$228,091.

⁽¹⁷⁾ These awards vested and have been paid. The payout amount was A\$216,682.

⁽¹⁸⁾ These awards vested and have been paid. The payout amount was A\$481,978.

⁽¹⁹⁾ These awards vested and have been paid. The payout amount was A\$283,474.

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7.7.4 Specified Executives: participation in the PIP Plan ⁽¹⁾

The following chart details awards under the PIP Plan held by Specified Executives.

Executive	Date of Grant	Number of Awards at Grant Date	Vesting Date	Reinvest-ment Awards ⁽²⁾	Adjustment Awards ⁽³⁾	Total Awards Held/ Issued	Fair Value at Grant ⁽⁴⁾ \$	Market Value at 28 Feb 2011 ⁽⁵⁾ \$	Performance Hurdles
Peter Allen ⁽⁶⁾ Group Chief Financial Officer	1 Jan 2006	22,295	22,295: 01/01/10 ⁽⁷⁾	6,595	N/A	28,890	517,012	N/A	Satisfied
	1 Jan 2007	46,140	23,070: 01/01/10 ⁽⁸⁾	5,070	N/A	28,140	464,869	N/A	Satisfied
			23,070: 01/01/11 ⁽⁹⁾	6,890	8,389	38,349	503,609	N/A	Satisfied
	1 Jan 2008	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	1 Jan 2009	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	1 Jan 2010	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	1 Jan 2011	123,017 ⁽¹⁰⁾	60,131: 16/12/13 62,886: 15/12/14	N/A	34,445	157,462	1,197,552	1,535,254	125% Satisfied
Michael Gutman ⁽¹¹⁾ Managing Director, UK and Europe	1 Jan 2006	22,295	22,295: 01/01/10 ⁽¹²⁾	6,595	N/A	28,890	517,012	N/A	Satisfied
	1 Jan 2007	41,285	20,643: 01/01/10 ⁽¹³⁾	4,538	N/A	25,181	415,955	N/A	Satisfied
			20,642: 01/01/11 ⁽¹⁴⁾	6,167	7,507	34,316	450,617	N/A	Satisfied
	1 Jan 2008	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	1 Jan 2009	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	1 Jan 2010	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	1 Jan 2011	123,017 ⁽¹⁰⁾	60,131: 16/12/13 62,886: 15/12/14	N/A	34,445	157,462	1,197,552	1,535,254	125% Satisfied
Robert Jordan ⁽¹⁵⁾ Managing Director, Australia and New Zealand	1 Jan 2006	22,295	22,295: 01/01/10 ⁽¹⁶⁾	6,595	N/A	28,890	517,012	N/A	Satisfied
	1 Jan 2007	46,140	23,070: 01/01/10 ⁽¹⁷⁾	5,070	N/A	28,140	464,869	N/A	Satisfied
			23,070: 01/01/11 ⁽¹⁸⁾	6,890	8,389	38,349	503,609	N/A	Satisfied
	1 Jan 2008	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	1 Jan 2009	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	1 Jan 2010	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	1 Jan 2011	123,017 ⁽¹⁰⁾	60,131: 16/12/13 62,886: 15/12/14	N/A	34,445	157,462	1,197,552	1,535,254	125% Satisfied
Peter Leslie ⁽¹⁹⁾ Senior Executive Vice President Leasing, United States	1 Jan 2010	52,224 ⁽²⁰⁾	25,192: 14/12/12 27,032: 16/12/13	N/A	14,623	66,847	397,776	651,758	85% Satisfied
	1 Jan 2011	51,591 ⁽²¹⁾	25,218: 16/12/13 26,373: 15/12/14	N/A	14,445	66,036	502,231	643,851	125% Satisfied
John Widdup ⁽²²⁾ Chief Operating Officer, United States	1 Jan 2008	20,672	10,336: 15/12/10 ⁽²³⁾	2,448	N/A	12,784	217,442	N/A	Satisfied
			10,336: 15/12/11	2,448	3,580	16,364	214,146	159,549	Satisfied
	1 Jan 2009	25,134	12,567: 15/12/11 12,567: 14/12/12	4,132	8,194	37,460	440,923	365,235	Satisfied
	1 Jan 2010	44,962 ⁽²⁴⁾	21,689: 14/12/12 23,273: 16/12/13	N/A	12,589	57,551	342,463	561,122	85% Satisfied
	1 Jan 2011	49,208 ⁽²⁵⁾	24,053: 16/12/13 25,155: 15/12/14	N/A	13,778	62,986	479,032	614,113	125% Satisfied

- ⁽¹⁾ In Australia and New Zealand, the issuer of awards under the PIP Plan is Westfield Holdings Limited. In the United States it is Westfield LLC, and, in the United Kingdom, Westfield Shoppingtowns Limited.
- ⁽²⁾ Aggregate figure in relation to the notional reinvestment of distributions for the distributions paid in February and August 2006, 2007, 2008, 2009 and 2010. The notional reinvestment of distributions feature of the PIP Plan does not apply to awards granted on or after 1 January 2010. Rather, the number of awards has been adjusted to include an amount being an estimate of the distributions payable on a Westfield Group stapled security over the vesting period.
- ⁽³⁾ To take into account the impact of the Westfield Retail Trust transaction, the number of awards was adjusted by a factor of 1.28 in accordance with a formula reviewed by Ernst & Young and approved by the ASX. The number of adjustment awards is an adjustment on the total of the awards at grant date and the reinvestment awards. Other than the adjustment to the number of awards, there has been no alteration to the terms of the grant to the Specified Executives under the PIP Plan since the grant date.
- ⁽⁴⁾ The fair value of the awards issued under the PIP Plan is based on the estimated fair value of earnings. This is calculated by discounting the total value of the anticipated impact of future distributions and security price movements. The fair value of awards granted under the PIP plan on or after 1 January 2010 is calculated using the Black Scholes pricing methodology. The fair value of the awards issued under the PIP Plan is calculated on the assumption that the employee remains employed with the Group for the full term of the PIP Plan.
- ⁽⁵⁾ The market value at 28 February 2011 is based on the closing price of \$9.75.
- ⁽⁶⁾ In 2008, 2009 and the Financial Year, Mr Allen participated in the PIR Plan. Refer table at 7.7.6.
- ⁽⁷⁾ This second tranche of awards vested and was paid in January 2010. The payout amount was \$348,413.
- ⁽⁸⁾ This first tranche of awards vested and was paid in January 2010. The payout amount was \$339,368.
- ⁽⁹⁾ This second tranche of awards vested and was paid in January 2011. The payout amount was \$375,437.
- ⁽¹⁰⁾ As the Qualifying Hurdles were satisfied as to 125%, base awards 103,734 were granted. The difference of 19,283 represents a gross up of awards for an adjustment for future distributions. See note 2 above.
- ⁽¹¹⁾ In 2008, 2009 and the Financial Year, Mr Gutman participated in the PIR Plan. Refer table at 7.7.6.
- ⁽¹²⁾ This second tranche of awards has vested and was paid in January 2010. The payout amount was \$348,413.
- ⁽¹³⁾ This first tranche of awards vested and was paid in January 2010. The payout amount was \$303,683.
- ⁽¹⁴⁾ This second tranche of awards vested and was paid in January 2011. The payout amount was \$335,954.
- ⁽¹⁵⁾ In 2008, 2009 and the Financial Year, Mr Jordan participated in the PIR Plan. Refer table at 7.7.6.
- ⁽¹⁶⁾ This second tranche of awards has vested and was paid in January 2010. The payout amount was \$348,413.
- ⁽¹⁷⁾ This first tranche of awards vested and was paid in January 2010. The payout amount was \$339,368.
- ⁽¹⁸⁾ This second tranche of awards vested and was paid in January 2011. The payout amount was \$375,437.
- ⁽¹⁹⁾ In 2008 and 2009, Mr Leslie participated in the PIR Plan. Refer table at 7.7.6.
- ⁽²⁰⁾ As the Qualifying Hurdles were only satisfied as to 85%, 39,335 base awards were granted. The difference of 12,889 represents a gross up of awards for an adjustment for future distributions. See note 2 above. If the Qualifying Hurdles for 2009 were met in full Mr Leslie would have been entitled to 61,441 awards (including gross up of future distributions).
- ⁽²¹⁾ As the Qualifying Hurdles were satisfied as to 125%, base awards 43,504 were granted. The difference of 8,087 represents a gross up of awards for an adjustment for future distributions. See note 2 above.
- ⁽²²⁾ Overseas executives were given the election to participate in the PIP Plan or the PIR Plan. Mr Widdup made the election in respect of awards granted in the Financial Year to participate in the PIP Plan.
- ⁽²³⁾ This first tranche of awards vested and was paid in December 2010. The payout amount was \$155,453.
- ⁽²⁴⁾ As the Qualifying Hurdles were only satisfied as to 85%, 33,865 base awards were granted. The difference of 11,097 represents a gross up of awards for an adjustment for future distributions. See note 2 above. If the Qualifying Hurdles for 2009 were met in full Mr Widdup would have been entitled to 52,896 awards (including gross up of future distributions).
- ⁽²⁵⁾ As the Qualifying Hurdles were satisfied as to 125%, base awards 41,494 were granted. The difference of 7,714 represents a gross up of awards for an adjustment for future distributions. See note 2 above.

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7.7.5 Specified Executives: participation in the EPR Plan ⁽¹⁾

Executive	Date of Grant	Number of Rights at Grant Date	Vesting date/ market value ⁽²⁾	Adjustment Rights ⁽³⁾	Total Rights Held	Fair Value at Grant ⁽⁴⁾ \$	Market Value at 28 Feb 2011 ⁽⁵⁾ \$	Performance Hurdles
Peter Allen ⁽⁶⁾								
Group Chief	1 Jan 2008	52,302	15 Dec 2010	14,645	66,947	704,508	N/A	N/A
Financial Officer	1 Jan 2009	96,352	15 Dec 2011	26,979	123,331	737,093	1,202,477	N/A
Michael Gutman ⁽⁷⁾								
Managing Director, UK and Europe	1 Jan 2008	34,868	15 Dec 2010	9,763	44,631	469,672	N/A	N/A
	1 Jan 2009	64,235	15 Dec 2011	17,986	82,221	491,398	801,654	N/A
Robert Jordan ⁽⁸⁾								
Managing Director, Australia and New Zealand	1 Jan 2008	34,868	15 Dec 2010	9,763	44,631	469,672	N/A	N/A
	1 Jan 2009	64,235	15 Dec 2011	17,986	82,221	491,398	801,654	N/A
Peter Leslie ⁽⁹⁾								
Senior Executive Vice	1 Jan 2008	20,920	15 Dec 2010	5,858	26,778	281,792	N/A	N/A
President Leasing, United States	1 Jan 2009	N/A	N/A	N/A	N/A	N/A	N/A	N/A
John Widdup ⁽¹⁰⁾								
Chief Operating	1 Jan 2008	219,950	15 Dec 2011	61,586	281,536	2,773,570	2,744,976	N/A
Officer, United States	1 Jan 2009	N/A	N/A	N/A	N/A	N/A	N/A	N/A

⁽¹⁾ In Australia, the issuer of rights under the EPR Plan is Westfield Holdings Limited. In the United States it is Westfield LLC and, in the United Kingdom, Westfield Shoppingtowns Limited.

⁽²⁾ The market value of rights that vested in December 2010 was calculated using a 5 day vwap of Westfield Group securities (\$9.79). The market value of the rights is as follows: Mr Peter Allen: \$655,411; Mr Michael Gutman: \$436,937; Mr Robert Jordan: \$436,937; and Mr Peter Leslie: \$262,157.

⁽³⁾ To take into account the impact of the Westfield Retail Trust transaction, the number of rights was adjusted by a factor of 1.28 as per a formula reviewed by Ernst & Young and approved by the ASX. Other than to permit an adjustment to the number of rights, there has been no alteration to the terms of the grant to the Specified Executives under the EPR Plan since the grant date.

