25 May 2011

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Dear Sir/Madam

WESTFIELD GROUP (ASX:WDC)
WESTFIELD HOLDINGS LIMITED ANNUAL GENERAL MEETING
CHAIRMAN'S ADDRESS TO MEMBERS

Attached is a copy of the address by the Chairman, Mr Frank Lowy AC, which will be delivered at today's Annual General Meeting of Westfield Holdings Limited.

The address includes (at page 5) additional information in relation to retail sales for the March/April months in 2011.

Yours faithfully
WESTFIELD GROUP

Simon Tuxen
Company Secretary

Encl.

ADDRESS TO MEMBERS
WESTFIELD HOLDINGS LIMITED
ANNUAL GENERAL MEETING
HELD ON WEDNESDAY, 25 MAY 2011, 10:00AM
CENTENNIAL HALL AT THE SYDNEY TOWN HALL
483 GEORGE STREET, SYDNEY NSW 2000

CHECK AGAINST DELIVERY

Ladies and gentlemen

For the past 25 years I have addressed you at these meetings as executive chairman, a role I will relinquish at the conclusion of today's meeting.

I will then begin a new life – as non-executive Chairman - and Peter and Steven Lowy will assume responsibility as joint Chief Executive Officers.

I must say that since this change was announced two months ago, while significant, it has not changed my relationship with this company that has been my life for more than 50 years.

That's because this change has taken place over time.

One of my overriding ambitions with this company has been to make certain that any major changes develop in a timely fashion. That they happen at the right time, and for the right reasons.

In my case, I wanted to make this change at a time of my choosing which was also right for the company.

This change is one of many that have been carefully planned over the past 10 years.

It is well known to the market and the media that over our history we have changed our capital structure to move with the times and make the most of the opportunities before us.

It is less well known that we have also been continually evolving the human side of our business as well.

But our succession planning, as it is called, has received just as much attention from us as the capital management side.

From the earliest days of the company we have paid close attention to making sure we have the right people in the right jobs.

We have recruited the right people, and done our best to keep them at Westfield. And we've been pretty successful at it.

I said that the change in my role is significant - and it is.

As non-executive Chairman I will no longer be as involved in the day-to-day management of the company as I once was. I will remain an active and involved chairman. I will stay close to the business and contribute to strategy and be part of all major decision-making for the Group.

I think it is pretty clear that the Board has very deliberately devolved executive authority and responsibility over the past several years not only to Peter and Steven, but to a core group of the most senior executives.

Just as we have made changes to our executive structure, we have also continued to rejuvenate the board over the past several years, introducing new directors with the skill and experience to complement a core body of longer-serving members.

This year, we are seeing more significant changes to the board.

Brian Schwartz is to be our new Deputy Chairman; our Chief Financial Officer, Peter Allen is being nominated for the board today as Finance Director as is Ilana Atlas who is joining us via video.

Peter Allen is well known to most of you, and Ilana is a highly-respected company director. The experience and qualifications of both Peter and Ilana are documented in the Notice of Meeting and will be discussed later in the meeting when the relevant resolutions are considered.

In another development for the board, our current Deputy Chairman, David Lowy and David Gonski have both decided to leave the board after long periods of distinguished service.

These two outgoing directors have made an enormous contribution to the Group over a long period.

David Lowy began with the company in 1977 when he took over the management of the Trumbull Shopping Centre in Connecticut. He was instrumental in establishing our business in the US and then played a leading role in our major expansion in that country throughout the 1990s.

David has an intuitive feel for the shopping centre business. This was shown time and time again in decisions he made across all aspects of the business, from the shop floor of our smallest retail outlet, to the most complex international financial transactions.

The company has been fortunate to have the services of such a dedicated executive director, and later non-executive Deputy Chairman, for so many years.

While leaving Westfield in his official capacity, David's expertise will not be lost to us entirely.

He is responsible for managing the Lowy Family shareholding in Westfield and his ongoing perspective on the company from a shareholders' view will be extremely valuable.

So in that sense I know he will continue to contribute to the Group, and for that, and for his years of service to Westfield, on behalf of the board, shareholders and staff I would like to say: "Thank you David."

I must also thank another David for an outstanding contribution to Westfield.

For 25 years David Gonski has served the company in a number of roles, as an adviser, director and member of various committees of the board.

David's expertise as a company director and corporate adviser is renowned and we were fortunate indeed to be able to benefit from his dedicated service for so many years.

Like David Lowy, David Gonski was there from the beginning of the growth of the modern Westfield that got underway in the mid-to-late 1980s.

People frequently observe how busy David must be given his commitments to many different business and philanthropic pursuits. And it's true that he is busy.

But David has been an exemplary director. In 25 years he has hardly missed a board or committee meeting. He always shows up with a full grasp of the subject matter and is ready to debate and challenge management and the board – but always in the most productive way.

So I say to David Gonski, from the board, shareholders and staff at Westfield: "Thank you" for your wonderful contribution to the Group.

Ladies and gentlemen, the past year was another busy one for the company.

Two of the most significant events this year continued long-running Westfield themes – the ongoing evolution of our capital structure, and moving with the times to stay in touch with the changing retail and consumer landscape.

In the first instance, in December last year, we created the new Westfield Retail Trust, which is now a joint venture partner in 54 Westfield centres in Australia and New Zealand.

And last October, the Group made its first move into online retailing with the launch of Westfield.com, which offers a range of benefits and opportunities for both retailers and shoppers.

We are also using the internet to encourage more customers to visit our centres, with a range of innovative marketing and promotional initiatives which reinforce our more traditional marketing programs.

Ladies and gentlemen, as I said earlier, I will remain an active chairman and it's right that I should, because there is plenty to do!