⁽⁴⁾ The fair value of the rights issued under the EPR Plan is calculated using the Black Scholes option pricing methodology. The fair value of the awards issued under the EPR Plan is calculated on the assumption that the employee remains employed with the Group for the full term of the EPR Plan.

⁽⁵⁾ The market value at 28 February 2011 is based on the closing price of \$9.75.

⁽⁶⁾ In 2008 and 2009, Mr Allen did not participate in the EDA Plan.

⁽⁷⁾ From 1 January 2008, certain overseas executives were given the election to participate in the EDA Plan or the EPR Plan. Mr Gutman made the election in respect of rights granted in the Financial Year to participate in the EPR Plan.

⁽⁸⁾ In 2008 and 2009, Mr Jordan did not participate in the EDA Plan.

⁽⁹⁾ Mr Leslie participated in the EDA Plan in respect of awards granted in the 2009 Financial Year. Refer table at 7.7.3.

⁽¹⁰⁾ From 1 January 2008, certain overseas executives were given the election to participate in the EDA Plan or the EPR Plan. Mr Widdup made the election in respect of retention awards granted in 2008 to participate in the EPR Plan. Mr Widdup participated in the EDA Plan in respect of awards granted in 2009 and in the Financial Year. Refer table at 7.7.3.

7.7.6 Specified Executives: participation in the PIR Plan ⁽¹⁾

Executive	Date of Grant	Number of Rights at Grant Date	Vesting date/ market value ⁽²⁾	Adjustment Rights ⁽³⁾	Total Rights Held	Fair Value at Grant ⁽⁴⁾ \$	Market Value at 28 Feb 2011 ⁽⁵⁾ \$	Performance Hurdles
Peter Allen ⁽⁶⁾ Group Chief Financial Officer	1 Jan 2008	55,470	27,095: 15/12/10 28,375: 15/12/11	7,587 7,945	34,682 36,320	491,232 489,469	N/A 354,120	Satisfied
	1 Jan 2009	71,572	34,868: 15/12/11 36,704: 14/12/12	20,040	91,612	873,527	893,217	Satisfied
	1 Jan 2010	113,289 ⁽⁷⁾	54,600: 14/12/12 58,689: 16/12/13	31,721	145,010	753,237	1,413,847	85% Satisfied
Michael Gutman ⁽⁸⁾ Managing Director, UK and Europe	1 Jan 2008	54,174	26,462: 15/12/10 27,712: 15/12/11	7,409 7,759	33,871 35,471	957,788 873,527	N/A 345,842 893,217	Satisfied
	1 Jan 2009	71,572	34,868: 15/12/11 36,704: 14/12/12	20,040	91,612	873,527	893,217	Satisfied
	1 Jan 2010	113,289 ⁽⁷⁾	54,600: 14/12/12 58,689: 16/12/13	31,721	145,010	753,237	1,413,847	85% Satisfied
Robert Jordan ⁽⁹⁾ Managing Director, Australia and New Zealand	1 Jan 2008	55,470	27,095: 15/12/10 28,375: 15/12/11	7,587 7,945	34,682 36,320	491,232 489,469	N/A 354,120	Satisfied
	1 Jan 2009	71,572	34,868: 15/12/11 36,704: 14/12/12	20,040	91,612	873,527	893,217	Satisfied
	1 Jan 2010	113,289 ⁽⁷⁾	54,600: 14/12/12 58,689: 16/12/13	31,721	145,010	753,237	1,413,847	85% Satisfied
Peter Leslie ⁽¹⁰⁾ Senior Executive Vice President Leasing, United States	1 Jan 2008	12,326	6,021: 15/12/10 6,305: 15/12/11	1,686 1,765	7,707 8,070	109,161 108,761	N/A 78,682	Satisfied
	1 Jan 2009	14,313	6,973: 15/12/11 7,340: 14/12/12	4,007	18,320	174,688	178,620	Satisfied
	1 Jan 2010	N/A	N/A	N/A	N/A	N/A	N/A	N/A
John Widdup ⁽¹¹⁾ Chief Operating Officer, United States	1 Jan 2008	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	1 Jan 2009	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	1 Jan 2010	N/A	N/A	N/A	N/A	N/A	N/A	N/A

⁽¹⁾ In Australia, the issuer of rights under the EPR Plan is Westfield Holdings Limited. In the United States it is Westfield LLC and, in the United Kingdom, Westfield Shoppingtowns Limited.

⁽²⁾ The market value of rights that vested in December 2010 was calculated using a 5 day vwap of Westfield Group securities (\$9.79). The market value of the rights is as follows: Mr Peter Allen: \$339,537; Mr Michael Gutman: \$331,597; Mr Robert Jordan: \$339,537; and Mr Peter Leslie: \$75,452.

⁽³⁾ To take into account the impact of the Westfield Retail Trust transaction, the number of rights was adjusted by a factor of 1.28 as per a formula reviewed by Ernst & Young and approved by the ASX. Other than to permit an adjustment to the number of rights, there has been no alteration to the terms of the grant to the Specified Executives under the PIR Plan since the grant date.

⁽⁴⁾ The fair value of the rights issued under the PIR Plan is calculated using the Black Scholes option pricing methodology. The fair value of the awards issued under the PIR Plan is calculated on the assumption that the employee remains employed with the Group for the full term of the PIR Plan.

⁽⁵⁾ The market value at 28 February 2011 is based on the closing price of \$9.75.

⁽⁶⁾ In 2008, 2009 and 2010, Mr Allen did not participate in the PIP Plan.

⁽⁷⁾ If the Qualifying Hurdles in 2009 were met in full the participants would have been entitled to 133,282 rights. However, as the Qualifying Hurdles were only satisfied as to 85%, 113,289 rights were granted.

⁽⁸⁾ From 1 January 2008, certain overseas executives were given the election to participate in the PIP Plan or the PIR Plan. Mr Gutman made the election in respect of awards granted in the Financial Year to participate in the PIR Plan.

⁽⁹⁾ In 2008, 2009 and 2010, Mr Jordan did not participate in the PIP Plan.

⁽¹⁰⁾ Mr Leslie participated in the PIR Plan prior to his expatriation to the United States in the Financial Year. Mr Leslie elected to participate in the PIP Plan in respect of awards granted in the Financial Year. Refer table at 7.7.4.

⁽¹¹⁾ In 2008 and 2009, certain overseas executives were given the election to participate in the PIP Plan or the PIR Plan. Mr Widdup made the election in respect of awards granted in the Financial Year to participate in the PIP Plan. Refer table at 7.7.4.

8. ASIC DISCLOSURES

8.1 Rounding

The Company is of a kind referred to in Australian Securities & Investments Commission Class Order 98/0100 dated 10 July 1998. Accordingly, amounts in the Directors' Report, the Financial Statements and the Notes thereto have been rounded to the nearest hundred thousand dollars.

8.2 Synchronisation of Financial Year

Carindale Property Trust is a consolidated entity of the Company. By an order dated 27 June 2005 made by the Australian Securities & Investments Commission, the Directors of the Company have been relieved from compliance with the requirement to ensure that the financial year of the Company coincides with the Financial Year of Carindale Property Trust.

This report is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors.



F P Lowy AC

Executive Chairman

16 March 2011



F G Hilmer AO

Director

The Westfield Group through its Boards and executives recognises the need to establish and maintain corporate governance policies and practices which reflect the requirements of the market regulators and participants and the expectations of members and others who deal with the Westfield Group. These policies and practices remain under constant review as the corporate governance environment and good practice evolve.

This statement outlines the Westfield Group's system of governance during the Financial Year and the extent of the Group's compliance, as at the end of the Financial Year, by reference to the second edition of the Corporate Governance Principles and Recommendations published in August 2007 by the ASX Corporate Governance Council (as amended in 2010) and to the Corporations Act 2001.

As at 31 December 2010, the Westfield Group complies with the recommendations in all respects other than the requirement for an independent non-executive Chairman. Corporate governance documentation including charters and relevant corporate policies and codes referred to in this statement can be found on the westfield.com/corporate website, in the corporate governance section.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

1.1 Functions of Board and Management

The Westfield Group operates as a single economic entity of a triple stapled structure.

The Boards of the Company, Westfield Management Limited (Westfield Management) (as responsible entity of Westfield Trust) and Westfield America Management Limited (Westfield America Management) (as responsible entity of Westfield America Trust) each have common membership⁽¹⁾. Each Board has adopted a common Board Charter which sets out the objectives, responsibilities and framework for the operation of the Board.

The Board is responsible for overseeing the effective management and control of the Westfield Group. The Board is accountable to members and seeks to ensure that the business objectives of the Westfield Group are aligned with the expectations of members and that the operations of the Group are being effectively managed in a manner that is focussed on those business objectives as well as conforming to regulatory and ethical requirements.

The Board Charter sets out the primary objectives of the Board and includes processes that the Board has adopted to undertake its activities including matters that are reserved for the Board.

Specifically, the Board has reserved its authority over the following matters (with a power of delegation to a committee of the Board, a Group Managing Director or another nominated member of the senior management team):

– strategy and direction

- setting policies regarding the Group's overall strategic direction and plans for each of the Group's major business units, key business and financial objectives;
- approving the distribution policy, amounts and timing of any distribution payments;
- approving any significant acquisitions or disposals of assets and significant expenditure.

– financial controls, compliance and risk management

- approving annual operating and capital expenditure budgets for the Group;
- treasury policies;
- approving financial statements and published reports, including the directors' report and the corporate governance statement;
- approving any significant changes in accounting policies or procedures;
- reviewing the effectiveness of the internal control systems and risk management processes and compliance with statutory and regulatory obligations;
- approving any matters impacting on compliance with statutory and regulatory obligations which, if not complied with, would have a material effect on the Group's business.

– capital and debt structure

- approving any changes to the Group's capital structure including any reductions in share capital, buy backs or issue of new securities other than in accordance with the Group's equity linked incentive plans;
- approving changes to the Group's debt structure including entry into new facilities, the refinancing of existing debt and the issue of bonds and other instruments in local and international markets.

– appointments

- appointing Directors to the Board, following a review by the Nomination Committee;
- appointing and reviewing the performance of Group Managing Directors and the Group Chief Financial Officer;
- appointing the external auditors, on the recommendation of the Audit and Compliance Committee and approving the fees payable to the external auditor;
- appointing the Company Secretary.

– delegation of authority

- approving any changes to the membership or charter of any committee of the Board;
- determining the scope of authority delegated to a Group Managing Director or the Group Chief Financial Officer and any other significant matters.

– policies

- approving significant policies for the Westfield Group including the Code of Conduct, security trading policies for Directors and senior executives, health and safety policies, risk management policies and continuous disclosure and communications policies.

– corporate governance matters

- determining the independence of Non-Executive Directors;
- taking into account the recommendations of the Remuneration Committee in determining the remuneration of Non-Executive Directors;
- determining the resolutions and documentation to be put to members in general meeting;
- approving announcements and press releases concerning matters decided by the Board, including announcements relating to the operating performance of the Group.

The Board has delegated a number of responsibilities to its Committees. The role and responsibilities of these Committees are explained later in this statement. Directors may attend any Committee meetings. The Board receives copies of the minutes of all the Committee meetings.

Day to day management of the business and operations of the Westfield Group is delegated by the Board to management through the Executive Chairman and the Group Managing Directors subject to the agreed authority limits applicable to the senior executive management team.

The Board has delegated to management responsibility for:

- **strategy** – development of strategies and the management and performance of the business and operations and making recommendations to the Board on such strategies;
- **management** – managing the Westfield Group in accordance with the strategy, business plans and policies approved by the Board;
- **financial performance** – developing the Group's annual budget, managing day to day operations within the budget and ensuring that the financial reports present a true and fair view of the Group's financial condition and operational results and are in accordance with the relevant accounting standards;
- **risk management** – establishing and maintaining effective risk management frameworks and internal control systems;
- **continuous disclosure** – keeping the Board and the market fully informed about material developments;
- **selection of senior management** – making recommendations for the appointment of senior executives, determining terms of appointment, evaluating performances and developing and maintaining succession plans for senior management.

⁽¹⁾ Unless otherwise specified, the Boards of the individual entities sit as the Westfield Group Board. For the balance of this statement, the Westfield Group Board will be referred to as the Board.

1.2 Process for Evaluating the Performance of Senior Executives

The Group has an established process of objective setting and performance review of all staff, which is conducted on an annual basis. Senior executives, who have a discretionary element to their total remuneration package, have defined objectives which are agreed at the commencement of each financial year. Their performance against these objectives is assessed annually in a meeting with the manager to whom they report, in addition to regular feedback during the performance period. In that meeting, the potential future development of that executive is discussed along with any training required to enhance the prospects of the development objectives being achieved and progression within the Group.

In the case of the senior executive team (including the Group Managing Directors) an assessment of their performance is undertaken by the Remuneration Committee and the Board. Details of the Group's remuneration policies and practices are set out in the Remuneration Report which forms part of the Directors' Report.

In addition to the induction program provided to new employees generally, new members of the senior executive team undertake an induction program customised to their needs, which typically includes one on one meetings with every member of the senior executive team. Senior executives also participate in continuous improvement programs to update their skills and knowledge on a regular basis. These include development sessions on key topics of relevance such as changes in corporate governance standards and legislation and compliance and visits to the flagship shopping centres in the Group's portfolio.

1.3 Performance Evaluation

During the Financial Year, each member of the senior executive team, including the Group Managing Directors, was subject to a performance review as described in 1.2 above.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

The membership of the Board is reviewed by the full Board, from time to time, having regard to the ongoing needs of the Group. It is the policy of the Board that its membership should reflect an appropriate balance between executives possessing extensive direct experience and expertise in the core business activities of the Westfield Group, and non-executive members who bring to the Board a broad range of general commercial expertise and experience.

The Group's objective is that the Board should be of a size and composition that is conducive to effective decision making with the benefit of a variety of perspectives and skills and in the interests of the Westfield Group.

The appointment of a new member to the Board is only made after consultation with the Nomination Committee and the Board. New Directors are initially appointed (or endorsed) by the full Board and must then submit themselves to election by members of Westfield Holdings Limited at the Annual General Meeting (AGM) following their appointment and, except in the case of the Group Managing Director (or one of them when there is more than one Group Managing Director), are subject to re-election by members of Westfield Holdings Limited every three years.

Significant Board renewal has been undertaken over recent years. These renewal activities have included the retirement of Mr John Studdy in 2007 and Mr Dean Wills in 2008 and the appointment of Mr John McFarlane, Professor Judith Sloan and Lord (Peter) Goldsmith in 2008. In 2009, on the retirement of Ms Carla Zampatti, Mr Brian Schwartz was appointed to the Board and, in 2010 on the retirement of Dr Gary Weiss, Mr Mark Johnson was appointed to the Board.

It should be noted that on 2 March 2011 the Group announced a number of changes to the Board, in particular, that Mr Frank Lowy will assume the role of Non-Executive Chairman and that Mr David Lowy and Mr David Gonski have indicated that they do not wish to seek re-election at the next AGM of the Company. It was also announced that Mr Brian Schwartz will be appointed as Deputy Chairman of the Board and that Mr Peter Allen, currently the Group Chief Financial Officer of Westfield Group will stand for election as a director at the upcoming Annual General Meeting. All changes will take effect from the AGM to be held on 25 May 2011.

Board renewal and succession planning is part of the Group's overall governance program and the Group remains committed to a Board which includes a mix of non-executive members who have outstanding track records and reputations at the highest levels of business and commerce generally.

Governance commentators have highlighted the lack of diversity in the composition of Australian boards and the Board notes that the Corporate Governance Principles and Recommendations have been amended such that from the 2011 annual report the Board, will need to formally comment on the Group's diversity measures. The Group is currently undertaking a review of its practices on diversity which review will include an assessment of whether the Board Charter and other charters and policies require amendment to formalise the Group's position on diversity. Further information on how the Group is currently addressing the issue of diversity is contained in section 9 of this statement.

2.1 Independent Directors

The composition of the Board is set out in the table below:

Name	Position held	Independent (Y/N)	Date appointed to Company Board	Date appointed to WML Board ⁽¹⁾	Date appointed to WAML Board ⁽¹⁾	Length of tenure at 31/12/10 ⁽²⁾
Frank P Lowy	Executive Chairman/ Executive Director	N	1960	1979	1996	50 years ⁽³⁾
David H Lowy	Deputy Chairman/ Non-Executive Director	N	1981	2004	2004	29 years
Frederick G Hilmer	Lead Independent Director/ Non-Executive Director	Y	1991	2004	2004	19 years
Roy L Furman	Non-Executive Director	Y	2004	2004	2002	8 years
Peter H Goldsmith	Non-Executive Director	Y	2008	2008	2008	2 years
David M Gonski	Non-Executive Director	Y	1985	2004	2004	25 years
Stephen P Johns	Non-Executive Director	N	1985	1985	1996	25 years
Mark R Johnson ⁽⁴⁾	Non-Executive Director	Y	2010	2010	2010	6 months
Peter S Lowy	Group Managing Director/ Executive Director	N	1987	1986	1996	24 years
Steven M Lowy	Group Managing Director/ Executive Director	N	1989	1989	1996	21 years
John McFarlane	Non-Executive Director	Y	2008	2008	2008	3 years
Brian M Schwartz	Non-Executive Director	Y	2009	2009	2009	1.5 years
Judith Sloan	Non-Executive Director	Y	2008	2008	2008	3 years

⁽¹⁾ Professor Fred Hilmer, Mr David Lowy and Mr David Gonski, previously served as Directors of this Board, but resigned in May 2002. This date reflects the most recent date of appointment to this Board.

⁽²⁾ Length of tenure is calculated from year of first appointment to the Company (or any of its predecessor vehicles), Westfield Management or Westfield America Management.

⁽³⁾ This includes Mr Lowy's service on the Boards of predecessor vehicles.

⁽⁴⁾ Mr Johnson was appointed to the Board on 27 May 2010.

Corporate Governance Statement (continued)

Biographies of the Directors are included in the section on the Board of Directors in this Annual Report.

The Board currently has 13 members. Of these, 8 are independent Non-Executive Directors. These Directors are considered by the Board to be independent of management and free of any business or other relationship or any other circumstance that could materially interfere with the exercise of objective, unfettered or independent judgement. Therefore, a majority of the Directors on the Board are independent.

The Board considers that it should include significant representation by Directors who are capable and willing to make decisions which are in the best interests of members free from interests and influences which conflict with that duty and are also independent of management.

The Board continually assesses the independence of each Director in accordance with the terms of the Board Charter, the interests they have disclosed and such other factors as the Board determines are appropriate to take into account.

In making this determination the Board is seeking to assess whether Directors are:

- independent of management; and
- free of any business or other relationship that could materially interfere or be perceived to materially interfere with their unfettered and independent judgement; and
- capable of making decisions without bias and which are in the best interests of all members.

A Non-Executive Director will not be regarded as an independent director if that Director:

- (a) is a substantial securityholder of the Westfield Group or an officer of, or otherwise associated directly with, a substantial securityholder of the Westfield Group;
- (b) within the last three years has been employed in an executive capacity by any member of the Group, or been a Director after ceasing to hold any such employment;
- (c) within the last three years has been a partner or a senior management executive with audit responsibilities of a firm which has acted in the capacity of statutory auditor of any member of the Group;
- (d) within the last three years has been a principal, employee or consultant of a material professional adviser to any member of the Group – for this purpose a material professional adviser is an adviser whose billings to the Group exceed 1% of the adviser's total revenues;
- (e) is a principal, employee or associate of a material supplier to, or material customer of, any member of the Group – for this purpose a material supplier to the Group means a supplier whose revenues from the Group exceed 5% of the supplier's total revenues. A material customer is a customer whose payments to the Group exceed 1% of the customer's operating costs;
- (f) has a material contractual relationship with any member of the Group other than as a Director of the Westfield Group Board; and
- (g) has any interest or business or other relationship which could materially interfere with the Director's ability to act in the best interests of the Group and independently of management.

As regards the Non-Executive Directors, applying the criteria set out in the Board Charter, the Board has made the following determinations:

- Mr David Lowy is not independent given that he was formerly a managing director of the Company and that he has declared an interest as an associate of a substantial securityholder of the Group.
- Mr Stephen Johns is not independent (following his resignation as an executive in October 2003) given his long standing executive role with the Westfield Group.
- Professor Fred Hilmer, Mr Roy Furman, Lord (Peter) Goldsmith, Mr David Gonski, Mr Mark Johnson, Mr John McFarlane, Mr Brian Schwartz and Professor Judith Sloan are all considered to be independent Directors.

The Nomination Committee and the Board have considered the independence of Mr Gonski and Professor Hilmer in view of their lengthy service on the Board and concluded that the independence of Professor Hilmer and Mr Gonski has not been affected and that they should be classified as independent directors.

That conclusion was reached based on the Board's knowledge of the significant contributions made by each Director to the business of the Board and its Committees, including the willingness of both Directors to debate issues openly and constructively and freely express their views and opinions on matters being considered by the Board, including on occasions where those views are contrary to those expressed by the Executive Directors and management.

The Board also noted the following observations by Cameron Ralph in its assessment of the Board undertaken in January 2010:

"Cameron Ralph was satisfied that the Board has both people and processes that enable it to apply independent judgement to its actions and decisions. The presence on the Board of the major shareholder, several Executive Directors and Non-Executive Directors with long tenures, has not detracted from the Board's effectiveness or its ability to act in the best interests of all shareholders."

In determining the independence of Lord Goldsmith, the Board noted that Lord Goldsmith is the European Chair of Litigation at Debevoise & Plimpton LLP (Debevoise), based in London. Debevoise is one of a number of law firms which provide legal services to the Westfield Group in the United States. The fees charged by Debevoise in the United States are on arm's length terms and are no more favourable than those paid to other advisers providing similar services. The Board noted that the fees derived by Debevoise represented considerably less than 1% of the total revenues of Debevoise's operations in the United States in the same period and an even smaller percentage of the revenues of the global Debevoise firm. The Board considered that the engagement of Debevoise was not a material contractual relationship to the Westfield Group or to Debevoise, such as might give rise to any actual or perceived loss of independence on the part of Lord Goldsmith.

Professor Judith Sloan currently sits on the board of directors of the Lowy Institute for International Policy, an independent international policy think tank providing analysis on international issues affecting Australians. The Lowy Institute is a not for profit organisation and members of the board, a majority of whom are independent of the Lowy family, do not receive any remuneration for provision of their services. The Board has assessed the relationship between the Group and the Institute and is of the view that the fact that Professor Sloan is a director of the Lowy Institute does not interfere with the exercise by Professor Sloan of objective, unfettered or independent judgement or her ability to act in the best interests of the Group.

In relation to Mr Schwartz, it should be noted that, whilst working with Ernst & Young, the Group's external auditors, Mr Schwartz was not personally involved in the Westfield Group audit at any time. Mr Schwartz left Ernst & Young more than five years ago. As a result, the Board does not regard Mr Schwartz's prior association with Ernst & Young as an impediment to treating Mr Schwartz as an independent Director. Furthermore, Mr Schwartz's other previous and current roles are not considered by the Board to give rise to any actual or perceived loss of independence on the part of Mr Schwartz.

Each Non-Executive Director has signed a letter of appointment which, amongst other things, places an onus on each independent Director to promptly and fully disclose to the Board any matter or circumstance which may impact on their status as an independent Director, or the likely perception of their status, as an independent member of the Board. Where the Board concludes that a Director has lost their status as an independent Director, that determination will be advised to the market.

The Nomination Committee's Charter discloses a process for selection and appointment of new Directors and re-election of incumbent Directors. The role and responsibilities of the Nomination Committee are set out later in this statement.