The Global Financial Crisis is for all practical purposes behind us and there is more reason than ever to believe that the broad economic outlook is more positive than it has been for some time.

The US economy appears to be on the way back and this is supported by what we are seeing in our business there.

In Australia, the nation is embarking on what could prove to be its most productive and profitable era, thanks in large measure to the mining boom.

It is true that there are conflicting messages about the economy here. Many sectors are finding conditions rather difficult. At present, that includes the retail sector.

But if we take a medium to long-term view, the fundamentals of the Australian economy are strong, and this will underpin the growth of shopping centres into the foreseeable future.

In the United Kingdom, while there are some fundamental economic issues for the country as a whole, we are very excited about the prospects for our two major shopping centres - **Westfield London**, which achieved more than £900 million in sales in the twelve months to March this year - and **Westfield Stratford City**, which will open later this year.

As we recently reported, the first quarter of 2011 has seen continued strong performance across the entire portfolio globally. In the United States, there is continued improvement in sales productivity for our retailers and consequently, in the level of rents we are able to achieve.

In Australia, our portfolio remains solid with strong demand from retailers for space and moderate sales growth for our speciality retailers.

And in the United Kingdom, Westfield London simply continues to power ahead.

Our most recent sales figures which we received only this week, confirm this improving outlook in all the markets in which we operate.

Specialty store sales in the US for the combined months of March and April 2011, which included the Easter period, were up 7% on the same period last year.

In Australia they were up 4.4% and in New Zealand, they were up 3.6%.

For Westfield London, sales for those two months were up nearly 20% on last year.

This is quite strong and consistent evidence that retail conditions in all these markets are improving and we are hopeful that this trend will continue.

These factors give us confidence to resume our redevelopment program which we stopped during the Global Financial Crisis.

In the next five to seven years we expect to commence more than $10 billion of development activities around the world.

In 2011 we are on track to commence between $750 million and $1 billion of new development starts, including our UTC centre in San Diego, California – our first major development in the US in four years.

And with the continuing improvement in economic conditions generally, we have upgraded our forecast development starts for both 2012 and 2013 to between $1.25 and $1.5 billion per year.

In the United Kingdom, our £1.8 billion shopping centre at Stratford is at the site of the 2012 London Olympics.

It is not just a wonderful new shopping centre. It will be the focus of a regeneration of the whole east end of London.

Here in Sydney we have almost completed the opening of the retail component of the new Westfield Sydney and the office component is on track to open around April next year. This centre has already had a very positive impact on the CBD, and has given shoppers access to a range and quality of retail not seen here before.

Centres like Westfield Sydney and our new centre at Stratford are rewriting the rules about what a shopping centre can be, and the type of retailers and services it can offer.

This focus on landmark centres began more than 10 years ago when we began planning Bondi Junction.

Here was an old, run-down centre, but positioned in the heart of the highest-income area of the country.

There was an opportunity to redevelop the centre outside the traditional mould of shopping centres. Our aim was to be more adventurous and creative – in both design and services, and in the kind of retailers we attracted.

The immediate success of Bondi Junction gave us confidence to take a similar approach at other centres which were poised for redevelopment, especially at Century City in Los Angeles, San Francisco and more recently at Westfield London, Westfield Sydney and at Stratford in London.

I believe these kinds of centres will become increasingly important to the cities they serve, and to Westfield, in the years ahead. Not only are they incredibly valuable assets in themselves, but they become beacons for our brand. They advertise our shopping centre knowledge to potential partners and investors, and to new retailers.

But it is not just these projects that herald the exciting new era I spoke of.

We have signalled our intention to enter into more joint venture arrangements, especially in the United States.

And we are also planning to focus on our most productive assets in the US and United Kingdom.

The aim is to ensure that we continue to improve the quality of shopping centre assets in our portfolio, and deploy our capital resources in the most efficient manner.

By managing our capital efficiently, we are able to consider other new opportunities.

Historically, Westfield's offshore growth has been in the US and New Zealand, and more recently in the UK – all markets that share similar economic and cultural characteristics with Australia.

But there are other markets with stable and mature retail environments which present opportunities for Westfield to apply its expertise and improve the management and increase the value of existing shopping centres in those markets.

We will continue to consider each of these opportunities on their merits, and proceed only where we are confident they will create value for shareholders.

Ladies and gentlemen, it is customary for me to provide guidance to this meeting about our financial forecast for the year ahead.

I am pleased to reconfirm our earlier operational segment earnings forecast of $1.7 billion which equates to 74.6 cents per security. Funds from Operations are expected to be between $1.47 and $1.5 billion - which equates to between 64 and 65 cents per security. And we expect a distribution of 48.4 cents per security for 2011.

That guidance is confirmed despite the falling value of the US dollar which has depreciated more than 10% in the period since the original guidance was given.

In the same period, the value of the pound against the Australian dollar has also decreased by more than 7%.

This rapid and significant increase in the value of the Australian dollar does have an impact on the value of our foreign income when reported to you in Australian dollars.

We have been able to maintain our earnings and distribution forecasts through a combination of continued strong performance at the operating level as well as prudent capital and treasury management.

In particular, we have been able to position ourselves to take advantage of the continued low interest rate environment in the United States so that the Group has benefited from lower than expected funding costs.

I would also like to acknowledge the contribution of the board over the past year, and the hard work and dedication of our staff upon which our future success depends.

I hope you can tell from my remarks today that the period ahead holds great promise for our company.

We have emerged from the global financial crises not just intact, but in great shape.

We have a strong balance sheet, high quality assets and solid growth forecasts.

We also have the prospect of extending our business and the Westfield brand into new markets around the world and this presents us with a number of exciting opportunities.

I look forward to addressing you about further developments in the growth of our business at next year's meeting.

-ENDS-