2.2 Chairperson and Independence

The Westfield Group notes the ASX Corporate Governance Council recommendations that listed companies should have an independent director as chairman and that the roles of chairman and Chief Executive Officer should not be held by the same person.

Notwithstanding these recommendations, and for the reasons set out below, the Board considers that Mr Frank Lowy is the most appropriate person to act as Chairman of the Westfield Group Boards, notwithstanding that he is the Chief Executive Officer of the Company and is not an independent Director.

Mr Lowy is the co-founder of the Westfield Group and has overseen the success of the Group since 1960. With over 50 years direct experience in the design, construction and management of shopping centres and associated fund and asset management, Mr Lowy's extensive knowledge, experience and reputation is unrivalled in the industry.

In Australia and internationally, Mr Lowy is regarded as an exceptional and unique Chief Executive Officer who has overseen the growth of a global retail business which is a leader in its industry. Mr Lowy's knowledge of Westfield, its corporate history, its growth and of the broader industry in which the Group operates, both locally and globally, is widely acknowledged.

For these reasons, the Board takes the view that it is in the best interests of members that Mr Lowy, with his extensive background and experience, be the Chairman of the Westfield Group Boards and the Chief Executive Officer of the Company.

In arriving at this view, the Board makes the following observations:

- the appointment of Professor Fred Hilmer as the lead independent Director. Where necessary, Professor Hilmer will act as an intermediary for independent Directors and confer with the Chairman and with independent Directors on Board matters;
- there is a majority of independent Directors serving on the Board (8 out of the 13 Directors on the Board); and
- the delegation of certain responsibilities to Board committees (of which the Chairman is not a member), the Chairman being a member of the Nomination Committee only.

It should be noted that as announced to the market on 2 March 2011, Mr Lowy will assume the role of Non-Executive Chairman and Mr Peter Lowy and Mr Steven Lowy will be appointed as joint Chief Executive Officers of the Group, both changes taking effect from 25 May 2011.

2.3 Nomination Committee

The Nomination Committee is a committee of the Company only, given that Westfield Management and Westfield America Management are each committed to having a common Board of Directors as a result of the stapled structure of the Group.

The objective of the Nomination Committee is to support and advise the Board in relation to the selection and appointment of high calibre Directors who are able to meet the needs of the Group presently and in the future and the ongoing evaluation and review of the performance of the Board and the Directors.

The Committee comprises the following members:

Name	Position held	Status
Frank P Lowy	Chairman	Executive Director*
David M Gonski	Member	Independent Director
Brian M Schwartz	Member	Independent Director
Judith Sloan	Member	Independent Director

* The Board recognises the ASX's recommendation that the Nomination Committee should be chaired by an independent director.

The Committee met once during the Financial Year. Mr Brian Schwartz was appointed to the Committee on 26 May 2010. All members of the Committee attended the meeting of the Nomination Committee.

The functions undertaken by the Committee in discharging that responsibility include:

- assessing periodically the skills of current Board members against the collective skill set required by the Board to discharge competently the Board's duties, having regard to the strategic direction of the Group;
- regularly reviewing and making recommendations to the Board regarding the structure, size, diversity and composition (including the balance of skills, knowledge and experience) of the Board and reviewing the effectiveness of the Board as a whole and keeping under review the leadership needs of the Group, both executive and non-executive;
- identifying suitable candidates (executive and non-executive) to fill Board vacancies as and when they arise and nominating candidates for approval of the Board;
- reviewing annually the performance of the Board; and
- ensuring the existence of proper succession planning processes and plans for the Board.

No member of the Committee will participate in a review of their own performance or re-appointment.

The Nomination Committee Charter, as approved by the Board, appears in the corporate governance section of the westfield.com/corporate website.

Recommendations regarding future appointment of additional Directors will be made by the Nomination Committee and considered by the Board having regard to:

- the assessment made on the skill set required to discharge the responsibilities of the Board compared with the skills currently represented on the Board;
- the current strategic direction of the Westfield Group and the consequent need to consider skills which may be required in the future; and
- the suitability of available candidates identified in the context of a detailed description of the role and capabilities required for a particular appointment.

Recommendations made by the Nomination Committee will be considered by the Board, which retains an unfettered discretion on the appointment of a Director to fill a casual vacancy or act as an additional Director, prior to the formal election of that Director by the members of the Company at a general meeting.

Upon appointment, a new Director undertakes an induction program specifically designed to their needs to help familiarise them with issues relating to the current business before the Board.

New Board members are provided with the opportunity to experience first hand the operations of the Group and to meet and discuss all aspects of the Group's operations with key members of executive management. As part of the induction program, the Company Secretary provides access to information in areas such as operations, finance, treasury and risk management to assist the new Board member as required.

New Directors receive a letter of appointment which sets out the main terms and conditions on which each Director is appointed. This letter provides that if a Director ceases to be a Director of the Company for any reason, they must also resign as a Director of Westfield Management and Westfield America Management. The letter of appointment conforms with the Recommendations of the ASX Corporate Governance Council.

The letter of appointment also sets out a procedure by which Directors are able to take independent professional advice at the Group's expense. Directors are encouraged to direct any enquiries or requests for additional information to the Company Secretary, who will facilitate a response to the query and/or provide the Director with the requested information.

Corporate Governance Statement (continued)

On an ongoing basis, Directors are provided with periodic updates on legal and corporate developments, particularly those pertaining to matters relating to the responsibilities of boards and directors generally, changes to the Corporations Act, corporate governance principles, tax and accounting developments and other matters of interest. Management conducts regular briefing sessions to the Board and Board Committees on operational, financial, treasury, legal and tax issues of relevance to the Board.

The Company Secretary is appointed and removed by the Board. The Company Secretary works with the Chairman, the Board and the Board Committees on all governance related issues. All Directors have access to the Company Secretary for the purpose of obtaining information or advice. The Company Secretary may also retain the services of independent advisory bodies if requested by the Board or Board Committees. The office of the Company Secretary is responsible for the systems and processes that enable the Board to perform its role and also provides secretariat services for each of the Board Committees. The Committee agendas, paper and minutes are available to all members of the Board.

The Board undertakes ongoing self assessment and review of its performance and of the performance of the Board Committees. Board surveys are conducted on a regular basis in order to establish the views of all Directors on these issues.

The Board is committed to transparency in assessing the performance of the Board. As part of this commitment, Cameron Ralph Pty Limited was commissioned to complete a comprehensive, independent assessment of the Board of Westfield Group in January 2010. Details of the Cameron Ralph assessment and findings are set out in the corporate governance statement in the Group's 2009 Annual Report.

Given that Cameron Ralph completed a comprehensive and independent assessment of the Board in January 2010, the Board considered that a further review and evaluation of the Board performance was not required during the Financial Year.

PRINCIPLE 3: PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING

3.1 Code of Conduct

Directors' Code of Conduct

The Directors' Code of Conduct summarises the responsibilities of the Westfield Group Directors in maintaining the Group's commitment to high standards of ethical conduct. A copy of the Code of Conduct appears in the corporate governance section of the westfield.com/corporate website.

Compliance Manual

The Westfield Group has developed a Compliance Manual which provides detailed guidance to employees of the Group on the laws applicable in the jurisdiction in which they work and the standards of conduct and the procedures to be adopted to comply with those laws. The Manual is supplemented by management seminars to help employees understand the legal requirements with which the Group's business must comply.

The Australian Compliance Manual deals with issues such as:

- occupational health and safety;
- trade practices;
- employment;
- retail tenancy legislation;
- environmental compliance;
- Corporations Act and ASX Listing Rules requirements; and
- complaints handling procedures.

Westfield Values

The conduct of all Westfield Group employees is governed by a set of fundamental principles to which employees are expected to adhere to when dealing with other staff members, customers and retailers, members and the community.

These values require Westfield staff, at all times, to:

- welcome a diversity of people;
- create a healthy and safe work environment;
- create an environment that motivates and allows staff to contribute and develop;
- display honest, just and fair management in all dealings with staff;
- meet the commitments of the Westfield Group;
- examine ways to continually improve processes in a manner which adds value;
- provide members with superior returns on a sustainable basis;
- constantly seek new opportunities and pursue sound growth and earning opportunities;
- conduct our activities in a safe and environmentally responsible manner;
- contribute expertise and resources to promote positive interaction between all members of the community; and
- act at all times as a leading corporate citizen in adhering to applicable laws and meeting the community's expectations regarding corporate behaviour.

Staff Code of Conduct

Westfield's core principles are supplemented by the Staff Code of Conduct which is provided to all employees at the time of joining the Group and which deals, in broad terms, with the following matters:

- the high standards of personal conduct and ethical behaviour expected of all employees;
- the duty of employees to avoid conflicts of interest which may arise if the employee or any person or entity associated with that employee has a business arrangement or relationship with a Group company outside their normal employment relationship;
- the duty of employees to maintain confidentiality with respect to the Group's information and information provided by our retailers and customers;
- the duty of employees to avoid discrimination against any person; and
- the Group's policy prohibiting harassment in any form.

The Staff Code of Conduct, which is provided to, and acknowledged by, all employees who join Westfield, and the Compliance Manual are each reviewed on a regular basis to ensure they remain current and relevant. Compliance seminars to update staff on changes to legal requirements and procedures are conducted on a regular basis and all staff in the relevant divisions are required to attend.

It is the responsibility of each Director and employee to understand the Westfield values and Code of Conduct and other policies applicable to them and to bring to the attention of senior management any conduct or activities which may be in breach of those policies so that a proper investigation can be conducted.

Serious breaches of these policies (including matters such as suspicions of fraud or financial impropriety, auditing issues, improper or unethical behaviour or criminal activities) must be reported immediately to a compliance officer in the relevant country or to the Group Compliance Officer for investigation in accordance with the Group's policies. Where appropriate, the police or other regulatory authority will be informed.

Complaints are treated in a confidential manner. No action of any kind will be taken against a Westfield employee, adviser or contractor who, in good faith, makes an allegation against the Westfield Group, any employee, adviser or contractor, whether or not that complaint is confirmed by subsequent investigation.

Whistleblower Policy

The whistleblower policy forms an integral part of Westfield's compliance program. The policy has been adopted to ensure that concerns regarding unethical, unlawful or improper conduct may be raised without fear of reprisal.

Under the policy, Westfield has appointed Whistleblower Protection Officers in each country in which it operates. Employees are encouraged to report any genuine matter or behaviour that they honestly believe contravenes Westfield's Code of Conduct, policies or the law. Such matters may include any actual or suspected:

- conduct or practices which are illegal;
- corrupt activities;
- theft or fraud;
- misleading or deceptive conduct of any kind;
- harm to public health or safety or the health or safety of any Westfield employee.

The Group will investigate all reported concerns appropriately and will, where applicable, provide feedback regarding the investigation's outcome. Westfield will take any necessary action in response to a report and where no action is taken, an explanation will be provided. Where appropriate, a third party may be engaged to assist in the investigation.

Every six months a report is provided to the Westfield Audit and Compliance Committee summarising the whistleblower activities for the period.

3.2 Security Trading Policy

As part of its corporate governance framework, the Westfield Group is committed to promoting knowledge and awareness by its employees of the legal, regulatory and governance requirements to which the Group and its employees are subject, including prohibitions against insider trading.

All Directors and employees are subject to Corporations Act restrictions on buying, selling or subscribing for securities in the Westfield Group or any listed entity in respect of which a Group company is the responsible entity if they are in possession of price sensitive information (i.e. information which a reasonable person would expect to have a material impact on the price or value of the relevant security) which has not been published.

In addition, members of the Board and certain employees within the Westfield Group who have been notified that this policy applies to them are prohibited from trading in Westfield Group securities in certain defined black-out periods, which include periods leading up to an announcement of results.

At any other time, any member of the Board wishing to trade in the Group's securities must obtain a clearance from the Company Secretary.

A copy of the Security Trading Policy appears in the Corporate Governance section of the westfield.com/corporate website.

In anticipation of the introduction of Listing Rules 12.9 to 12.12 which took effect on 1 January 2011, a copy of the Group's Security Trading Policy was lodged with the ASX and released to the market on 16 December 2010.

3.3 Hedging of Executive Awards and Performance Rights Policy

In addition to the restrictions placed on entering into hedging arrangements by operation of the Group's Security Trading Policy, executives participating in the Group's equity linked incentive plans are prohibited from entering into or renewing hedging arrangements in respect of their unvested entitlements under any of the incentive plans operated by the Group.

This includes instruments such as equity swaps, caps and collars and other types of hedges, which are entered into for the purpose of mitigating the financial impact of movements in the price of Westfield Group securities to the extent such movements impact the value of awards made under the incentive plans.

An unvested entitlement refers to any entitlement which is made under any of the incentive plans operated by the Group and which has not been paid or issued to the executive.

The primary purpose of this prohibition is to ensure that, at all times, until entitlements granted to the executives under the incentive plans have vested, there is complete alignment between the interests of the executive and the interests of the Group and its members. In the Board's view, that alignment potentially ceases if the executive's economic interest in the benefit of an entitlement is hedged, with the effect that the executive is no longer affected (or is affected to a lesser extent) by positive or negative movements in the market value of the Westfield securities.

A copy of the Hedging of Executive Awards and Performance Rights Policy is available in the Corporate Governance section of the westfield.com/corporate website.

PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

4.1 Audit and Compliance Committee

Composition

The primary function of the Westfield Group's Audit and Compliance Committee is to ensure that an effective internal control framework exists within the Group, through the establishment and maintenance of adequate internal controls to safeguard the assets of the business and to ensure the integrity and reliability of financial and management reporting systems.

The composition of the Audit and Compliance Committee of each of the Company, Westfield Management and Westfield America Management is identical so that each Committee has the same membership and, for all purposes, act as one "Westfield Group" Committee.

The composition of the Audit and Compliance Committee is as set out in the table below:

Name	Position held	Status
Frederick G Hilmer	Chairman	Independent Director
David M Gonski	Member	Independent Director
Stephen P Johns	Member	Non-Executive Director
Brian M Schwartz	Member	Independent Director

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

Compliance officers have been appointed for the Australian, United States, United Kingdom and New Zealand operations of the Group. Those officers are responsible for reviewing and monitoring the efficacy of compliance systems within the Group on an ongoing basis to ensure appropriate measures are in place to educate staff as to their compliance responsibilities and to report to the Audit and Compliance Committee on those matters.

Audit and Compliance Committee Charter

The objective of the Audit and Compliance Committee is to assist the Board in fulfilling its corporate governance responsibilities by:

- reviewing the adequacy of, and, where necessary, questioning the action and judgment of management in relation to the Group's half-yearly and annual financial reports prepared for release to members, the ASX, regulators and to the public;
- reporting to the Board on the half-year and annual reports and financial statements of the Group;
- making recommendations regarding the appointment, remuneration, evaluation and removal of the Group's external auditor and reviewing and reporting to the Board on the adequacy, scope and quality of the annual statutory audit and half-year audit review and on the integrity and reliability of the financial statements;
- monitoring and reviewing the effectiveness of the Group's internal control environment, including the effectiveness of internal control procedures;
- monitoring and reviewing the reliability of financial reporting;
- monitoring and reviewing the compliance of the Group with applicable laws and regulations;
- monitoring and reviewing the scope of the internal audit function to ensure that its resources are adequate and used effectively, including the co-ordination of the internal and external audit functions; and
- monitoring the adequacy and effectiveness of compliance systems in relation to the legal exposures of the Group.

The Audit and Compliance Committee meets with external auditors at least twice each year (and more frequently if required) to review the adequacy of existing external audit arrangements and the scope of the audit. The internal and external auditors have a direct line of communication at any time to either the Chairman of the Audit and Compliance Committee or the Chairman of the Board. The Audit and Compliance Committee reports to the Board after each Committee meeting and the minutes of each Audit and Compliance Committee meeting are included in the Board papers.

The internal and external auditors, the Group Chief Financial Officer and the Group Compliance Officer are invited to attend Audit and Compliance Committee meetings at the discretion of the Committee. At least annually, the Audit and Compliance Committee meets with the internal auditor and external auditors without management being present.

Charter of Non-Audit Services

The Board has adopted a Charter of Non-Audit Services. The purpose of this Charter is to ensure that the Group's external auditor carries out the statutory audit function in a manner which is, at all times, demonstrably independent of the Westfield Group. The Charter sets out guidelines under which the Group may engage the auditor to provide certain non-audit services without impairing the auditor's objectivity or independence.

The Westfield Group recognises that a high quality, independent statutory audit is fundamental to the maintenance of sound corporate governance and to the proper functioning of the capital markets. It is an integral part of the process of providing members with clear, comprehensive and reliable financial information. This Charter reflects the Group's desire to preserve the independence of the statutory audit process.

Under the terms of the Charter the lead audit partner (having primary responsibility for the audit) and the audit partner responsible for reviewing the audit must rotate every five years. The Committee requires that a succession plan be presented to it for approval by the external auditor at least one year before the rotation is due to occur.

The Charter of Non-Audit Services also sets out some key requirements in the relationship between the external auditor and the Group and defines the scope and value of the non-audit services which may be provided by the external auditor to the Westfield Group without impacting the actual or perceived independence of the external auditor. The Charter also requires an annual confirmation by the external auditor regarding compliance with the terms of the Charter and a variety of other issues which impact the actual and perceived independence of the external auditor.

The Charter of Non-Audit Services appears in the corporate governance section of the westfield.com/corporate website.

4.2 Compliance Sub-Committee of the Audit and Compliance Committee

Under the Corporations Act, Westfield Management and Westfield America Management, as the responsible entities for Westfield Trust and Westfield America Trust respectively, are required to register a Compliance Plan with the Australian Securities and Investment Commission (ASIC). The Compliance Plan outlines the measures which are to be applied by the responsible entity to ensure compliance with the Corporations Act and the respective Trust's Constitution.

The Compliance Sub-Committee (a sub-committee of the Audit and Compliance Committee) is responsible for monitoring Westfield's compliance with the Compliance Plan and reports on its findings to the Board through the Audit and Compliance Committee. The Sub-Committee also receives reports on compliance with relevant Anti-Money Laundering legislation. Minutes of each Compliance Sub-Committee meeting are included in the papers considered by the Audit and Compliance Committee and the Board.

The members of the Compliance Sub-Committee are Mr John Studdy AM (Chairman) and Mr Stephen Johns.

The Sub-Committee met four times during the Financial Year. Both members of the Sub-Committee attended each of those meetings.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

5.1 Continuous Disclosure and Communications Policy

The Westfield Group's Continuous Disclosure and Communications Policy underlines the Group's commitment to ensuring that the Group's members and the market are provided with high quality, relevant and accurate information regarding its activities in a timely manner and that investors are able to trade in Westfield Group securities in a market which is efficient, competitive and informed as well as ensuring that market participants have an equal opportunity to review and assess information disclosed by the Group. The Group is also committed to complying with continuous disclosure obligations contained in the applicable ASX Listing Rules and the Corporations Act.

The Policy includes a vetting and authorisation process so that all disclosures are factual, do not omit material matters and are expressed in a clear and objective manner. The Policy also outlines how the Group identifies and distributes information to members and the market generally.

The Continuous Disclosure and Communications Policy appears in the corporate governance section of the westfield.com/corporate website.

PRINCIPLE 6: RESPECT THE RIGHTS OF MEMBERS

6.1 Communications with Members

The Westfield Group is committed to providing all members with comprehensive, timely and equal access to information about its activities to enable them to make informed investment decisions.

Westfield employs a wide range of communication approaches including direct communications with members, publication of all relevant company information in the Investor Services section of the westfield.com/corporate website, access to market briefings via webcasting and teleconferencing facilities.

The Group utilises its corporate website as a means of providing information to members and the broader investment community. A section of this website is dedicated to Westfield's investors. Media releases, investor presentations and interim and full-year financial reports are available for review on the westfield.com/corporate website. These announcements, presentations and reports are placed on the website immediately after they have been released to the ASX. An archive of announcements, presentations and reports is retained on the website for at least three years. Members with access to email can, through the westfield.com/corporate website, elect to be placed on an email mailing list in order to be sent certain corporate information as it is released.

Also available for review on the westfield.com/corporate website are notices of members' meetings and explanatory documents issued by Westfield in respect of those meetings. These are retained on the website for at least three years. Annual General Meetings (AGMs) are broadcast live on the westfield.com/corporate website. A copy of the Chairman's address to the AGM, the AGM presentation and the outcome of voting on the items of business are posted to the website following the AGM.

Members are encouraged to attend the AGM held each year and to use these opportunities to ask questions and vote on important matters affecting the Group, including the election of Directors, the receipt of annual financial statements and the advisory vote on the remuneration report. The external auditor attends the AGM and is available to answer questions. Members may appoint proxies electronically through the westfield.com/corporate website.

The Group encourages members to access the Annual Report online to assist with the Group's commitment to the environment, as well as being more cost efficient. A printed copy of the Annual Report will only be sent to those members who have made an election to receive it. Otherwise members will be notified when the Annual Report is available to be accessed online at the westfield.com/corporate website.

Members are also encouraged to provide the Group with their email addresses so that they can be notified when the Annual Report is available online and also to be kept updated on other member communications.

The Group works closely with its share registrar to monitor and review the potential to increase the use of electronic means of communicating with its investors.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

7.1 Risk oversight and management and internal control

The responsibilities of the Board Risk Management Committee are detailed in the Board Risk Management Committee Charter, which is available in the corporate governance section of the [westfield.com/corporate website](http://westfield.com/corporate-website).

The objective of the Committee is to assist the Board by monitoring and reviewing the corporate policies for identifying and managing relevant risks associated with the business of the Group and the adequacy of the Group's practices and procedures in implementing those policies. This involves monitoring and reviewing:

- (a) in conjunction with management, the Group's policies regarding risk oversight and risk management which are incorporated in the Enterprise Risk Management Policy and Enterprise Risk Management Framework;
- (b) the appropriateness of the Enterprise Risk Management Policy and internal control systems adopted by the Group;
- (c) the Group's continuing processes for:
 - (i) the identification of material occupational health and safety, financial, legal and operational risks associated with the conduct of the business of the Group;
 - (ii) the maintenance of appropriate internal control systems designed to manage key risk areas;
 - (iii) assessing the above matters in conjunction with management and the internal and external auditors; and
 - (iv) monitoring and reporting against compliance with the Enterprise Risk Management Policy and Enterprise Risk Management Framework.

As at the date of the Annual Report, the composition of the Board Risk Management Committee is as set out in the table below:

Name	Position Held	Status
David H Lowy	Chairman	Non-Executive Director
Stephen P Johns	Member	Non-Executive Director
John McFarlane	Member	Independent Director

The Committee met four times during the Financial Year. Dr Weiss retired from the Board on 27 May 2010 and attended two out of the four meetings. All other members of the Committee attended all the meetings of the Committee.

The Charter of the Board Risk Management Committee appears in the corporate governance section of the [westfield.com/corporate website](http://westfield.com/corporate-website).

Operating a vertically integrated shopping centre group undertaking ownership, construction, funds and asset management, property management, leasing and marketing inevitably involves risks of various kinds. Westfield's objective is to ensure that those business risks are identified and assessed and that, where it is practical and economic, steps are taken to mitigate the impact of any risk which may eventuate.

The Group regards risk management as an essential element in its management processes with linkages to every aspect of the Group's business including health and safety issues in respect of employees, contractors and visitors, the acquisition of new shopping centres, development of existing centres, expansion into new markets, relationships with major tenants and suppliers and treasury and capital management activities.

Westfield's approach to risk management involves:

- pro-actively identifying risk;
- properly assessing and making informed decisions on risk issues;
- ensuring that sound risk management issues are in place; and
- reviewing, as part of its regular business processes, the operation and adequacy of its risk management systems and the assumptions which dictate those systems.

Risk management at Westfield is aimed at managing the level of risk within parameters which are acceptable to the Group, rather than seeking to eliminate all risks. Westfield's risk management systems promote the need for informed and measured decision making on risk issues based on a systematic approach to risk identification, assessment, control, review and reporting.

The Westfield Group Board has adopted an Enterprise Risk Management Policy which is a general statement of the Group's philosophy with respect to risk management practices. The policy states the responsibilities of various stakeholders including the Board, various committees and executives generally. The Enterprise Risk Management Policy operates in conjunction with the Enterprise Risk Management Framework (also adopted by the Board) which outlines the framework adopted by the Group to identify, assess, manage and monitor the various risks inherent in the Group's business.

The Group's implementation of the Enterprise Risk Management Policy and Framework has been undertaken as follows:

- in conjunction with KPMG, each country and the corporate head office (Sydney) identified and assessed relevant risks;
- a risk profile was created with respect to each risk detailing current controls and planned improvements in those controls;
- each risk profile is reviewed as part of the budget process or more frequently if a change in circumstance occurs which materially impacts on the Group's assessment of the identified risk;
- planned process improvements are noted in an action register and followed up to ensure appropriate action is taken; and
- regular review of these processes by the Group's risk management and internal audit functions.

7.2 Management of material business risks

In addition to the Board Risk Management Committee, the Board has delegated specific risk related responsibilities to the Executive Risk Management Committee which comprises the Group Chief Financial Officer, the Group General Counsel, the Deputy Group Chief Financial Officer, the Chief Operating Officers for each country in which the Group operates and the Chief Risk Officer.

This committee is responsible for:

- assisting in the formulation of all aspects of the risk management process to be adopted by the Group;
- overseeing the implementation of the Group's policies and procedures by management by ensuring that all phases of the process of identification, assessment, control, review and reporting are reflected appropriately in the business processes of the Group;
- ensuring that there is a proper allocation of responsibility for the implementation and conduct of the risk management process as between the Group's management in the various jurisdictions; and
- implementing appropriate systems for confirming compliance with all relevant laws and other regulatory obligations are complied with and for ensuring that the risk management processes of the Group are such that the Group Managing Directors and the Chief Financial Officer are able to give those certifications which are required to be given in order to comply with the Corporations Act, applicable accounting standards and the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

The Executive Risk Management Committee reports to the Board, through the Board Risk Management Committee, on the effectiveness of the Group's management of its material risks.

7.3 Executive Chairman, Group Managing Directors and Chief Financial Officer Assurance

The Executive Chairman, the Group Managing Directors and the Group Chief Financial Officer are required to confirm in writing to the Board, at the time the financial statements are being considered for approval by the Board, that in all material respects:

- the financial statements present a true and fair view; and
- that this assertion is founded on a sound system of financial risk management and internal compliance and control which implements the policies adopted by the Board; and
- that the Group's financial risk management and internal compliance and control systems are operating efficiently and effectively in all material respects in relation to financial reporting risks.

The Board receives regular reports from management, the Audit and Compliance Committee and the Board Risk Management Committee on areas where there are considered to be significant business risks and on the management of those risks. The internal audit function also monitors these risks and reports to the Audit and Compliance and Board Risk Management Committees.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

The Group's remuneration policy is designed to attract and retain high calibre directors and senior executives capable of meeting the specific management needs of the Group.

The Group's current remuneration objectives and policies regarding determination of base pay, the short term variable bonus and long term equity linked incentives are explained in the Remuneration Report which forms part of the Directors' Report.

Details of the remuneration of all Directors, the five senior executives receiving the highest remuneration and key management personnel within the Group are also set out in the Remuneration Report.

8.1 Remuneration Committee

The Remuneration Committee is a committee of the Company only, as Westfield Trust and Westfield America Trust, as well as their responsible entities, have no employees.

The composition of the Remuneration Committee is as set out in the table below:

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

The Committee met three times during the Financial Year. All members of the Committee attended those meetings.

The objective of the Committee is to assist the Board in establishing remuneration policies and practices which:

- enable the Group to attract and retain executives and Directors who will create sustainable value and returns for members and other stakeholders;
- fairly and responsibly reward executives and Directors, having regard to the performance of the Group, the executive and the external compensation environment; and
- comply with all relevant legislation and regulations including the ASX Listing Rules and the Corporations Act.

The Charter of the Remuneration Committee may be viewed on the corporate governance section of the westfield.com/corporate website.

The responsibilities of the Remuneration Committee include:

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

8.2 Structure of Non-Executive Directors' Remuneration

Fees paid to Non-Executive Directors are determined by the Board, within the current maximum aggregate limit set by members of the Company. Current fees and emoluments are fully disclosed in the Remuneration Report section of the Directors' Report. Directors' fees are reviewed annually by the Remuneration Committee and by the Board taking into consideration the level of fees paid to non-executive directors by companies of a similar size and stature.

Non-Executive Directors receive their fees in cash. The Non-Executive Directors do not participate in schemes designed for the remuneration of executives, nor do they receive options or bonus payments. The gross fee received by Non-Executive Directors is inclusive of any contribution that the Westfield Group is obliged to pay pursuant to the superannuation guarantee legislation. Non-Executive Directors are not entitled to any payment on retirement or resignation from the Board.

8.3 Equity Linked Executive Remuneration

In 2004, following the Westfield Group Merger (Merger), two equity-linked plans, the Executive Deferred Award Plan (EDA Plan) and the Partnership Incentive Plan (PIP Plan) were introduced to replace the Westfield Executive Option Plan and Westfield Executive Performance Share Plan. A description of these plans and their operation is included in the Remuneration Report section of the Directors' Report.

Although benefits payable under the EDA Plan and the PIP Plan are affected by movements in the value of Westfield Group stapled securities and distributions paid on those securities, on the vesting of entitlements under these plans, no equity is issued to participating executives. On vesting of an award under the EDA or the PIP award, the executive receives a cash payment equal to the aggregate of distributions and capital growth of a Westfield Group security over the life of the award. The cash proceeds are taxed in the hands of the executive as ordinary income in the year of receipt. Implementation of these plans did not require member approval under the Corporations Act, the ASX Listing Rules or any other relevant legislation.

The fundamental reason why the EDA and the PIP Plans are cash settled rather than equity settled is that tax laws previously in force did not provide the same exemptions for options over trust units as existed over shares in listed companies.

In 2007, the Federal Government introduced legislation to correct this position with regard to stapled securities, such as the Westfield Group, where a share in a company (Westfield Holdings Limited) is stapled to units in a trust (Westfield Trust and Westfield America Trust).

As a result of this change, in 2008, the Group introduced performance rights plans (Performance Right Plans) in Australia and selectively in the United States and United Kingdom.

The Performance Rights Plans were not introduced generally across all jurisdictions because, having considered various options, the Group determined that it was not feasible to introduce a global equity settled incentive plan which was appropriate for broad distribution to all participants in the existing incentive plans. The Group considered that the administrative burden which would be placed on executives who would be required to make arrangements to receive and sell Westfield Group stapled securities in the Australian market outweighed any perceived advantages of an equity settled plan. Accordingly, the Group decided that it would continue with the existing EDA and PIP Plans in all jurisdictions, apart from Australia and a small group of participants in the United States and the United Kingdom.

The Performance Rights Plans operate essentially in the same manner as the EDA and PIP Plans except that entitlements will be satisfied by the issue or transfer of Westfield Group stapled securities to the plan participant on vesting of the right (as opposed to the payment of a cash amount). A description of the Performance Rights Plans and their operation is included in the Remuneration Report section of the Directors' Report.

With regards to both equity linked and equity settled incentive plans, the Board has adopted a Hedging of Executive Awards and Performance Rights Policy that prohibits executives who participate in the Group's equity settled incentive plans from entering into any hedging arrangements or other derivative transactions in respect of outstanding benefits (whether or not those benefits are subject to unsatisfied performance hurdles) under those plans.

The primary purpose of the prohibition is to ensure that, at all times until the awards vest, there is an appropriate alignment between the interests of the Group and its members and the interests of the executives participating in the incentive plans. That alignment potentially ceases if the executive's economic interest in the award is hedged, with the effect that the executive is not affected, or is affected to a lesser extent, by the positive or negative movement in the value of the Group's securities. This policy can be viewed on the corporate governance section of the Westfield.com/corporate website.

9. DIVERSITY IN WESTFIELD

As noted at 2 above, the Board is undertaking a review and assessment of its current practices, including how the Board and the Nomination Committee presently take into account the diversity criteria when identifying and assessing potential Director candidates and members of the senior management team.

Where appropriate, the Board will amend Board and Committee charters to expressly incorporate the diversity criteria into Board and Committee objectives and responsibilities.

Westfield seeks to build a workforce reflective of the communities in which our shopping centres serve.

The Group values an inclusive culture where all people are able to succeed to the best of their ability. These principles also guide our employees' conduct in all their dealings with stakeholders of the Group.

Diversity is regarded as key factor in enabling the Group to attract the broadest range of talent in the market.

Our commitment to diversity requires that we work to ensure an environment which is supportive of equity and access for all our staff to career opportunities, development, remuneration and benefits.

An internal working group comprising representatives across the business regularly meets to review the effectiveness and impact of policies and strategies relating to diversity. This working group is sponsored by an internal Leadership Council comprising a number of business executives from across the business and makes recommendations to senior management on key focus areas and objectives with a view to improving diversity within the Group.

The Group's commitment to diversity is also reflected in a number of existing programs and initiatives designed specifically to develop and support women within Westfield as well as supporting indigenous Australians through GenerationOne.

Women in Westfield

Westfield recognises that working towards gender diversity and equality is essential to attracting and retaining the best talent in our business. To this end, Westfield is committed to developing and supporting women in Westfield.

Professional development is available for all employees, with additional emphasis and focus placed on leadership development throughout all levels of our talent pipeline. All employees are provided with opportunities to strengthen their leadership skills and capabilities, and enhance their potential for leadership positions in the future.

Westfield currently operates several management and leadership programs within its business and actively develops female executives through these programs.

In 2009, the Group piloted Connect, a program which provides mentoring and networking opportunities to promote knowledge sharing and business learning for female managers and high potential employees in our business. The pilot program has proven to be successful and Connect is now a permanent component in the Group's program to develop and support female leaders across the business.

Westfield's performance management and remuneration strategies provide an equitable and consistent approach to ensure that all employees are fairly rewarded for the value they create within their business area.

Westfield's Parental Leave Policy aims to provide employees with sufficient options and choices to enable them to devote time and care to their new or adopted children without disadvantaging their career. Paid parental leave is available to employees based on a sliding scale of entitlement.

In addition, the "In Touch" program assists new parents to remain as active and involved in their career as they wish whilst on parental leave. Employees on parental leave are invited to attend relevant training programs, seminars or conferences to keep them up to date on developments within their area of business and help support their transition back to work.

GenerationOne

GenerationOne is a national movement that is focussed on ending the disparity between indigenous and non-indigenous Australians in one generation by providing real opportunities in education, training, mentoring and employment to indigenous Australians. Westfield is proud to support this initiative.

Westfield supports GenerationOne by promoting its message across all shopping centre websites and electronic direct marketing email communication. Westfield also provides GenerationOne with access to the large format digital network and space in various shopping centres.

Westfield is also a signatory to the Australian Employment Covenant (AEC), a national industry-led initiative to help end the cycle of unemployment and poverty amongst indigenous Australians.

The AEC is the first of its kind initiative and represents a significant commitment to providing indigenous Australians with a real opportunity to achieve their full potential as productive members of Australian society. The AEC is a three way commitment between the Australian government, employers and indigenous Australians.

The Group continues to focus on enhancing diversity through a range of strategies at the Board and business levels, which in turn contribute significantly to the Group's business and to achievement of the business values which we have established.

ASX CORPORATE GOVERNANCE COUNCIL

Corporate Governance Principles and Recommendations

ASX Principle		Reference *	Comply (Y/N)
Principle 1: Lay solid foundations for management and oversight			
1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	Corporate Governance Statement – section 1.1	Y
1.2	Companies should disclose the process for evaluating the performance of senior executives.	Corporate Governance Statement – sections 1.2 and 1.3	Y
1.3	Companies should provide the following information: <ul style="list-style-type: none"> – an explanation of any departure from Recommendations 1.1, 1.2 or 1.3; – whether a performance evaluation for senior executives has taken place in the reporting period and whether it was in accordance with the process disclosed. A statement of matters reserved for the board, or the board charter or the statement of areas of delegated authority to senior executives should be made publicly available, ideally by posting it to the company's website in a clearly marked corporate governance section.	N/A Corporate Governance Statement – section 1.3 The Board Charter can be found at westfield.com/corporate	Y

* The reference refers to the corresponding paragraph in the Corporate Governance Statement or to the Directors' Report.

Corporate Governance Statement (continued)

ASX CORPORATE GOVERNANCE COUNCIL (CONTINUED)

Corporate Governance Principles and Recommendations

	ASX Principle	Reference *	Comply (Y/N)
Principle 2: Structure the board to add value			
2.1	A majority of the board should be independent directors.	Corporate Governance Statement – section 2.1	Y
2.2	The chairperson should be an independent director.	Corporate Governance Statement – section 2.2	N
2.3	The roles of chairperson and chief executive officer should not be exercised by the same individual.	Corporate Governance Statement – section 2.2	N
2.4	The board should establish a nomination committee. The nomination committee should be structured so that it: – consists of a majority of independent directors; – is chaired by an independent director; – has at least three members.	Corporate Governance Statement – section 2.3	Y Y N Y
2.5	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	Corporate Governance Statement – section 2.3	Y
2.6	Companies should provide the following information in the corporate governance statement of the annual report: – the skills, experience and expertise relevant to the position of director held by each director in office at the date of the annual report; – the names of the directors considered by the board to constitute independent directors and the company's materiality thresholds; – the existence of any of the relationships listed in Box 2.1 and an explanation of why the board considers a director to be independent, notwithstanding the existence of those relationships; – a statement as to whether there is a procedure agreed by the board for directors to take independent professional advice at the expense of the company; – the period of office held by each director in office at the date of the annual report; – the names of members of the nomination committee and their attendance at meetings of the committee; – whether a performance evaluation for the board, its committee and directors has taken place in the reporting period and whether it was in accordance with the process disclosed; – an explanation of any departures from recommendations 2.1, 2.2, 2.3, 2.4, 2.5 or 2.6. The following material should be made publicly available, ideally by posting it to the company's website in a clearly marked corporate governance section: – a description of the procedure for the selection and appointment of new directors and the re-election of incumbent directors; – the charter of the nomination committee or a summary of the role, rights, responsibilities and membership requirements for that committee; – the board's policy for the nomination and appointment of directors.	Corporate Governance Statement Section 2.1 – cross reference to Directors' biographies Section 2.1 Section 2.1 Section 2.3 Section 2.1 Section 2.3 Section 2.3 Section 2.2 Section 2.3	Y Y Y Y Y Y Y Y Y Y
Principle 3: Promote ethical and responsible decision making			
3.1	Companies should establish a code of conduct and disclose the code or a summary of the code as to: – the practices necessary to maintain confidence in the company's integrity; – the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; – the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	Corporate Governance Statement – section 3.1 The Directors' Code of Conduct can be found at westfield.com/corporate	Y Y
3.2	Companies should establish a policy concerning trading in company securities by directors, senior executives and employees and disclose the policy or a summary of that policy.	Corporate Governance Statement – section 3.2	Y
3.3	Companies should provide the following information: An explanation of any departures from Recommendations 3.1, 3.2 or 3.3. The following material should be made publicly available, ideally by posting it to the company's website in a clearly marked corporate governance section: – any applicable code of conduct or a summary; – the trading policy or a summary.	N/A The Directors' Code of Conduct, Security Trading Policy and Hedging of Executive Awards and Performance Rights Policy can be found at westfield.com/corporate	Y

* The reference refers to the corresponding paragraph in the Corporate Governance Statement or to the Directors' Report.

ASX CORPORATE GOVERNANCE COUNCIL (CONTINUED)

Corporate Governance Principles and Recommendations

ASX Principle		Reference *	Comply (Y/N)
Principle 4: Safeguard integrity in financial reporting			
4.1	The board should establish an audit committee.	Corporate Governance Statement – section 4.1	Y
4.2	The audit committee should be structured so that it: <ul style="list-style-type: none"> – consists only of non-executive directors; – consists of a majority of independent directors; – is chaired by an independent chair, who is not chair of the board; – has at least three members. 	Corporate Governance Statement – section 4.1	Y Y Y Y
4.3	The audit committee should have a formal charter.	Corporate Governance Statement – section 4.1	Y
4.4	Companies should provide the following information: <ul style="list-style-type: none"> – the names and qualifications of those appointed to the audit committee and their attendance at meetings of the committee; – the number of meetings of the audit committee; – explanation of any departures from Recommendations 4.1, 4.2, 4.3 or 4.4. The following material should be made publicly available, ideally by posting it to the company's website in a clearly marked corporate governance section: <ul style="list-style-type: none"> – the audit committee charter; – information on procedures for the selection and appointment of the external auditor, and for the rotation of external audit engagement partners. 	Corporate Governance Statement – section 4.1 N/A The Audit and Compliance Committee Charter and the Charter of Non-Audit Services can be found at westfield.com/corporate	Y Y Y Y
Principle 5: Make timely and balanced disclosure			
5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at senior executive level for that compliance and disclose those policies or a summary of those policies.	Corporate Governance Statement – section 5.1	Y
5.2	An explanation of any departures from Recommendations 5.1 or 5.2 should be included in the corporate governance statement in the annual report. The policies or a summary of those policies designed to guide compliance with Listing Rule disclosure requirements should be made publicly available, ideally by posting them to the company's website in a clearly marked corporate governance section.	N/A The Continuous Disclosure and Communications Policy can be found at westfield.com/corporate	 Y
Principle 6: Respect the rights of shareholders			
6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	Corporate Governance Statement – section 6.1	Y
6.2	An explanation of any departure from Recommendations 6.1 or 6.2 should be included in the corporate governance statement in the annual report. The company should describe how it will communicate with its shareholders publicly, ideally by posting this information on the company's website in a clearly marked corporate governance section.	N/A The Continuous Disclosure and Communications Policy can be found at westfield.com/corporate	 Y
Principle 7: Recognise and manage risk			
7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Corporate Governance Statement – section 7.1	Y
7.2	The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	Corporate Governance Statement – section 7.2	Y
7.3	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system or risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Corporate Governance Statement – section 7.3	Y

* The reference refers to the corresponding paragraph in the Corporate Governance Statement or to the Directors' Report.

Corporate Governance Statement (continued)

ASX CORPORATE GOVERNANCE COUNCIL (CONTINUED)

Corporate Governance Principles and Recommendations

	ASX Principle	Reference *	Comply (Y/N)
7.4	<p>The following material should be included in the corporate governance statement in the annual report:</p> <ul style="list-style-type: none"> – an explanation of any departures from Recommendations 7.1, 7.2, 7.3 or 7.4; – whether the board has received the report from management under Recommendation 7.2; – whether the board has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) under Recommendation 7.3. <p>The following material should be made publicly available, ideally by posting it to the company's website in a clearly marked corporate governance section:</p> <ul style="list-style-type: none"> – a summary of the company's policies on risk oversight and management of material business risks. 	<p>N/A</p> <p>Corporate Governance Statement – sections 7.2 and 7.3</p> <p>The Charter of the Board Risk Management Committee can be found at westfield.com/corporate</p>	<p>Y</p> <p>Y</p> <p>Y</p>
Principle 8: Remunerate fairly and responsibly			
8.1	The board should establish a remuneration committee.	Corporate Governance Statement – section 8.1	Y
8.2	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	Corporate Governance Statement – section 8.2 and cross reference to Remuneration Report	Y
8.3	<p>The following material or a clear cross reference to the location of the material should be included in the corporate governance statement in the annual report:</p> <ul style="list-style-type: none"> – the names of the members of the remuneration committee and their attendance at meetings of the committee; – the existence and terms of any schemes for retirement benefits, other than superannuation, for non-executive directors; – an explanation of any departures from Recommendations 8.1, 8.2, or 8.3. <p>The following material should be made publicly available, ideally by posting it to the company's website in a clearly marked corporate governance section:</p> <ul style="list-style-type: none"> – the charter of the remuneration committee or a summary of the role, rights, responsibilities and membership requirements for that at committee; – a summary of the company's policy on prohibiting entering into transactions in associated products which limit the economic risk of participating in unvested entitlements under any equity-based remuneration schemes. 	<p>Corporate Governance Statement – section 8.1 Remuneration Report</p> <p>N/A</p> <p>The Charter of the Remuneration Committee and the Hedging of Executive Awards and Performance Rights Policy can be found at westfield.com/corporate</p>	<p>Y</p> <p>N/A</p> <p>Y</p>

* The reference refers to the corresponding paragraph in the Corporate Governance Statement or to the Directors' Report.

Westfield Group is listed on the Australian Securities Exchange (ASX) under the code "WDC".

Please visit our website at www.westfield.com/corporate for a variety of investor information on the Group.

For ease of navigation, the site map information below has been reorganised by subject.

Westfield Group Website – Site Map

About Westfield Group

- Group Overview
- Board of Directors
- Senior Management
- Corporate Governance
- Environment & Community
- Corporate Offices
- History
- Timeline

News & Announcements

- Media Releases
- ASX Announcements
- Presentations & Briefings
- Annual Reports
- Financial Results
- Calendar

Property Portfolio

- Australia
- New Zealand
- United Kingdom
- United States

Investor Services

- Security Price
- WDC Securityholding Information
- Guide for New Investors
- American Depositary Receipt Program (ADR)
- Frequently Asked Questions
- Register for E-News
- Contact Investor Services

Careers

- Australia
- New Zealand
- United Kingdom
- United States

Electronic Information

By becoming an electronic investor and registering your email address, you can receive via email Group news, notifications and announcements, dividend/distribution statements, taxation statements and annual reports.

Secure Access to Your Securityholding

Details 24 Hours a Day.

Online – You can go to www.westfield.com/corporate/investor-services to access your securityholding information as well as extensive information on the Group including the latest media releases, result announcements, presentations and more.

To view your securityholding, you will need your Holder Number (SRN/HIN) and will be asked to verify your registered postcode (inside Australia) or your country of residence (outside Australia).

Phone – You can confirm your holding balance, request forms and access distribution and trading information by phoning:

1300 132 211 or call +61 3 9415 4070 (outside Australia) then, pressing 1.

You will be asked to enter your Holder Number (SRN/HIN).

Westfield Group Securities

A Westfield Group stapled security comprises:

- 1 Westfield Holdings share
- 1 Westfield Trust unit
- 1 Westfield America Trust unit;

and trade together as one security.

Establishment of Westfield Retail Trust

In December 2010, the proposal to establish and separately list Westfield Retail Trust (ASX Code "WRT") was approved by securityholders. This was effected by a pro-rata distribution of units in the Trust to members of the Group, equating to a capital distribution to members of \$7.3 billion.

Information regarding the cost base of Westfield Retail Trust Stapled Units can be obtained at: www.westfield.com/corporate/investor-services/cost-base-wrt-securities

For further information about Westfield Retail Trust please visit www.westfieldretailtrust.com.

Westfield Group Distribution Details

Your interim distribution will be paid at the end of August and your final distribution paid at the end of February. Details of the 2010 year distributions are provided in the table below. To ensure timely receipt of your distribution, please consider the following:

Direct Credit

You can receive your distribution payment efficiently and safely by having it direct credited to your bank account. If you wish to register for direct credit, please complete the form and return it to the registry. This form can be downloaded from www.westfield.com/corporate/investor-services or by phoning our Registry on 1300 132 211 (Please have your Holder Number (SRN/HIN) available to quote). Alternatively, you can update your details directly online at www.westfield.com/corporate/investor-services/wdc-securityholding-information and by clicking on "Your Online Securityholding Details".

Distribution Reinvestment Plan (DRP)

A copy of the Westfield Group DRP Plan Rules and DRP Application Form can be downloaded from www.westfield.com/corporate/investor-services or by phoning our Registry on 1300 132 211 (Please have your Holder Number (SRN/HIN) available to quote). Alternatively, you can update your participation details directly online at www.westfield.com/corporate/investor-services/wdc-securityholding-information and by clicking on "Your Online Securityholding Details".

Ordinary Securities (Cents per Security)	
Dividends/distributions for the year ended 31 December 2010	63.56
Interim dividend/distribution for the six months ended 30 June 2010 paid on 31 August 2010	32.00
Dividend in respect of a Westfield Holdings share	n/a
Distribution in respect of a Westfield Trust unit	21.00
Distribution in respect of a Westfield America Trust unit	11.00
Final dividend/distribution for the six months ended 31 December 2010 paid on 28 February 2011	31.56
Dividend in respect of a Westfield Holdings share	5.00
Distribution in respect of a Westfield Trust unit	18.00
Distribution in respect of a Westfield America Trust unit	8.56

Note:

The DRP was suspended for the June 2010 and December 2010 Distributions.

Investor Relations (continued)

Tax File Number (TFN)

You are not required by law to provide your Tax File Number (TFN), Australian Business Number (ABN) or Exemption.

However, if you do not provide your TFN, ABN or Exemption, withholding tax at the highest marginal rate, currently 46.5% for Australian resident members, may be deducted from distributions paid to you. If you have not supplied this information and wish to do so, please advise our Registry or your sponsoring broker.

Alternatively, you can update your details directly online at www.westfield.com/corporate/investor-services/wdc-securityholding-information and by clicking on "Your Online Securityholding Details".

Annual Tax Statement and 2011 Tax Guide

The Annual Tax Statement and Tax Guide are dispatched to securityholders in July each year.

Copies of historic statements are also available at: www.westfield.com/corporate/investor-services.

Unpresented Cheques & Unclaimed Funds

If you believe you have unpresented cheques please contact the Registry who will be able to do a search for you and assist you in recovering your funds. The Registry will be able to do a search going back seven years. Before this period, you would need to contact the NSW Office of State Revenue. If you believe you have unclaimed money please refer to the NSW Office of State Revenue website at www.osr.nsw.gov.au, where you can search for your funds and make a claim to recover your funds online.

Australian Capital Gains Tax Considerations

A Westfield Group stapled security comprises three separate assets for capital gains tax purposes. For capital gains tax purposes you need to apportion the cost of each stapled security and the proceeds on sale of each stapled security over the separate assets that make up the stapled security. This apportionment should be done on a reasonable basis. One possible method of apportionment is on the basis of the relative Net Tangible Assets (NTAs) of the individual entities.

These are set out by entity in the table below.

Relative Net Tangible Assets (NTA) of entities in Westfield Group	30 Jun 10	31 Dec 10
Westfield Holdings	3.15%	4.04%
Westfield Trust	74.54%	67.27%
Westfield America Trust	22.31%	28.69%

American Depositary Receipts (ADR)

Westfield Group has an established ADR program providing a tradeable security in the United States.

Details of the ADR program are available on our website at: www.westfield.com/corporate/investor-services/american-depositary-receipts.

Contact Details

All changes of name, address, tax file number, payment instructions and document requests should be passed to the Registry or alternatively, you can update your details directly online at www.westfield.com/corporate/investor-services/wdc-securityholding-information and by clicking on "Your Online Securityholding Details".

Principal Share Registry

Computershare Investor Services P/L
GPO Box 2975
Melbourne VIC 3001
Telephone 1300 132 211
International +61 3 9415 4070
Facsimile +61 3 9473 2500
web.queries@computershare.com.au

All other queries are best directed to Westfield Group Investor Relations:

Level 24, 100 William Street
Sydney NSW 2011, Australia
GPO Box 4004
Sydney NSW 2001
Telephone +61 2 9358 7877
Facsimile +61 2 9358 7881
investor@au.westfield.com
www.westfield.com/corporate

Investor Feedback

If you have any complaints or feedback, please direct these in writing to Westfield Group Investor Relations at GPO Box 4004, Sydney NSW 2001.

Westfield Group Calendar

February

- Full Year Results released
- Distribution for 6 months ending December

March

- Annual Report released

May

- 1st Quarter Update
- Annual General Meeting

July

- Annual Tax Statements released

August

- Half Year Results released
- Distribution for the 6 months ending June

November

- 3rd Quarter Update

Members' Information

FOR THE YEAR ENDED 31 DECEMBER 2010

Twenty Largest Holders of Stapled Securities in Westfield Group*

		Number of Securities	% of Issued Securities
1.	HSBC Custody Nominees (Australia) Limited	701,004,259	30.36
2.	JP Morgan Nominees Australia Limited	410,295,835	17.77
3.	National Nominees Limited	284,420,575	12.32
4.	Cordera Holdings Pty Limited	119,507,561	5.18
5.	Citicorp Nominees Pty Limited	110,158,799	4.77
6.	AMP Life Limited	35,098,655	1.52
7.	Citicorp Nominees Pty Limited <CFS WSLE Property Secs A/C>	33,001,914	1.43
8.	JP Morgan Nominees Australia Limited <Cash Income A/C>	29,096,460	1.26
9.	Cogent Nominees Pty Limited	19,821,644	0.86
10.	Franley Holdings Pty Limited	16,975,434	0.74
11.	Mr Frank P Lowy	14,107,391	0.61
12.	Bond Street Custodians Limited <ENH Property Securities A/C>	12,595,223	0.55
13.	Cogent Nominees Pty Limited <SMP Accounts>	11,688,604	0.51
14.	Citicorp Nominees Pty Limited <CFSIL Cwlth Property 1 A/C>	10,787,666	0.47
15.	RBC Dexia Investor Services Australia Nominees Pty Limited <APN A/C>	10,753,995	0.47
16.	Citicorp Nominees Pty Limited <CFSIL CFS WS Indx Prop A/C>	10,470,995	0.45
17.	Queensland Investment Corporation	7,462,325	0.32
18.	Bond Street Custodians Limited <Property Securities A/C>	7,307,140	0.32
19.	Amondi Pty Ltd <W E O P T A/C>	5,869,425	0.25
20.	Citicorp Nominees Pty Limited <CISL LPT No 1 Account>	5,572,993	0.24
		1,855,996,893	80.40

* Ordinary shares in Westfield Holdings Ltd were stapled to units in Westfield Trust and Westfield America Trust as part of the Merger.

The stapled securities trade on the Australian Securities Exchange under the code WDC.

Voting Rights

Westfield Holdings Limited – At a meeting of members, on a show of hands, every person present who is a member or representative of a member has one vote, and on a poll every member present in person or by proxy or attorney and every person who is a representative of a member has one vote for each share they hold or represent.

Westfield Trust & Westfield America Trust – At a meeting of members, on a show of hands, every person present who is a member or representative of a member has one vote, and on a poll, every member present in person or by proxy or attorney and every person who is a representative of a member has one vote for each dollar value of the total interest they have in the respective trusts.

Distribution Schedule

Category	No. of Options*	No. of Option Holders	No. of Stapled Securities**	No. of Security Holders	% of Securities in each Category
1 – 1,000	0	0	33,132,562	66,867	1.43
1,001 – 5,000	0	0	131,382,729	59,617	5.69
5,001 – 10,000	0	0	48,210,799	6,912	2.09
10,001 – 100,000	52,500	1	78,168,911	3,502	3.39
100,001 and over	27,608,709	3	2,018,093,538	260	87.40
Total	27,661,209	4	2,308,988,539	137,158	100.00

As at 25 February 2011, 5,077 security holders hold less than a marketable parcel of quoted securities in the Westfield Group.

The number of options on issue include options on issue by Westfield Holdings Limited, Westfield Trust and Westfield America Trust.

Under the stapling arrangements each entity is required to issue securities on the exercise of options in one of the other entities.

* In addition, there are 27,661,209 options on issue to four subsidiaries of Westfield Holdings Limited. Due to the stapling structure of the Westfield Group, these options could not be exercised by these subsidiaries. The total number of options on issue at 25 February 2011 is 27,661,209.

** There are 4,387,551 performance rights on issue to a total of 137 Westfield Group employees. Under the stapling arrangement each of Westfield Holdings Limited, Westfield Trust and Westfield America Trust is required to issue securities on the vesting of a performance right.

Substantial Securityholders

The names of the Westfield Group's substantial securityholders and the number of ordinary stapled securities in which each has a relevant interest, as disclosed in substantial shareholding notices given to the Westfield Group, are as follows:

Members of the Lowy family and associates	179,598,386
Vanguard Investments Australia Ltd	117,007,468
BlackRock Investment Management (Australia) Limited	147,243,880

Westfield Group

Westfield Holdings Limited
ABN 66 001 671 496

Westfield Trust

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

Westfield America Trust

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

Registered Office

Level 24, Westfield Towers
100 William Street
Sydney NSW 2011

Telephone: +61 2 9358 7000
Facsimile: +61 2 9358 7077

United States Office

12th Floor
11601 Wilshire Boulevard
Los Angeles California 90025

Telephone: +1 310 478 4456
Facsimile: +1 310 478 1267

New Zealand Office

Level 2, Office Tower
277 Broadway
Newmarket, Auckland 1023

Telephone: +64 9 978 5050
Facsimile: +64 9 978 5070

United Kingdom Office

6th Floor, MidCity Place
71 High Holborn
London WC1V 6EA

Telephone: +44 20 7061 1400
Facsimile: +44 20 7061 1401

Secretaries

Simon J Tuxen
Maureen T McGrath

Auditors

Ernst & Young
The Ernst & Young Centre
680 George Street
Sydney NSW 2000

Investor Information

Westfield Group
Level 24, Westfield Towers
100 William Street
Sydney NSW 2011

Telephone: +61 2 9358 7877
Facsimile: +61 2 9358 7881
E-mail: investor@au.westfield.com
Website: www.westfield.com/corporate

Principal Share Registry

Computershare Investor
Services Pty Limited
Level 3, 60 Carrington Street
Sydney NSW 2000
GPO Box 2975
Melbourne VIC 3001

Telephone: +61 3 9415 4070
Enquiries: 1300 132 211
Facsimile: +61 3 9473 2500
E-mail: web.queries@computershare.com.au
Website: www.computershare.com

ADR Registry

Bank of New York Mellon
Depository Receipts Division
101 Barclay Street
22nd Floor
New York, New York 10286
Telephone: +1 212 815 2293
Facsimile: +1 212 571 3050
Website: www.adrbny.com

Code: WFGPY

Listing

Australian Securities Exchange – WDC

Website

westfield.com/corporate



Mixed Sources

Product group from well-managed
forests and other controlled sources
www.fsc.org Cert no. SGS-COC-003898
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The papers used in the production of this years Westfield Group reports are produced using environmentally responsible papers produced from FSC (mixed sources) certified pulp from well managed forests. Sumo Offset Laser is an environmentally responsible paper manufactured under the environmental management system ISO 14001 using Elemental Chlorine Free (ECF) pulp sourced from certified, well managed forests. Sumo Offset Laser is FSC Chain of Custody (CoC) certified (mixed sources), and both Novatech and Nordset are environmentally responsible papers produced from FSC (mixed sources) certified pulp from well managed forests and are Elemental Chlorine Free (ECF). They are manufactured by Nordland Papier, a company certified with environmental management systems ISO 14001 and EMAS, the EU Eco-management & Audit Scheme (Reg. No.D-162-00007). Nordset and Novatech have also been awarded the EU "Flower" Eco-label certification.



Westfield

www.westfield.com/corporate